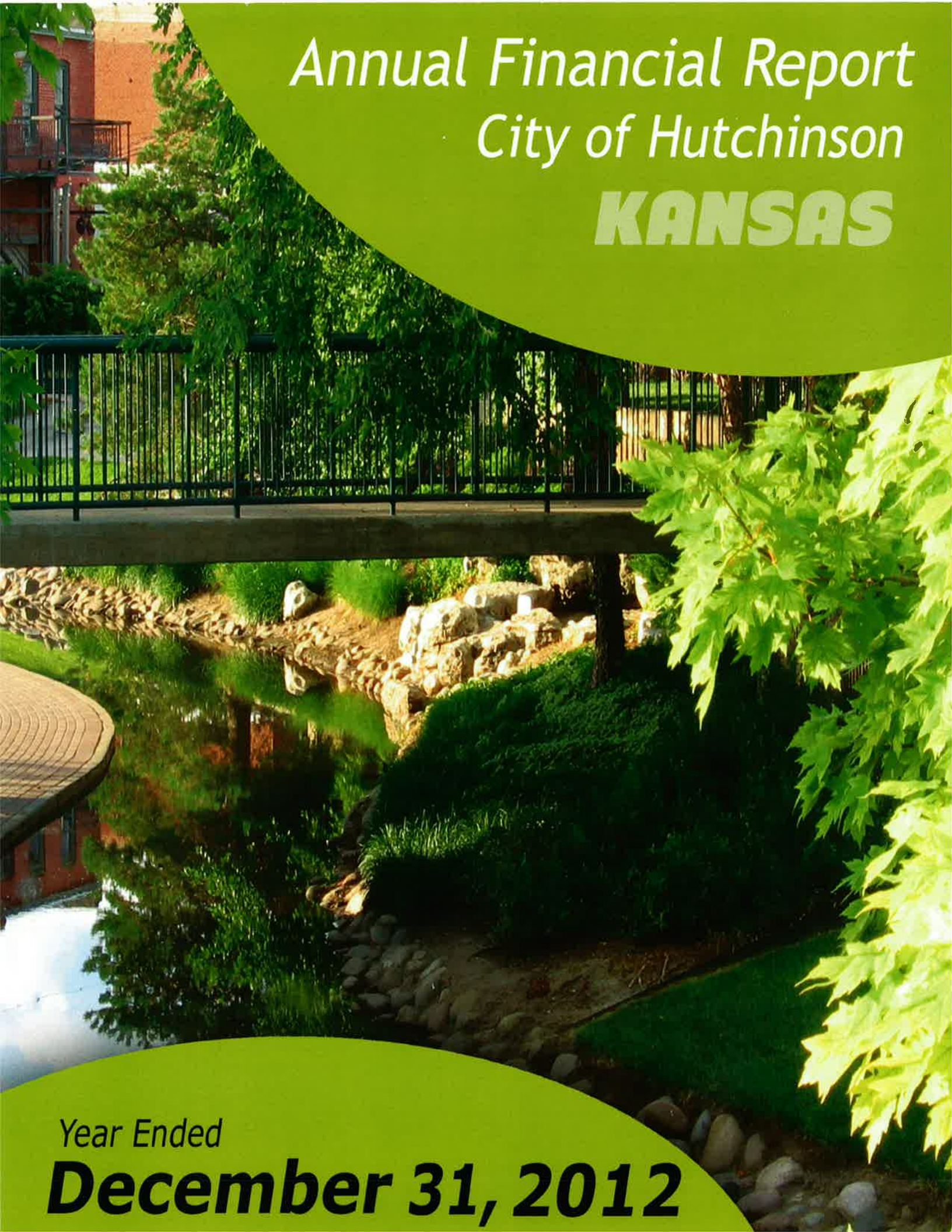
Annual Financial Report
City of Hutchinson
KANSAS



Year Ended
December 31, 2012

City of Hutchinson, Kansas

Annual Financial Report

For the Year Ended December 31, 2012

Submitted By:

Finance Department

City of Hutchinson, Kansas

Cover Photo:

City of Hutchinson, Kansas
Annual Financial Report
For the Year Ended December 31, 2012
Table of Contents

Independent Auditor's Report 1

Financial Statement

Summary of Cash Receipts, Expenditures, and Unencumbered Cash 3

Notes to the Financial Statement 4

Schedule 1
Schedule of Expenditures - (Actual and Budget) Regulatory Basis 16

Schedule 2-A
Schedule of Receipts and Expenditures - Regulatory Basis

General Fund 17

Special Purpose Funds (Budgeted and Nonbudgeted) Regulatory Basis
Special Street 25

Special Parks and Recreation 26

Special Alcohol Programs 27

Convention and Tourism Promotion 28

Fun Valley 29

Animal Shelter 30

Tax Incremental Financing 31

Community Improvement District 32

E 911 Surcharge 33

Schedule 2-B
Federal and State Grants 34

Gossage Animal Shelter 35

Municipal Equipment Reserve 36

Schedule 2-A
Bond and Interest Funds
Bond and Interest 37

Schedule 2-C
Capital Projects Fund
Special Assessments 38

City of Hutchinson, Kansas
Annual Financial Report
For the Year Ended December 31, 2012
Table of Contents - (continued)

Schedule 2-B
- Capital Improvement 39
- Capital Improvement Reserve 40

Schedule 2-A
- Business Funds
  - Refuse Fund 41
  - Golf Course 42
  - Airport 43
  - Water Utility 44
  - Sewer Utility 45
  - Storm Water Utility 46

Schedule 2-B
- Health and Dental Insurance 47
- Risk Management 48
- Worker's Compensation 49
- Central Purchasing 50

Schedule 2-C
- Trust Funds 51

Schedule 3
- Agency Funds 52

Report required by GAO
- Independent Auditors Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 53

Single Audit Section
- Schedule of Expenditures of Federal Awards 55
- Notes to Schedule of Expenditures of Federal Awards 56
- Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material Effect on Major Program and on the Internal Control over Compliance in Accordance with OMB Circular A-133 57
- Schedule of Findings and Questioned Costs 59
- Summary Schedule of Prior Audit Findings 60

LINDBURG
VOGEL PIERCE FARIS
Chartered

INDEPENDENT AUDITORS' REPORT

Edward C. Michel, CPA
Michael E. Evans, CPA
Roger W. Field, CPA
Gregory D. Daughhetee, CPA
Clark R. Cowl, CPA
Todd V. Pflughoeft, CPA
Robert D. Schraeder, CPA
Steven R. Stoecklein, CPA
Kenneth D. Hamby, CPA
John W. Denney, CPA
Michael R. Meisenheimer, CPA
Nick L. Mueting, CPA
Billy J. Klug, CPA

The Mayor and City Council
City of Hutchinson, Kansas

Report on the Financial Statements

We have audited the accompanying financial statement of City of Hutchinson, Kansas (the City), which comprise the summary of cash receipts, expenditures, and unencumbered cash as of and for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis and budget laws of the State of Kansas as prescribed by Kansas Municipal Audit and Accounting Guide (KMAAG), as described in note 1, to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and KMAAG. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Basis for Adverse Opinion on United States Generally Accepted Accounting Principles

As described in note 1 of the financial statement, the financial statement is prepared by the City in accordance with the cash basis and budget laws of the State of Kansas as prescribed by KMAAG to meet the requirements of the State of Kansas, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on United States Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2012, or the respective changes in financial position or where applicable, its changes in cash flows for the year then ended.

2301 NORTH HALSTEAD
P.O. BOX 2047
HUTCHINSON, KS 67504-2047
620-669-0461

1206 W. FRONTVIEW, STE 201
P.O. BOX 1512
DODGE CITY, KS 67801-1512
620-227-3522

1301 OAK STREET
P.O. BOX 189
HAYS, KS 67601-0189
785-628-2900

2601 ANDERSON AVENUE, STE 104
P.O. BOX 489
MANHATTAN, KS 66505-0489
785-537-3710

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City, as of December 31, 2012, and the aggregate cash receipts and expenditures for the year then ended in accordance with the cash basis and budget laws of the State of Kansas as prescribed by KMAAG described in note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement. The schedule of expenditures - actual and budget, the individual fund schedules of cash receipts and expenditures - actual and budget, and the schedule of cash receipts and cash disbursements - agency funds (schedules 1 through 3, as listed in the table of contents) are presented for additional analysis and are not a required part of the 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 schedule of expenditures - actual and budget, the individual fund schedules of cash receipts and expenditures - actual and budget, the schedule of cash receipts and cash disbursements - agency funds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 taken 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 statement for the year ended December 31, 2011, which are not presented with the accompanying financial statement. In our report dated July 5, 2012, we expressed an unqualified opinion on the regulatory basis financial statement. That audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the City's financial statement as a whole. The prior year partial comparative information, derived from the City's financial statement for the year ended December 31, 2011, 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 2011 financial statement. The information has been subjected to the auditing procedures applied in the audit of this 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 2011 prior year partial comparative information is fairly stated in all material respects in relation to the financial statement from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated July 9, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Lindburg Vogel Pierce Faris

Certified Public Accountants

Hutchinson, Kansas
July 9, 2013

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2012

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General	$ 4,252,188	$ -	$ 30,529,742	$ 30,328,416	$ 4,453,514	$ 412,399	$ 4,865,913
Special Purpose Funds							
Special Street	-	-	2,113,749	2,113,749	-	16,883	16,883
Special Parks & Recreation	-	-	159,832	159,832	-	1,820	1,820
Special Alcohol Programs	27,933	-	91,978	112,000	7,911	-	7,911
Convention & Tourism Promotion	-	-	569,635	569,635	-	-	-
Fun Valley	-	-	697,262	697,262	-	1,837	1,837
Animal Shelter	-	-	396,350	396,350	-	7,339	7,339
Tax Incremental Financing	1,535,097	-	438,927	1,005,542	968,482	44,790	1,013,272
Community Improvement District	-	-	31,364	7,261	24,103	-	24,103
E 911 Surcharge	838,048	-	544,499	833,832	548,715	333	549,048
Federal and State Grants	480,607	-	1,054,170	1,338,086	196,691	165,971	362,662
Gossage Animal Shelter	1,006	-	55,403	56,407	2	-	2
Municipal Equipment Reserve	1,208,881	-	1,378,211	1,247,685	1,339,407	76,819	1,416,226
Bond and Interest Funds							
Bond and Interest	503,199	-	4,299,010	4,411,513	390,696	-	390,696
Capital Projects Funds							
Special Assessments	946,833	-	476,678	1,057,929	365,582	-	365,582
Capital Improvement	6,351,936	-	4,946,996	9,772,001	1,526,931	978,513	2,505,444
Capital Improvement Reserve	7,962,773	-	4,369,656	2,732,394	9,600,035	180,683	9,780,718
Business Funds							
Refuse Collection	64,551	-	2,117,930	2,079,613	102,868	154,335	257,203
Golf Course	-	-	824,851	824,851	-	1,647	1,647
Airport	-	-	419,835	419,835	-	3,618	3,618
Water Utility	5,176,227	-	14,483,556	13,555,963	6,103,820	138,276	6,242,096
Sewer Utility	3,395,900	-	6,208,255	5,262,515	4,341,640	64,150	4,405,790
Storm Water Utility	477,897	-	285,463	71,499	691,861	-	691,861
Health & Dental Insurance	3,321,760	-	3,810,658	3,307,515	3,824,903	500	3,825,403
Risk Management	1,128,534	-	809,924	632,053	1,306,405	14,193	1,320,598
Worker's Compensation	2,161,984	-	378,603	403,731	2,136,856	3,330	2,140,186
Central Purchasing	16,995	-	373,529	337,457	53,067	14,649	67,716
Trust Funds							
Hutchinson Community Foundation	27,919	-	65,474	40,325	53,068	-	53,068
Donations	186,336	-	278,271	239,789	224,818	9,220	234,038
Total Reporting Entity (Excluding Agency Funds	$ 40,066,604	-	$ 82,209,811	$ 84,015,040	$ 38,261,375	$ 2,291,305	$ 40,552,680

Composition of Cash

Checking Account	$ 28,318,970
Petty Cash	6,752
Municipal Investment Pool	941,006
Certificates of Deposit	11,250,000
Hutchinson Community Foundation	53,069
Total Cash	40,569,797
Agency Funds per Schedule 3	(17,117)
Total Reporting Entity (Excluding Agency Funds)	$ 40,552,680

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Fund Accounting

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

Kansas Regulatory Basis of Accounting Fund Definitions

The following types of funds were utilized in recording the financial activities of the City for the year of 2012:

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

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

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

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

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

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

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

Regulatory Basis of Accounting and Departures from Generally Accepted Accounting Principles

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

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

Use of Estimates

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

Reimbursements

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

Restricted Assets

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

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

Operating and Reserve Transfers Between Funds

Transfers of monies between budgeted City funds are presented as *Operating Transfers* 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.

NOTE 2—BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. Amended budgets were prepared for the E-911 Fund, Capital Improvement District Fund, and Water Utility Fund for the year December 31, 2012.

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.

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 purpose and business 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 County Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

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

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

NOTE 3—DEPOSITS AND INVESTMENTS

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

Water Utility fund customer deposits	$ 336,256
Water well closure	199,500

As of December 31, 2012, the City had the following investments:

Investment Type	Fair Value	Rating
Kansas Municipal Investment Overnite Pool	$ 941,006	S&P AAAf/S1+
Hutchinson Community Foundation Investment Pool	53,069	Not rated
	$ 994,075	

At December 31, 2012, the City had invested $941,006 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 Kansas banks or with primary government securities dealers.

At December 31, 2012 the City also had $53,069 in investments being held by the Hutchinson Community Foundation (HCF) investment pool. The HCF pooled investments are invested in Certificates of Deposit with The First National Bank of Hutchinson, Kansas.

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, 2012.

At December 31, 2012, the City's carrying amount of deposits was $39,568,970 and the bank balance was $39,627,597. The bank balance was held by seven banks. Of the bank balance, $7,416,500 was covered by Federal Depository Insurance Corporation (FDIC), $32,211,097 was collateralized with securities held by the pledging financial institutions' agents in the City's name. At December 31, 2012, $4,500,000 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, 2012, capital projects authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

City Improvement	Project Authorization	Expenditures
Plum Street Reconstruction 4th to 11th (note a)	$ 2,300,000	$ 1,736,504
City Hall & Public Works Building Improvements	400,000	172,896
Refund Westminister Temp Note	329,249	482,248
Zoo Groundwater Remediation Project	275,000	172,802
Fire Training Center Heating & Cooling System Replacement	150,000	151,448
Hobart Detter Field Renovation & Fence Replacement	92,000	1,802
Fire Station Back-up Power Generators	63,114	0
Main Street Railroad Repair	89,999	60,864
17th Street Turn Lane	125,001	111,923

NOTE 5—long-term debt

At year end, the City's long-term debt included the following issues:

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General obligation bonds				
2002A	2.500% - 4.200%	06/01/02	1,830,000	10/01/12
2003A	3.000% - 4.300%	03/21/03	1,360,000	10/01/23
2003B refunding	2.000% - 3.500%	07/11/03	5,250,000	10/01/17
2003E	1.500% - 3.375%	12/03/03	1,800,000	10/01/13
2004A	2.375% - 3.650%	04/01/04	2,265,000	10/01/24
2004B	2.800% - 4.200%	11/15/04	1,395,000	10/01/24
2005A	3.000% - 3.600%	06/01/05	625,000	10/01/14
2005B refunding	3.000% - 5.000%	06/15/05	4,005,000	10/01/20
2005C	3.200% - 4.200%	10/31/05	2,285,000	10/01/25
2006A	3.650% - 4.400%	05/15/06	1,965,000	10/01/26
2006B	3.450% - 4.250%	10/15/06	600,000	10/01/26
2007A	3.700% - 5.000%	06/01/07	630,000	10/01/17
2007B	5.150% - 5.400%	06/01/07	4,805,000	10/01/22
2007C	3.550% - 4.500%	11/15/07	3,005,000	10/01/27
2008A	3.150% - 4.350%	08/15/08	2,590,000	10/01/28
2009A refunding	2.000% - 3.950%	04/01/09	2,860,000	10/01/22
2009B	2.000% - 4.400%	06/01/09	1,320,000	10/01/29
2010A	2.000% - 4.000%	06/01/10	3,782,476	10/01/30
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
2012A	2.000% - 3.000%	05/15/12	1,890,000	10/01/32
2012B refunding	1.500% - 2.000%	10/23/12	6,270,000	10/01/28
Temporary notes				
2010A	2.000% - 2.500%	06/01/10	872,000	06/01/14
2011A	0.750%	06/01/11	1,075,000	06/01/13
2011B	1.000%	06/28/11	1,600,000	07/15/13
2011C	0.650%	11/01/11	300,000	11/01/13
2012A	0.500%	06/01/12	215,000	06/01/13
Loan - Kansas Department of Health and Environment (KDHE)				
Kansas Water Pollution Control #1517	3.100%	03/14/02	6,800,000	03/01/24
Kansas Public Water Supply #2280	4.180%	06/11/02	2,508,271	10/23/12
Kansas Water Pollution Control #1780	2.470%	03/08/10	3,068,553	03/01/31
Kansas Water Pollution Control #1666	2.650%	10/27/05	10,000,000	03/01/28
Kansas Public Water Supply #2423	3.530%	12/08/08	6,666,667	10/23/12
Capital leases				
Pumper fire truck	3.45%	12/16/10	518,183	12/16/16
Lawnmower	3.45%	04/23/10	42,185	04/23/12
Lawnmower	3.45%	04/23/10	42,185	04/23/14
Lawnmower	3.45%	04/23/10	42,185	04/23/13
Emergency radios	4.56%	01/01/12	17,184	09/01/21
Street Sweeper	1.747%	04/01/12	173,924	04/01/16

Changes in long-term debt of the City for the year ended December 31, 2012, were as follows:

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:						
2002A	$ 225,000	$ -	$ 225,000	$ -	$ -	$ 9,450
2003A	960,000	-	65,000	-	895,000	37,538
2003B refunding	1,170,000	-	235,000	-	935,000	38,065
2003E	410,000	-	200,000	-	210,000	13,588
2004A	995,000	-	225,000	-	770,000	37,235
2004B	535,000	-	145,000	-	390,000	19,173
2005A	200,000	-	65,000	-	135,000	7,005
2005B refunding	2,145,000	-	300,000	-	1,845,000	89,606
2005C	1,380,000	-	200,000	-	1,180,000	51,980
2006A	1,295,000	-	160,000	-	1,135,000	51,773
2006B	420,000	-	40,000	-	380,000	16,398
2007A	415,000	-	65,000	-	350,000	15,625
2007B	3,625,000	-	285,000	-	3,340,000	191,588
2007C	2,400,000	-	165,000	-	2,235,000	92,466
2008A	2,020,000	-	215,000	-	1,805,000	72,646
2009A refunding	2,460,000	-	190,000	-	2,270,000	76,778
2009B	1,100,000	-	115,000	-	985,000	31,073
2010A	3,570,000	-	280,000	-	3,290,000	101,338
2011A	1,420,000	-	-	-	1,420,000	43,217
2011B refunding	1,170,000	-	110,000	-	1,060,000	14,207
2012A	-	1,890,000	-	-	1,890,000	-
2012B refunding	-	6,270,000	-	-	6,270,000	
	27,915,000	8,160,000	3,285,000	-	32,790,000	1,010,745
Temporary notes:						
2010A	665,000	-	220,000	-	445,000	12,225
2011A	1,075,000	-	455,000	-	620,000	3,413
2011B	1,600,000	-	-	-	1,600,000	16,756
2011C	300,000	-	-	-	300,000	1,950
2012A	-	215,000	-	-	215,000	-
	3,640,000	215,000	675,000	-	3,180,000	34,343
Loan - Kansas Department of Health and Environment (KDHE):						
Kansas Water Pollution Control #1517	4,084,879	-	272,141	-	3,812,737	114,495
Kansas Public Water Supply #2280	868,606	-	868,606	-	-	40,603
Kansas Water Pollution Control #1780	3,014,345	-	119,022	-	2,895,322	73,724
Kansas Water Pollution Control #1666	8,604,986	-	421,951	-	8,183,035	204,005
Kansas Public Water Supply #2423	5,705,484	-	5,705,484	-	-	223,704
	22,278,300	-	7,387,205	-	14,891,095	656,530
Capital leases:						
Pumper fire truck	369,705	-	69,012	-	300,693	12,755
Lawnmower	14,056	-	14,056	-	-	485
Lawnmower	25,291	-	8,146	-	17,145	873
Lawnmower	21,080	-	10,362	-	10,718	727
Emergency radios	-	361,984	237,414	-	124,570	6,182
Street Sweeper	-	173,924	36,000	-	137,924	-
	430,132	535,908	374,990	-	591,050	21,022
Total long-term debt	$ 54,263,432	$ 8,910,908	$ 11,722,195	$ -	$ 51,452,145	$ 1,722,640

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

	Year								
	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	Total
Principal									
General obligation bonds	$ 3,660,000	$ 3,685,000	$ 3,390,000	$ 3,180,000	$ 3,060,000	$ 11,085,000	$ 4,175,000	$ 555,000	$ 32,790,000
Loan - KDHE	836,132	859,804	884,150	909,189	934,941	5,087,405	4,395,985	983,486	14,891,092
Temporary notes	2,955,000	225,000	-	-	-	-	-	-	3,180,000
Capital leases	135,633	128,779	123,755	127,572	13,750	61,561	-	-	591,050
Total principal	7,586,765	4,898,583	4,397,905	4,216,761	4,008,691	16,233,966	8,570,985	1,538,486	51,452,142
Interest									
General obligation bonds	1,059,090	933,536	815,621	706,881	601,369	1,673,491	423,551	33,273	6,246,812
Loan - KDHE	371,254	349,687	327,506	304,692	281,229	1,030,116	395,589	37,083	3,097,156
Temporary notes	36,150	2,813	-	-	-	-	-	-	38,963
Capital leases	19,425	15,191	11,196	7,379	3,434	7,174	-	-	63,799
Total interest	1,485,919	1,301,226	1,154,323	1,018,952	886,032	2,710,781	819,140	70,356	9,446,730
Total principal and interest	$ 9,072,684	$ 6,199,810	$ 5,552,228	$ 5,235,713	$ 4,894,723	$ 18,944,747	$ 9,390,125	$ 1,608,842	$ 60,898,872

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.

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.

NOTE 6—INTERFUND TRANSFERS

Operating transfers were as follows:

Operating Transfers

From:	To:	Statutory Authority	Amount
General Fund	Special Street Fund	12-1119	$ 802,189
General Fund	Golf Course Fund	12-101a	219,985
General Fund	Special Parks & Recreation Fund	12-101a	67,854
General Fund	Fun Valley Fund	12-101a	380,098
General Fund	Animal Shelter Fund	12-101a	300,944
General Fund	Airport Fund	3-121	194,156
Special Alcohol Programs Fund	General Fund	12-101a	17,000
General Fund	Bond & Interest Fund	10-113	100,000
Water Utility Fund	Bond & Interest Fund	12-825d	13,765
Sewer Utility Fund	Bond & Interest Fund	12-6311	7,363
TIF Environmental	Water Utility Fund	12-1778	600,000
			$ 2,703,354

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 $400,000 per accident for all other employees. Individual claims up to $400,000 are self-funded and administered through the Worker's Compensation Reserve. Claims are administered by an independent third party. Aggregate claims for Worker's Compensation are limited to $1,000,000.

Health and Dental Insurance

The City became self-funded in regard to its health/dental insurance coverage effective January 1, 2000. 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 2012 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	$ 46,281	$ 386,026	$ 297,340	$ 134,967
Health and Dental Insurance	139,701	2,684,713	2,673,811	150,603

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, 2012, is 8.34% except for the period from April 1, 2012 through June 30, 2012, when the rate was 7.34%. The City employer contributions to KPERS for the years ended December 31, 2012, 2011, and 2010, were $838,243 $768,850 and $718,108, respectively, equally to the statutory required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2012 is 16.54%. 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, 2012, 2011, and 2010, were $1,482,038, $1,318,013, and $1,126,486, 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 $17,000 per year, whichever is less, until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death.

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

NOTE 10—OTHER LONG TERM LIABITIES

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. The estimated liability for this vacation and sick leave is $3,083,493.

Other Post Employment Benefits

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

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

NOTE 11—CONTINGENCIES AND COMMITMENTS

Litigation

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

Grant Program Involvement

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

Environmental Remediation

KDHE has state oversight for the Environmental Protection Agency concerning the groundwater contamination cleanup of the 4th and Carey Site. In 1994, the City entered into a consent agreement with KDHE accepting the obligation to clean-up the contamination. The City entered into a separate agreement with the companies responsible for the contamination in which the companies agreed to pay for the clean-up of the contamination. The City later revised the agreement with the companies by which the companies paid the City $10.5 million dollars and the City would construct the Groundwater Remediation and RO Water Treatment Plant Project in order to clean-up the contamination and use the 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, 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. Additionally job growth incentives are offered based on certain employment levels through 2017.

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

NOTE 12—SUBSEQUENT EVENTS

On May 6, 2013, the City issued general obligation bonds for capital improvement and special assessment projects. The bonds issued amounted to $4,585,000 with maturities ranging from fiscal year 2014 through 2033. Stated interest rates range from 1.70% to 2.90% with total interest payments of $976,925.

City of Hutchinson, Kansas
Schedule of Expenditures - Actual & Budget
Regulatory Basis
For the Year Ended December 31, 2012

Schedule 1

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Government Type Funds					
General	$ 34,230,369	$ -	$ 34,230,369	$ 30,328,416	$ (3,901,953)
Special Purpose Funds					
Special Street	2,114,829	-	2,114,829	2,113,749	(1,080)
Special Parks and Recreation	167,818	-	167,818	159,832	(7,986)
Special Alcohol Programs	122,592	-	122,592	112,000	(10,592)
Convention and Tourism Promotion	650,000	-	650,000	569,635	(80,365)
Fun Valley	737,676	-	737,676	697,262	(40,414)
Animal Shelter	405,223	-	405,223	396,350	(8,873)
Tax Incremental Financing	1,712,749	-	1,712,749	1,005,542	(707,207)
Community Improvement District	20,000	-	20,000	7,261	(12,739)
E 911 Surcharge	1,163,157	-	1,163,157	833,832	(329,325)
Bond and Interest	4,705,679	-	4,705,679	4,411,513	(294,166)
Business Funds					
Refuse Collection	2,152,654	-	2,152,654	2,079,613	(73,041)
Golf Course	875,626	-	875,626	824,851	(50,775)
Airport	440,533	-	440,533	419,835	(20,698)
Water Utility	17,956,509	-	17,956,509	13,555,963	(4,400,546)
Sewer Utility	8,508,609	-	8,508,609	5,262,515	(3,246,094)
Storm Water Utility	672,619	-	672,619	71,499	(601,120)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Property Taxes	$ 9,337,745	$ 9,393,380	$ 9,825,417	$ (432,037)
Non Property Taxes	10,978,607	11,297,295	11,037,500	259,795
Franchise Fees	4,946,730	4,879,004	5,034,791	(155,787)
License and Permits	422,513	438,873	537,000	(98,127)
Fines, Forfeitures, and Penalties	678,102	714,326	649,800	64,526
Use of Money & Property	19,222	27,278	19,200	8,078
Public Safety Service Charges	2,227,939	2,017,866	2,408,609	(390,743)
Recreation & Concession Service Charges	125,592	124,043	130,865	(6,822)
Internal Service Charges	1,205,843	1,245,566	1,173,269	72,297
Miscellaneous	250,141	375,111	233,500	141,611
Reserve Transfers	280,000	-	-	-
Total Cash Receipts	30,472,434	30,512,742	31,049,951	(537,209)
Expenditures				
Personal Services	20,567,141	21,223,621	21,970,895	(747,274)
Contractual Services	4,041,605	4,776,675	4,968,242	(191,567)
Commodities	2,402,788	2,489,626	2,424,247	65,379
Capital Outlay	895,434	270,680	308,175	(37,495)
Allocated Service Costs	(1,676,855)	(2,817,859)	(2,817,860)	1
Reserve Transfers	2,504,598	2,320,446	2,140,803	179,643
Appropriated Reserve	-	-	3,193,273	(3,193,273)
Total Expenditures	28,734,711	28,263,189	32,187,775	(3,924,586)
Cash Receipts Over (Under) Expenditures	1,737,723	2,249,553	(1,137,824)	3,387,377
Operating Transfers In	82,619	17,000	17,000	-
Operating Transfers Out	(1,620,919)	(2,065,227)	(2,042,594)	(22,633)
Cash Receipts Over (Under) Expenditures and Transfers	199,423	201,326		
Unencumbered Cash, Beginning	4,052,767	4,252,188		
Unencumbered Cash, Ending	$ 4,252,188	$ 4,453,514		

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Property Taxes				
Ad Valorem Property Tax	$ 7,968,430	$ 8,074,392	$ 8,248,931	$ (174,539)
Ad Valorem Vehicle Tax	1,136,482	1,102,545	1,296,486	(193,941)
In Lieu of Tax	-	-	30,000	(30,000)
Delinquent tax collections	232,833	216,443	250,000	(33,557)
Total Property Taxes	9,337,745	9,393,380	9,825,417	(432,037)
Non Property Taxes				
Local Sales tax - Countywide	4,869,940	5,093,067	4,961,250	131,817
Local Sales Tax - Citywide	5,995,679	6,099,850	6,063,750	36,100
Liquor Taxes	96,337	91,978	95,388	(3,410)
Intoxicating Liquor Tax	16,650	12,400	12,500	(100)
Total Non Property Taxes	10,978,606	11,297,295	11,132,888	164,407
Utility Franchise Fees				
Electricity - Westar Energy	2,454,996	2,541,221	2,369,246	171,975
Gas - Kansas Gas Service Company	814,878	769,076	979,700	(210,624)
Telephone - AT & T / Other	283,890	203,908	288,305	(84,397)
Black Hills Utility	144,137	123,893	160,101	(36,208)
Cable Television	445,004	446,483	450,035	(3,552)
Refuse System Fund	164,890	155,370	168,600	(13,230)
Water/Sewer System Fund	638,937	639,053	618,804	20,249
Total Utility Franchise Fees	$ 4,946,730	$ 4,879,004	$ 5,034,791	$ (155,787)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Licenses and Permits				
Cereal Malt Beverage Licenses	$ 2,800	$ 2,800	$ 3,250	$ (450)
Tree Trimming Licenses	550	450	900	(450)
Alarm License Fees	17,160	25,575	30,000	(4,425)
Fireworks Permits	30,000	22,500	25,000	(2,500)
Police and Protective Licenses	214	93	150	(57)
Other Licenses and Permits	1,357	2,793	1,550	1,243
Building and Fence Permits	225,705	260,819	350,000	(89,181)
Sign Permits	3,465	2,745	3,500	(755)
Demolition Permits	793	1,351	1,200	151
Building Occupancy Permits	3,191	2,933	2,500	433
Mechanical Permits	39,027	26,089	32,000	(5,911)
Electrical Permits	6,460	7,302	5,750	1,552
Plumbing Permits	21,101	14,703	17,500	(2,797)
Electrical License Fees	13,850	16,675	13,000	3,675
Plumbing License Fees	9,165	12,750	12,000	750
Gas Fitters License Fees	35	15	150	(135)
Mechanical License Fees	13,565	14,560	13,200	1,360
Wrecking License Fees	1,100	1,904	1,250	654
Driveway Permit	-	1,656	1,500	156
Water Softener Permit	-	60	100	(40)
Building Contractor Licenses	32,975	21,100	22,500	(1,400)
Total Licenses and Permits	422,513	438,873	537,000	(98,127)
Fines, Forfeitures, and Penalties				
Municipal Court Fines	395,695	423,039	400,000	23,039
Admin Fee and Set Off Charge	549	276	500	(224)
Probation	23,386	24,821	17,500	7,321
Municipal Court Bond Forfeitures	9,350	31,182	6,500	24,682
Overtime Parking Fees/Late & Other Fees	-	-	100	(100)
Municipal Court Costs	186,000	178,930	175,000	3,930
Court Surcharges	13,683	13,141	13,250	(109)
Diversion Fees	46,718	42,106	35,000	7,106
DARE Fees	1,269	831	1,200	(369)
Court Confiscated Monies and Property	1,452	-	750	(750)
Total Fines, Forfeitures, and Penalties	$ 678,102	$ 714,326	$ 649,800	$ 64,526

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	$ 8,521	$ 9,576	$ 15,000	$ (5,424)
Rents and Leases	10,701	17,702	4,200	13,502
Total Use of Money and Property	19,222	27,278	19,200	8,078
Public Safety Revenues				
Police Officer Service Charges	60,918	100,789	100,000	789
Impoundment Lot Storage/Auction	4,714	1,282	10,000	(8,718)
Police Records	2,852	3,076	2,500	576
Fingerprinting Fees	1,570	1,370	1,400	(30)
Radio Maintenance Service Charges	94,918	81,395	100,000	(18,605)
Fire District #2	1,532,489	1,316,142	1,452,306	(136,164)
Fire Inspection Fees	3,150	-	-	-
Building Inspection Fees	200	160	500	(340)
Central Dispatch - Reno County	432,772	415,932	551,155	(135,223)
Central Dispatch - Others	30,133	30,309	30,360	(51)
Records - Reno County	9,111	8,598	10,000	(1,402)
Evidence Custodian - Reno County	55,113	58,813	55,000	3,813
Total Public Safety Revenues	2,227,939	2,017,866	2,313,221	(295,355)
Recreation and Concessions				
Soft Drink Contract	-	15,560	-	15,560
Pepsi Commissions	-	4,065	-	4,065
Ball Park - Rental Fees	4,158	-	1,300	(1,300)
Sports Arena - Rental Fees	7,763	6,678	5,000	1,678
Sports Arena - Advertising	1,215	30	3,000	(2,970)
Memorial Hall - Rental Fees	4,574	8,648	10,000	(1,352)
Sports Arena - Reimbursements	51,290	49,337	50,000	(663)
Homebuilders Rental	17,661	12,087	13,865	(1,778)
Rice Park Building Rental	13,571	9,056	9,700	(644)
Sports Arena Concessions	16,884	12,947	20,000	(7,053)
Sales Tax	-	420	-	420
Memorial Hall Concessions	8,477	5,215	18,000	(12,785)
Total Recreation and Concessions	$ 125,592	$ 124,043	$ 130,865	$ (6,822)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Central Garage/Custodial Services	$ 1,205,843	$ 1,245,566	$ 1,173,269	$ 72,297
Miscellaneous				
Sale of City Property	26,523	90,738	20,000	70,738
Flood Control Project	21,769	20,732	22,000	(1,268)
DHRP Contribution	15,000	15,000	15,000	-
Miscellaneous	11,583	575	11,500	(10,925)
Industrial Revenue Bond Admin Fees	6,650	3,150	4,000	(850)
Eastside Cemetery Charges	17,025	19,457	20,000	(543)
Zoning Application Fees	6,230	6,155	6,000	155
Reimbursements of Expenditures	134,719	205,336	125,000	80,336
Zoo Gift Shop	10,642	13,968	10,000	3,968
Total Miscellaneous	250,141	375,111	233,500	141,611
Transfers into the General Fund				
Reserve Transfer Capital Improvement Projects	80,000	-	-	-
Reserve Transfer Worker's Compensation Reserve	200,000	-	-	-
Operating Transfer Special Alcohol	82,619	17,000	17,000	-
Total Transfers	362,619	17,000	17,000	-
Total Cash Receipts and Transfers	$ 30,555,052	$ 30,529,742	$ 31,066,951	$ (537,209)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Expenditures				
Departmental				
City Council	$ 10,518	$ 20,684	$ 29,130	$ (8,446)
City Manager	264,618	346,319	373,035	(26,716)
Human Resources	229,881	282,544	293,103	(10,559)
Finance	320,065	350,180	418,544	(68,364)
Utility Billing	-	762,824	794,885	(32,061)
Purchasing	-	122,414	116,068	6,346
Information Systems	289,404	543,563	535,993	7,570
Planning	461,961	445,034	453,507	(8,473)
Downtown Director	126,377	123,718	127,156	(3,438)
Housing Development	-	95,347	150,314	(54,967)
Law	487,952	586,655	605,104	(18,449)
Public Works Administration	95,055	184,681	193,746	(9,065)
Public Works Maintenance	831,385	860,195	877,024	(16,829)
Engineering	325,531	773,666	785,618	(11,952)
Traffic Signals	219,772	309,650	316,451	(6,801)
GIS	69,902	159,138	163,993	(4,855)
Central Garage	1,215,032	1,540,476	1,533,390	7,086
Streets	140,568	116,978	144,824	(27,846)
Storm Sewer Maintenance	8,789	5,353	10,025	(4,672)
Street Lighting	556,073	572,700	568,059	4,641
Parks	2,940,234	3,220,478	3,289,545	(69,067)
Police	7,861,760	8,041,611	8,096,783	(55,172)
Fire	7,379,750	7,283,922	7,624,938	(341,016)
Inspection	473,886	463,127	551,210	(88,083)
Animal Control	173,645	176,575	169,104	7,471
Insect/Rodent Control	6,578	6,666	7,980	(1,314)
Total Departmental	$ 24,488,735	$ 27,394,498	$ 28,229,529	$ (835,031)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Expenditures				
Growth Contractual Services				
Arts & Humanities Council	$ 15,000	$ 15,000	$ 15,000	-
Market Hutchinson	97,000	96,856	97,000	(144)
Reno County Economic Development Council	63,000	63,000	63,000	-
Growth Inc.	45,000	45,000	45,000	-
Growth Coalition	5,000	-	-	-
Welcome Channel	13,000	13,000	13,000	-
Reserve Transfer to Capital Improvement Reserve	362,000	467,000	467,000	-
Operating Transfer	100,000	-	-	-
Total Growth	700,000	699,856	700,000	(144)
Non Departmental Contractual Services				
Kansas Cosmosphere	661,152	730,287	667,012	63,275
Kansas Underground Salt Museum	100,175	110,650	101,063	9,587
Computer Maintenance	69,228	-	-	-
Computer Equipment	122,727	-	-	-
Telephone	21,179	-	-	-
Audit	21,210	-	-	-
CRUD Program	4,530	-	-	-
Purchasing	(2,112)	(4,334)	-	(4,334)
Training & Staff Development	2,311	4,708	4,000	708
ADA Compliance	3,374	-	-	-
SCKEDD & REAP Memberships	11,159	11,242	12,000	(758)
Growth Coordinator	15,000	-	-	-
Miscellaneous Contractual Services	3,810	603	12,906	(12,303)
Kansas State Fair	150,000	-	-	-
Cultural Activities Fund	47,250	47,250	45,950	1,300
Hutch Fest Activities	12,500	11,250	10,000	1,250
Arts & Humanities Council	24,600	19,600	24,600	(5,000)
United Way	96,666	87,000	86,999	1
Employee Recognition Program	-	21,099	15,000	6,099
Total Non Departmental Contractual Services	$ 1,364,758	$ 1,039,355	$ 979,530	$ 59,825

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Expenditures				
Reserve Transfers				
Risk Management (Premiums)	$ 339,814	-	-	-
Municipal Equipment Replacement Reserve	534,167	644,667	644,667	-
Capital Projects	317,491	282,935	282,935	-
City Hall Copier Reserve	6,201	6,201	6,201	-
CIP Reserve	21,000	-	-	-
Pool Maintenance Reserve	7,000	7,000	7,000	-
Street Improvement Reserve	941,641	955,643	950,000	5,643
Economic Opportunity Reserve (ED Res)	149,285	75,894	37,500	38,394
Economic Opportunity Reserve (CIP Res)	188,000	75,000	75,000	-
Capital Improvement Project Reserves	-	-	-	-
Total Reserve Transfers	2,504,598	2,047,340	2,003,303	44,037
Operating Transfers				
Special Street	532,845	802,189	803,199	(1,010)
Golf Course	190,511	219,985	150,944	69,041
Special Park	73,664	67,854	72,430	(4,576)
Fun Valley	352,837	380,098	391,076	(10,978)
Animal Shelter	267,622	300,944	280,223	20,721
Airport	203,439	194,156	244,722	(50,566)
Total Operating Transfers	1,620,919	1,965,226	1,942,594	22,632
Nondepartmental Allocated Service Costs	(323,380)	(2,817,859)	(2,817,860)	1
Appropriated Reserve	-	-	3,193,273	(3,193,273)
Total Expenditures and Transfers	$ 30,355,630	$ 30,328,416	$ 34,230,369	$ (3,901,953)

City of Hutchinson, Kansas
Special Street Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Intergovernmental Revenue				
State Gas Tax Distribution	$ 1,081,389	$ 1,090,968	$ 1,106,850	$ (15,882)
County Gas Tax Distribution	161,088	155,072	145,830	9,242
State Connecting Links	40,380	54,025	54,000	25
Street Cuts	2,209	5,056	4,950	106
Miscellaneous Revenues				
Miscellaneous	55	418	-	418
Reimbursements	-	6,021	-	6,021
Total Cash Receipts	1,285,120	1,311,560	1,311,630	(70)
Expenditures				
Personal Services	963,627	1,048,543	1,027,544	20,999
Contractual Services	269,460	266,253	287,915	(21,662)
Commodities	380,253	320,453	320,870	(417)
Reserve Transfer to Municipal Equipment Reserve	87,000	153,500	153,500	-
Reserve Transfer to Capital Improvement Project Reserve	117,625	325,000	325,000	-
Total Expenditures and Reserve Transfers	1,817,965	2,113,749	2,114,829	(1,080)
Cash Receipts Over (Under) Expenditures	(532,845)	(802,189)	(803,199)	1,010
Operating Transfer In	532,845	802,189	803,199	(1,010)
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 Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Non Property Taxes				
Liquor Taxes	$ 96,338	$ 91,978	$ 95,388	$ (3,410)
Total Cash Receipts	96,338	91,978	95,388	(3,410)
Expenditures				
Personal Services	62,719	64,409	62,754	1,655
Contractual Services	69,717	64,463	63,764	699
Commodities	35,650	26,936	28,300	(1,364)
Capital Outlay	1,916	4,024	13,000	(8,976)
Total Expenditures	170,002	159,832	167,818	(7,986)
Cash Receipts Over (Under) Expenditures	(73,664)	(67,854)	(72,430)	4,576
Operating Transfer In	73,664	67,854	72,430	(4,576)
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Special Alcohol Programs Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Non Property Taxes				
Liquor Taxes	$ 96,337	$ 91,978	$ 95,388	$ (3,410)
Expenditures				
Contractual services	75,000	95,000	95,000	-
Appropriated Reserves	-	-	10,592	(10,592)
	75,000	95,000	105,592	(10,592)
Cash Receipts Over (Under) Expenditures	21,337	(3,022)	(10,204)	7,182
Operating Transfer Out	(82,619)	(17,000)	(17,000)	-
Cash Receipts Over (Under) Expenditures and Operating Transfer	(61,282)	(20,022)		
Unencumbered Cash, Beginning	89,215	27,933		
Unencumbered Cash, Ending	$ 27,933	$ 7,911		

City of Hutchinson, Kansas
Convention and Tourism Promotion Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Non Property Taxes				
Transient Guest Tax	$ 553,517	$ 569,635	$ 650,000	$ (80,365)
Expenditures				
Convention Visitors Bureau	316,295	325,506	371,410	(45,904)
HPA Associates/Convention Center	226,122	233,029	267,490	(34,461)
Reserve Transfer to Capital Improvement Reserve	11,100	11,100	11,100	-
Total Expenditures and Transfers	553,517	569,635	650,000	(80,365)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Fun Valley Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Recreation & Concession Service Charges				
Tournament fees	$ 109,053	$ 98,816	$ 100,000	$ (1,184)
USSSA registration fees	120	240	200	40
Gate admissions	43,982	37,223	65,000	(27,777)
Ball Park Rental	34,072	35,023	22,000	13,023
Advertising	10,175	3,250	9,000	(5,750)
Retail sales	8,817	7,784	6,000	1,784
Convention Visitors Bureau Subsidy	42,833	38,751	42,800	(4,049)
Concessions	107,399	94,882	97,000	(2,118)
Miscellaneous				
Miscellaneous and Reimbursements	5,003	1,195	4,600	(3,405)
Total Cash Receipts	361,454	317,164	346,600	(29,436)
Expenditures				
Personal Services	384,782	383,313	402,035	(18,722)
Contractual Services	191,414	174,031	193,991	(19,960)
Commodities	124,427	113,698	116,650	(2,952)
Capital Outlay	13,667	11,220	10,000	1,220
Reserve Transfer to Municipal Equipment Reserve	-	15,000	15,000	-
Total Expenditures	714,290	697,262	737,676	(40,414)
Cash Receipts Over (Under) Expenditures	(352,837)	(380,098)	(391,076)	10,978
Operating Transfer In	352,837	380,098	391,076	(10,978)
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Animal Shelter Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year (Under)
Cash Receipts				
Licenses and Permits				
Dog License	$ 32,833	$ 26,910	$ 45,000	$ (18,090)
Service Charges				
Shelter Fees & Charges	73,077	65,549	76,000	(10,451)
Miscellaneous				
Gift Certificates	650	-	-	-
Reimbursed expenses	4,687	2,947	4,000	(1,053)
Total Cash Receipts	111,248	95,406	125,000	(29,594)
Expenditures				
Personal services	223,391	247,988	249,567	(1,579)
Contractual services	92,830	88,211	95,306	(7,095)
Commodities	62,649	60,151	60,350	(199)
Total Expenditures	378,870	396,350	405,223	(8,873)
Cash Receipts Over (Under) Expenditures	(267,622)	(300,944)	(280,223)	(20,721)
Operating Transfer In	267,622	300,944	280,223	20,721
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Tax Incremental Financing Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Property Taxes				
Tax Incremental Revenue	$ 167,192	$ 160,935	$ 175,000	$ (14,065)
State TIF Replacement	53,626	274,979	100,000	174,979
Use of Money and Property				
Interest Income	1,458	3,013	1,250	1,763
Other Contributions	-	-	-	-
Total Cash Receipts	222,276	438,927	276,250	162,677
Expenditures				
Contractual Services	470,228	338,247	314,100	24,147
Commodities	6,300	28,863	31,500	(2,637)
Appropriated Reserves	-	-	767,149	(767,149)
Capital Outlay	-	38,432	-	38,432
Total Expenditures	476,528	405,542	1,112,749	(707,207)
Cash Receipts Over (Under) Expenditures	(254,253)	33,385	(836,499)	869,884
Operating Transfer Out	-	(600,000)	(600,000)	-
Cash Receipts Over (Under) Expenditures and Operating Transfer	(254,253)	(566,615)		
Unencumbered Cash, Beginning	1,789,349	1,535,097		
Unencumbered Cash, Ending	$ 1,535,097	$ 968,482		

City of Hutchinson, Kansas
Community Improvement District Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Non Property Taxes				
CID Sales Tax	$ -	$ 25,253	$ 20,000	$ 5,253
Miscellaneous				
Reimbursements	$ -	$ 6,111	$ -	6,111
Total Cash Receipts	-	31,364	20,000	11,364
Expenditures				
Contractual Services	-	7,261	20,000	(12,739)
Cash Receipts Over (Under) Expenditures	-	24,103		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 24,103		

City of Hutchinson, Kansas
E 911 Surcharge Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	$ 48	$ 854	$ -	$ 854
Intergovernmental				
Other Contributions	-	-	-	-
State E 911	838,000	541,191	359,000	182,191
Miscellaneous				
Reimbursements	-	2,454	-	2,454
Total Cash Receipts	838,048	544,499	359,000	185,499
Expenditures				
Contractual Services	-	164,513	262,500	(97,987)
Commodities	-	224	5,000	(4,776)
Capital Outlay	-	669,095	895,657	(226,562)
Total Expenditures	-	833,832	1,163,157	(329,325)
Cash Receipts Over (Under) Expenditures	838,048	(289,333)		
Unencumbered Cash, Beginning	-	838,048		
Unencumbered Cash, Ending	$ 838,048	$ 548,715		

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
Regulatory Basis

Schedule 2-B

Description	Unencumbered Cash Beginning	Federal/State Grant Contributions	Interest Income	Other	Grant Program Expenditures	Unencumbered Cash Ending
Public Safety						
Intoxicated Driver Deterrence	$ 3,696	$ 8,459	$ -	$ -	$ (5,093)	$ 7,062
Special Traffic Enforcement	11,084	10,758	-	-	(14,114)	7,728
Recovery/Redundant Backup Server	51	-	-	-	-	51
Equipment, Training & Vehicle Funding	318	-	-	-	-	318
Bulletproof Vest Funding	208	2,410	-	-	(2,660)	(42)
JAG457 Police Equipment	433	-	-	-	(339)	94
Congressional Appropriate	(494)	-	-	-	-	(494)
JAG BX2536 Radios	-	151	-	-	(151)	-
THC Drug Funds	136,284		22	137,571	(149,307)	124,570
Drug Enforcement Confiscated Funds	15,394	-	3	-	-	15,397
E 911 Telephone Surcharge	219,194	-	355	-	(219,134)	415
Jag Dictation System	-	28,556	-	-	(28,556)	-
Housing and Economic Development						
Neighborhood Stabilization	(14,999)	196,926	-	39,020	(225,882)	(4,935)
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
Incentives Without Walls	73,749	40,000	-	39,495	(87,324)	65,920
Homeless Prevention	(15,610)	71,371	-	800	(51,704)	4,857
Kansas Children's Lead Paint	1,515	-	-	-	-	1,515
2010 HOME Grant	(2,000)	105,587	-	25,000	(205,893)	(77,306)
Planning Marketing Communications	5,000	-	-	-	-	5,000
Historic Preservation	-	14,780	-	-	(15,970)	(1,190)
Planning Healthy Community Design	-	60,000	-	-	(46,771)	13,229
EDA Railroad Spur	-	220,440	-	-	(220,440)	-
Emergency Shelter						
2008 Emergency Shelter Grant	5,642	-	-	-	-	5,642
2009 Emergency Shelter Grant	1,125	-	-	-	-	1,125
2010 Emergency Shelter Grant	(178)	-	-	-	1,231	1,053
2011 Emergency Shelter Grant	(3,233)	28,105	-	-	(23,892)	980
2012 Emergency Shelter Grant	-	-	-	-	(10,323)	(10,323)
EPA						
George Pyle Park Storm Water Management	10,000	-	-	-	(1,583)	8,417
FAA						
Safety Zone Design	7,684	-	-	-	(7,684)	-
Taxiway Bravo 123 Crack Seal	-	8,232	-	4,975	(12,922)	285
Parks						
Community Fisheries	1,318	11,154	-	-	(9,574)	2,898
	$ 480,607	$ 806,929	$ 380	$ 246,861	$ (1,338,086)	$ 196,691

City of Hutchinson, Kansas
Gossage Animal Shelter Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-B

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	$ 6	$ 41
Trust Donations	15,834	55,362
Total Cash Receipts	15,840	55,403
Expenditures		
Reserve Transfer to Bond & Interest Fund	55,954	56,407
Cash Receipts Over (Under) Expenditures	(40,114)	(1,004)
Unencumbered Cash, Beginning	41,120	1,006
Unencumbered Cash, Ending	$ 1,006	$ 2

City of Hutchinson, Kansas
Municipal Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-B

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Municipal Court Fees	$ 77,350	$ 3,590
Interest Income	992	2,097
Public Safety Revenues		
Fire District #2	-	14,097
Non Revenue Receipts		
Loan Proceeds Street Sweeper Lease	-	173,924
Miscellaneous		
Miscellaneous	-	28,263
Sale/Salvage/Auction Property	-	101,372
Reserve Transfers	1,234,975	1,054,868
Total Cash Receipts	1,313,317	1,378,211
Expenditures		
Contractual services	834,296	1,247,685
Reserve Transfers	374,288	-
Total Expenditures	1,208,584	1,247,685
Cash Receipts Over (Under) Expenditures	104,731	130,526
Unencumbered Cash, Beginning	1,104,149	1,208,881
Unencumbered Cash, Ending	$ 1,208,881	$ 1,339,407

City of Hutchinson, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	$ 1,833	$ 3,186	$ 500	$ 2,686
Property Taxes				
Ad Valorem Property Tax	2,490,567	2,521,624	2,574,769	(53,145)
In Lieu of Tax	-	-	12,500	(12,500)
Motor Vehicle Tax	350,296	341,906	397,146	(55,240)
16/20M Vehicle Tax	2,777	1,181	3,869	(2,688)
Recreational Vehicle Tax	4,474	2,752	3,653	(901)
Delinquent Ad Valorem Tax	100,261	76,131	100,000	(23,869)
Current Special Assessments	901,989	904,387	900,000	4,387
Delinquent Special Assessments	34,336	51,282	15,000	36,282
Public Safety Revenues				
Fire District #2	-	15,891	-	15,891
Intergovernmental				
Contributions Other Governments	51,059	101,059	51,059	50,000
Miscellaneous				
Other Reimbursements	55,954	16,663	-	16,663
Reserve Transfers	517,471	141,820	56,407	85,413
Total Cash Receipts	4,511,016	4,177,882	4,114,903	62,979
Expenditures				
Debt service	4,744,632	4,404,013	4,406,254	(2,241)
Appropriated Reserves	-	-	291,925	(291,925)
Internal Service Costs	5,500	7,500	7,500	-
Total Expenditures	4,750,132	4,411,513	4,705,679	(294,166)
Cash Receipts Over (Under) Expenditures	(239,117)	(233,631)	(590,776)	357,145
Operating Transfer In	100,000	121,128	114,726	6,402
Cash Receipts Over (Under) Expenditures and Operating Transfer	(139,117)	(112,503)		
Unencumbered Cash, Beginning	642,314	503,199		
Unencumbered Cash, Ending	$ 503,199	$ 390,696		

City of Hutchinson, Kansas
Special Assessments Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012

Schedule 2-C

	Street/Drainage Improvement	Sewer Improvement	Water Improvement	Sewer Improvement	Street/Drainage Improvement	Water Improvement	Sewer Improvement	Water Improvement	Street Improvement
Cash Receipts									
Temporary Notes	-	-	-	-	-	-	-	-	$ 125,001
General Obligation Bonds	248,286	44,185	36,777	-	-	-	-	-	-
CIP Reserve Transfer	-	-	22,429	-	-	-	-	-	-
Total Cash Receipts	248,286	44,185	59,206	-	-	-	-	-	125,001
Expenditures									
Engineering Bond Expense, Other	1,173	(490)	6,489	-	-	-	-	555	2,724
Purchases and Construction	-	-	16,663	316,889	133,806	3,435	7,124	-	109,199
Payment of Temporary Notes	345,689	61,519	51,205	-	1,505	174	270	-	-
Total Expenditures	346,862	61,029	74,357	316,889	135,311	3,609	7,394	555	111,923
Cash Receipts Over (Under)	(98,576)	(16,844)	(15,151)	(316,889)	(135,311)	(3,609)	(7,394)	(555)	13,078
Unencumbered Cash, Beginning	98,576	16,844	15,151	610,165	174,615	14,052	17,430	-	-
Prior Year Cancelled Encumbrances	-	-	-	-	-	-	-	-	-
Unencumbered Cash, Ending	-	-	-	$ 293,276	$ 39,304	$ 10,443	$ 10,036	$ (555)	$ 13,078

City of Hutchinson, Kansas
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-B

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	$ 41,930	$ 24,895
Intergovernmental		
Other Contributions	548,860	-
Miscellaneous		
Reimbursed Expenses	320,020	68,021
Donations	30,300	34,200
Miscellaneous	-	242,406
Sale of Real Estate	-	142,088
Non Revenue Receipts		
Bond Proceeds	3,020,000	1,595,180
Loan Proceeds	235,685	14,999
Federal Grants	-	1,873,677
State Grants	-	175,000
Reserve Transfer General Fund	474,605	99,000
Reserve Transfer Waterworks Fund	188,190	100,000
Reserve Transfer Sewage Treatment Plant Fund	342,700	100,000
Reserve Transfer Special Street Fund	-	-
Reserve Transfer Capital Improvement Project to Project	981,919	227,037
Reserve Transfer Other Funds	58,113	250,493
Total Cash Receipts	6,242,322	4,946,996
Expenditures		
Capital Improvement Expenditures	5,241,355	8,351,682
Reserve Transfer Other Funds	8,012,226	1,420,319
Total Expenditures	13,253,581	9,772,001
Cash Receipts Over (Under) Expenditures	(7,011,256)	(4,825,005)
Unencumbered Cash, Beginning	13,363,192	6,351,936
Unencumbered Cash, Ending	$ 6,351,936	$ 1,526,931

City of Hutchinson, Kansas
Capital Improvement Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-B

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental		
Other Contributions	$ 5,743	$ 4,565
Transient Guest Tax	-	11,100
Miscellaneous		
Reimbursed Expenses	45,050	48,304
Rents and Leases	-	975
Miscellaneous	-	202,271
League Fees	143	-
Non Revenue Receipts		
Bond Proceeds	-	-
Reserve Transfer General Fund	1,452,942	1,570,578
Reserve Transfer Waterworks Fund	796,299	775,000
Reserve Transfer Sewage Treatment Plant Fund	100,000	100,000
Reserve Transfer Special Street Fund	117,625	325,000
Reserve Transfer Capital Improvement Project to Project	6,463,712	4,439
Reserve Transfer Other Funds	1,277,913	1,327,424
Total Cash Receipts	10,259,427	4,369,656
Expenditures		
Capital Improvement Expenditures	2,671,788	2,485,971
Reserve Transfer Project to Project	360,311	246,423
Total Expenditures	3,032,100	2,732,394
Cash Receipts Over (Under) Expenditures	7,227,328	1,637,262
Unencumbered Cash, Beginning	735,445	7,962,773
Unencumbered Cash, Ending	$ 7,962,773	$ 9,600,035

City of Hutchinson, Kansas
Refuse Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	$ 4,664	$ 1,545	$ 3,000	$ (1,455)
Utility Fees				
Refuse Collection Fees	1,897,932	1,933,487	1,931,528	1,959
Franchise Fees	164,890	155,370	168,600	(13,230)
Delayed Payment Charges	27,977	27,528	28,000	(472)
Total Cash Receipts	2,095,463	2,117,930	2,131,128	(13,198)
Expenditures				
Contractual Services	2,038,664	2,023,707	2,078,200	(54,493)
Commodities	2,777	86	-	86
Bad Debt	6,897	-	-	-
Internal Service Cost	-	55,820	55,820	-
Appropriated Reserves	-	-	18,634	(18,634)
Total Expenditures	2,048,338	2,079,613	2,152,654	(73,041)
Cash Receipts Over (Under) Expenditures	47,125	38,317	(21,526)	59,843
Operating Transfer Out	-	-	-	-
Cash Receipts Over (Under) Expenditures and Operating Transfer	47,125	38,317		
Unencumbered Cash, Beginning	17,426	64,551		
Unencumbered Cash, Ending	$ 64,551	$ 102,868		

City of Hutchinson, Kansas
Golf Course
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Green Fees	$ 211,737	$ 218,876	$ 231,343	$ (12,467)
Improvement Fund Fees	-	-	-	-
Tournament Revenue	-	-	15,560	(15,560)
Season Passes	86,002	88,670	107,631	(18,961)
School Fees	-	-	2,700	(2,700)
Private Cart Fees	-	12,572	15,816	(3,244)
City Cart Rental	128,915	112,890	123,427	(10,537)
Locker Rental	2,170	2,060	2,205	(145)
Cart Shed Rental	-	9,898	11,693	(1,795)
Golf Concessions	52,918	65,631	68,427	(2,796)
Golf Pro Shop	87,475	52,612	91,680	(39,068)
Driving Range	-	26,877	25,000	1,877
Miscellaneous				
Reimbursements	187	873	-	873
Miscellaneous	10,260	12,653	29,200	(16,547)
Golf Certificates	3,583	1,254	-	1,254
Total Cash Receipts	583,248	604,866	724,682	(119,816)
Expenditures				
Personal Services	465,971	484,602	489,618	(5,016)
Contractual Services	100,074	103,546	119,818	(16,272)
Commodities	160,193	176,306	202,790	(26,484)
Bad Debt	-	-	-	-
Capital Outlay	47,520	2,397	5,400	(3,003)
Reserve Transfer to Merf	-	58,000	58,000	-
Total Expenditures	773,759	824,851	875,626	(50,775)
Cash Receipts Over (Under) Expenditures	(190,511)	(219,985)	(150,944)	(69,041)
Operating Transfer In	190,511	219,985	150,944	69,041
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Airport Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Restaurant Rent	$ 47,214	$ 47,214	$ 47,214	-
Hanger Rent	69,778	109,063	94,175	14,888
Other Rents & Fees	250	-	-	-
Office Rent	40,174	51,434	42,352	9,082
Farm Rent	1,532	2,533	1,432	1,101
Fuel Sales	8,239	13,237	8,000	5,237
Miscellaneous				
Reimbursements	2,418	2,198	2,638	(440)
Total Cash Receipts	169,605	225,679	195,811	29,868
Expenditures				
Personal services	167,204	163,585	171,274	(7,689)
Contractual services	122,213	115,549	131,734	(16,185)
Commodities	63,318	78,076	76,725	1,351
Capital outlay	20,311	7,625	5,800	1,825
Reserve Transfer to Merf	-	55,000	55,000	-
Total Expenditures	373,045	419,835	440,533	(20,698)
Cash Receipts Over (Under) Expenditures	(203,439)	(194,157)	(244,722)	50,565
Operating Transfer In	203,439	194,156	244,722	(50,566)
Cash Receipts Over (Under) Expenditures and Operating Transfer	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	$ 14,434	$ 16,026	$ 25,000	$ (8,974)
Utility Fees				
Water Sales	7,061,955	6,915,747	6,671,075	244,672
Service Connection Fees	37,460	39,337	38,000	1,337
Tapping Charges	24,965	34,222	25,000	9,222
Connect/Disconnect Fees	53,770	49,323	43,000	6,323
Late Fees	79,912	73,594	61,000	12,594
Water District Surcharge	3,072	3,072	-	3,072
Franchise Fees	353,222	347,697	333,400	14,297
Non Revenue Receipts				
Bond Proceeds and Premiums	-	6,370,569	6,417,373	(46,804)
Miscellaneous				
Reimbursements	34,420	30,021	-	30,021
Sale/Salvage/Auction Property	-	3,913	-	3,913
Miscellaneous	625	35	3,000	(2,965)
Total Cash Receipts	7,663,834	13,883,556	13,616,848	266,708
Expenditures				
Personal Services	1,755,455	1,172,521	1,223,949	(51,428)
Contractual Services	1,111,103	1,408,539	1,597,138	(188,599)
Commodities	736,831	791,860	779,275	12,585
Capital Outlay	1,301,330	187,033	251,100	(64,067)
Loan Principal	714,066	6,996,042	6,968,091	27,951
Loan Service Fees	46,092	96,112	147,602	(51,490)
Loan Interest	436,140	468,311	497,978	(29,667)
Franchise Fee	353,222	-	-	-
Service Allocation Costs	918,427	1,447,280	1,447,280	-
Other Expenditures	28,810	140,000	-	140,000
Appropriated Reserves	-	-	4,202,233	(4,202,233)
Reserve Transfer Municipal Equipment Reserve	-	59,500	59,500	-
Reserve Transfer Capital Improvement Project	-	775,000	775,000	-
Total Expenditures	7,401,477	13,542,198	17,949,146	(4,406,948)
Cash Receipts Over (Under) Expenditures	262,357	341,358	(4,332,298)	4,673,656
Operating Transfer In	-	600,000	600,000	-
Operating Transfer Out	(7,186)	(13,765)	(7,363)	(6,402)
Cash Receipts Over (Under) Expenditures and Operating Transfer	255,171	927,593		
Unencumbered Cash, Beginning	4,306,891	5,176,227		
Prior Year Cancelled Encumbrances	614,167	-		
Unencumbered Cash, Ending	$ 5,176,227	$ 6,103,820		

City of Hutchinson, Kansas
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	$ 18,578	$ 8,199	$ 20,000	$ (11,801)
Rental of City Property	8,000	16,000	-	16,000
Utility Fees				
Industrial Wastewater Permit Fee	1,250	4,050	1,200	2,850
Sewer Use Charges	5,729,310	5,832,091	5,630,513	201,578
Late Fees	50,093	49,215	46,000	3,215
Franchise Fees	285,715	291,357	280,176	11,181
Tapping Fees	21,440	25	-	25
Miscellaneous				
Reimbursed Expenses	62,415	7,171	500	6,671
Salvage Sold	262	147	-	147
Non Revenue Receipts				
Loan proceeds	1,161,050	-	-	-
Total Cash Receipts	7,338,112	6,208,255	5,978,389	229,866
Expenditures				
Personal Services	1,404,056	1,311,581	1,617,968	(306,387)
Contractual Services	1,213,183	1,048,165	1,370,202	(322,037)
Commodities	544,091	477,413	639,550	(162,137)
Capital Outlay	535,036	80,639	78,718	1,921
Debt Service	49,598	-	-	-
Loan Principal	1,731,106	501,164	496,164	5,000
Loan Service Fees	14,927	17,505	17,505	-
Loan Interest	226,304	202,426	246,872	(44,446)
Franchise Fees	-	-	-	-
Service Allocation Costs	698,928	1,253,259	1,253,259	-
Other Expenditures	11,912	-	-	-
Miscellaneous	-	-	-	-
Appropriated Reserves	-	-	2,418,008	(2,418,008)
Reserve Transfer to Capital Improvement Projects	-	363,000	363,000	-
Total Expenditures	6,429,141	5,255,152	8,501,246	(3,246,094)
Cash Receipts Over (Under) Expenditures	908,971	953,103	(2,522,857)	3,475,960
Operating Transfer Out	(7,186)	(7,363)	(7,363)	-
Cash Receipts Over (Under) Expenditures and Operating Transfer	901,785	945,740		
Unencumbered Cash, Beginning	2,350,641	3,395,900		
Prior Year Cancelled Encumbrances	143,475	-		
Unencumbered Cash, Ending	$ 3,395,900	$ 4,341,640		

City of Hutchinson, Kansas
Storm Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	$ 406	$ 1,017	$ 500	$ 517
Utility Fees				
Storm Water Surcharge	285,221	284,446	282,000	2,446
Total Cash Receipts	285,627	285,463	282,500	2,963
Expenditures				
Personal Services	59,911	68,862	60,965	7,897
Contractual Services	-	1,837	1,100	737
Commodities	-	800	-	800
Capital Outlay	7,000	-	-	-
Reserve Transfer to Capital Improvement Project Reserve	100,000	-	-	-
Appropriated Reserves	-	-	610,554	(610,554)
Bad debt	1,368	-	-	-
Total Expenditures	168,279	71,499	672,619	(601,120)
Cash Receipts Over (Under) Expenditures	117,348	213,964		
Unencumbered Cash, Beginning	360,550	477,897		
Unencumbered Cash, Ending	$ 477,897	$ 691,861		

City of Hutchinson, Kansas
Health and Dental Insurance Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-B

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	$ 9,806	$ 11,109
Insurance Premiums		
Employee Contributions	893,692	913,258
Retiree Premiums Collected	108,225	113,073
Cobra Premiums Collected	31,417	941
Employer Contributions	2,713,295	2,772,277
Miscellaneous		
Reimbursed Expenses	-	-
Total Cash Receipts	3,756,434	3,810,658
Expenditures		
Insurance Claims	2,602,348	2,673,811
Claim Administration	2,781	2,546
Insurance Premiums	600,806	612,658
Employee Wellness Program	-	500
Service Allocation Costs	18,000	18,000
Total Expenditures	3,223,935	3,307,515
Cash Receipts Over (Under) Expenditures	532,499	503,143
Unencumbered Cash, Beginning	2,789,261	3,321,760
Unencumbered Cash, Ending	$ 3,321,760	$ 3,824,903

City of Hutchinson, Kansas
Risk Management Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-B

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	$ 485	$ 1,362
Miscellaneous		
Reimbursed Expenses	58,850	82,236
Department Premiums Charged	-	726,326
Reserve Transfer from General Fund	339,814	-
Reserve Transfer Other Funds	386,512	-
Total Cash Receipts	785,661	809,924
Expenditures		
Contractual Services	1,854	1,504
Administrative Expenses	66,316	29,753
Claims Paid	169,760	141,071
Extended coverage insurance	486,338	441,725
Service Allocation Costs	18,000	18,000
Reserve Transfer to General Fund	-	-
Total Expenditures	742,268	632,053
Cash Receipts Over (Under) Expenditures	43,393	177,871
Unencumbered Cash, Beginning	1,085,141	1,128,534
Unencumbered Cash, Ending	$ 1,128,534	$ 1,306,405

City of Hutchinson, Kansas
Worker's Compensation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2-B

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	$ 2,849	$ 5,505
Miscellaneous		
Reimbursed Expenses	-	-
Department Premiums Charged	-	373,098
Reserve Transfer from General Fund	513,792	-
Reserve Transfer Other Funds	120,724	-
Total Cash Receipts	637,365	378,603
Expenditures		
Contractual Services	334,945	385,731
Service Allocation Costs	18,000	18,000
Reserve Transfer General Fund	200,000	-
Total Expenditures	552,945	403,731
Cash Receipts Over (Under) Expenditures	84,420	(25,128)
Unencumbered Cash, Beginning	2,077,563	2,161,984
Unencumbered Cash, Ending	$ 2,161,984	$ 2,136,856

City of Hutchinson, Kansas
Central Purchasing Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012

Schedule 2-B

	Prior Year Actual	Current Year Actual
Cash Receipts		
Inventory Sold	$ 109,917	$ 373,529
Expenditures		
Inventory Purchased	139,029	337,457
Cash Receipts Over (Under) Expenditures	(29,112)	36,072
Unencumbered Cash, Beginning	46,108	16,995
Unencumbered Cash, Ending	$ 16,995	$ 53,067

City of Hutchinson, Kansas
Trust Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012

Schedule 2-C

	Hutch Community Foundation Fund	Donations Fund
Cash Receipts		
Use of Money and Property		
Interest Income	$ 89	$ -
Fines, Fees & Forfeitures Other		
Municipal Court Collections	-	107,671
Miscellaneous		
Private Donations	65,385	101,228
Miscellaneous	-	6,200
Reimbursement of Expenses	-	32,573
Advertising	-	4,575
Concessions	-	2,807
Facility Deposit Returns	-	22,142
Cereal Malt Beverage State Stamp	-	1,075
Reserve Transfer to General Fund	-	-
Reserve Transfer to Donation Fund Projects	-	-
Total Cash Receipts	65,474	278,271
Expenditures		
Other Contractual Services	40,325	108,920
Court Collection Payouts	-	108,501
Reserve Transfers	-	22,368
Total Expenditures and Transfers	40,325	239,789
Cash Receipts Over (Under) Expenditures	25,149	38,482
Unencumbered Cash, Beginning	27,919	186,336
Unencumbered Cash, Ending	$ 53,068	$ 224,818

City of Hutchinson, Kansas
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2012

Schedule 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing Fund	$ (5,107)	$ -	$ (2,391)	$ (2,716)
Fire Proceeds Fund	-	109,804	89,971	19,833
Total	$ (5,107)	$ 109,804	$ 87,580	$ 17,117

LINDBURG
VOGEL PIERCE FARIS
Chartered

Edward C. Michel, CPA
Michael E. Evans, CPA
Roger W. Field, CPA
Gregory D. Daughhetee, CPA
Clark R. Cowl, CPA
Todd V. Pflughoeft, CPA
Robert D. Schraeder, CPA
Steven R. Stoecklein, CPA
Kenneth D. Hamby, CPA
John W. Denney, CPA
Michael R. Meisenheimer, CPA
Nick L. Mueting, CPA
Billy J. Klug, CPA

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

The Mayor and City Council
City of Hutchinson, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the summary of cash receipts, expenditures, and unencumbered cash of City of Hutchinson, Kansas (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statement, which comprise the City's regulatory basis financial statement, and have issued our report thereon dated July 9, 2013, which was modified because the financial statement is prepared on the regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

2301 NORTH HALSTEAD
P.O. BOX 2047
HUTCHINSON, KS 67504-2047
620-669-0461

1206 W. FRONTVIEW, STE 201
P.O. BOX 1512
DODGE CITY, KS 67801-1512
620-227-3522

1301 OAK STREET
P.O. BOX 189
HAYS, KS 67601-0189
785-628-2900

2601 ANDERSON AVENUE, STE 104
P.O. BOX 489
MANHATTAN, KS 66505-0489
785-537-3710

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindburg Vogel Pierce Faris

Certified Public Accountants

Hutchinson, Kansas
July 9, 2013

City of Hutchinson, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2012

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		11.300	05-01-05103	$ 919,297
Department of Housing and Urban Development				
Pass-through from Kansas Department of Commerce				
Community Development Block Grant		14.228	09-NSP-016	196,925
Pass-through from Kansas Housing Resource Corporation				
Emergency Shelter Grants		14.231	ESG-FFY2011	23,892
Emergency Shelter Grants		14.231	ESG-FFY2012	10,323
HOME Investment Partnerships Program		14.239	2010 HOME	149,970
Homeless Prevention and Rapid Rehousing	ARRA	14.262	HPRP-02	51,704
TOTAL - U.S. Department of Housing and Urban Development				432,814
U.S. Department of Justice				
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant		16.738	2012-DJ-BX-0114	28,556
Edward Byrne Memorial Justice Assistance Grant		16.738	2011-DJ-BX-2536	151
Edward Byrne Memorial Justice Assistance Grant		16.738	2010-DJ-BX-1457	339
TOTAL - U.S. Department of Justice				29,046
U.S. Department of Transportation				
Airport Improvement Program		20.106	3-20-0035-26	154,012
Airport Improvement Program		20.106	3-20-0035-27	18,291
Airport Improvement Program		20.106	3-20-0035-28	737,930
Airport Improvement Program		20.106	3-20-0035-29	93,829
Pass-through from Kansas Secretary of Transportation				
Highway Safety Cluster:				
State and Community Highway Safety		20.600	OP-1991-11	14,115
Occupant Protection Incentive		20.602	AL 9087-11	5,093
TOTAL - U.S. Department of Transportation				1,023,270
Total Federal Awards Expended				$ 2,404,427

See Accompanying Notes to the Schedule of Federal Awards

CITY OF HUTCHINSON, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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, 2012, and is presented on the regulatory 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 regulatory basis of accounting.

NOTE B–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of accounting as described in Note A. Such expenditures are recognized following the cost principles contained in OMB 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.

LINDBURG
VOGEL PIERCE FARIS
Chartered

Edward C. Michel, CPA
Michael E. Evans, CPA
Roger W. Field, CPA
Gregory D. Daughhetee, CPA
Clark R. Cowl, CPA
Todd V. Pflughoeft, CPA
Robert D. Schraeder, CPA
Steven R. Stoecklein, CPA
Kenneth D. Hamby, CPA
John W. Denney, CPA
Michael R. Meisenheimer, CPA
Nick L. Mueting, CPA
Billy J. Klug, CPA

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

The Mayor and City Council
City of Hutchinson, Kansas

Report on Compliance for Each Major Federal Program

We have audited City of Hutchinson, Kansas (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each the City's major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

2301 NORTH HALSTEAD
P.O. BOX 2047
HUTCHINSON, KS 67504-2047
620-669-0461

1206 W. FRONTVIEW, STE 201
P.O. BOX 1512
DODGE CITY, KS 67801-1512
620-227-3522

1301 OAK STREET
P.O. BOX 189
HAYS, KS 67601-0189
785-628-2900

2601 ANDERSON AVENUE, STE 104
P.O. BOX 489
MANHATTAN, KS 66505-0489
785-537-3710

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Lindburg Vogel Pierce Faris

Certified Public Accountants

Hutchinson, Kansas
July 9, 2013

CITY OF HUTCHINSON, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issue		Unmodified (Regulatory basis)
Internal control over financial reporting		
Material weakness(es) identified?		No
Significant deficiencie(s) 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 deficiencie(s) identified that are not considered to be material weakness(es)?		No
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133?		No
Major Programs	CFDA#	
Economic Development Cluster		
Department of Commerce		
Economic Development Administration Investments for Public Works and Economic Development Facilities	11.300	
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, 2012

There were no prior year findings.