

City of Hutchinson, Kansas

Annual Financial Report

Year Ended December 31, 2011



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For the Year Ended December 31, 2011

Submitted By:

Finance Department

City of Hutchinson, Kansas

Cover Photo: Jim Martinez Trail

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INDEPENDENT AUDITORS' REPORT

The Mayor and City Council City of Hutchinson, Kansas

We have audited the summary of cash receipts, expenditures, and unencumbered cash balances for the City of Hutchinson, Kansas (City) as of and for the year ended December 31, 2011. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1, the City prepares its financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2011, or the respective changes in financial position, or where applicable, its cash flows for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Hutchinson, Kansas as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended on the basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 5, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The schedule of expenditures – actual and budget, the schedule of cash receipts and expenditures - actual and budget, and the schedule of cash receipts and disbursements – agency funds (Schedules 1 through 3, as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statement of the City. The summary of expenditures – actual and budget, the individual fund schedules of cash receipts and expenditures - actual and budget, the schedule of cash receipts and expenditures – capital project funds, the schedule of cash receipts and disbursements – agency funds, and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole on the basis of accounting described in note 1.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City's regulatory basis financial statements for the year ended December 31, 2010, which are not presented with the accompanying financial statements. In our report dated July 6, 2011, we expressed an unqualified opinion on the regulatory basis financial statements. That audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements as a whole. The prior year partial comparative information, derived from the City's financial statements for the year ended December 31, 2010, are presented for purposes of additional analysis and are not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2010 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2010 prior year partial comparative information is fairly stated in all material respects in relation to the financial statements from which they have been derived.



Certified Public Accountants

Hutchinson, Kansas
July 5, 2012

City of Hutchinson, Kansas
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 All City Funds
 For the Year Ended December 31, 2011

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts and Operating Transfers	Expenditures and Operating Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General	\$ 4,052,767	\$ -	\$ 30,555,053	\$ 30,355,630	\$ 4,252,188	\$ 467,610	\$ 4,719,798
Central Purchasing	46,108	-	109,917	139,029	16,995	10,676	27,671
Special Revenue Funds							
Special Street	-	-	1,817,965	1,817,965	-	5,313	5,313
Special Parks & Recreation	-	-	170,002	170,002	-	24,296	24,296
Special Alcohol Programs	89,215	-	96,337	157,619	27,933	-	27,933
Convention & Tourism Promotion	-	-	553,517	553,517	-	-	-
Fun Valley	-	-	714,290	714,290	-	2,441	2,441
Animal Shelter	-	-	378,870	378,870	-	7,204	7,204
Tax Incremental Financing	1,789,349	-	222,276	476,528	1,535,097	21,000	1,556,097
E 911 Surcharge	-	-	838,048	-	838,048	-	838,048
Federal and State Grants	114,331	-	1,905,767	1,539,490	480,607	30,650	511,257
Gossage Animal Shelter	41,120	-	15,840	55,954	1,006	-	1,006
Municipal Equipment Reserve	1,104,149	-	1,313,316	1,208,585	1,208,881	97,473	1,306,353
Debt Service Funds							
Bond and Interest	642,314	-	4,611,016	4,750,132	503,199	-	503,199
Enterprise Funds							
Refuse Collection	17,426	-	2,095,463	2,048,338	64,551	153,890	218,441
Golf Course	-	-	773,759	773,759	-	6,542	6,542
Airport	-	-	373,045	373,045	-	17,630	17,630
Water Utility	4,306,891	(614,167)	7,663,834	7,408,663	5,176,227	125,404	5,301,631
Sewer Utility	2,350,641	(143,475)	7,338,112	6,436,327	3,395,900	91,982	3,487,882
Storm Water Utility	360,550	-	285,627	168,279	477,897	-	477,897
Fiduciary Funds							
Hutchinson Community Foundation	38,800	-	5,776	16,657	27,919	-	27,919
Donations	100,101	-	341,964	255,730	186,334	7,835	194,169
Internal Service Funds							
Health & Dental Insurance	2,789,261	-	3,756,434	3,223,935	3,321,760	3,150	3,324,910
Risk Management	1,085,141	-	785,661	742,268	1,128,534	4,659	1,133,193
Worker's Compensation	2,077,563	-	637,365	552,945	2,161,984	2,500	2,164,484
Capital Project Funds							
Special Assessments	(217)	-	1,375,000	427,950	946,833	-	946,833
Capital Improvement	13,363,192	-	6,242,322	13,253,581	6,351,936	200,684	6,552,620
Capital Improvement Reserve	735,445	-	10,259,427	3,032,100	7,962,773	306,221	8,268,994
Total All Funds	\$ 35,104,147	\$ (757,642)	\$ 85,236,002	\$ 81,031,185	\$ 40,066,604	\$ 1,587,160	\$ 41,653,764

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

City of Hutchinson, Kansas
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
December 31, 2011

Page 2 of 2

	<u>Amount</u>
Composition of Cash	
Money Market Checking Accounts	
First National Bank, Hutchinson, KS	\$ 6,673,908
Central Bank & Trust, Hutchinson, KS	6,047,410
Bank Of The West	10,002,178
Certificates of Deposits	
Bank of America	2,000,000
Bank of Kansas	2,700,000
Commerce Bank	4,500,000
Central Bank & Trust	1,000,000
Emprise Bank	1,500,000
Farmers National Bank	4,500,000
Relianz Bank	1,000,000
Change Funds	6,211
Investments	
Hutchinson Community Foundation Accounts	27,919
Municipal Investment Pool - State of Kansas	1,691,030
Total Cash	<u>41,648,657</u>
Less Agency Funds	<u>5,107</u>
Total Reporting Entity (Excluding Agency Funds)	<u><u>41,653,764</u></u>

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

CITY OF HUTCHINSON, KANSAS
NOTES TO THE FINANCIAL STATEMENT
December 31, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Hutchinson (City) is a municipal corporation incorporated under the laws of the State of Kansas and governed by an elected five-member council.

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.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2011:

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

Special revenue funds—to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt service funds—to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the City.

Capital project funds—to account for financial resources segregated for the acquisition/construction of major capital facilities and improvements.

Enterprise funds—to account for operations that are financed and operated in a manner similar to private business enterprises—where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges—or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service funds—to account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Fiduciary funds—to account for assets held by a governmental unit, in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include expendable trust, nonexpendable trust, and agency funds.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of the statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an inter-fund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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 statutory 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.

Policy for Applying FASB Pronouncements to Proprietary Funds

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the financial statement to the extent that those standards do not conflict with, or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

Restricted Assets

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

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

Operating and Reserve Transfers Between Funds

Transfers of monies between budgeted City funds are presented as *Operating Transfers* and are budgeted and presented as other financing sources (uses). Transfers of monies between an unbudgeted fund and any other City fund are presented as *Reserve Transfers* and are treated as receipts and expenditures.

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.

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.

NOTE 2--BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and proprietary funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

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 statements 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, fiduciary funds, agency funds and the following special revenue and internal service funds:

- Risk Management
- Worker's Compensation
- Health and Dental Insurance
- Municipal Equipment Reserve
- Capital Improvement
- Capital Improvement Reserve
- Federal and State Grant
- 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 clerk certifies the tax roll to the county Treasurer, who prepares tax statements and receives payment.

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

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

NOTE 3--DEPOSITS AND INVESTMENTS

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

Water Utility fund customer deposits	\$ 328,171
Water well closure	194,000

As of December 31, 2011, the City had the following investments:

Investment Type	Fair Value	Rating
Kansas Municipal Investment Overnight Pool	\$ 1,691,030	S&P AAA+/S1+
Hutchinson Community Foundation Investment Pool	27,919	Moody's Aaa
	\$ 1,718,949	

At December 31, 2011, the City had invested \$1,691,030 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 10% of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with the Kansas banks or with primary government securities dealers.

At December 31, 2011 the City also had \$27,919 in investments being held by the Hutchinson Community Foundation (HCF) investment pool. The HCF pooled investments are invested in the Institutional Money Market Fund at the Pacific Investment Management Company (PIMCO). The Fund may invest at least 95% of its total assets in a diversified portfolio of money market securities that are in the highest rating category for short-term obligations.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificate of deposits with allowable financial institutions; United States government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The rating of the City's investments is noted above.

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2011.

At December 31, 2011, the City's carrying amount of deposits was \$39,959,590, and the bank balance was \$40,200,679. The bank balance was held by nine banks. Of the bank balance, \$6,095,030 was covered by Federal Depository Insurance Corporation (FDIC), \$34,105,649 was collateralized with securities held by the pledging financial institutions' agents in the City's name. At December 31, 2011, \$2,750,000 of the FDIC coverage was through the Certificate of Deposit Account Registry Service.

Custodial Credit Risk - Investments

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

NOTE 4—CAPITAL PROJECTS

At December 31, 2011, capital projects authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

City Improvement	Project	
	Authorization	Expenditures
Salt City Business Park III	\$ 1,600,000	\$ 1,175,247
Westminster Place Water Improvements	56,750	36,341
Westminster Place Sewer Improvements	66,600	43,678
Westminster Place Street & Drainage Improvements	365,350	245,424
Sherwood Hills Sewer Improvements	655,000	24,640
Plaza East Second Water, Street, & Sewer Improvements	300,000	93,903
Zoo Storm Water Drainage Improvements	94,475	79,499
K-61 Lighting & Fence Improvements, 17th to 30th Avenue	326,357	8,528
Trail Bridge Replacement at Carey Park	112,958	4,484
Animal Shelter Parking Lot Improvements	61,613	61,613
Traffic Signal Replacement; Cow Creek Bridge Design; 23rd Avenue Reconstruction-Rambler to Lorraine	824,597	617,921

NOTE 5—LONG-TERM DEBT

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

	Year								Total
	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-2031	
Principal									
General obligation									
bonds	\$ 3,285,000	\$ 3,270,000	\$ 3,145,000	\$ 2,845,000	\$ 2,620,000	\$ 9,615,000	\$ 2,585,000	\$ 550,000	\$ 27,915,000
Loan - KDHE	1,127,331	1,161,896	1,197,544	1,234,307	1,272,222	6,972,799	6,858,813	2,453,386	22,278,298
Temporary notes	220,000	3,195,000	225,000	-	-	-	-	-	3,640,000
Capital leases	101,576	90,539	82,574	76,404	79,040	-	-	-	430,133
Total principal	4,733,907	7,717,435	4,650,118	4,155,711	3,971,262	16,587,799	9,443,813	3,003,386	54,263,431
Interest									
General obligation									
bonds	1,010,745	887,978	783,048	678,746	580,906	1,626,497	374,665	43,174	5,985,759
Loan - KDHE	604,363	572,955	540,563	507,157	472,705	1,807,695	806,260	97,038	5,408,736
Temporary notes	38,993	33,838	2,813	-	-	-	-	-	75,644
Capital leases	14,840	11,335	8,212	5,363	2,727	-	-	-	42,477
Total interest	1,668,941	1,506,106	1,334,636	1,191,266	1,056,338	3,434,192	1,180,925	140,212	11,512,616
Total principal and interest	\$ 6,402,848	\$ 9,223,541	\$ 5,984,754	\$ 5,346,977	\$ 5,027,600	\$ 20,021,991	\$ 10,624,738	\$ 3,143,598	\$ 65,776,047

NOTE 5—LONG-TERM DEBT

Changes in long-term liabilities for the year ended December 31, 2011, were as follows:

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year
General obligation bonds					
2001B	5.375% - 6.200%	05/01/01	110,000	10/01/11	\$ 15,000
2001C	2.400% - 3.875%	10/01/01	1,250,000	10/01/11	150,000
2002A	2.500% - 4.200%	06/01/02	1,830,000	10/01/12	440,000
2003A	3.000% - 4.300%	03/21/03	1,360,000	10/01/23	1,020,000
2003B refunding	2.000% - 3.500%	07/11/03	5,250,000	10/01/17	1,385,000
2003E	1.500% - 3.375%	12/03/03	1,800,000	10/01/13	610,000
2004A	2.375% - 3.650%	04/01/04	2,265,000	10/01/24	1,210,000
2004B	2.800% - 4.200%	11/15/04	1,395,000	10/01/24	675,000
2005A	3.000% - 3.600%	06/01/05	625,000	10/01/14	265,000
2005B refunding	3.000% - 5.000%	06/15/05	4,005,000	10/01/20	2,680,000
2005C	3.200% - 4.200%	10/31/05	2,285,000	10/01/25	1,570,000
2006A	3.650% - 4.400%	05/15/06	1,965,000	10/01/26	1,450,000
2006B	3.450% - 4.250%	10/15/06	600,000	10/01/26	460,000
2007A	3.700% - 5.000%	06/01/07	630,000	10/01/17	475,000
2007B	5.150% - 5.400%	06/01/07	4,805,000	10/01/22	3,900,000
2007C	3.550% - 4.500%	11/15/07	3,005,000	10/01/27	2,555,000
2008A	3.150% - 4.350%	08/15/08	2,590,000	10/01/28	2,225,000
2009A refunding	2.000% - 3.950%	04/01/09	2,860,000	10/01/22	2,640,000
2009B	2.000% - 4.400%	06/01/09	1,320,000	10/01/29	1,215,000
2010A	2.000% - 4.000%	06/01/10	3,782,476	10/01/30	3,782,476
2011A	0.800% - 3.000%	06/01/11	1,420,000	10/01/22	-
2011B refunding	0.500% - 2.200%	11/15/11	1,170,000	10/01/21	-
					28,722,476
Revenue bonds					
2001 Water and Sewer Revenue Bonds	2.100% - 4.850%	10/01/01	2,100,000	12/01/21	1,400,000
Temporary notes					
2010A	2.000% - 2.500%	06/01/10	872,000	06/01/14	872,000
2011A	0.750%	06/01/11	1,075,000	06/01/11	-
2011B	1.000%	06/28/11	1,600,000	07/15/13	-
2011C	0.650%	11/01/11	300,000	11/01/13	-
					872,000
Loan - Kansas Department of Health and Environment (KDHE)					
Kansas Water Pollution Control #1517	3.100%	03/14/02	6,800,000	03/01/24	4,348,776
Kansas Public Water Supply #2280	4.180%	06/11/02	2,508,271	02/01/24	920,587
Kansas Water Pollution Control #1780	2.470%	03/08/10	3,068,553	03/01/31	3,068,553
Kansas Water Pollution Control #1666	2.650%	10/27/05	10,000,000	03/01/28	9,015,974
Kansas Public Water Supply #2423	3.530%	12/08/08	6,666,667	02/01/28	5,956,582
					23,310,472
Capital leases					
Pumper fire truck	3.45%	12/16/10	518,183	12/16/16	436,416
Lawnmower	3.45%	04/23/10	42,185	04/23/12	27,644
Lawnmower	3.45%	04/23/10	42,185	04/23/14	33,166
Lawnmower	3.45%	04/23/10	42,185	04/23/13	31,096
					528,322
Total bonded indebtedness					54,833,270
Compensated absences	N/A	N/A	N/A	N/A	3,225,055
Incurred but not reported claims	N/A	N/A	N/A	N/A	194,046
Total long-term debt					\$ 58,252,371

N/A - not applicable

Additions	Refundings	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 930
-	-	150,000	-	-	5,813
-	-	215,000	-	225,000	18,265
-	-	60,000	-	960,000	39,488
-	-	215,000	-	1,170,000	45,053
-	-	200,000	-	410,000	19,788
-	-	215,000	-	995,000	44,008
-	-	140,000	-	535,000	23,583
-	-	65,000	-	200,000	9,150
-	-	535,000	-	2,145,000	116,356
-	-	190,000	-	1,380,000	58,440
-	-	155,000	-	1,295,000	57,508
-	-	40,000	-	420,000	17,818
-	-	60,000	-	415,000	18,625
-	-	275,000	-	3,625,000	206,025
-	-	155,000	-	2,400,000	98,666
-	-	205,000	-	2,020,000	80,334
-	-	180,000	-	2,460,000	80,378
-	-	115,000	-	1,100,000	33,373
-	-	212,476	-	3,570,000	140,783
1,420,000	-	-	-	1,420,000	-
1,170,000	-	-	-	1,170,000	-
<hr/>					
2,590,000	-	3,397,476	-	27,915,000	1,114,379
<hr/>					
-	-	1,400,000	-	-	62,553
<hr/>					
-	-	207,000	-	665,000	25,778
1,075,000	-	-	-	1,075,000	-
1,600,000	-	-	-	1,600,000	-
300,000	-	-	-	300,000	-
<hr/>					
2,975,000	-	207,000	-	3,640,000	25,778
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-	-	263,897	-	4,084,879	122,074
-	-	51,981	-	868,606	34,766
-	-	54,209	-	3,014,345	41,677
-	-	410,988	-	8,604,986	213,934
-	-	251,098	-	5,705,484	187,441
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-	-	1,032,172	-	22,278,300	599,892
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-	-	66,711	-	369,705	15,056
-	-	13,588	-	14,056	954
-	-	7,875	-	25,291	1,144
-	-	10,016	-	21,080	1,073
<hr/>					
-	-	98,190	-	430,132	18,227
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5,565,000	-	6,134,838	-	54,263,432	\$ 1,820,828
<hr/>					
-	-	-	(56,275)	3,168,780	
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-	-	-	(8,064)	185,982	
<hr/>					
\$ 5,565,000	\$ -	\$ 6,134,838	\$ (64,339)	\$ 57,618,194	

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.

The City has issued one series of Sales Tax Special Obligation Revenue Bonds for an original issue amount of \$4,800,000. These bonds are secured by the property financed and are payable solely from payments received from sales taxes collected by the City of Hutchinson.

As of December 31, 2011, there were eighteen series of Industrial Revenue Bonds outstanding, one series Single Family Revenue Bond outstanding, and five series Multi-Family Revenue Bonds outstanding. The aggregate principal payable could not be determined, however, aggregate original issue amounts payable totaled \$101,476,500.

Kansas Water Pollution Control and Public Water Supply Revolving Loan Agreements

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

In April of 2011, the Kansas Department of Health and Environment forgave \$2,631,447 of the Kansas Water Pollution Control loan of March 8, 2010, as part of the federal government American Recovery and Reinvestment Act of 2009.

NOTE 6—INTERFUND TRANSFERS

Operating transfers were as follows:

Operating Transfers			
From	To	Statutory Authority	Amount
General Fund	Special Street Fund	12-1,119	\$ 532,845
General Fund	Golf Course Fund	12-101a	190,511
General Fund	Special Parks & Recreation Fund	12-101a	73,664
General Fund	Fun Valley Fund	12-101a	352,837
General Fund	Animal Shelter Fund	12-101a	267,622
General Fund	Airport Fund	3-121	203,439
Special Alcohol Programs Fund	General Fund	12-101a	82,619
General Fund	Bond and Interest Fund	10-113	100,000
Water Utility Fund	Bond and Interest Fund	12-825d	7,186
Sewer Utility Fund	Bond and Interest Fund	12-6311	7,186
			\$ 1,817,909

NOTE 7–RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters. The City manages these various risks of loss as follows:

General Liability

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

Physical Property

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

Worker's Compensation

Insured through an excess indemnity insurance policy. Policy provides coverage for claims in excess of \$350,000 per accident for firefighters and police officers and \$300,000 for all other employees. Individual claims up to \$350,000 are self-funded and administered through the Worker's Compensation Reserve. Claims are administered by an independent third party. An accidental death and dismemberment policy is carried for qualifying claims with coverage of \$150,000.

Health and Dental Insurance

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

Claim Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained and recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. An analysis of claims activities for 2011 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	\$ 30,952	\$ 327,293	\$ 311,964	\$ 46,281
Health and Dental Insurance	163,094	2,578,955	2,602,348	139,701

NOTE 8—DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Avenue, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law established the KPERS member employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary.

The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for calendar year December 31, 2011, is 7.74% except for the period from April 1, 2011 through June 30, 2011, when the rate was 6.74%. The City employer contributions to KPERS for the years ended December 31, 2011, 2010, and 2009, were \$768,850, \$718,108, and \$667,095, respectively, equally to the statutory required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2011, is 14.57%. The KP&F employer rate established for participating fire employees of former fire district #2 for 2011, is 14.57%. Employers participating in KP&F also make contributions to amortize the liability for part service costs, if any, which is determined separately for each participating employer. The City contributions to KP&F for the years ended December 31, 2011, 2010, and 2009, were \$1,318,013, \$1,126,486, and \$1,184,688, respectively, equal to the required contributions for each year.

NOTE 9—DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries, 25% or \$15,500 per year, whichever is less, until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death.

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

NOTE 10—OTHER POST EMPLOYMENT BENEFITS

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid at 102% of the group plan premiums.

NOTE 11—CONTINGENCIES AND COMMITMENTS

Litigation

The City is 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 statements do 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 statements.

Grant Program Involvement

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

Environmental Remediation

KDHE has state oversight for the Environmental Protection Agency concerning the groundwater contamination cleanup of the 4th and Carey Site. In 1994, the City entered into a consent agreement with KDHE accepting the obligation to clean-up the contamination. The City entered into a separate agreement with the companies responsible for the contamination in which the companies agreed to pay for the clean-up of the contamination. The City later revised the agreement with the companies by which the companies paid the City \$10.5 million dollars and the City would construct the Groundwater Remediation and RO Water Treatment Plant Project in order to clean-up the contamination and use the cleaned up 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 water, but will not be required to treat the 4th and Carey Site groundwater any longer.

Commitments

On September 15, 2009, the City in conjunction with Reno County, Kansas and the City of South Hutchinson, Kansas, entered into a development agreement with Siemens Energy, Inc. The Company has built and is currently operating an assembly, production, and service facility in Hutchinson, Kansas at the Salt City Business Park. The land and improvements will be eligible for a 100% tax abatement for ten years. The City has obligated local Economic Opportunity Funds in the amount of \$1,150,000; \$1,000,000 which was paid upon execution of the development agreement with the balance of \$150,000 to be paid in equal installments in years 2010 thru 2013. An additional \$75,000 was paid to Siemens in fiscal year 2011 leaving a remaining balance of \$75,000 at December 31, 2011.

The City has also committed up to \$571,523 as incentives for new job creation. Payment of these incentives is dependent upon achievement of certain measures by the participating businesses. The incentives could take place between 2012 through 2019 or later depending on when the businesses would reach the agreed upon measures.

NOTE 12—SUBSEQUENT EVENTS

On March 1, 2010, the City, the County, and the other emergency providers in Reno County entered into a lease purchase agreement with Kansas Department of Transportation (KDOT) in the amount of \$1,141,759 to purchase radio equipment. This agreement required 12 annual payments of \$125,642, including interest calculated at 4.56%, beginning in September 2010. Reno County 911 funds, as overseen by the Board of County Commissioners of Reno County, were being used to make the annual lease payments. As of January 1, 2012, the 911 County surcharge fee has been eliminated by the State of Kansas and been replaced with a new surcharge that will be overseen by the City of Hutchinson, but will not be available to make the annual radio lease payments. The City will also take the oversight of the previous 911 surcharge funds from Reno County.

Reno County transferred \$838,000 to the City on December 29, 2011 from the Reno County 911 funds. In March 2012, the City paid \$620,000 of these funds to the State of Kansas to pay off a portion of the lease agreement. Following the payment of these funds, the remaining lease balance was \$341,121 with an annual lease payment of \$47,056. The City is responsible for \$17,184 and the other emergency providers in Reno County are responsible for \$29,872 of the \$47,056 annual lease payment. The City's share of the lease balance is \$196,231. The Reno County 911 funds will also be used to make the lease payment due on September 1, 2012. Annual lease payments will continue until September 1, 2021.

On May 15, 2012, the City issued general obligation bonds for capital improvement and special assessment projects. The bonds issued amounted to \$1,890,000 with maturities ranging from fiscal year 2013 through 2032. Stated interest rates range from 2.00% to 3.00% with total interest payments of \$323,353.

City of Hutchinson, Kansas
Schedule of Expenditures - Regulatory Basis (Actual & Budget)
(Budgeted Funds Only)
For the Year Ended December 31, 2011

Schedule 1

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures and Transfers Out Chargeable to Current Year	Variance Over (Under)
Government Type Funds					
General	\$ 34,323,799	\$ -	\$ 34,323,799	\$ 30,355,630	\$ (3,968,169)
Special Revenue					
Special Street	2,042,747	-	2,042,747	1,817,965	(224,782)
Special Parks and Recreation	180,254	-	180,254	170,002	(10,252)
Special Alcohol Programs	174,529	-	174,529	157,619	(16,910)
Convention and Tourism Promotion	775,000	-	775,000	553,517	(221,483)
Fun Valley	730,869	-	730,869	714,290	(16,579)
Animal Shelter	390,964	-	390,964	378,870	(12,095)
Tax Incremental Financing	806,896	-	806,896	476,528	(330,368)
E 911 Surcharge	-	-	-	-	-
Bond and Interest	4,752,133	-	4,752,133	4,750,132	(2,001)
Enterprise Type Funds					
Refuse Collection	2,096,600	-	2,096,600	2,048,338	(48,262)
Golf Course	827,223	-	827,223	773,759	(53,464)
Airport	392,446	-	392,446	373,045	(19,401)
Water Utility	11,087,837	-	11,087,837	7,408,663	(3,679,174)
Sewer Utility	7,929,138	-	7,929,138	6,436,327	(1,492,811)
Storm Water Utility	283,385	-	283,385	168,279	(115,106)

City of Hutchinson, Kansas
 General Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

Schedule 2
 Page 1 of 34

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Revised Budget	
Cash Receipts				
Property Taxes	\$ 8,503,647	\$ 9,337,745	\$ 9,484,405	\$ (146,660)
Non Property Taxes	10,458,826	10,978,607	10,800,808	177,799
Franchise Fees	4,677,545	4,946,730	4,990,738	(44,008)
License and Permits	676,916	422,513	465,050	(42,537)
Fines, Forfeitures, and Penalties	675,318	678,102	649,800	28,302
Use of Money & Property	16,760	19,222	19,200	22
Public Safety Service Charges	2,285,890	2,227,939	2,395,195	(167,256)
Recreation & Concession Service Charges	97,880	125,592	131,865	(6,273)
Internal Service Charges	1,055,300	1,205,843	1,184,195	21,648
Miscellaneous	397,994	250,141	220,886	29,255
Reserve Transfers	407,000	280,000	280,000	-
Total Cash Receipts	29,253,076	30,472,434	30,622,142	(149,708)
Expenditures				
Personal Services	19,235,851	20,567,141	21,651,616	(1,084,475)
Contractual Services	4,813,567	4,041,605	4,190,353	(148,748)
Commodities	2,108,153	2,402,788	2,348,856	53,932
Capital Outlay	565,701	895,434	934,455	(39,021)
Allocated Service Costs	(1,678,855)	(1,676,855)	(1,678,856)	2,001
Reserve Transfers	-	2,504,598	2,494,061	10,537
Appropriated Reserve	-	-	2,729,689	(2,729,689)
Total Expenditures	25,044,417	28,734,711	32,670,174	(3,935,463)
Cash Receipts Over (Under) Expenditures	4,208,659	1,737,723	(2,048,032)	3,785,755
Operating Transfers In	-	82,619	82,619	-
Operating Transfers Out	(3,785,142)	(1,620,919)	(1,653,625)	32,706
Cash Receipts Over (Under) Expenditures and Transfers	423,517	199,423		
Unencumbered Cash, Beginning	3,629,250	4,052,767		
Unencumbered Cash, Ending	\$ 4,052,767	\$ 4,252,188		

City of Hutchinson, Kansas
 General Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

Schedule 2
 Page 2 of 34

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Revised Budget	
Cash Receipts				
Property Taxes				
Ad Valorem Property Tax	\$ 7,280,024	\$ 7,968,430	\$ 8,129,554	\$ (161,124)
Ad Valorem Vehicle Tax	956,217	1,136,482	1,101,851	34,631
In Lieu of Tax	1,829	-	3,000	(3,000)
Delinquent tax collections	265,577	232,833	250,000	(17,168)
Total Property Taxes	8,503,647	9,337,745	9,484,405	(146,660)
Non Property Taxes				
Local Sales tax - Countywide	4,634,008	4,869,940	4,829,025	40,915
Local Sales Tax - Citywide	5,717,257	5,995,679	5,864,175	131,504
Liquor Taxes	94,311	96,337	95,608	729
Intoxicating Liquor Tax	13,250	16,650	12,000	4,650
Total Non Property Taxes	10,458,826	10,978,607	10,800,808	177,799
Utility Franchise Fees				
Electricity - Westar Energy	2,135,894	2,454,996	2,345,789	109,207
Gas - Kansas Gas Service Company	971,319	814,878	970,000	(155,122)
Telephone - AT & T / Other	283,404	283,890	285,450	(1,560)
Black Hills Utility	76,392	144,137	158,516	(14,379)
Cable Television	441,390	445,004	445,579	(575)
Refuse System Fund	160,109	164,890	166,600	(1,710)
Water/Sewer System Fund	609,037	638,937	618,804	20,133
Total Utility Franchise Fees	\$ 4,677,545	\$ 4,946,730	\$ 4,990,738	\$ (44,008)

City of Hutchinson, Kansas
 General Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

Schedule 2
 Page 3 of 34

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Revised Budget	
Cash Receipts				
Licenses and Permits				
Cereal Malt Beverage Licenses	\$ 3,275	\$ 2,800	\$ 3,250	\$ (450)
Tree Trimming Licenses	1,025	550	900	(350)
Alarm License Fees	33,650	17,160	8,500	8,660
Fireworks Permits	25,000	30,000	25,000	5,000
Police and Protective Licenses	199	214	150	64
Other Licenses	3,021	1,357	1,500	(143)
Building and Fence Permits	495,878	225,705	301,600	(75,895)
Sign Permits	2,775	3,465	3,500	(35)
Demolition Permits	1,459	793	1,200	(408)
Building Occupancy Permits	2,760	3,191	2,500	691
Mechanical Permits	30,756	39,027	32,000	7,027
Electrical Permits	4,742	6,460	5,750	710
Plumbing Permits	16,071	21,101	17,500	3,601
Electrical License Fees	11,260	13,850	13,000	850
Plumbing License Fees	10,430	9,165	12,000	(2,835)
Gas Fitters License Fees	145	35	150	(115)
Mechanical License Fees	12,070	13,565	13,200	365
Wrecking License Fees	950	1,100	1,250	(150)
Building Contractor Licenses	21,450	32,975	22,100	10,875
Total Licenses and Permits	676,916	422,513	465,050	(42,537)
Fines, Forfeitures, and Penalties				
Municipal Court Fines	416,625	395,695	400,000	(4,305)
Admin Fee and Set Off Charge	-	549	500	49
Probation	-	23,386	17,500	5,886
Municipal Court Bond Forfeitures	4,000	9,350	6,500	2,850
Overtime Parking Fees/Late & Other Fees	-	-	100	(100)
Municipal Court Costs	194,843	186,000	175,000	11,000
Court Surcharges	14,535	13,683	13,250	433
Diversion Fees	43,044	46,718	35,000	11,718
DARE Fees	1,302	1,269	1,200	69
Court Confiscated Monies and Property	969	1,452	750	702
Total Fines, Forfeitures, and Penalties	\$ 675,318	\$ 678,102	\$ 649,800	\$ 28,302

City of Hutchinson, Kansas
 General Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Revised Budget	
Cash Receipts				
Use of Money and Property				
Interest Income	\$ 15,559	\$ 8,521	\$ 15,000	\$ (6,479)
Rents and Leases	1,201	10,701	4,200	6,501
Total Use of Money and Property	16,760	19,222	19,200	22
Public Safety Revenues				
Police Officer Service Charges	173,826	60,918	100,000	(39,082)
Impoundment Lot Storage/Auction	46,967	4,714	10,000	(5,286)
Police Records	2,216	2,852	2,400	452
Fingerprinting Fees	1,450	1,570	1,300	270
Radio Maintenance Service Charges	-	94,918	100,000	(5,082)
Fire Protection Contracts	75,461	-	-	-
Fire District #2	1,370,723	1,532,489	1,547,361	(14,872)
Fire Inspection Fees	77,293	3,150	-	3,150
Building Inspection Fees	-	200	500	(300)
Central Dispatch - Reno County	445,624	432,772	541,111	(108,339)
Central Dispatch - Others	30,004	30,133	30,133	-
Records - Reno County	7,040	9,111	10,390	(1,279)
Evidence Custodian - Reno County	55,286	55,113	52,000	3,113
Total Public Safety Revenues	2,285,890	2,227,939	2,395,195	(167,256)
Recreation and Concessions				
Ball Park - Rental Fees	1,258	4,158	1,300	2,858
Sports Arena - Rental Fees	5,298	7,763	5,000	2,763
Sports Arena - Advertising	-	1,215	3,000	(1,785)
Memorial Hall - Rental Fees	5,894	4,574	10,000	(5,426)
Sports Arena - Reimbursements	41,576	51,290	51,000	290
Homebuilders Rental	12,318	17,661	13,865	3,796
Rice Park Building Rental	9,876	13,571	9,700	3,871
Sports Arena Concessions	20,288	16,884	38,000	(21,116)
Memorial Hall Concessions	1,372	8,477	-	8,477
Total Recreation and Concessions	\$ 97,880	\$ 125,592	\$ 131,865	\$ (6,273)

City of Hutchinson, Kansas
 General Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Revised Budget	
Cash Receipts				
Central Garage/Custodial Services	\$ 1,055,300	\$ 1,205,843	\$ 1,184,195	\$ 21,648
Miscellaneous				
Sale of City Property	68,923	26,523	10,000	16,523
Flood Control Project	21,773	21,769	21,769	-
DHRP Contribution	15,000	15,000	15,000	-
Miscellaneous	139,748	11,583	11,250	333
Industrial Revenue Bond Admin Fees	1,000	6,650	4,200	2,450
Eastside Cemetery Charges	18,239	17,025	16,667	358
Zoning Application Fees	6,320	6,230	5,500	730
Reimbursements of Expenditures	126,991	134,719	126,500	8,219
Zoo Gift Shop	-	10,642	10,000	642
Total Miscellaneous	397,994	250,141	220,886	29,255
Transfers into the General Fund				
Reserve Transfer Capital Improvement Projects	7,000	80,000	80,000	-
Reserve Transfer Worker's Compensation Reserve	100,000	200,000	200,000	-
Reserve Transfer Risk Management	50,000	-	-	-
Operating Transfer Refuse	250,000	-	-	-
Operating Transfer Special Alcohol	-	82,619	82,619	-
Total Transfers	407,000	362,619	362,619	-
Total Cash Receipts and Transfers	\$ 29,253,076	\$ 30,555,053	\$ 30,704,761	\$ (149,708)

City of Hutchinson, Kansas

General Fund

Schedule of Cash Receipts and Expenditures - Regulatory Basis

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Revised Budget	
Expenditures				
Departmental				
City Council	\$ 14,412	\$ 10,518	\$ 15,315	\$ (4,797)
City Manager	248,181	264,618	256,864	7,754
Human Resources	218,260	229,881	249,753	(19,872)
Finance	334,744	320,065	353,320	(33,255)
Information Systems	206,349	289,404	294,319	(4,915)
Planning	361,812	461,961	474,987	(13,026)
Downtown Director	118,300	126,377	125,863	514
Law	518,179	487,952	538,297	(50,345)
Public Works Administration	87,563	95,055	95,989	(934)
Public Works Maintenance	776,740	831,385	854,250	(22,865)
Engineering	318,279	325,531	399,153	(73,622)
Traffic Signals	225,760	219,772	241,941	(22,169)
GIS	60,855	69,902	70,311	(409)
Central Garage	1,054,795	1,215,032	1,251,378	(36,346)
Streets	144,390	140,568	155,963	(15,395)
Storm Sewer Maintenance	7,804	8,789	9,575	(786)
Street Lighting	537,681	556,073	552,234	3,839
Parks	2,769,270	2,940,234	2,993,337	(53,103)
Police	7,404,595	7,861,760	7,943,946	(82,186)
Fire	6,651,668	7,379,750	8,100,768	(721,018)
Inspection	497,778	473,886	537,218	(63,332)
Animal Control	160,716	173,645	169,678	3,967
Insect/Rodent Control	10,820	6,578	7,700	(1,122)
Total Departmental	\$ 22,728,951	\$ 24,488,735	\$ 25,692,158	\$ (1,203,422)

City of Hutchinson, Kansas
 General Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Revised Budget	
Expenditures				
Growth Contractual Services				
Arts & Humanities Council	\$ 15,000	\$ 15,000	\$ 15,000	-
Market Hutchinson	97,000	97,000	97,000	-
Reno County Economic Development Council	63,000	63,000	63,000	-
Growth Inc.	45,000	45,000	45,000	-
Downtown Hutchinson	25,000	-	-	-
Growth Coalition	-	5,000	5,000	-
Welcome Channel	12,500	13,000	13,000	-
Reserve Transfer to Capital Improvement Reserve	342,000	362,000	362,000	-
Operating Transfer In	100,000	100,000	100,000	-
Total Growth	699,500	700,000	700,000	-
Non Departmental Contractual Services				
Kansas Cosmosphere	632,205	661,152	645,059	16,093
Kansas Underground Salt Museum	95,789	100,175	97,736	2,439
Computer Maintenance	71,812	69,228	80,255	(11,027)
Computer Equipment	186,296	122,727	111,700	11,027
Telephone	18,919	21,179	30,000	(8,821)
Audit	23,470	21,210	26,715	(5,505)
CRUD Program	3,889	4,530	6,000	(1,471)
City Elections	-	-	6,400	(6,400)
Purchasing	(71)	(2,112)	-	(2,112)
Training & Staff Development	7,026	2,311	4,000	(1,689)
Legislative lobbying	107	-	-	-
ADA Compliance	2,565	3,374	3,000	374
Public transportation - RCAT	900	-	-	-
SCKEDD & REAP Memberships	-	11,159	11,159	-
Growth Coordinator	15,000	15,000	15,000	-
Miscellaneous Contractual Services	-	3,810	12,906	(9,096)
Kansas State Fair	150,000	150,000	150,000	-
Cultural Activities Fund	47,250	47,250	45,950	1,300
Hutch Fest Activities	-	12,500	12,500	-
Arts & Humanities Council	25,100	24,600	24,600	-
United Way	107,132	96,666	96,666	-
Other	44,969	-	-	-
Total Non Departmental Contractual Services	\$ 1,432,358	\$ 1,364,758	\$ 1,379,646	\$ (14,888)

City of Hutchinson, Kansas
 General Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Revised Budget	
Expenditures				
Reserve Transfers				
Risk Management (Premiums)	\$ 431,153	\$ 339,814	\$ 339,814	-
Municipal Equipment Replacement Reserve	453,000	534,167	534,167	-
Capital Projects	-	317,491	317,491	-
City Hall Copier Reserve	5,179	6,201	6,201	-
CIP Reserve	-	21,000	21,000	-
Pool Maintenance Reserve	7,000	7,000	7,000	-
Street Improvement Reserve	900,413	941,641	918,721	22,920
Economic Opportunity Reserve (ED Res)	65,657	149,285	161,667	(12,382)
Economic Opportunity Reserve (CIP Res)	-	188,000	188,000	-
Capital Improvement Project Reserves	434,416	-	-	-
Total Reserve Transfers	2,296,818	2,504,598	2,494,061	10,537
Operating Transfers				
Special Street	991,031	532,845	571,510	(38,665)
Golf Course	183,495	190,511	145,680	44,831
Special Park	55,635	73,664	82,646	(8,982)
Fun Valley	366,528	352,837	385,769	(32,932)
Animal Shelter	238,596	267,622	263,397	4,225
Airport	162,028	203,439	204,623	(1,184)
Total Operating Transfers	1,997,313	1,620,919	1,653,625	(32,706)
Nondepartmental Allocated Service Costs	(325,381)	(323,380)	(325,381)	2,001
Appropriated Reserve	-	-	2,729,689	(2,729,689)
Total Expenditures and Transfers	\$ 28,829,559	\$ 30,355,630	\$ 34,323,799	\$ (3,968,168)

City of Hutchinson, Kansas
 Central Purchasing Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011

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	Prior Year Actual	Current Year Actual
Cash Receipts		
Inventory Sold	\$ 150,997	\$ 109,917
Expenditures		
Inventory Purchased	122,300	139,029
Cash Receipts Over (Under) Expenditures	28,697	(29,112)
Unencumbered Cash, Beginning	17,411	46,108
Unencumbered Cash, Ending	\$ 46,108	\$ 16,995

City of Hutchinson, Kansas
Special Street Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Gas Tax Distribution	\$ 1,096,883	\$ 1,081,389	\$ 1,119,790	\$ (38,401)
County Gas Tax Distribution	160,382	161,088	149,730	11,358
State Connecting Links	67,596	40,380	54,000	(13,620)
County Contribution	10,714	-	21,500	(21,500)
Service Charges				
Street Cuts	6,721	2,209	4,950	(2,741)
Miscellaneous Revenues				
Miscellaneous	99	55	-	55
Reimbursements	3,733	-	-	-
Total Cash Receipts	1,346,128	1,285,120	1,349,970	(64,850)
Expenditures				
Personal Services	943,004	963,627	1,008,361	(44,734)
Contractual Services	283,933	269,460	296,741	(27,281)
Commodities	321,964	380,253	333,020	47,233
Capital Outlay	30,758	-	-	-
Reserve Transfer to Municipal Equipment Reserve	-	87,000	87,000	-
Reserve Transfer to Capital Improvement Project Reserve	757,500	117,625	317,625	(200,000)
Total Expenditures and Reserve Transfers	2,337,159	1,817,965	2,042,747	(224,782)
Cash Receipts Over (Under) Expenditures	(991,031)	(532,845)	(692,777)	159,932
Operating Transfer In	991,031	532,845	692,777	(159,932)
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-	-	-
Unencumbered Cash, Beginning	-	-	-	-
Unencumbered Cash, Ending	\$ -	\$ -	-	-

City of Hutchinson, Kansas
Special Parks and Recreation Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Non Property Taxes				
Liquor Taxes	\$ 94,311	\$ 96,338	\$ 100,495	\$ (4,157)
Recreation & Concessions				
Concessions	255	-	-	-
Total Cash Receipts	94,566	96,338	100,495	(4,157)
Expenditures				
Personal Services	57,057	62,719	62,490	229
Contractual Services	47,874	69,717	83,764	(14,047)
Commodities	32,270	35,650	31,000	4,650
Capital Outlay	13,000	1,916	3,000	(1,084)
Total Expenditures	150,201	170,002	180,254	(10,252)
Cash Receipts Over (Under) Expenditures	(55,635)	(73,664)	(79,759)	6,095
Operating Transfer In	55,635	73,664	79,759	(6,095)
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Special Alcohol Programs Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Non Property Taxes				
Liquor Taxes	\$ 94,611	\$ 96,337	\$ 90,410	\$ 5,927
Expenditures				
Contractual services	107,368	75,000	91,910	(16,910)
Cash Receipts Over (Under) Expenditures	(12,757)	21,337	(1,500)	22,837
Operating Transfer Out	-	(82,619)	(82,619)	-
Cash Receipts Over (Under) Expenditures and Operating Transfer	(12,757)	(61,282)		
Unencumbered Cash, Beginning	101,972	89,215		
Unencumbered Cash, Ending	\$ 89,215	\$ 27,933		

City of Hutchinson, Kansas
Convention and Tourism Promotion Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Non Property Taxes				
Transient Guest Tax	\$ 525,970	\$ 553,517	\$ 775,000	\$ (221,483)
Expenditures				
Convention Visitors Bureau	300,554	316,295	442,913	(126,618)
HPA Associates/Convention Center	214,316	226,122	332,087	(105,965)
Reserve Transfer to Capital Improvement Reserve	11,100	11,100	-	11,100
Total Expenditures and Transfers	525,970	553,517	775,000	(221,483)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Fun Valley Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Recreation & Concession Service Charges				
Tournament fees	\$ 89,875	\$ 109,053	\$ 100,000	\$ 9,053
USSSA registration fees	140	120	200	(80)
Gate admissions	42,186	43,982	65,000	(21,019)
Ball Park Rental	-	34,072	22,000	12,072
Advertising	7,875	10,175	9,000	1,175
Retail sales	3,310	8,817	6,000	2,817
Convention Visitors Bureau Subsidy	-	42,833	42,800	33
Concessions	94,430	107,399	97,000	10,399
Miscellaneous				
Miscellaneous and Reimbursements	78,414	5,003	4,600	403
Total Cash Receipts	316,230	361,453	346,600	14,853
Expenditures				
Personal Services	356,392	384,782	355,671	29,111
Contractual Services	184,002	191,414	200,227	(8,813)
Commodities	120,719	124,427	161,471	(37,044)
Capital Outlay	21,645	13,667	13,500	167
Total Expenditures	682,758	714,290	730,869	(16,579)
Cash Receipts Over (Under) Expenditures	(366,528)	(352,837)	(384,269)	31,432
Operating Transfer In	366,528	352,837	384,269	(31,432)
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Animal Shelter Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		
		Actual	Budget	(Under)
Cash Receipts				
Licenses and Permits				
Dog License	\$ 41,489	\$ 32,833	\$ 70,000	\$ (37,167)
Service Charges				
Shelter Fees & Charges	75,152	73,077	79,000	(5,923)
Miscellaneous				
Gift Certificates	-	650	-	650
Reimbursed expenses	3,830	4,687	11,050	(6,363)
Total Cash Receipts	120,471	111,248	160,050	(48,803)
Expenditures				
Personal services	221,731	223,391	248,064	(24,673)
Contractual services	79,312	92,830	83,400	9,430
Commodities	57,873	62,649	59,500	3,149
Bad debt	151	-	-	-
Total Expenditures	359,067	378,870	390,964	(12,095)
Cash Receipts Over (Under) Expenditures	(238,596)	(267,622)	(230,914)	(36,708)
Operating Transfer In	238,596	267,622	230,914	36,708
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Tax Incremental Financing Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Property Taxes				
Tax Incremental Revenue	\$ 347,480	\$ 167,192	\$ 275,000	\$ (107,808)
State TIF Replacement	-	53,626	-	53,626
Use of Money and Property				
Interest Income	1,522	1,458	1,500	(42)
Other Contributions	800,000	-	-	-
Total Cash Receipts	1,149,002	222,276	276,500	(54,224)
Expenditures				
Contractual Services	806,984	470,228	305,500	164,728
Commodities	-	6,300	25,000	(18,700)
Capital Outlay	-	-	-	-
Total Expenditures	806,984	476,528	330,500	146,028
Cash Receipts Over (Under) Expenditures	342,018	(254,253)	(54,000)	(200,253)
Operating Transfer Out	-	-	(476,396)	476,396
Cash Receipts Over (Under) Expenditures and Operating Transfer	342,018	(254,253)		
Unencumbered Cash, Beginning	1,447,331	1,789,349		
Unencumbered Cash, Ending	\$ 1,789,349	\$ 1,535,097		

City of Hutchinson, Kansas
E 911 Surcharge Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Interest Income	\$ -	\$ 48	\$ -	\$ 48
Intergovernmental				
Other Contributions	-	-	-	-
State E 911	-	838,000	-	838,000
Total Cash Receipts	-	838,048	-	838,048
Expenditures				
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Cash Receipts Over (Under) Expenditures	-	838,048		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 838,048		

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

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Description	Unencumbered Federal/State				Grant Program Expenditures	Unencumbered Cash Ending
	Cash Beginning	Grant Contributions	Interest Income	Other		
Public Safety						
Intoxicated Driver Deterrence	\$ -	\$ 3,696	\$ -	\$ -	\$ -	\$ 3,696
Special Traffic Enforcement	(1,344)	12,920	-	-	(492)	11,084
Recovery/Redundant Backup Server	51	-	-	-	-	51
Equipment, Training & Vehicle Funding	(1,108)	7,578	-	-	(6,152)	318
Equipment Funding	-	-	-	-	-	-
Bulletproof Vest Funding	(12,861)	13,069	-	-	-	208
JAG457 Police Equipment	(1,642)	4,390	-	-	(2,315)	433
Congressional Appropriate	18,856	10,658	-	-	(30,008)	(494)
2012 JAG Equipment	-	24,000	-	-	(24,000)	-
JAG BX2536 Radios	-	32,965	-	-	(32,965)	-
THC Drug Funds	126,601	-	33	135,045	(125,395)	136,284
Drug Enforcement Confiscated Funds	15,389	-	5	-	-	15,394
E 911 Telephone Surcharge	-	219,134	60	-	-	219,194
Housing and Economic Development						
2008 HOME Grant	(40,504)	41,952	-	-	(1,448)	-
Neighborhood Stabilization	(37,802)	135,604	-	-	(112,801)	(14,999)
Housing Grant Administration	14,034	-	-	-	-	14,034
Preservation Trust	5,051	-	-	-	-	5,051
Kansas Historic Preservation	2,220	-	-	-	-	2,220
Kansas Historic Preservation Workshop	3,127	-	-	-	-	3,127
Planning Grant Administration	(389)	389	-	-	-	-
CDBG Housing Rehab	12,991	27,753	-	1,012	(41,756)	-
Development Strategies	-	-	-	-	-	-
Incentives Without Walls	19,404	85,755	-	-	(31,410)	73,749
Homeless Prevention	(12,817)	116,271	-	-	(119,064)	(15,610)
Economic Development Administration	-	901,908	-	-	(901,908)	-
Kansas Children's Lead Paint	1,515	-	-	-	-	1,515
2010 HOME Grant	-	-	-	-	(2,000)	(2,000)
Planning Marketing Communications	-	5,000	-	-	-	5,000
Emergency Shelter						
2008 Emergency Shelter Grant	5,642	-	-	-	-	5,642
2009 Emergency Shelter Grant	1,125	-	-	-	-	1,125
2010 Emergency Shelter Grant	(2,060)	21,988	-	-	(20,106)	(178)
2011 Emergency Shelter Grant	-	10,074	-	-	(13,308)	(3,233)
EPA						
George Pyle Park Storm Water Management	-	10,000	-	-	-	10,000
FAA						
Wildlife Study	(2,246)	5,989	-	-	(3,743)	-
4th Avenue Safety Zone Relocation	-	-	-	-	-	-
Safety Zone Design	-	67,368	-	-	(59,684)	7,684
Parks						
Recreation Trails Program	-	-	-	-	-	-
Community Fisheries	1,098	11,154	-	-	(10,934)	1,318
	<u>\$ 114,331</u>	<u>\$ 1,769,613</u>	<u>\$ 97</u>	<u>\$ 136,057</u>	<u>\$ (1,539,490)</u>	<u>\$ 480,607</u>

City of Hutchinson, Kansas
 Gossage Animal Shelter Trust Fund (Nonbudgeted)
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual		Current Year Actual
Cash Receipts			
Use of Money and Property			
Interest Income	\$ 5	\$	6
Trust Donations	38,187		15,834
Total Cash Receipts	38,192		15,840
Expenditures			
Reserve Transfer to Bond & Interest Fund	55,427		55,954
Cash Receipts Over (Under) Expenditures	(17,235)		(40,114)
Unencumbered Cash, Beginning	58,355		41,120
Unencumbered Cash, Ending	\$ 41,120	\$	1,006

City of Hutchinson, Kansas
Municipal Equipment Reserve Fund (Nonbudgeted)
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Municipal Court Fees	\$ 21,443	\$ 77,350
Interest Income	569	992
Miscellaneous		
Reserve Transfers	795,003	1,234,975
	817,015	1,313,316
Total Cash Receipts		
Expenditures		
Contractual services	362,436	834,296
Reserve Transfers	109,691	374,288
	472,127	1,208,585
Total Expenditures		
Cash Receipts Over (Under) Expenditures	344,888	104,731
Unencumbered Cash, Beginning	759,261	1,104,149
	\$ 1,104,149	\$ 1,208,881
Unencumbered Cash, Ending		

City of Hutchinson, Kansas
 Bond and Interest Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Interest Income	-	\$ 1,833	-	\$ 1,833
Property Taxes				
Ad Valorem Property Tax	2,272,983	2,490,567	2,537,450	(46,883)
In Lieu of Tax	1,004	-	1,500	(1,500)
Motor Vehicle Tax	527,700	350,296	338,777	11,519
16/20M Vehicle Tax	-	2,777	1,762	1,015
Recreational Vehicle Tax	3,751	4,474	3,407	1,067
Delinquent Ad Valorem Tax	130,197	100,261	100,000	261
Current Special Assessments	919,286	901,989	932,357	(30,368)
Delinquent Special Assessments	134	34,336	15,000	19,336
Premiums and Return of Escrow	26,438	-	-	-
Intergovernmental				
Contributions Other Governments	-	51,059	51,059	(0)
Miscellaneous				
Other Reimbursements	55,427	55,954	55,954	-
Reserve Transfers	1,306,060	517,471	239,372	278,099
Total Cash Receipts	5,242,980	4,511,016	4,276,638	234,378
Expenditures				
Debt service	5,285,048	4,744,632	4,744,633	(1)
Internal service costs	7,500	5,500	7,500	(2,000)
Total Expenditures	5,292,548	4,750,132	4,752,133	(2,001)
Cash Receipts Over (Under) Expenditures	(49,568)	(239,117)		
Operating Transfer In	100,000	100,000		
Cash Receipts Over (Under) Expenditures and Operating	50,432	(139,117)		
Unencumbered Cash, Beginning	591,882	642,314		
Unencumbered Cash, Ending	<u>\$ 642,314</u>	<u>\$ 503,199</u>		

City of Hutchinson, Kansas
Refuse Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Interest Income	\$ 5,150	\$ 4,664	\$ 6,000	\$ (1,336)
Utility Fees				
Refuse Collection Fees	1,891,471	1,897,932	1,896,000	1,932
Franchise Fees	160,109	164,890	166,600	(1,710)
Delayed Payment Charges	29,266	27,977	28,000	(23)
Total Cash Receipts	2,085,996	2,095,463	2,096,600	(1,137)
Expenditures				
Contractual Services	2,054,086	2,038,664	2,082,800	(44,136)
Commodities	4,792	2,777	5,000	(2,223)
Bad Debt	9,561	6,897	4,200	2,697
Appropriated Reserves	-	-	4,600	(4,600)
Total Expenditures	2,068,439	2,048,338	2,096,600	(48,262)
Cash Receipts Over (Under) Expenditures	17,557	47,125	-	47,125
Operating Transfer Out	(250,000)	-	-	-
Cash Receipts Over (Under) Expenditures and Operating Transfer	(232,443)	47,125		
Unencumbered Cash, Beginning	249,869	17,426		
Unencumbered Cash, Ending	\$ 17,426	\$ 64,551		

City of Hutchinson, Kansas
Golf Course

Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

Schedule 2
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Green Fees	\$ 264,723	\$ 211,737	\$ 195,219	\$ 16,518
Improvement Fund Fees	40,684	-	58,520	(58,520)
Tournament Revenue	11,864	-	18,450	(18,450)
Season Passes	-	86,002	102,813	(16,811)
School Fees	-	-	2,700	(2,700)
Private Cart Fees	15,281	-	15,338	(15,338)
City Cart Rental	105,719	128,915	121,439	7,476
Locker Rental	1,880	2,170	1,950	220
Cart Shed Rental	10,344	-	10,300	(10,300)
Golf Concessions	61,074	52,918	80,000	(27,082)
Golf Pro Shop	37,506	87,475	97,850	(10,375)
Driving Range	-	-	2,000	(2,000)
Miscellaneous				
Reimbursements	6	187	-	187
Miscellaneous	6,760	10,260	9,000	1,260
Golf Certificates	-	3,583	-	3,583
Total Cash Receipts	555,841	583,248	715,579	(132,331)
Expenditures				
Personal Services	452,071	465,971	482,129	(16,160)
Contractual Services	92,156	100,074	96,679	(5,785)
Commodities	156,067	160,193	193,015	(39,122)
Bad Debt	56	-	-	-
Capital Outlay	38,986	47,520	10,400	(8,880)
Reserve Transfer to Merf	-	-	45,000	(45,000)
Total Expenditures	739,336	773,759	827,223	(53,464)
Cash Receipts Over (Under) Expenditures	(183,495)	(190,511)	(111,644)	(78,867)
Operating Transfer In	183,495	190,511	111,644	78,867
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-	-	-
Unencumbered Cash, Beginning	-	-	-	-
Unencumbered Cash, Ending	\$ -	\$ -	\$ -	\$ -

City of Hutchinson, Kansas
 Airport Fund
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Restaurant Rent	\$ 49,269	\$ 47,214	\$ 54,610	\$ (7,396)
Hanger Rent	105,594	69,778	91,424	(21,646)
Other Rents & Fees	101	250	100	150
Office Rent	42,018	40,174	41,734	(1,560)
Farm Rent	3,501	1,532	1,332	200
Fuel Sales	14,076	8,239	8,000	239
Miscellaneous				
Reimbursements	2,638	2,418	2,638	(220)
Total Cash Receipts	217,197	169,606	199,838	(30,233)
Expenditures				
Personal services	155,456	167,204	168,282	(1,078)
Contractual services	127,560	122,213	126,264	(4,051)
Commodities	79,365	63,318	81,600	(18,282)
Capital outlay	16,844	20,311	16,300	4,011
Total Expenditures	379,225	373,045	392,446	(19,401)
Cash Receipts Over (Under) Expenditures	(162,028)	(203,439)	(192,608)	(10,831)
Operating Transfer In	162,028	203,439	192,608	10,831
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

City of Hutchinson, Kansas
Water Utility Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Interest Income	\$ 24,094	\$ 14,434	\$ 25,000	\$ (10,566)
Utility Fees				
Water Sales	6,555,075	7,061,955	6,634,900	427,055
Service Connection Fees	38,320	37,460	37,000	460
Tapping Charges	25,945	24,965	24,000	965
Connect/Disconnect Fees	44,436	53,770	42,000	11,770
Late Fees	70,490	79,912	61,000	18,912
Water District Surcharge	3,072	3,072	3,000	72
Franchise Fees	329,296	353,222	332,700	20,522
Miscellaneous				
Reimbursements	35,494	34,420	-	34,420
Miscellaneous	564	625	2,950	(2,325)
Total Cash Receipts	7,126,786	7,663,834	7,162,550	501,284
Expenditures				
Personal Services	1,638,912	1,755,455	1,749,418	6,037
Contractual Services	1,036,337	1,111,103	1,396,543	(285,440)
Commodities	597,577	736,831	823,230	(86,400)
Capital Outlay	1,020,925	1,301,330	540,250	761,080
Loan Principal	692,647	714,066	703,388	10,678
Loan Service Fees	48,132	46,092	47,099	(1,007)
Loan Interest	455,520	436,140	445,811	(9,671)
Franchise Fee	329,296	353,222	332,700	20,522
Service Allocation Costs	918,428	918,427	918,427	-
Other Expenditures	51,124	28,810	-	28,810
Bad Debt	-	-	19,000	(19,000)
Appropriated Reserves	-	-	3,504,785	(3,504,785)
Reserve Transfer Capital Improvement Project	-	-	600,000	(600,000)
Total Expenditures	6,788,898	7,401,477	11,080,651	(3,679,174)
Cash Receipts Over (Under) Expenditures	337,888	262,357	(3,918,101)	4,180,458
Operating Transfer Out	(555,580)	(7,186)	(7,186)	-
Cash Receipts Over (Under) Expenditures and Operating Transfer	(217,692)	255,171		
Unencumbered Cash, Beginning	4,524,583	4,306,891		
Prior Year Cancelled Encumbrances	-	614,167		
Unencumbered Cash, Ending	\$ 4,306,891	\$ 5,176,227		

City of Hutchinson, Kansas
Sewer Utility Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Interest Income	\$ 28,433	\$ 18,578	\$ 45,000	\$ (26,422)
Rental of City Property	-	8,000	-	8,000
Utility Fees				
Industrial Wastewater Permit Fee	1,275	1,250	1,200	50
Sewer Use Charges	5,580,919	5,729,310	5,602,500	126,810
Late Fees	47,049	50,093	43,000	7,093
Franchise Fees	279,741	285,715	280,700	5,015
Tapping Fees	7,500	21,440	-	21,440
Miscellaneous				
Reimbursed Expenses	459	62,415	300	62,115
Salvage Sold	89	262	-	262
Non Revenue Receipts				
Loan proceeds	-	1,161,050	-	1,161,050
Total Cash Receipts	5,945,465	7,338,112	5,972,700	1,365,412
Expenditures				
Personal Services	1,542,957	1,404,056	1,752,494	(348,438)
Contractual Services	1,178,044	1,213,183	1,022,336	190,847
Commodities	416,531	544,091	519,875	24,216
Capital Outlay	384,613	535,036	112,683	422,353
Debt Service	161,163	49,598	-	49,598
Loan Principal	311,634	1,731,106	472,078	1,259,028
Loan Service Fees	11,423	14,927	17,833	(2,906)
Loan Interest	130,385	226,304	255,022	(28,718)
Franchise Fees	279,741	-	280,700	(280,700)
Service Allocation Costs	698,928	698,928	698,928	-
Other Expenditures	35,783	11,912	-	11,912
Miscellaneous	-	-	13,000	(13,000)
Appropriated Reserves	-	-	2,477,003	(2,477,003)
Reserve Transfer to Capital Improvement Projects	-	-	300,000	(300,000)
Total Expenditures	5,151,202	6,429,141	7,921,952	(1,492,811)
Cash Receipts Over (Under) Expenditures	794,263	908,971	(1,949,252)	2,858,223
Operating Transfer Out	(555,580)	(7,186)	(7,186)	-
Cash Receipts Over (Under) Expenditures and Operating Transfer	238,683	901,785		
Unencumbered Cash, Beginning	2,111,958	2,350,641		
Prior Year Cancelled Encumbrances	-	143,475		
Unencumbered Cash, Ending	\$ 2,350,641	\$ 3,395,900		

City of Hutchinson, Kansas
Storm Water Utility Fund
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Interest Income	\$ 398	\$ 406	\$ 500	\$ (94)
Utility Fees				
Storm Water Surcharge	282,053	285,221	282,000	3,221
Total Cash Receipts	282,451	285,627	282,500	3,127
Expenditures				
Personal Services	39,589	59,911	68,181	(8,270)
Contractual Services	12,420	-	30,704	(30,704)
Capital Outlay	251,215	7,000	6,500	500
Reserve Transfer to Capital Improvement Project Reserve	-	100,000	178,000	(78,000)
Bad debt	1,158	1,368	-	1,368
Total Expenditures	304,382	168,279	283,385	(115,106)
Cash Receipts Over (Under) Expenditures	(21,931)	117,348		
Unencumbered Cash, Beginning	382,481	360,550		
Unencumbered Cash, Ending	\$ 360,550	\$ 477,897		

City of Hutchinson, Kansas
 Fiduciary Funds (Nonbudgeted)
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011

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	Hutch Community Foundation Fund	Donations Fund
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 46	\$ -
Fines, Fees & Forfeitures Other		
Municipal Court Collections	-	192,873
Miscellaneous		
Private Donations	5,731	72,897
Facility Deposit Returns	-	23,796
Reserve Transfer to General Fund	-	6,030
Reserve Transfer to Donation Fund Projects	-	46,367
 Total Cash Receipts	 5,776	 341,964
 Expenditures		
Other Contractual Services	16,657	58,865
Court Collection Payouts	-	151,111
Reserve Transfer to Donation Fund Projects	-	45,754
 Total Expenditures and Transfers	 16,657	 255,730
 Cash Receipts Over (Under) Expenditures	 (10,881)	 86,234
 Unencumbered Cash, Beginning	 38,800	 100,101
 Unencumbered Cash, Ending	 \$ 27,919	 \$ 186,334

City of Hutchinson, Kansas
 Health and Dental Insurance Fund (Nonbudgeted)
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

Schedule 2
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	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 13,249	\$ 9,806
Insurance Premiums		
Employee Contributions	777,049	893,692
Retiree Premiums Collected	99,064	108,225
Cobra Premiums Collected	22,803	31,417
Employer Contributions	1,768,104	2,713,295
Miscellaneous		
Reimbursed Expenses	3,403	-
Total Cash Receipts	2,683,672	3,756,434
Expenditures		
Insurance Claims	2,700,402	2,602,348
Claim Administration	7,724	2,781
Insurance Premiums	604,066	600,806
Service Allocation Costs	18,000	18,000
Total Expenditures	3,330,192	3,223,935
Cash Receipts Over (Under) Expenditures	(646,520)	532,499
Unencumbered Cash, Beginning	3,435,781	2,789,261
Unencumbered Cash, Ending	\$ 2,789,261	\$ 3,321,760

City of Hutchinson, Kansas
 Risk Management Fund (Nonbudgeted)
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

Schedule 2
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	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 2,514	\$ 485
Miscellaneous		
Reimbursed Expenses	122,084	58,850
Reserve Transfer from General Fund	431,153	339,814
Reserve Transfer Other Funds	339,837	386,512
	895,588	785,661
Total Cash Receipts		
Expenditures		
Contractual Services	5,013	1,854
Administrative Expenses	52,406	66,316
Claims Paid	172,531	169,760
Extended coverage insurance	481,593	486,338
Service Allocation Costs	18,000	18,000
Reserve Transfer to General Fund	50,000	-
	779,543	742,268
Total Expenditures		
Cash Receipts Over (Under) Expenditures	116,045	43,393
Unencumbered Cash, Beginning	969,096	1,085,141
	\$ 1,085,141	\$ 1,128,534
Unencumbered Cash, Ending		

City of Hutchinson, Kansas
 Worker's Compensation Fund (Nonbudgeted)
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 13,213	\$ 2,849
Miscellaneous		
Reimbursed Expenses	319	-
Reserve Transfer from General Fund	332,735	513,792
Reserve Transfer Other Funds	78,733	120,724
	425,000	637,365
Total Cash Receipts		
Expenditures		
Contractual Services	172,432	334,945
Service Allocation Costs	18,000	18,000
Reserve Transfer General Fund	100,000	200,000
	290,432	552,945
Total Expenditures		
Cash Receipts Over (Under) Expenditures	134,568	84,420
Unencumbered Cash, Beginning	1,942,995	2,077,563
	\$ 2,077,563	\$ 2,161,984
Unencumbered Cash, Ending		

City of Hutchinson, Kansas
Special Assessments Fund (Nonbudgeted)
Schedule of Cash Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

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	Cash Receipts				Expenditures			
	Unencumbered Cash Beginning	Temporary Notes	General Obligation Bonds	Total	Engineering Bond Expense, Appraisal, and other	Purchases and Construction	Total	Unencumbered Cash Ending
Street/Drainage Improvement	\$ -	\$ 344,000	\$ -	\$ 344,000	\$ 5,271	\$ 240,153	\$ 245,424	\$ 98,576
Sewer Improvement	-	60,523	-	60,523	927	42,751	43,678	16,844
Water Improvement	-	51,493	-	51,493	789	35,553	36,341	15,151
Sewer Improvement	(217)	618,985	-	618,985	8,257	346	8,603	610,165
Street/Drainage Improvement	-	231,600	-	231,600	4,188	52,796	56,985	174,615
Water Improvement	-	26,790	-	26,790	790	11,948	12,738	14,052
Sewer Improvement	-	41,610	-	41,610	1,036	23,144	24,180	17,430
Water Improvement	-	-	-	-	-	-	-	-
Total	\$ (217)	\$ 1,375,000	\$ -	\$ 1,375,000	\$ 21,259	\$ 406,691	\$ 427,950	\$ 946,833

City of Hutchinson, Kansas
 Capital Improvement Fund (Nonbudgeted)
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

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	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 39,708	\$ 41,930
Intergovernmental		
Other Contributions	1,269,089	548,860
Miscellaneous		
Reimbursed Expenses	1,371,375	320,020
Donations	900	30,300
Non Revenue Receipts		
Bond Proceeds	3,485,358	3,020,000
Loan Proceeds	5,464,315	235,685
Reserve Transfer General Fund	1,637,977	474,605
Reserve Transfer Waterworks Fund	841,900	188,190
Reserve Transfer Sewage Treatment Plant Fund	300,000	342,700
Reserve Transfer Special Street Fund	757,500	-
Reserve Transfer Capital Improvement Project to Project	2,905,288	981,919
Reserve Transfer Other Funds	697,352	58,113
	18,770,762	6,242,322
Expenditures		
Capital Improvement Expenditures	15,897,543	5,241,355
Reserve Transfer Other Funds	3,086,834	8,012,226
	18,984,377	13,253,581
Cash Receipts Over (Under) Expenditures	(213,615)	(7,011,256)
Unencumbered Cash, Beginning	13,576,807	13,363,192
Unencumbered Cash, Ending	\$ 13,363,192	\$ 6,351,936

City of Hutchinson, Kansas
 Capital Improvement Reserve Fund (Nonbudgeted)
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

Schedule 2
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	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental		
Other Contributions	\$ 16,556	\$ 5,743
Miscellaneous		
Reimbursed Expenses	-	45,050
League Fees	134,181	143
Non Revenue Receipts		
Bond Proceeds	101,370	-
Reserve Transfer General Fund	122,977	1,452,942
Reserve Transfer Waterworks Fund	-	796,299
Reserve Transfer Sewage Treatment Plant Fund	-	100,000
Reserve Transfer Special Street Fund	-	117,625
Reserve Transfer Capital Improvement Project to Project	81,374	6,463,712
Reserve Transfer Other Funds	55,500	1,277,913
	511,959	10,259,427
Total Cash Receipts		
Expenditures		
Capital Improvement Expenditures	50,769	2,671,788
Reserve Transfer Project to Project	76,358	360,311
	127,127	3,032,100
Total Expenditures		
Cash Receipts Over (Under) Expenditures	384,832	7,227,328
Unencumbered Cash, Beginning	350,613	735,445
	\$ 735,445	\$ 7,962,773
Unencumbered Cash, Ending		

City of Hutchinson, Kansas
 Agency Funds
 Schedule of Cash Receipts and Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011

Schedule 3

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll Clearing	\$ (12,315)	\$ 13,030,100	\$ 13,022,892	\$ (5,107)
Fire Proceeds	12,150	13,813	25,963	-
Total	\$ (165)	\$ 13,043,913	\$ 13,048,855	\$ (5,107)

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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

The Mayor and City Council
City of Hutchinson, Kansas

We have audited the financial statement of City of Hutchinson, Kansas (City) as of and for the year ended December 31, 2011 and have issued our report thereon dated July 5, 2012. In our report, our opinion on the financial statement was unqualified based on the prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the city council, management, federal awarding and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

Certified Public Accountants

Hutchinson, Kansas
July 5, 2012

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

**The Mayor and City Council
City of Hutchinson, Kansas**

Compliance

We have audited the City of Hutchinson, Kansas (City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City of Hutchinson, Kansas compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the city council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Hutchinson, Kansas
July 5, 2012

City of Hutchinson, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	American Recovery and Reinvestment Act of 2009	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Commerce				
Economic Development Cluster				
Investments for Public Works and Economic Development				
Facilities				
Economic Adjustment Assistance (EAA)	ARRA	11.300	05-01-05103	\$296,829.20
		11.307	05-79-73007	<u>157,805.41</u>
TOTAL - U.S. Department of Commerce				<u>454,634.61</u>
Department of Housing and Urban Development				
Pass-through from Kansas Department of Commerce				
Community Development Block Grant				
Community Development Block Grant	ARRA	14.228	09-HR-905	25,623.00
		14.228	09-NSP-016	112,800.64
Pass-through from Kansas Housing Resource Corporation				
Emergency Shelter Grants				
		14.231	ESG-FFY2010	20,106.26
		14.231	ESG-FFY2011	13,307.87
HOME Investment Partnerships Program				
		14.239	2008 HOME	1,447.68
		14.239	2010 HOME	2,000.00
Homeless Prevention and Rapid Rehousing	ARRA	14.262	HPRP-02	<u>119,064.21</u>
TOTAL - U.S. Department of Housing and Urban Development				<u>294,349.66</u>
U.S. Department of Justice				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant				
		16.738	2011-DJ-BX-2536	32,965.14
Edward Byrne Memorial Justice Assistance Grant				
		16.738	2010-DJ-BX-1457	2,315.22
Edward Byrne Memorial Justice Assistance Grant				
	ARRA	16.804	2009 SB.B9.2136	7,577.61
Edward Byrne Memorial Justice Assistance Grant				
	ARRA	16.804	2008-DJ-BX-0661	50.76
Pass-through Kansas Governor's Office				
Edward Byrne Memorial Justice Assistance Grant				
		16.738	12-JAG-11	<u>24,000.00</u>
TOTAL - U.S. Department of Justice				<u>66,908.73</u>

See the accompanying notes to the schedule of expenditures of federal awards.

City of Hutchinson, Kansas
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	American Recovery and Reinvestment Act of 2009	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation				
Airport Improvement Program		20.106	3-20-0035-22	\$ 3,556.00
Airport Improvement Program		20.106	3-20-0035-25	35,733.00
Airport Improvement Program		20.106	3-20-0035-26	41,307.00
Pass-through from Kansas Secretary of Transportation				
Highway Safety Cluster				
State and Community Highway Safety		20.600	OP-1991-11	6,171.79
Occupant Protection Incentive		20.602	AL 9087-11	4,128.47
TOTAL - U. S. Department of Transportation				<u>90,896.26</u>
Environmental Protection Agency				
Pass-through from Kansas Department of Health and Environment				
Capitalization Grants for Clean Water State Revolving Funds		66.458		<u>162,605.74</u>
TOTAL - U.S. Environmental Protection Agency				<u>162,605.74</u>
Total 2011 Grant Expenditures				<u><u>\$1,069,395.00</u></u>

See the accompanying notes to the schedule of expenditures of federal awards.

CITY OF HUTCHINSON, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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, 2011, and is presented on the statutory basis of accounting. Expenditures include disbursements, accounts payable, and encumbrances. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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 statutory 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 Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through identifying numbers are presented where available.

CITY OF HUTCHINSON, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2011

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issue	Unqualified (Statutory basis)
Internal control over financial reporting	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133?	No

Major Programs

	<u>CFDA#</u>	
<u>Economic Development Cluster</u>		
Department of Commerce		
Economic Development Administration		
Investments for Public Works and Economic Development Facilities	11.300	
Economic Adjustment Assistance	11.307	
Dollar threshold used to distinguish between type A and type B programs		\$ 300,000
Auditee qualified as low-risk auditee?		Yes

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

CITY OF HUTCHINSON, KANSAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2011

There were no prior year findings.