

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns Aa3 to City of Hutchinson, KS' GO Bonds and MIG-1 to temporary notes

07 Nov 2025

New York, November 07, 2025 -- Moody's Ratings (Moody's) has assigned a Aa3 rating to the City of Hutchinson, KS' proposed \$1.9 million General Obligation Bonds, Series 2025-C and a MIG-1 to the proposed \$11.4 million General Obligation Temporary Notes, Series 2025-D. We maintain the city's Aa3 issuer rating, the Aa3 rating on its outstanding general obligation unlimited tax (GOULT) bonds, and the MIG-1 on its outstanding temporary notes. The city will have an estimated \$86.6 million in debt outstanding following the issuance.

RATINGS RATIONALE

The Aa3 issuer rating reflects the city's strong financial reserves and liquidity which will exceed 50% and 70% of revenue, respectively. Reserves will remain sound despite a moderate general fund deficit forecast for fiscal 2025 (Dec 31 year-end). The rating also reflects the city's stable local economy, characterized by below average income and wealth levels, and a steady population decline. Long-term liabilities are expected to remain moderate and manageable at approximately 150% of revenue given a slower pace of planned issuance in the near term. The rating also incorporates financial reporting which does not disclose a modified accrual-based fund balance, other post-employment liability, capital asset values or depreciation.

The Aa3 rating on the GOULT bonds is at the same level as the issuer rating, reflecting the city's unlimited ad valorem taxing authority and full faith and credit pledge.

The MIG 1 rating on the notes reflects the underlying long-term credit quality of the city reflected in its issuer rating, history of consistent market access and satisfactory cash position at the time of issuance.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Trend of local economic growth exceeding the national rate that leads to strengthened resident income and full value per capita

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Inability to maintain balanced operations, resulting in available fund balances declining to under 35% of revenue
- Substantial increase in long-term liabilities to over 200% of revenue

PROFILE

The City of Hutchinson is located in south central Kansas, approximately 45 miles northwest of Wichita, and is the county seat of Reno County. The city has a population of 39,837 per the 2023 American Community Survey. In addition to general government services including public safety, the city provides business services via a municipal airport, and water and sewer utilities.

METHODOLOGY

The principal methodology used in the short-term rating was US Municipal Short-term Debt published in October 2024 and available at <https://ratings.moodys.com/rmc-documents/430699>. The principal methodology used in the long-term rating was US Cities and Counties published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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