City of Hutchinson, Kansas

Annual Financial Report

For the Year Ended December 31, 2025

Submitted By:

Finance Department

City of Hutchinson, Kansas

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Annual Financial Report
For the Year Ended December 31, 2025
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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, 2025, 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, 2025, 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 of Hutchinson, Kansas as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1—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.

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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 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 2025 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 2025 basic financial statement; however, they are required to be presented under the provisions in the *Kansas Municipal Audit and Accounting Guide*. 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 2025 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 2025 basic financial statement. The 2025 information has been subjected to the auditing procedures applied in the audit of the 2025 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 2025 basic financial statement or to the 2025 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 2025 comparative information is fairly stated, in all material respects, in relation to the 2025 basic financial statement as a whole, on the basis of 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, 2024, not presented herein, and have issued our report thereon dated September 19, 2025, which contained an unmodified opinion on the regulatory basis basic financial statement. The 2024 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 https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended December 31, 2025 (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 2024 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 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 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 2024 basic financial statement or to the 2024 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 2024 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, 2024, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2026, 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.



Certified Public Accountants

Hutchinson, Kansas
September 22, 2026

City of Hutchinson
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

	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	$ 7,191,499	$ 7,025	$ 44,094,009	$ 46,405,990	$ 4,886,543	$ 946,946	$ 5,833,489
Special Purpose Funds							
Special Street	-	-	2,203,997	2,203,997	-	24,147	24,147
Special Parks & Recreation	-	-	306,971	306,971	-	28,630	28,630
Special Alcohol Programs	252,680	-	132,604	80,500	304,784	-	304,784
Economic Opportunity Fund	518,465	-	150,000	262,804	405,661	100,000	505,661
Convention & Tourism Promotion	-	-	841,595	841,595	-	-	-
Recreation Commission	110	-	1,523,503	1,525,019	(1,406)	-	(1,406)
Animal Shelter	-	-	910,829	910,829	-	20,054	20,054
Opioid Settlement Fund	216,690	-	58,877	51,800	223,767	-	223,767
Community Improvement District	-	-	681,124	648,069	33,055	-	33,055
E 911 Surcharge	734,276	-	425,817	379,459	780,634	1,038	781,672
Federal and State Grants	(23,379)	-	836,492	681,068	132,045	744,247	876,292
Planning Projects	142,206	-	27,993	52,356	117,843	-	117,843
Gossage Animal Shelter Trust	-	-	7,434	7,434	-	-	-
Municipal Equipment Reserve	7,132,680	1,179	4,442,281	4,792,204	6,783,936	627,443	7,411,379
Bond and Interest Funds							
Bond and Interest	3,155,548	-	7,341,786	6,224,259	4,273,075	-	4,273,075
Sports Arena Sales Tax Fund	1,061	-	500,172	500,000	1,233	-	1,233
Capital Projects Funds							
Special Assessments	1,896,357	-	-	1,963,144	(66,787)	213,758	146,971
Capital Improvement	6,927,200	271,705	27,804,766	22,625,474	12,378,197	4,539,070	16,917,267
Business Funds							
Refuse	112,259	-	2,541,630	2,570,005	83,884	183,078	266,962
Golf Course	-	-	1,126,197	1,126,197	-	10,498	10,498
Airport	-	-	475,683	475,683	-	9,048	9,048
Water Utility	5,234,988	15,024	9,547,097	8,198,538	6,598,571	538,735	7,137,306
Sewer Utility	4,748,324	125	7,454,906	6,281,235	5,922,120	180,249	6,102,369
Storm Water Utility	6,889,823	3,828	2,393,417	1,919,554	7,367,514	7,111	7,374,625
Health & Dental Insurance	2,713,710	-	5,849,937	5,253,024	3,310,623	27,411	3,338,034
Risk Management	2,447,505	-	1,109,475	1,156,892	2,400,088	3,678	2,403,766
Worker's Compensation	2,563,648	-	579,438	543,188	2,599,898	-	2,599,898
Central Purchasing	24,897	-	2,237	2,237	24,897	341	25,238
Trust Funds							
Hutchinson Community Foundation	111,748	-	13,437	4,623	120,562	-	120,562
Donation	592,025	-	169,737	172,817	588,945	27,835	616,780
Total Reporting Entity (Excluding Agency Funds)	$ 53,584,320	$ 298,886	$ 123,553,441	$ 118,166,965	$ 59,269,682	$ 8,233,317	$ 67,502,999

Composition of Cash	
Checking Account	36,813,817
Petty Cash	10,110
Municipal Investment Pool	10,219,599
Certificates of Deposit	20,059,727
Treasury Note	502,064
Hutchinson Community Foundation	120,563
Total Cash	67,725,880
Agency Funds per Schedule 3	(222,881)
Total Reporting Entity (Excluding Agency Funds)	67,502,999

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

CITY OF HUTCHINSON, KANSAS
NOTES TO THE FINANCIAL STATEMENT
December 31, 2025

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 2025:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 2025 budget was not amended.

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—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

K.S.A. 79-2935 requires expenditures, including encumbrances, in any lawfully budgeted fund should not exceed the adopted budget of expenditures plus any reimbursements (budget credits) of current year expenditures for such fund for that budget year. The Hutchinson Recreation Commission Fund exceeded the adopted budget in 2025.

NOTE 4—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	$292,976

As of December 31, 2025, the City had the following investments:

Investment Type		Fair Value	S&P Rating
Kansas Municipal Investment Pool	$	10,219,599	Not Rated
Hutchinson Community Foundation Investment Pool		120,563	Not Rated
U.S. Treasury Note		502,064	Aaa
	$	10,844,226	

At December 31, 2025, the City had invested $10,219,599 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, 2025 the City also had $120,562 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, 2025.

At December 31, 2025, the City's carrying amount of deposits was $57,375,608 and the bank balance was $56,538,820. The bank balance was held by six banks. Of the bank balance, $19,997,203 was covered by Federal Depository Insurance Corporation (FDIC): of this amount, $17,994,226 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 $36,841,617 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 5—CAPITAL PROJECTS

At December 31, 2025, capital projects authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

CITY IMPROVEMENT	AUTHORIZED PROJECTS	EXPENDITURES
Hayes Land	$ -	$ 81,802
2023 Waterline Improvements	1,750,000	1,226,025
Water Master Plan and Risk Model	125,000	112,798
Tower 1 Communications Building	135,000	98,240
Headworks Improvements	820,000	70,952
Lift Station Improvements	5,112,570	4,170,288
F Ave and Van Buren Ph II Sewer Reh	1,450,000	32,000
2024 Waterline Improvements	1,150,000	375
Lead Service Line Inventory	350,000	194,868
Fairgrounds Detention Pond	6,000,000	392,943
Water and Sewer Master Plan	1,325,535	820,384
Traffic Signal Bonded Projects	337,500	60,598
Well 10	150,000	7,860
Waste Water Rehab Projects 2026	17,538,000	657
Woodie Seat Mill/Overlay	8,700,000	7,159,124
1st & Star/Superior Storm Sewer	3,350,000	57,661
ESD & Halstead Storm Water	280,000	25,094
6th and Keast Bridge Reconstruct	67,230	66,294
Woodie Seat Phase II Ave C	1,000,000	645,864
Golf Master Plan	2,387,000	1,110,469
Airport Taxiway Bravo Apron	1,094,549	1,274,338
Airport Taxiway Bravo/Echo Rehab	800,000	441,993
Zoo Infrastructure Renovation	155,573	154,491
Tennis and Basketball Court Resurfa	75,000	70,850
Artificial Turf/Hobart & Fun Valley	2,549,498	2,544,351
City Hall Boiler	200,000	192,113
Downtown Christmas Lights	75,000	12,105
Zoo Nature Play Phase II	400,000	234
Memorial Hall Repairs	225,000	58
Woodie Seat Lighting & Landscaping	300,000	4,875
Fairground Park Playground	150,000	51,217
	$ 58,052,455	$ 21,080,923

NOTE 6 – LONG TERM DEBT

Changes in long-term debt of the City for the year ended December 31, 2025 were as follows:

	Interest Rates	Date of Issue	Original Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
2014C	2.00 - 3.38%	09/22/14	1,710,000	10/01/34	295,000	-	25,000	270,000	9,488
2015A	2.00 - 4.00%	08/31/15	7,530,000	10/01/35	935,000	-	670,000	265,000	25,370
2015B	2.00 - 2.50%	12/07/15	4,915,000	10/01/25	265,000	-	265,000	-	6,625
2016B	2.00 - 4.00%	06/07/16	3,970,000	10/01/23	915,000	-	455,000	460,000	18,300
2016C	1.50 - 2.00%	10/13/16	2,165,000	10/01/26	505,000	-	245,000	260,000	10,100
2017A	2.00 - 3.20%	11/28/17	6,265,000	10/01/37	1,735,000	-	465,000	1,270,000	42,770
2018A	2.00 - 4.00%	07/12/18	1,382,010	10/01/38	1,040,000	-	60,000	980,000	35,850
2018B	3.00 - 4.25%	10/04/18	380,000	10/01/28	152,000	-	38,000	114,000	6,157
2019A	3.00 - 4.25%	11/25/19	8,565,000	10/01/32	3,645,000	-	780,000	2,865,000	139,100
2019B	3.00 - 3.00%	11/25/19	3,490,000	10/01/35	3,035,000	-	265,000	2,770,000	91,050
2020A	2.00-3.00%	05/14/20	3,740,000	10/01/39	3,130,000	-	165,000	2,965,000	68,756
2020B	2.00-3.625%	11/25/20	6,670,000	10/01/40	5,670,000	-	280,000	5,390,000	144,006
2020C	2.00-3.625%	10/19/20	7,280,000	10/01/33	2,525,000	-	470,000	2,055,000	79,344
2022A	4.00-5.00%	06/14/22	9,810,000	10/01/42	9,310,000	-	340,000	8,970,000	409,750
2023A	4.00-5.00%	09/12/23	2,460,000	10/01/32	2,460,000	-	80,000	2,380,000	105,150
2024A	4.00-5.00%	11/12/24	4,090,000	10/01/44	4,090,000		205,000	3,885,000	162,158
2025A	4.00-5.00%	05/20/25	5,190,000	10/01/45	-	5,190,000	-	5,190,000	-
2025B	5.00-6.00%	05/20/25	1,000,000	10/01/45	-	1,065,000	-	1,065,000	-
2025C	3.00-4.00%	12/11/25	1,820,000	10/01/45	-	1,820,000	-	1,820,000	-
					39,707,000	8,075,000	4,808,000	42,974,000	1,353,974
Temporary Notes									
2024B	3.75%	11/12/24	1,590,000	10/01/26	1,590,000	-	-	1,590,000	52,834
2025D	3.38%	12/11/25	10,960,000	10/01/28	-	10,960,000	-	10,960,000	-
					1,590,000	10,960,000	-	12,550,000	52,834
Finance Leases									
2021 Aerial Truck	1.715%	09/30/21	1,501,567	08/01/31	1,074,814	-	145,824	928,990	18,433
2021 Street Sweeper	1.513%	10/18/21	241,750	12/15/25	49,207	-	49,207	-	755
2022 Pierce Enforcer Pum	3.970%	09/30/22	781,115	10/01/32	647,767	-	70,644	577,123	25,042
2025 Pumper Truck	4.050%	11/21/25	819,781	11/21/37	-	819,781	-	819,781	-
					1,771,788	819,781	265,675	2,325,894	44,230
Total Bonded Indebtedness					$ 43,068,788	$ 19,854,781	$ 5,073,675	$ 57,849,894	$ 1,451,039

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

	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	Total
Principal									
General Obligation Bonds	$ 4,308,000	$ 3,718,000	$ 2,898,000	$ 2,465,000	$ 2,545,000	$ 12,060,000	9,865,000	5,115,000	$ 42,974,000
Temporary Notes	1,590,000	-	10,960,000	-	-	-	-	-	12,550,000
Finance Leases	275,974	283,575	291,374	299,516	307,875	867,580	-	-	2,325,894
Total Principal	6,173,974	4,001,575	14,149,374	2,764,516	2,852,875	12,927,580	9,865,000	5,115,000	57,849,894
Interest									
General Obligation Bonds	1,636,449	1,430,100	1,286,834	1,170,527	1,075,395	4,007,727	2,098,268	529,961	13,235,261
Temporary Notes	297,975	369,900	369,900	-	-	-	-	-	1,037,775
Finance Leases	70,901	63,300	55,500	47,359	38,999	96,568	-	-	372,627
Total Interest	2,005,325	1,863,300	1,712,234	1,217,886	1,114,394	4,104,295	2,098,268	529,961	14,645,663
Total Principal and Interest	$ 8,179,299	$ 5,864,875	$ 15,861,609	$ 3,982,402	$ 3,967,270	$ 17,031,875	$ 11,963,268	$ 5,644,961	$ 72,495,557

The City entered into a Kansas Public Water Supply Loan Fund (KPWSLF) loan agreement, Project No. 3199, with the Kansas Department of Health and Environment in the amount of $350,000. Drawdowns of $153,852 were received during 2024. Interest in the amount of $376 and principal of $8,715 was paid in 2025. Semiannual payments of $107,304 will begin February 1, 2025, and will end August 1, 2044.

The City entered into a KPWSLF loan agreement, Project No. 3182, with the Kansas Department of Health and Environment in the amount of $1,205,000. Drawdowns of $1,126,413 were received during 2025. No interest or principal payments were made paid in 2025. Semiannual payments of $110,073 will begin February 1, 2026, and will end August 1, 2045.

The City entered into a KWPCRF loan agreement, Project No. 3082, with the Kansas Department of Health and Environment in the amount of $5,112,570. Drawdowns of $151,896 were received during 2025. Interest in the amount of $378 and principal of $2,856 was paid in 2025. Semiannual payments of $158,812 will begin February 1, 2026, and will end August 1, 2045.

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, 2025, there were 5 series of Industrial Revenue Bonds outstanding, 2 series of Multi-Family Revenue Bonds outstanding, and 4 Health Care Facilities Refunding Revenue Bonds outstanding. The aggregate principal payable could not be determined; however, the aggregate original issue amounts payable totaled $313,535,000.

NOTE 7—INTERFUND TRANSFERS

Interfund transfers were as follows:

From:	To:	Statutory Authority	Amount
General Fund	Special Street Fund	12-1,119	$ 872,797
General Fund	Golf Course	12-101a	194,771
General Fund	Special Parks Fund	12-101a	174,366
General Fund	Animal Shelter Fund	12-101a	784,492
General Fund	Airport Fund	3-1121	178,730
General Fund	Economic Opportunity Fund	Home Rule	150,000
General Fund	Municipal Equipment Reserve	12-1,117	2,779,352

General Fund	Capital Impr Projects	12-1,118	2,900,169
General Fund	Planning Projects	Home Rule	27,968
General Fund	Grants	Home Rule	154
Capital Improvement	Donations	Home Rule	665
Capital Improvement	Bond & Interest Fund	12-825d	118,620
Donations	Capital Impr Projects	12-1,118	692
Municipal Equipment Reserve	Grants	Home Rule	28,269
Municipal Equipment Reserve	General Fund	12-1,118	1,000,000
Special Street Fund	Capital Impr Projects	12-1,118	200,000
Special Street Fund	Municipal Equipment Reserve	12-1,117	122,506
Special Park Fund	Capital Impr Projects	12-1,118	70,000
Convention and Tourism	Capital Impr Projects	12-1,118	360,684
Gossage Trust	Bond & Interest Fund	12-825d	7,434
Golf Course	Municipal Equipment Reserve	12-1,117	81,000
Airport	Municipal Equipment Reserve	12-1,117	3,111
Animal Shelter	Municipal Equipment Reserve	12-1,117	3,298
Water Utility Fund	Bond & Interest Fund	12-825d	1,036,050
Water Utility Fund	Capital Impr Projects	12-1,118	351,479
Water Utility Fund	Municipal Equipment Reserve	12-1,117	243,552
Sewer Utility Fund	Bond & Interest Fund	12-825d	440,094
Sewer Utility Fund	Municipal Equipment Reserve	12-1,117	210,843
Storm Water	Bond & Interest Fund	12-825d	603,881
Storm Water	Capital Improv Projects	12-1,118	525,000
Storm Water	Municipal Equipment Reserve	12-1,117	245,991
Sports Arena Sales Tax	Capital Improv Projects	12-1,118	500,000
			$ 14,210,767

NOTE 8—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 entity management with deductibles of $10,000 and $10,000, respectively.

Physical Property

Insured through commercial insurance with a $50,000 deductible for general property damage. Deductibles for wind, hail, or earthquake damage equal 1% of the property value. The deductible for an earthquake damage event is $100,000 for the first building and $50,000 for additional buildings. Replacement cost insured values based on annual review by insuring agent. Any uninsured losses are funded by the Risk Management Fund.

Worker's Compensation

The City is insured through an excess indemnity insurance policy. Policy provides coverage for claims in excess of $400,000 per accident for all employees. Individual claims up to $700,000 for police officers and $500,000 for all other employees 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 2025, 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 2025 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	$ 426,011	$ 549,916	$ 504,496	$ 471,431
Health and Dental Insurance	312,594	3,607,866	3,561,534	472,705

NOTE 9—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 9.71% for KPERS and 24.67% for KP&F for the year ended December 31, 2025. Contributions to the pension plan from the City were $1,338,392 for KPERS and $3,076,830 for KP&F for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, KPERS has determined the City's proportionate share of the collective net pension liability was $10,851,492 for KPERS and $24,623,645for KP&F. The net pension liability was measured as of June 30, 2025, and the total pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. 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 10 —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 $23,500 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 11—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 $969,484. 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 $2,910,309. 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, 2025.

NOTE 12—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 $190,000 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 2026 through 2030 depending on when and if the businesses reach the agreed upon measures.

NOTE 13— SUBSEQUENT EVENTS

On September 1st, the City will hold a bond sale for $3,995,000 of tax-exempt bonds for capital improvement projects and special assessments. The interest rate will not be determined until the sale date and the final maturity will be in 2047.

City of Hutchinson, Kansas
Summary of Expenditures - Actual & Budget
Regulatory Basis
For the Year Ended December 31, 2025

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	$ 47,169,865	$ -	$ 47,169,865	$ 46,405,990	$ (763,875)
Special Purpose Funds					
Special Street Fund	2,453,500	-	2,453,500	2,203,997	(249,503)
Special Parks and Recreation Fund	308,725	-	308,725	306,971	(1,754)
Special Alcohol Programs Fund	414,721	-	414,721	80,500	(334,221)
Economic Opportunity Fund	720,465	-	720,465	262,804	(457,661)
Convention and Tourism Promotion Fund	1,000,000	-	1,000,000	841,595	(158,405)
Recreation Commission Fund	1,519,609	-	1,519,609	1,525,019	5,410
Animal Shelter Fund	878,934	31,895	910,829	910,829	-
Opioid Settlement Fund	227,860	-	227,860	51,800	(176,060)
Community Improvement District Fund	825,000	-	825,000	648,069	(176,931)
E 911 Surcharge Fund	1,361,021	-	1,361,021	379,459	(981,562)
Bond and Interest Funds					
Bond and Interest Fund	8,485,244	-	8,485,244	6,224,259	(2,260,985)
Sports Arena Sales Tax Fund	500,000	-	500,000	500,000	-
Business Funds					
Refuse Fund	2,605,659	-	2,605,659	2,570,005	(35,654)
Golf Course Fund	1,212,262	-	1,212,262	1,126,197	(86,065)
Airport Fund	519,265	-	519,265	475,683	(43,582)
Water Utility Fund	13,320,238	-	13,320,238	8,198,538	(5,121,700)
Sewer Utility Fund	10,821,679	-	10,821,679	6,281,235	(4,540,444)
Storm Water Utility Fund	9,069,625	-	9,069,625	1,919,554	(7,150,071)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 12,369,647	$ 13,239,040	$ 13,295,708	$ (56,668)
Non Property Taxes	15,712,798	17,093,975	15,671,392	1,422,583
Franchise Fees	5,120,468	5,215,092	5,253,245	(38,153)
License and Permits	552,494	733,185	511,653	221,532
Fines, Forfeitures, and Penalties	651,184	658,678	581,505	77,173
Use of Money & Property	491,454	356,130	53,450	302,680
Public Safety Service Charges	3,852,742	4,104,892	4,266,102	(161,210)
Recreation & Concession Service Charges	223,493	211,050	218,992	(7,942)
Internal Service Charges	1,356,583	1,291,684	1,617,713	(326,029)
Miscellaneous	188,261	190,283	152,520	37,763
Operating Transfers In	-	1,000,000	-	1,000,000
Total Receipts	40,519,124	44,094,009	41,622,280	2,471,729
Expenditures				
Personnel Services	27,553,829	30,353,494	29,374,960	978,534
Contractual Services	8,050,453	8,669,521	9,237,874	(568,353)
Commodities	2,913,654	2,809,582	3,099,642	(290,060)
Capital Outlay	202,279	219,823	278,606	(58,783)
Reserve Transfers	5,625,953	5,679,506	5,069,352	610,154
Operating Transfers Out	2,618,255	2,383,279	2,904,951	(521,672)
Allocated Service Costs	(3,404,745)	(3,709,215)	(3,709,215)	-
Appropriated Reserve	-	-	913,695	(913,695)
Total Expenditures	43,559,679	46,405,990	$ 47,169,865	$ (763,875)
Receipts Over (Under) Expenditures	(3,040,555)	(2,311,981)		
Unencumbered Cash, Beginning	10,213,673	7,191,499		
Prior Year Cancelled Encumbrance	18,381	7,025		
Unencumbered Cash, Ending	$ 7,191,499	$ 4,886,543		

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Property Taxes				
Ad Valorem Property Tax	$ 10,579,359	$ 11,334,269	$ 11,772,501	$ (438,232)
Vehicle Tax	1,278,513	1,305,880	1,230,355	75,525
In Lieu of Tax	52,076	59,417	85,444	(26,027)
Tax Incremental Financing	91,099	91,884	-	91,884
Delinquent Tax Collections	368,601	447,589	207,408	240,181
Total Property Taxes	12,369,647	13,239,040	13,295,708	(56,668)
Non Property Taxes				
Local Sales tax - Countywide	7,188,252	7,896,628	7,202,722	693,906
Local Sales Tax - Citywide	8,388,203	9,051,142	8,307,974	743,168
Liquor Taxes	128,143	132,605	149,296	(16,691)
Intoxicating Liquor Tax	8,200	13,600	11,400	2,200
Total Non Property Taxes	15,712,798	17,093,975	15,671,392	1,422,583
Utility Franchise Fees				
Electricity	2,834,828	2,786,404	2,790,505	(4,101)
Gas	965,878	1,084,402	1,108,700	(24,298)
Telephone	46,990	62,177	60,600	1,577
Cable Television	264,569	246,912	252,400	(5,488)
Refuse Fund	247,354	265,857	244,293	21,564
Water and Sewer Fund	760,849	769,340	796,747	(27,407)
Total Utility Franchise Fees	$ 5,120,468	$ 5,215,092	$ 5,253,245	$ (38,153)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Licenses and Permits				
Cereal Malt Beverage Licenses	$ 2,550	$ 2,525	$ 2,643	$ (118)
Tree Trimming Licenses	375	450	550	(100)
Alarm License Fees	7,555	7,570	8,000	(430)
Fireworks Permits	22,525	27,500	22,575	4,925
Police and Protective Licenses	435	344	-	344
Other Licenses and Permits	894	1,083	1,000	83
Building and Fence Permits	291,326	499,531	276,000	223,531
Sign Permits	2,624	2,645	4,715	(2,070)
Demolition Permits and Licenses	506	916	670	246
Building Occupancy Permits	3,325	1,900	4,700	(2,800)
Mechanical Permits	58,600	46,465	45,000	1,465
Electrical and Plumbing Permits	73,151	44,992	61,600	(16,608)
Electrical and Plumbing License Fees	23,785	29,385	26,500	2,885
Mechanical License Fees	14,565	16,085	14,200	1,885
Driveway Permit	1,214	1,290	1,000	290
Building Contractor Licenses	41,666	38,300	39,500	(1,200)
Zoning Application Fees	7,398	12,203	3,000	9,203
Total Licenses and Permits	552,494	733,185	511,653	221,532
Fines, Forfeitures, and Penalties				
Municipal Court Fines	375,550	381,087	346,700	34,387
Probation Fees	21,026	16,760	22,300	(5,540)
Municipal Court Bond Forfeitures	9,667	27,922	19,400	8,522
Municipal Court Costs	170,445	161,317	131,500	29,817
Court Surcharges	12,507	11,901	11,560	341
Diversion Fees	61,965	59,688	50,000	9,688
LALF Fees	25	3	45	(42)
Total Fines, Forfeitures, and Penalties	$ 651,184	$ 658,678	$ 581,505	$ 77,173

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 488,254	$ 352,330	$ 50,000	$ 302,330
Rents and Leases	3,200	3,800	3,450	350
Total Use of Money and Property	491,454	356,130	53,450	302,680
Public Safety Revenues				
Police Officer Service Charges	139,414	257,330	121,686	135,644
Police Records	13,308	11,110	11,000	110
Fingerprinting Fees	6,660	6,740	6,000	740
Fire District #2	2,725,032	2,880,960	3,025,276	(144,316)
Central Dispatch	874,877	788,061	1,006,596	(218,535)
Records - Reno County	9,750	6,396	25,000	(18,604)
Evidence Custodian - Reno County	65,506	57,681	70,544	(12,863)
Fire Reimbursements	18,195	96,614	-	96,614
Total Public Safety Revenues	3,852,742	4,104,892	4,266,102	(161,210)
Recreation and Concessions				
Soft Drink Contract and Commissions	6,951	4,372	5,000	(628)
Memorial Hall - Rental Fees	27,080	18,550	20,000	(1,450)
Sports Arena - Reimbursements	138,552	137,553	154,542	(16,989)
Homebuilders and Gazebo Rental	50,910	50,575	39,450	11,125
Total Recreation and Concessions	$ 223,493	$ 211,050	$ 218,992	$ (7,942)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Central Garage/Custodial Services	$ 1,356,583	$ 1,291,684	$ 1,617,713	$ (326,029)
Miscellaneous				
Flood Control Project	27,197	26,384	25,000	1,384
Miscellaneous	729	2,092	-	2,092
Industrial Revenue Bond Admin Fees	39,024	36,306	41,250	(4,944)
Eastside Cemetery Charges	24,294	29,525	34,300	(4,775)
Reimbursements of Expenditures	46,071	25,384	-	25,384
Zoo Gift Shop	43,966	46,100	51,970	(5,870)
FEMA Grant Reimbursment	3,459	15,823	-	15,823
Other Grant	3,521	8,669	-	8,669
Total Miscellaneous	188,261	190,283	152,520	37,763
Transfers into the General Fund				
Operating Transfer	-	1,000,000	-	1,000,000
Total Transfers	-	1,000,000	-	1,000,000
Total Receipts	$ 40,519,124	$ 44,094,009	$ 41,622,280	$ 2,471,729

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Expenditures				
Departmental				
City Council	$ 23,549	$ 29,539	$ 29,050	$ 489
City Manager	437,425	346,842	267,472	79,370
Strategic Growth	-	262,149	302,234	(40,085)
Human Relations	62,737	68,792	99,950	(31,158)
Street Lighting	759,050	749,845	812,500	(62,655)
Human Resources	702,485	680,166	824,865	(144,699)
Finance	465,939	486,210	510,569	(24,359)
Utility Billing	855,624	870,380	948,259	(77,879)
Information Systems	927,606	992,435	1,018,917	(26,482)
Planning	436,959	355,168	410,770	(55,602)
Housing Development	211,722	153,058	156,710	(3,652)
Law	852,274	913,228	886,171	27,057
Public Works Administration	390,898	286,499	356,463	(69,964)
Public Works Maintenance	463,871	506,057	576,342	(70,285)
Central Garage	1,412,319	1,502,205	1,658,945	(156,740)
Traffic Signals	243,599	273,628	309,876	(36,248)
Engineering	853,706	1,277,563	1,293,909	(16,346)
GIS	115,383	111,891	136,910	(25,019)
Parks	4,954,621	5,217,486	5,546,916	(329,430)
Police	9,602,967	11,119,606	10,875,401	244,205
Dispatch	1,593,422	1,825,330	1,878,994	(53,664)
Fire	10,753,243	11,216,068	11,552,641	(336,573)
Inspection	667,263	855,611	861,082	(5,471)
Total Departmental	$ 36,786,660	$ 40,099,756	$ 41,314,946	$ (1,215,190)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
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	918,439	995,659	930,855	64,804
Kansas Underground Salt Museum	139,157	150,857	141,039	9,818
SCKEDD & REAP Memberships	14,613	5,261	15,307	(10,046)
Miscellaneous Contractual Services	89,986	59,298	5,000	54,298
Cultural Activities Fund	35,339	43,576	37,133	6,443
Fireworks	20,600	21,200	20,000	1,200
Employee Recognition Program	7,592	11,892	12,000	(108)
Railroad Spur Property Taxes	47,252	41,771	39,302	2,469
Rockstep Sales Tax Reimbursement	84,274	95,003	-	95,003
Rockstep TIF Payment	86,304	87,048	-	87,048
HRC-Director of Neighborhoods	80,000	41,600	76,000	(34,400)
Hutchinson Reno County Chamber	120,000	114,000	114,000	-
StartUp Hutch	90,000	85,500	85,500	-
Total Non Departmental Contractual Services	$ 1,733,556	$ 1,752,665	$ 1,476,136	$ 276,529

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Expenditures				
Reserve Transfers				
Municipal Equipment Reserve	$ 2,553,509	$ 2,779,352	$ 3,024,352	$ (245,000)
Capital Improvement Projects	3,072,444	2,900,154	2,045,000	855,154
Total Reserve Transfers	5,625,953	5,679,506	5,069,352	610,154
Operating Transfers				
Special Street	1,037,561	872,797	1,113,530	(240,733)
Golf Course	248,628	194,771	434,013	(239,242)
Special Park	150,433	174,366	159,429	14,937
Animal Shelter	661,239	784,492	772,334	12,158
Airport	326,122	178,730	275,645	(96,915)
Economic Opportunity Fund	150,000	150,000	150,000	-
Planning and Grant Fund	44,272	28,122	-	28,122
Total Operating Transfers	2,618,255	2,383,278	2,904,951	(521,673)
Other Costs				
Nondepartmental Allocated Service Costs	(3,404,745)	(3,709,215)	(3,709,215)	-
Appropriated Reserve	-	-	913,695	(913,695)
Vacancies	-	-	(1,000,000)	1,000,000
Total Other Costs	(3,404,745)	(3,709,215)	(3,795,520)	86,305
Total Expenditures	$ 43,559,679	$ 46,405,990	$ 47,169,865	$ (763,875)

City of Hutchinson, Kansas
Special Street Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-B

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Intergovernmental Revenue				
State Gas Tax Distribution	$ 1,078,555	$ 1,071,681	$ 1,092,680	$ (20,999)
County Gas Tax Distribution	165,591	163,848	154,290	9,558
State Connecting Links	93,124	94,455	93,000	1,455
Street Cuts	5,806	1,216	-	1,216
Operating Transfer In	1,037,561	872,797	1,113,530	(240,733)
Total Receipts	2,380,637	2,203,997	$ 2,453,500	$ (249,503)
Expenditures				
Personnel Services	1,208,236	1,366,012	1,446,561	(80,549)
Contractual Services	222,243	202,789	244,943	(42,154)
Commodities	316,227	312,690	389,490	(76,800)
Reserve Transfer to Municipal Equipment Reserve	390,420	122,506	172,506	(50,000)
Reserve Transfer to Capital Improvement Fund	243,511	200,000	200,000	-
Total Expenditures	2,380,637	2,203,997	$ 2,453,500	$ (249,503)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-C

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
Liquor Taxes	$ 128,143	$ 132,605	$ 149,296	$ (16,691)
Operating Transfer In	150,433	174,366	159,429	14,937
Total Receipts	278,576	306,971	$ 308,725	$ (1,754)
Expenditures				
Personnel Services	77,962	83,984	75,719	8,265
Contractual Services	106,596	65,296	143,006	(77,710)
Commodities	94,018	87,691	90,000	(2,309)
Transfer	-	70,000	-	70,000
Total Expenditures	278,576	306,971	$ 308,725	$ (1,754)
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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-D

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Non Property Taxes				
Liquor Taxes	$ 128,144	$ 132,604	$ 149,296	$ (16,692)
Expenditures				
Contractual Services	79,500	80,500	79,500	1,000
Appropriated Reserves	-	-	335,221	(335,221)
Total Expenditures	79,500	80,500	$ 414,721	$ (334,221)
Receipts Over (Under) Expenditures	48,644	52,104		
Unencumbered Cash, Beginning	204,036	252,680		
Unencumbered Cash, Ending	$ 252,680	$ 304,784		

City of Hutchinson, Kansas
Economic Opportunity Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-E

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Transfers In	$ 150,000	$ 150,000	$ 150,000	$ -
Expenditures				
Contractual Services	17,500	262,804	$ -	$ 262,804
Appropriated Reserves	-	-	720,465	(720,465)
Total Expenditures	17,500	262,804	$ 720,465	$ (457,661)
Receipts Over (Under) Expenditures	132,500	(112,804)		
Unencumbered Cash, Beginning	385,965	518,465		
Unencumbered Cash, Ending	$ 518,465	$ 405,661		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-F

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
Transient Guest Tax	$ 792,960	$ 841,595	$ 1,000,000	$ (158,405)
Expenditures				
Convention Visitors Bureau	453,120	480,911	570,000	(89,089)
Reserve Transfer to Capital Improvement	339,840	360,684	430,000	(69,316)
Total Expenditures and Transfers	792,960	841,595	$ 1,000,000	$ (158,405)
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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-G

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes				
Ad Valorem Property Tax	$ 1,243,004	$ 1,311,600	$ 1,373,979	$ (62,379)
Motor Vehicle Tax	145,218	151,660	142,445	9,215
16/20M Vehicle Tax	195	181	213	(32)
Recreational Vehicle Tax	1,538	1,507	1,472	35
Delinquent Ad Valorem Tax	41,936	51,679	-	51,679
In Lieu of Tax	5,895	6,876	1,500	5,376
Total Receipts	1,437,786	1,523,503	$ 1,519,609	$ 3,894
Expenditures				
Appropriation to Recreation Commission	1,436,725	1,525,019	$ 1,519,609	$ 5,410
Receipts Over (Under) Expenditures	1,061	(1,516)		
Unencumbered Cash, Beginning	(951)	110		
Unencumbered Cash, Ending	$ 110	$ (1,406)		

City of Hutchinson, Kansas
Animal Shelter Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-H

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Licenses and Permits				
Dog License	$ 8,055	$ 5,310	$ 11,000	$ (5,690)
Service Charges				
Shelter Fees & Charges	4,325	4,080	3,100	980
Adoption Fees	80,067	68,865	75,000	(6,135)
Reclaimed Pet Fees	7,089	5,819	7,000	(1,181)
Relinquishment Fees	12,998	9,868	10,000	(132)
Miscellaneous				
Reimbursed Expenses	63,565	32,395	500	31,895
Operating Transfer In	661,239	784,492	772,334	12,158
Total Receipts	837,338	910,829	$ 878,934	$ 31,895
Expenditures				
Personnel Services	567,311	650,652	606,215	44,437
Contractual Services	136,736	124,499	137,628	(13,129)
Commodities	126,000	129,177	128,893	284
Capital Outlay	4,089	3,203	2,900	303
Reserve Transfers to Municipal Equipment Reserve	3,202	3,298	3,298	-
(a) Adjustment for Qualifying Budget Credits	-	-	31,895	(31,895)
Total Expenditures	837,338	910,829	$ 910,829	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		
(a) Adjustment for Qualifying Budget Credits				
Reimbursed Shelter Fees			$ 31,895	

City of Hutchinson, Kansas
Opioid Settlement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-I

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Non Property Taxes				
Opioid Settlement	$ 138,829	$ 58,877	$ 150,000	$ (91,123)
Expenditures				
Contractual Services	-	51,800	$ 227,860	$ (176,060)
Receipts Over (Under) Expenditures	138,829	7,077		
Unencumbered Cash, Beginning	77,861	216,690		
Unencumbered Cash, Ending	$ 216,690	$ 223,767		

City of Hutchinson, Kansas
Community Improvement District Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-J

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Non Property Taxes				
CID Sales Tax	$ 669,682	$ 661,124	$ 1,000,000	$ (338,876)
Miscellaneous				
Reimbursements	-	20,000	-	20,000
Total Receipts	669,682	681,124	$ 1,000,000	$ (318,876)
Expenditures				
Contractual Services	669,682	648,069	$ 825,000	$ (176,931)
Receipts Over (Under) Expenditures	-	33,055		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 33,055		

City of Hutchinson, Kansas
E 911 Surcharge Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-K

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 35,215	$ 23,460	$ 10,000	$ 13,460
Intergovernmental				
State E 911	388,576	400,622	385,000	15,622
Total Receipts	423,791	425,817	$ 395,000	$ 30,817
Expenditures				
Contractual Services	425,197	377,100	391,000	(13,900)
Commodities	5,203	784	500	284
Capital Outlay	277,644	1,575	-	1,575
Approprated Reserve	-	-	969,521	(969,521)
Total Expenditures	708,044	379,459	$ 1,361,021	$ (981,562)
Cash Over (Under) Expenditures	(284,253)	46,358		
Unencumbered Cash, Beginning	1,018,529	734,276		
Unencumbered Cash, Ending	$ 734,276	$ 780,634		

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-L

Grant Description	Prior Year Actual							
	Unencumbered Cash Beginning	Prior Year Cancelled Encumbrances	Federal/State Grant Contributions	Other Income	Transfer In	Grant Program Expenditures	Transfer Out	Unencumbered Cash Ending
Public Safety								
Fire ARPA	$ (242,278)	-	221,509	-	-	-	-	$ (20,769)
Fire ARPA LSSE Governer's Grant	-	-	40,678	-	-	(48,178)	-	(7,500)
ARPA	2,436,069	89,963	-	-	-	(1,349,077)	(1,174,839)	2,116
FAA Control Tower COVID Grant	(1,120)	-	-	-	-	-	-	(1,120)
FAA Airport Operations Grant 37	(2,699)	-	-	-	-	-	-	(2,699)
Police								
THC Drug Funds	7,396	-	-	-	-	(155)	-	7,241
Special Traffic Enforcement	-	-	3,243	-	-	(3,243)	-	-
Nighttime Seatbelt Enforcement	1,129	-	-	-	-	-	-	1,129
Bulletproof Vest Funding	7,041	-	3,675	-	-	-	-	10,716
Police IDDP State DUI Sat	-	-	1,366	-	-	(1,366)	-	-
JAG COVID	(207)	-	-	-	-	-	-	(207)
DOJ Radios	(79,914)	-	79,914	-	-	(4,256)	-	(4,256)
Animal Shelter Save Them All	(554)	-	-	-	-	-	-	(554)
2023 Edward Bryne	-	-	-	-	-	(15,439)	-	(15,439)
								-
Housing and Economic Development								-
Phase Zero Hutch	2,775	-	-		-	-	-	2,775
CDBG-CR 14 N Main	-	-	-	-	-	(154)	-	(154)
Emergency Shelter								-
2023 Emergency Shelter Grant	-	-	40,855	-	-	(40,855)	-	-
Parks								
Community Fisheries	1,376	-	11,154	-	-	(7,188)	-	5,342
	$ 2,129,014	$ 89,963	$ 402,395	$ -	$ -	$ (1,469,912)	(1,174,839)	$ (23,379)

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-L Cont.

Grant Description	Current Year						
	Unencumbered Cash Beginning	Prior Year Cancelled Encumbrances	Federal/State Grant Contributions	Transfer In	Grant Program Expenditures	Transfer Out	Unencumbered Cash Ending
Public Safety							
Fire ARPA	$ (20,769)	-	-	20,769	-	-	$ -
Fire ARPA LSSE Governer's Grant	(7,500)	-	-	7,500	-	-	-
ARPA	2,116	-	-	-	-	-	2,116
FAA Control Tower COVID Grant	(1,120)	-	-	-	1,120	-	-
FAA Airport Operations Grant 37	(2,699)	-	13,638	-	(10,939)	-	-
FAA Airport Operations Grant 38	-	-	51,025	-	(51,025)	-	-
Police							
THC Drug Funds	7,241	-	50	-	(681)	-	6,610
Special Traffic Enforcement	-	-	8,723	-	(8,723)	-	-
Nighttime Seatbelt Enforcement	1,129	-	-	-	(1,129)	-	-
Bulletproof Vest Funding	10,716	-	-	-	(10,716)	-	-
Police IDDP State DUI Sat	-	-	1,718	-	(1,718)	-	-
JAG COVID	(207)	-	-	-	207	-	-
DOJ Radios	(4,256)	-	4,256	-	-	-	-
Animal Shelter Save Them All	(554)	-	554	-	-	-	-
2023 Edward Bryne	(15,439)	-	15,685	-	(246)	-	-
Housing and Economic Development							
Phase Zero Hutch	2,775	-	-	-	-	-	2,775
CDBG-CR 14 N Main	(154)	-	-	154	-	-	-
Moderate Income Housing - Landmark	-	-	585,000	-	(585,000)	-	-
Pride in Place	-	-	19,000	-	-	-	19,000
Incremental Development EcoSystem	-	-	100,000	-	-	-	100,000
Emergency Shelter							
2023 Emergency Shelter Grant	-	-	-	-	-	-	-
Parks							
Community Fisheries	5,342	-	8,420	-	(12,218)	-	1,544
	$ (23,379)	$ -	$ 808,069	$ 28,423	$ (681,068)	$ -	$ 132,045

City of Hutchinson, Kansas
Planning Projects Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-M

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Private Donations	$ 26,625	$ 25
Transfer	72,772	27,968
Total Receipts	99,397	27,993
Expenditures		
Contractual Services	67,637	52,356
Total Expenditures	67,637	52,356
Receipts Over (Under) Expenditures	31,760	(24,363)
Unencumbered Cash, Beginning	110,446	142,206
Unencumbered Cash, Ending	$ 142,206	$ 117,843

City of Hutchinson, Kansas
Gossage Animal Shelter Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-N

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Trust Donations	$ 6,872	$ 7,434
Expenditures		
Transfer to Bond & Interest Fund	6,872	7,434
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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-O

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Municipal Court Fees	$ 4,073	$ 3,837
Interest Income	281,800	286,622
Miscellaneous		
Miscellaneous	20,941	13,992
Grants	140,141	-
Reimbursement	296,262	176,023
Sale/Salvage/Auction Property	298,565	272,153
Reserve Transfers In	3,938,777	3,689,654
Total Receipts	4,980,559	4,442,281
Expenditures		
Contractual Services	21,055	3,554
Capital Outlay	3,554,212	3,760,381
Transfer	-	1,028,269
Total Expenditures	3,575,267	4,792,204
Receipts Over (Under) Expenditures	1,405,292	(349,923)
Unencumbered Cash, Beginning	5,585,335	7,132,680
Prior Year Cancelled Encumbrance	142,053	1,179
Unencumbered Cash, Ending	$ 7,132,680	$ 6,783,936

City of Hutchinson, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-P

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 183,215	$ 217,989	$ 20,000	$ 197,989
Property Taxes				
Ad Valorem Property Tax	3,296,754	3,309,626	3,466,722	(157,096)
Motor Vehicle Tax	410,007	402,931	376,383	26,548
16/20M Vehicle Tax	587	512	564	(52)
Recreational Vehicle Tax	4,343	4,002	5,230	(1,228)
Delinquent Ad Valorem Tax	118,659	139,468	-	139,468
In Lieu of Tax	16,228	17,353	27,730	(10,377)
Current Special Assessments	640,598	621,184	615,849	5,335
Delinquent Special Assessments	80,709	52,062	25,000	27,062
Intergovernmental				
Contributions Other Governments	-	370,578	109,750	260,828
Miscellaneous	-	-	-	-
Reserve Transfers	15,254	126,054	7,434	118,620
Operating Transfer In	2,870,053	2,080,025	1,856,690	223,335
Total Receipts	7,636,406	7,341,786	$ 6,511,352	$ 830,433
Expenditures				
Debt Principal	4,843,000	4,809,950	5,368,000	(558,050)
Debt Interest	1,349,404	1,406,809	2,246,065	(839,256)
Internal Service Costs	7,500	7,500	7,500	-
Appropriated Reserve	-	-	863,679	(863,679)
Total Expenditures	6,199,904	6,224,259	$ 8,485,244	$ (2,260,985)
Receipts Over (Under) Expenditures	1,436,502	1,117,527		
Unencumbered Cash, Beginning	1,719,046	3,155,548		
Unencumbered Cash, Ending	$ 3,155,548	$ 4,273,075		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-Q

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
Sales Tax	$ 3,561,492	$ -	$ -	$ -
Reimbursement	500,000	500,000	500,000	-
Interest Income	151,008	172	-	172
Total Receipts	4,212,500	500,172	$ 500,000	$ 172
Expenditures				
Bond Principal	3,685,001	-	-	-
Bond Interest	80,613	-	-	-
Transfer to Capital Improvement	3,172,064	500,000	500,000	-
Appropriated Reserve	-	-	-	-
Total Expenditures and Transfers	6,937,677	500,000	$ 500,000	$ -
Receipts Over (Under) Expenditures	(2,725,177)	172		
Unencumbered Cash, Beginning	2,726,238	1,061		
Unencumbered Cash, Ending	$ 1,061	$ 1,233		

City of Hutchinson, Kansas
Special Assessments Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-R

	Prior Year Actual	Current Year Actual
Receipts		
General Obligation Bonds	$ 1,590,000	$ -
Developer/Special Assessment Payments	306,642	-
Transfers	100,000	-
Total Receipts	1,996,642	-
Expenditures		
Purchases and Construction	100,285	1,963,144
Receipts Over (Under) Expenditures	1,896,357	(1,963,144)
Unencumbered Cash, Beginning	-	1,896,357
Unencumbered Cash, Ending	$ 1,896,357	$ (66,787)

City of Hutchinson, Kansas
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-S

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 629,955	$ 679,193
Miscellaneous		
Reimbursed Expenses	1,453,655	770,236
Donations	22,634	27,203
Miscellaneous	-	4,787
Sale of Real Estate/Salvage/Auction	4,449	-
Federal Grants	2,370,521	1,115,257
Non Revenue Receipts		
Bond Proceeds	4,309,496	20,300,066
Reserve Transfer Sewer	455,000	-
Reserve Transfer Storm Sewer Fund	525,000	525,000
Reserve Transfer Water Fund	1,170,000	351,479
Reserve Transfer General Fund	3,072,444	2,900,169
Reserve Transfer Special Park	-	70,000
Reserve Transfer Convention & Tourism	339,840	360,684
Reserve Transfer Special Street	243,511	200,000
Reserve Transfer Sports Arena	3,172,064	500,000
Reserve Transfer Donations	-	692
Reserve Transfer Grants Fund	1,146,339	-
Total Receipts	18,914,908	27,804,766
Expenditures		
Capital Improvement Expenditures	16,118,442	22,506,173
Transfer to Bond and Interest	8,382	118,636
Transfer to Donation	-	665
Transfer to Special Assessments	100,000	-
Total Expenditures	16,226,824	22,625,474
Receipts Over (Under) Expenditures	2,688,084	5,179,292
Unencumbered Cash, Beginning	3,418,246	6,927,200
Prior Year Cancelled Encumbrances	820,870	271,705
Unencumbered Cash, Ending	$ 6,927,200	$ 12,378,197

City of Hutchinson, Kansas
Refuse Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-T

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 9,781	$ 7,319	$ 1,500	$ 5,819
Utility Fees				
Refuse Collection Fees	2,168,651	2,243,627	2,220,464	23,163
Franchise Fees	247,354	265,857	248,989	16,868
Late Fees	25,371	24,827	23,000	1,827
Miscellaneous	-	-	12,000	(12,000)
Total Receipts	2,451,157	2,541,630	$ 2,505,953	$ 35,677
Expenditures				
Contractual Services	2,358,564	2,459,149	2,420,601	38,548
Internal Service Cost	112,177	110,856	110,856	-
Appropriated Reserves	-	-	74,202	(74,202)
Total Expenditures	2,470,741	2,570,005	$ 2,605,659	$ (35,654)
Receipts Over (Under) Expenditures	(19,584)	(28,375)		
Unencumbered Cash, Beginning	131,843	112,259		
Unencumbered Cash, Ending	$ 112,259	$ 83,884		

City of Hutchinson, Kansas
Golf Course
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-U

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Use of Money and Property				
Green Fees	$ 239,020	$ 268,833	$ 203,241	$ 65,592
League Fees	4,680	4,660	5,480	(820)
Advertising	-	4,750	-	4,750
Season Passes	108,798	114,430	120,750	(6,320)
School Fees	-	-	7,500	(7,500)
Private Cart Fees	11,016	11,151	11,586	(435)
City Cart Rental	203,832	218,053	173,165	44,888
Locker Rental	1,927	1,885	2,380	(495)
Cart Shed Rental	10,335	10,496	11,940	(1,444)
Golf Concessions	121,772	138,896	103,007	35,889
Golf Pro Shop	69,271	81,269	78,500	2,769
Golf Pro Shop Special Orders	18,852	18,328	10,000	8,328
Driving Range	43,141	47,189	41,000	6,189
Miscellaneous				
Reimbursements	128	52	-	52
Miscellaneous	12,393	12,514	8,000	4,514
Golf Certificates	1,787	(1,079)	1,700	(2,779)
Operating Transfer In	248,628	194,771	434,013	(239,242)
Total Receipts	1,095,581	1,126,197	$ 1,212,262	$ (86,065)
Expenditures				
Personnel Services	537,486	613,614	693,147	(79,533)
Contractual Services	161,260	181,525	184,625	(3,100)
Commodities	237,690	245,111	239,490	5,621
Capital Outlay	12,645	4,947	14,000	(9,053)
Reserve Transfer to Municipal Equipment Reserve	146,500	81,000	81,000	-
Total Expenditures	1,095,581	1,126,197	$ 1,212,262	$ (86,065)
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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-V

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Restaurant Rent	$ 50,021	$ 50,424	$ 50,020	$ 404
Hanger Rent	128,444	136,922	144,100	(7,178)
Other Rents & Fees	1,800	-	-	-
Office Rent	23,776	13,441	13,500	(59)
Farm Rent	4,413	10,377	16,000	(5,623)
Fuel Sales	21,014	20,384	20,000	384
Miscellaneous				
Reimbursements	-	60,845	-	60,845
Federal Grants	-	4,560	-	4,560
Operating Transfer In	326,122	178,730	275,645	(96,915)
Total Receipts	555,590	475,683	$ 519,265	$ (43,582)
Expenditures				
Personnel Services	216,993	234,390	265,079	(30,689)
Contractual Services	225,598	205,134	218,175	(13,041)
Commodities	47,665	33,048	32,900	148
Capital Outlay	105	-	-	-
Transfer to Municipal Equipment Reserve Fund	65,229	3,111	3,111	-
Total Expenditures	555,590	475,683	$ 519,265	$ (43,582)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-W

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 221,974	$ 229,203	$ 14,000	$ 215,203
Utility Fees				
Water Sales	8,562,554	8,517,273	8,247,918	269,355
Service Connection Fees	71,042	69,628	30,000	39,628
Tapping Charges	34,245	38,543	24,000	14,543
Connect/Disconnect Fees	99,277	100,208	95,000	5,208
Late Fees	75,106	72,764	68,000	4,764
Water District Surcharge	3,072	3,072	-	3,072
Franchise Fees	431,987	426,886	42,000	384,886
Miscellaneous				
Reimbursements	52,921	75,239	51,000	24,239
Miscellaneous	15,256	14,281	10,000	4,281
Total Receipts	9,567,434	9,547,097	$ 8,581,918	$ 965,179
Expenditures				
Personnel Services	1,477,906	1,781,615	1,751,271	30,344
Contractual Services	1,600,358	1,564,452	1,881,470	(317,018)
Commodities	1,102,085	710,411	1,159,450	(449,039)
Capital Outlay	404,289	283,055	222,000	61,055
Bond Principal	-	10,635	92,274	(81,639)
Bond Interest and Fees	-	3,743	95,883	(92,140)
Franchise Fee	431,987	426,879	423,567	3,312
Service Allocation Costs	1,646,604	1,786,667	1,786,667	-
Reserve Transfer Municipal Equipment Reserve	256,341	243,552	243,552	-
Reserve Transfer Capital Improvement Fund	1,170,000	351,479	1,380,000	(1,028,521)
Operating Transfer Out to Bond and Interest Fund	1,334,410	1,036,050	1,036,050	-
Appropriated Reserves	-	-	3,248,054	(3,248,054)
Total Expenditures	9,423,980	8,198,538	$ 13,320,238	$ (5,121,700)
Receipts Over (Under) Expenditures	143,454	1,348,559		
Unencumbered Cash, Beginning	5,090,719	5,234,988		
Prior Year Cancelled Encumbrances	815	15,024		
Unencumbered Cash, Ending	$ 5,234,988	$ 6,598,571		

City of Hutchinson, Kansas
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-X

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 182,044	$ 200,343	$ 30,000	$ 170,343
Utility Fees				
Industrial Wastewater Permit Fee	200	678	-	678
Sewer Use Charges	6,596,954	6,856,820	6,685,161	171,659
Late Fees	52,745	52,362	48,000	4,362
Franchise Fees	328,862	342,460	337,974	4,486
Miscellaneous				
Federal Grants	-	2,243	-	2,243
Total Receipts	7,160,805	7,454,906	$ 7,101,135	$ 353,771
Expenditures				
Personnel Services	1,737,255	2,115,116	2,150,994	(35,878)
Contractual Services	1,443,047	1,372,875	1,588,799	(215,924)
Commodities	714,935	745,516	743,050	2,466
Capital Outlay	59,850	-	-	-
Bond Principal	-	-	144,873	(144,873)
Bond Interest and Fees	-	-	75,274	(75,274)
Service Allocation Costs	1,257,450	1,396,790	1,396,790	-
Transfer to Municipal Equipment Reserve Fund	323,308	210,843	210,843	0
Reserve Transfer Capital Improvement Fund	455,000	-	1,000,000	(1,000,000)
Operating Transfer Out to Bond and Interest Fund	902,293	440,094	440,094	-
Appropriated Reserves	-	-	3,070,962	(3,070,962)
Total Expenditures	6,893,138	6,281,235	$ 10,821,679	$ (4,540,444)
Receipts Over (Under) Expenditures	267,667	1,173,671		
Unencumbered Cash, Beginning	4,467,661	4,748,324		
Prior Year Cancelled Encumbrances	12,996	125		
Unencumbered Cash, Ending	$ 4,748,324	$ 5,922,120		

City of Hutchinson, Kansas
Storm Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-Y

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 262,217	$ 253,922	$ 20,000	$ 233,922
Utility Fees				
Storm Water Surcharge	2,156,755	2,139,495	2,160,000	(20,505)
Total Receipts	2,418,972	2,393,417	$ 2,180,000	$ 213,417
Expenditures				
Personnel Services	211,653	244,804	356,657	(111,853)
Contractual Services	21,719	24,877	96,130	(71,253)
Commodities	48,984	73,590	81,976	(8,386)
Service Allocation Costs	192,419	201,411	201,411	-
Reserve Transfer to Municipal Equipment Reserve Fund	193,312	245,991	245,991	-
Reserve Transfer Capital Improvement Fund	525,000	525,000	600,000	(75,000)
Operating Transfer to Bond and Interest Fund	633,350	603,881	603,881	-
Appropriated Reserve	-	-	6,883,579	(6,883,579)
Total Expenditures	1,826,437	1,919,554	$ 9,069,625	$ (7,150,071)
Receipts Over (Under) Expenditures	592,535	473,863		
Unencumbered Cash, Beginning	6,297,288	6,889,823		
Prior Year Cancelled Encumbrances	-	3,828		
Unencumbered Cash, Ending	$ 6,889,823	$ 7,367,514		

City of Hutchinson, Kansas
Health and Dental Insurance Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-Z

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 105,373	$ 117,811
Insurance Premiums		
Employee Contributions	826,665	955,211
Retiree Premiums Collected	112,549	131,004
Employer Contributions	3,645,572	4,197,519
Reimbursed Expenses	379,094	448,392
Total Receipts	5,069,253	5,849,937
Expenditures		
Insurance Claims	3,561,534	4,104,072
Claim Administration	4,161	1,060
Insurance Premiums	895,460	976,091
Employee Wellness Program	7,357	9,810
Service Allocation Costs	146,595	161,991
Total Expenditures	4,615,107	5,253,024
Receipts Over (Under) Expenditures	454,146	596,913
Unencumbered Cash, Beginning	2,259,564	2,713,710
Unencumbered Cash, Ending	$ 2,713,710	$ 3,310,623

City of Hutchinson, Kansas
Risk Management Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-AA

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 88,789	$ 76,281
Miscellaneous		
Reimbursed Expenses	127,608	207,590
Department Premiums Charged	772,541	825,604
Total Receipts	988,938	1,109,475
Expenditures		
Administrative Expenses	54,584	129,406
Claims Paid	32,204	108,637
Extended Coverage Insurance	898,645	896,849
Service Allocation Costs	21,000	22,000
Total Expenditures	1,006,433	1,156,892
Receipts Over (Under) Expenditures	(17,495)	(47,417)
Unencumbered Cash, Beginning	2,465,000	2,447,505
Unencumbered Cash, Ending	$ 2,447,505	$ 2,400,088

City of Hutchinson, Kansas
Worker's Compensation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-AB

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 105,349	$ 94,997
Miscellaneous		
Reimbursed Expenses	7,349	81,074
Department Premiums Charged	424,776	403,367
Total Receipts	537,474	579,438
Expenditures		
Contractual Services	567,304	521,188
Service Allocation Costs	21,000	22,000
Total Expenditures	588,304	543,188
Receipts Over (Under) Expenditures	(50,830)	36,250
Unencumbered Cash, Beginning	2,614,478	2,563,648
Unencumbered Cash, Ending	$ 2,563,648	$ 2,599,898

City of Hutchinson, Kansas
Central Purchasing Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-AC

	Prior Year Actual	Current Year Actual
Receipts		
Inventory Sold	$ 2,620	$ 2,237
Expenditures		
Inventory Purchased	2,621	2,237
Receipts Over (Under) Expenditures	(1)	-
Unencumbered Cash, Beginning	24,898	24,897
Unencumbered Cash, Ending	$ 24,897	$ 24,897

City of Hutchinson, Kansas
Hutchinson Community Foundation Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-AD

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Investment Income (Loss)	$ 11,631	$ 13,337
Miscellaneous		
Private Donations	13,622	100
Total Receipts	25,253	13,437
Expenditures		
Other Contractual Services	7,462	4,623
Receipts Over (Under) Expenditures	17,791	8,814
Unencumbered Cash, Beginning	93,957	111,748
Unencumbered Cash, Ending	$ 111,748	$ 120,562

City of Hutchinson, Kansas
Donation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Schedule 2-AE

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous		
Private Donations	$ 317,762	$ 152,896
Miscellaneous	15,949	16,176
Transfers In	-	665
Total Receipts	333,711	169,737
Expenditures		
Other Contractual Services	321,612	172,125
Operating Transfer Out to Capital Improvement Fund	-	692
Total Expenditures	321,612	172,817
Receipts Over (Under) Expenditures	12,099	(3,080)
Unencumbered Cash, Beginning	578,548	592,025
Prior Year Cancelled Encumbrances	1,378	-
Unencumbered Cash, Ending	$ 592,025	$ 588,945

City of Hutchinson, Kansas
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2025

Schedule 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing Fund	$ 25,731	$ 17,936,469	$ 17,921,916	$ 40,284
Fire Proceeds Fund	31,500	81,138	14,100	98,538
Municipal Court Agency Fund	83,523	136,465	147,277	72,711
Friends of the Zoo	316	35,377	32,974	2,719
Agency Funds	10,224	13,822	15,417	8,629
Total	$ 151,294	$ 18,203,271	$ 18,131,684	$ 222,881

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VOGEL PIERCE FARIS
Chartered

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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, 2025, and the related notes to the financial statement, which collectively comprise the City's basic financial statement, and have issued our report thereon dated September 22, 2026, 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.

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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.



Certified Public Accountants

Hutchinson, Kansas
September 22, 2026

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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, 2025. 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, 2025.

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.

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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 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 cover 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.



Certified Public Accountants

Hutchinson, Kansas
September 22, 2026

City of Hutchinson, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing	Grant ID Number	Passed through to Subrecipients	Federal Expenditures
U.S. Environmental Protection Agency				
Pass-through from Kansas Department of Health and Environment				
Drinking Water State Revolving Fund	66.468	97796301		40,018
TOTAL - U.S. Environmental Protection Agency				40,018
U.S. Department of the Interior				
Pass-through from Kansas Historical Society				
Historic Preservation Fund Grants-In-Aid	15.904	HPF202210030		9,131
TOTAL - U.S. Department of Agriculture				9,131
U.S. Department of Homeland Security				
Pass-through from Kansas Division of Emergency Preparedness				
Distaster Grants - Public Assistance (Presidentally Declared Disasters)	97.036	DR4811		19,964
TOTAL - U.S. Department of Homeland Security				19,964
U.S. Department of Justice				
COPS Technology and Equipment Program	16.710	15JCOPS-23-GG-01858-TECP		
Bulletproof Vest Program	16.607			10,715
TOTAL - U.S. Department of Justice				10,715
U.S. Department of Transportation				
COVID-19 Airport Improvement Program	20.106	3-20-0035-37		10,940
COVID-19 Airport Improvement Program	20.106	3-20-0035-38		51,025
Airport Improvement Program	20.106	3-20-0035-39		653,373
Airport Improvement Program	20.106	3-20-0035-40		257,019
Airport Improvement Program	20.106	3-20-0035-41		65,277
				1,037,634
Pass-through from Kansas Department of Transportation				
State and Community Highway Safety	20.600	PT-0991-25		10,442
TOTAL - Highway Safety Cluster				10,442
TOTAL - U.S. Department of Transportation				1,048,076
U.S. Department of the Treasury				
COVID -19 Coronavirus State and Local Fiscal Recovery Funds	21.027			873,859
TOTAL - U.S. Department of the Treasury				873,859
Total Federal Awards Expended			$ -	$ 2,001,762

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, 2025

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, 2025, 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 did not provide federal awards to subrecipients.

CITY OF HUTCHINSON, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended December 31, 2025

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:

	CFDA No.
Airport Improvement Program	20.106

8. The threshold for distinguishing between Type A and Type B programs was $1,000,000.00.

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.