OFFICIAL STATEMENT

BANK QUALIFIED
BOOK-ENTRY ONLY

RATING: Moody's: "Aa3"

In the opinion of Kutak Rock LLP, Kansas City, Missouri, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Kansas statutes, interest on the Bonds is excluded from computation of Kansas adjusted gross income. The Issuer has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). For a more detailed description of such opinions of Bond Counsel, see "LEGAL MATTERS" herein.

$3,875,000
CITY OF HUTCHINSON, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2026-A

Dated: September 30, 2026

Due: As shown on the inside cover page hereof

The General Obligation Bonds, Series 2026-A (the "Series 2026-A Bonds" or the "Bonds"), when issued, will be registered in the name of Cede & Co., as registered owner for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of Bonds will be made in book-entry form only and purchasers will not receive certificates representing their interest in the Bonds purchased. As long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to Bond owners or registered owners shall mean Cede & Co., and shall not mean the Beneficial Owners (herein defined) of the Bonds. (See "THE DEPOSITORY TRUST COMPANY" herein.)

The Bonds will be issued by the City of Hutchinson, Kansas (the "City" or the "Issuer"), as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. Principal of the Series 2026-A Bonds will be payable annually on October 1, on the dates set forth on the inside cover page hereof, and semiannual interest will be payable on April 1 and October 1, beginning on April 1, 2028. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as bond registrar and paying agent (the "Paying Agent" and "Bond Registrar").

The Bonds maturing on October 1, 2034 and thereafter will be subject to redemption prior to maturity, at the option of the Issuer, on October 1, 2033 and any date thereafter as described herein. (See "THE BONDS-Redemption Provisions" herein).

The Bonds and the interest thereon will constitute general obligations of the Issuer payable as to both principal and interest, from current revenues of the City authorized for such purpose, from special assessments levied upon the property benefitted by the construction of certain improvements, and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property, real and personal, within the territorial limits of the Issuer (See "THE BONDS – Security for the Bonds" herein).

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Kutak Rock LLP, Kansas City, Missouri, Bond Counsel. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about September 30, 2026.

BAIRD

The date of this Official Statement is September 1, 2026

$3,875,000
CITY OF HUTCHINSON, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2026-A

Dated: September 30, 2026 **Due: October 1, as shown below**

SERIAL BONDS

Maturity	Principal Amount	Interest Rate	Yield	CUSIP[(1)]
2029	$135,000	5.00%	2.89%	44815AEF3
2030	140,000	5.00%	3.00%	44815AEG1
2031	145,000	5.00%	3.10%	44815AEH9
2032	145,000	5.00%	3.20%	44815AEJ5
2033	155,000	5.00%	3.30%	44815AEK2
2034	165,000	5.00%	3.45%	44815AEL0
2035	175,000	5.00%	3.55%	44815AEM8
2036	185,000	4.00%	3.75%	44815AEN6
2037	195,000	4.00%	3.85%	44815AEP1

TERM BONDS

Maturity	Principal Amount	Interest Rate	Yield	CUSIP[(1)]
2039	$410,000	4.00%	4.00%	44815AER7
2041	445,000	4.00%	4.05%	44815AET3
2043	485,000	4.00%	4.10%	44815AEV8
2045	525,000	4.125%	4.15%	44815AEX4
2047	570,000	4.125%	4.20%	44815AEZ9

(Plus Accrued Interest, if any)

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THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CITY OF HUTCHINSON, KANSAS
City Hall
125 East Avenue B
Hutchinson, Kansas 67501
Phone No. (620) 694-2611
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GOVERNING BODY

Scott Meggers, Mayor
Greg Fast, Vice-Mayor
Steven Garza, Council Member
Stacy Goss, Council Member
Darrin Truan, Council Member

CITY MANAGER
Enrico Villegas

CITY CLERK
Mary J. Rogers

FINANCE DIRECTOR
Angela Richard

CITY ATTORNEY
Paul Brown

BOND COUNSEL
Kutak Rock LLP
Kansas City, Missouri

FINANCIAL ADVISOR
Piper Sandler & Co.
Leawood, Kansas

UNDERWRITER
Robert W. Baird & Co., Inc.
Milwaukee, Wisconsin

No dealer, broker, salesman or other person has been authorized by the Issuer, Financial Advisor or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Financial Advisor or Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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OFFICIAL STATEMENT

$3,875,000
CITY OF HUTCHINSON, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2026-A

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Hutchinson, Kansas (the "Issuer" or the "City"), and the General Obligation Bonds, Series 2026-A, of the Issuer, dated September 30, 2026, to be issued in the principal amount of $3,875,000 (“the Bonds".)

The Appendices to this Official Statement are integral parts of this document and should be read in their entirety. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future.

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. Subject to the requirements of the Rule, the Issuer has covenanted to provide continuous secondary market disclosure. To the knowledge of the officer of the Issuer executing this Official Statement, for the past five years the Issuer has complied in all material respects with its obligations to provide continuing disclosure. The Issuer’s filings relating to financial and operating data, including audited financials, for the past five years are set forth in the table below:

Fiscal Year Ending December 31	Report Date	Financial Statement Filing Date	Operating Data Filing Date
2020	December 1, 2021	August 2, 2021	October 21, 2021
2021	December 1, 2022	November 9, 2022	November 9, 2022
2022	December 1, 2023	November 21, 2023	November 21, 2023
2023	December 1, 2024	October 17, 2024	October 17, 2024
2024	December 1, 2025	October 29, 2025	October 29, 2025

During the past five years, the Issuer has made filings of event notices on EMMA with respect to bond calls, defeasances, and rating changes, however, during said time period, the Issuer may not have made timely filings of event notices on EMMA relating to all bond calls, defeasances or rating changes.

For more information regarding the Issuer's continuing disclosure undertaking, see “*APPENDIX C FORM OF CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS.*”

Additional Information

Additional information regarding the Issuer or the Securities may be obtained from Ms. Angela Richard, Director of Finance, at City Hall, 125 East Avenue B, Hutchinson, Kansas 67501, (620) 694-2784, or the Financial Advisor, Piper Sandler & Co., 11635 Rosewood, Leawood, Kansas 66211 (913) 345-3300.

Book-Entry Only System

The Bonds are available in book-entry form only. See "THE DEPOSITORY TRUST COMPANY" herein. As long as Cede & Co., is the registered owner of the Bonds as nominee of DTC, New York, New York, references in the following sections entitled "THE BONDS" to the holders or owners of Bonds shall mean Cede & Co., and not the beneficial owners of the Bonds.

THE BONDS

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Kansas (the "State"), including Article 12, Section 5, of the Constitution of the State, Charter Ordinance No. 50 of the Issuer, and K.S.A. 12-6a01 *et seq*., all as amended or supplemented, and an ordinance and a resolution adopted by the governing body of the Issuer on September 1, 2026. The ordinance and resolution authorizing the Series 2026-A Bonds are referred to collectively as the "Bond Resolution."

Security for the Bonds

The Bonds and the interest thereon will constitute general obligations of the Issuer payable from current revenues of the Issuer authorized for such purpose, from special assessments levied upon the property benefitted by the construction of certain improvements, and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

Description of the Bonds

The Bonds shall consist of fully registered bonds in the denomination of $5,000 or any integral multiple thereof. The Bonds shall be dated September 30, 2026 (the "Dated Date"). Interest on the Bonds will be payable on April 1 and October 1, in each year beginning April 1, 2028 (each an "Interest Payment Date"). The principal of the Bonds shall become due in the amounts as set forth on the inside cover page of this Official Statement on the stated maturities, and subject to redemption and payment prior to their stated maturities. The Bonds shall bear interest (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid.

Designation of Paying Agent and Bond Registrar

The Treasurer of the State of Kansas, Topeka, Kansas (the "Bond Registrar" and "Paying Agent") has been designated by the Issuer as paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

Method and Place of Payment of the Bonds

The principal of, or redemption price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or redemption price of each Bond shall be paid at maturity to the person in whose name such Bond is registered on the bond register at the maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the owner of such Bond as shown on the bond register ("Owner") at the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date (the "Record Date") for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the bond register or at such other address as is furnished to the Paying Agent in writing by such Owner, or (b) in the case only of an interest payment to an Owner that is a securities depository, by wire transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the record date for such interest, containing the electronic transfer instructions, as provided in the Bond Resolution.

Registration, Transfer and Exchange of Bonds

As long as any of the Bonds remain outstanding, each Bond when issued shall be registered in the name of the Owner thereof on the bond register. Bonds may be transferred and exchanged only on the bond register as hereinafter provided. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same stated maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Bond Registrar shall not be required: (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay defaulted interest and ending at the close of business on the date fixed for the payment of defaulted interest.

Mutilated, Lost, Stolen or Destroyed Bonds

If any Bond is lost, destroyed, mutilated or wrongfully taken, the Issuer will execute and the Registrar will authenticate a new Bond of the same date, maturity, denomination and interest rate, subject to the provisions of the Bond Resolution authorizing the issuance of the Bonds. In connection with the replacement of Bonds, the Issuer and the Registrar may require satisfactory indemnification and may charge the Owner of such Bonds reasonable fees and expenses for the replacement of such Bonds.

Redemption Provisions

Optional Redemption. At the option of the Issuer, the Bonds or portions thereof maturing in the years 2034 and thereafter may be called for redemption and payment prior to their stated maturity on October 1, 2033, and thereafter as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the redemption date.

Mandatory Redemption. (a) *2039 Term Bonds*. The Bonds maturing in the year 2039 (the "2039 Term Bonds") shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2039 Term Bonds:

Principal Amount	Year
$205,000	2038
205,000	2039*

* *Final Maturity*

(b) *2041 Term Bonds*. The Bonds maturing in the year 2041 (the "2041 Term Bonds") shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2041 Term Bonds:

Principal Amount	Year
$215,000	2040
230,000	2041*

* *Final Maturity*

(c) *2043 Term Bonds*. The Bonds maturing in the year 2043 (the "2043 Term Bonds") shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2043 Term Bonds:

Principal Amount	Year
$235,000	2042
250,000	2043*

* *Final Maturity*

(d) *2045 Term Bonds*. The Bonds maturing in the year 2045 (the "2045 Term Bonds") shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2045 Term Bonds:

Principal Amount	Year
$260,000	2044
265,000	2045*

* *Final Maturity*

(e) *2047 Term Bonds*. The Bonds maturing in the year 2047 (the "2047 Term Bonds") shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2047 Term Bonds:

Principal Amount	Year
$280,000	2046
290,000	2047*

* *Final Maturity*

Notice of Redemption of Bonds. At the direction of the City, written notice of the call for any redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Paying Agent, in the name of the City, by mailing a copy of the redemption notice by first class mail not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the registered owner's address shown on the registration books maintained by the Bond Registrar hereinafter described, provided, however, that failure to give such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds. Any notice of redemption shall state the date of redemption, the place or places at which such Bonds shall be presented for payment, the maturity dates and numbers and CUSIP numbers of the Bonds or portions of Bonds to be redeemed (and in the case of the redemption of a portion of any Bond, the principal amount thereof being redeemed), the redemption price, whether the redemption is conditioned on the occurrence of certain events and shall state that interest on the Bonds described in such notice will cease to accrue from and after the redemption date.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the Direct Participants and Indirect Participants and that such Participants, in turn, will notify or cause to be notified the Beneficial Owners (as such terms are defined under "THE

DEPOSITORY TRUST COMPANY" herein). Any failure on the part of DTC or a participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Paying Agent, a participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Effect of Call for Redemption. On or prior to the date fixed for any redemption, funds or government securities maturing on or before the date fixed for redemption shall be deposited by the City with the Paying Agent or deposited in escrow as provided in the Bond Resolution in amounts sufficient to provide for payment of the Bonds called for redemption, the accrued interest thereon to the redemption date and the redemption premium, if any. Upon the deposit of such funds or government securities, and notice of such redemption having been given, the Bonds or portions of the principal amount of Bonds called for redemption shall cease to bear interest on the specified redemption date.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each scheduled maturity of the Bonds, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE PROJECT

The Bonds are being issued for the purpose of: (a) paying the costs of certain street, park, sidewalk, public building and City zoo improvements within the City; (b) paying the costs of certain improvements within the Spyglass Hills Water Line Special Benefit District, Plum Creek Phase I Special Benefit District, and Plum Creek Lift Station and Drainage Special Benefit District; (c) paying the costs to redeem the City's General Obligation Temporary Notes, Series 2024-B, dated November 12, 2024, and (d) paying the costs of issuance of the Bonds. Proceeds of the Bonds may also be used for additional or substitute improvements upon compliance with the terms of the Bond Resolution.

SOURCES AND USES OF FUNDS

The following table itemizes the sources and uses of funds available for paying the cost of the Project including the proceeds from the sale of the Bonds:

Sources of Funds:	
Principal Amount of the Bonds	$3,875,000.00
Original Issue Net Premium	81,776.80
Total =	$3,956,776.80
Uses of Funds:	
Deposit to Improvement Fund	$2,099,510.16
Deposit to Redemption Fund	1,619,812.50
Excess Costs	33,264.00
Costs of Issuance	122,297.76
Underwriter's Discount	81,892.38
Total =	$3,956,776.80

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE BONDS WHICH MUST BE RECOGNIZED.

THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE BONDS.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR FINANCIAL ADVISOR.

Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excludable from gross income for federal income tax purposes under current provisions of the Code, and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under "LEGAL MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income as of the date of issuance.

Market for the Bonds

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. The absence of continuing disclosure of financial or other information pertaining to the Issuer may impair the development of a secondary market for the Bonds and could impair the ability of an Owner to sell the Bonds in the secondary market. Prices of Bonds traded in the secondary market, though, are subject to adjustment upward and downward in response

to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Bonds

The enforceability of the rights and remedies of the Owners of Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Suitability of Investment

The tax exempt feature of the Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

Infectious Diseases

The City's finances may be materially adversely affected by unforeseen impacts from outbreaks of infectious diseases, such as the Coronavirus (COVID-19) pandemic. The City cannot predict future impacts of outbreaks, epidemics, or pandemics, or their impact on travel, on assemblies or gatherings, on the State, national, or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment of debt service on any of its outstanding debt obligations. Future revenue collections, including property tax collections that are essential to repayment of the Bonds, may deviate from historical or anticipated levels due to COVID-19 or other infectious diseases.

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the Issuer may incur significant costs to remediate possible injury to the affected persons, and the Issuer may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the Issuer's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Natural Disasters, Terrorist or Cyber Attacks

The occurrence of a terrorist attack or cyber security breach in the Issuer, or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the Issuer and its systems and infrastructure, and interrupt services or otherwise impair operations of the Issuer.

ABSENCE OF LITIGATION

There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of said Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Bonds. All matters incident to the authorization and issuance of the Bonds are subject to the approval of Kutak Rock LLP, Kansas City, Missouri, Bond Counsel. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has not participated in the preparation of the Official Statement and expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE BONDS", "LEGAL MATTERS", "*APPENDIX C* – FORM OF CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS" .

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds [(including any original issue discount properly allocable to the owner of a Bond)] is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. For tax years beginning after December 31, 2022, interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, and foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Kansas statutes, interest on the Bonds is excluded from computation of Kansas adjusted gross income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Kansas or any other state or jurisdiction.

Original Issue Discount. The Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the regulations promulgated under the Code (the "Regulations") constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding. An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Bank Qualified. The Bonds will be designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Internal Revenue Service Audits. The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is included in gross income for federal income tax purposes. It cannot be predicted whether or not the Internal Revenue Service will commence an audit of any of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service may treat the related issuer as a taxpayer, and the registered owners of the Bonds may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the related Bonds until the audit is concluded, regardless of the ultimate outcome.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "LEGAL MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the

Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

RATING

Moody's Investors Service has assigned a rating of "Aa3" to the Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any bonds, including the Bonds, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Piper Sandler & Co., Leawood, Kansas, has acted as Financial Advisor to the Issuer in connection with the sale of the Bonds. The Financial Advisor is a "municipal advisor" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Financial Advisor has assisted the Issuer in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds. The Financial Advisor will not be a manager or a member of any underwriting group submitting a proposal for the purchase of the Bonds. The fees of the Financial Advisor are contingent upon the issuance of the Bonds.

UNDERWRITING

The Bonds have been sold by the Issuer to Robert W. Baird & Co., Inc., Milwaukee, Wisconsin (the " Underwriter") at the purchase price of 100% of the principal amount of the Bonds plus accrued interest, plus a premium of $81,776.80, less an underwriting discount of $81,892.38. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds.

The Bonds will be offered to the public initially at the prices determined to produce the yields set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

AUTHORIZATION OF OFFICIAL STATEMENT

The preparation of this Official Statement and its distribution has been authorized by the governing body of the Issuer as of the date on the cover page hereof.

CITY OF HUTCHINSON, KANSAS

APPENDIX A

INFORMATION CONCERNING THE ISSUER

Size and Location

The City is a community of approximately 39,662 persons, with an area of 20.94 square miles, located in the south-central part of the state of Kansas. The City is located approximately 45 miles northwest of Wichita, Kansas, and is the county seat of Reno County, Kansas (the "County").

Reno County is a rich agricultural area and generally ranks as one of the top wheat producing counties in Kansas. The County also ranks high in the production of sorghum, barley, alfalfa, hay, alfalfa seed, milk and eggs. The City is one of the largest prime wheat markets in the world with storage capacity of nearly 42 million bushels. The City has long been one of the primary salt producing areas in the country. In addition, the area surrounding the City has a diversified economic base with more than 200 industries including: paper products, hydraulic valves, signs, farm machinery, agricultural research, food distribution and processing, millwork, baked goods, ice cream, school buses, ambulances, rebuilt engines, grain handling equipment and mobile homes.

Government and Organization of the City

The City of Hutchinson, Kansas, is a city of the first class, incorporated in 1872. The City operated under the Commission-Manager form of government from April, 1947 until April, 1995. The City Commission consisted of five Commissioners elected in at-large, nonpartisan elections for staggered terms of four years and two years.

On November 8, 1994, the electors of the City voted that effective April 11, 1995, the City would abandon its Commission/City Manager form of government, and adopt a Mayor/Council/City Manager plan, wherein one council member would be elected from the city-at-large, and four council members would be elected by districts of approximately equal population; and, that once elected, the City Council shall select the Mayor from its own members by a majority vote. The council members receive no annual compensation.

The Mayor is elected by the Council from among its membership for a one-year term and has no regular administrative duties. The City Council is the legislative body of the City.

The City Council appoints the City Manager, who is the chief executive and administrative officer of the City and is responsible to the Council for the proper administration of the City's affairs. The City Manager is Enrico Villegas.

Pension and Employee Retirement Plans

The Issuer participates in the Kansas Public Employees Retirement System ("KPERS") established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 et seq., to provide retirement and related benefits to public employees in Kansas. KPERS is governed by a board of trustees consisting of nine members, each of whom serve four-year terms. The board of trustees appoints an Executive Director to serve as the managing officer of KPERS and employs a staff to carry out daily operations of the system.

As of December 31, 2024, KPERS serves approximately 350,613 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

(a) Kansas Public Employees Retirement System;
(b) Kansas Police and Firemen's Retirement System; and
(c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

(a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.

(b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERS is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan's qualified status dated October 14, 1999 and March 5, 2001. KPERS is also a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The Issuer's employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERS Tier 1 members (covered employment prior to July 1, 2009), KPERS Tier 2 members (covered employment on or after July 1, 2009), or KPERS Tier 3 members (covered employment on or after January 1, 2015).

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERS to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling $1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. For more information about the Legislature's actions related to KPERS, please see the 2024 Valuation Report referenced below.

The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 9.71% of the employee's gross salary for calendar year 2025 and is projected to change to 9.59% of the employee's gross salary for calendar year 2026. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2024 (the "2024 Valuation Report") the KPERS Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately $2.173 billion at the end of 2024. The amount of the UAAL in 2024 changed from the previous year's amount due to the factors discussed in the 2024 Valuation Report; such report also includes additional information relating to the funded status of the KPERS Local Group, including recent trends in the funded status of the KPERS Local Group. A copy of the 2024 Valuation Report is available on the KPERS website at www.kspers.gov/about/reports. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2024 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2024 Valuation Report sets the employer contribution rate for the period beginning January 1, 2027, for the KPERS Local Group, and KPERS' actuaries identified that an employer contribution rate of 9.44% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2024 Valuation Report. The statutory contribution rate of employers currently equals the 2024 Valuation Report's actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

The Issuer has established membership in the Kansas Police and Fire Retirement System ("KP&F") for its police and fire personnel. KP&F is a division of and is administered by KPERS. Annual contributions are adjusted annually based on actuarial studies, subject to legislative caps on percentage increases. According to the 2024 Valuation Report, KP&F carried an UAAL of approximately $1.521 billion at the end of 2024. For KP&F, the Issuer's employees currently annually contribute 7.15% of their gross salary to the plan. For the year beginning January 1, 2025, the Issuer contributes 24.67% of employees' gross salary.

Risk Management

The City is exposed to various risks of loss related to torts, loss and damage to property, errors and omissions and injuries to employees. The City obtains employee health and dental insurance through Meritain. The City self-insures worker's compensation and other related expenses up to certain limits and reinsures additional excess amounts up to certain limits.

Educational Facilities

Unified School District No. 308 operates seven elementary schools, two middle schools and one senior high school in the City, which have a total enrollment of approximately 4,000 students. Unified School District No. 309, Unified School District No. 312 and Unified School District No. 313 also serve a portion of the City. In addition, there are three private elementary schools and two private high schools in the City. The City is home to Hutchinson Community College and Area Vocational School which offer numerous academic, technical skills and continuing education programs to approximately 5,200 students each year.

Transportation and Communication Facilities

The City is served by U.S. Highway 50 and State Highways 17, 61 and 96 (Highway 96 is a four-lane highway between Hutchinson and Wichita) which connect to U.S. Highways 54, 56 and I-35. The City is approximately 30 miles from Interstate Highway 35. Amtrak, the Burlington Northern and Santa Fe Railroad, Kansas and Oklahoma Railroad, Union Pacific and Southern Pacific Railway and Hutchinson and Northern Railway (a local intercity rail line) railroads provide rail service. The City owns and operates an airport with three paved and lighted runways, the longest of which is 7,200 feet.

Medical and Health Facilities

The City has over 80 physicians and 28 dentists. Hutchinson Regional Medical Center, which was constructed in 1975 on an 83-acre site, has over 200 acute care beds and 30 skilled nursing units. Since its original construction, a $2.3 million Linear Accelerator Cancer Treatment Facility has been added to the Hospital's facilities as well as a $5 million retirement center including intermediate care, a 60-bed nursing center and a 30-suite assisted living facility, same-day surgery facility and an open-heart surgery facility. The Hutchinson Clinic which includes ambulatory surgery and dialysis treatment centers, brings together 65 physicians and nearly 700 health care professionals to provide advanced health care services.

Public Utilities

The City provides a full range of services including police and fire protection, construction and maintenance of infrastructure, community development and planning, and recreational and cultural activities. The City also provides water and wastewater treatment utilities. Revenues necessary for the operation of the City's water and wastewater treatment utilities are generated exclusively by user fees. All other utility services in the City are provided by private companies. Ideatek provides phone and internet service in the City. AT&T, Sprint, MCI and other long-distance carriers are available, as is cellular telephone service. Natural gas service is provided by KGS, and Black Hills Energy. Evergy provides electricity and Cox Communications provides cable TV service.

Attractions, Recreation and Cultural Arts

The City offers a rich diversity of facilities, attractions, events and cultural arts amenities to residents and the approximately 1.5 million annual visitors to the community. Reno County is the site of the Kansas State Fair Grounds which draw thousands of visitors year-round, but especially each September for the Kansas State Fair. The Kansas Cosmosphere and Space Museum houses the largest collection of space artifacts outside the Smithsonian Institution and the largest collection of Soviet space hardware in the Western world. The museum, along with its education programs and IMAX Theater, is a major tourist destination, drawing visitors from all over the world. The Kansas Underground Salt Museum is the community's newest tourist attraction. This cavernous, subterranean museum, located in a working salt mine, offers a fascinating historical, cultural and geological account of salt mining. The Reno County Museum features rotating exhibit galleries that recount the County's history and heritage from its earliest beginnings to present day. One highlight of community life is the annual National Junior College Athletic Association Men's Division I Basketball Tournament held each year at the Hutchinson Sports Arena.

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ECONOMIC INFORMATION

Major Employers

Listed below are the major employers located in or near the City and the number employed by each:

Major Employers	Product/Service	Number of Full & Part-time Employees
Hutchinson Regional Healthcare System	Medical Services	1600
Hutchinson Public Schools (USD #308)	Public Education	878
Hutchinson Community College	Higher Education	877
Hutchinson Clinic	Medical Services	771
Hutchinson Correctional Facility	State Prison	647
Tyson Prepared Foods	Pre-cooked Meats	548
City of Hutchinson	Local Government	430
Reno County	Local Government	421
Wal-Mart Supercenter	Discount Retailer	400
Buhler Public Schools (USD 313)	Public Education	331
Kroger Accounting Services	Corporate Offices - Accounting	319
Mennonite Friendship Communities	Health Care/Retirement Services	315
Dillons	Groceries	296
Wesley Towers	Health Care/Retirement Services	260
Collins Bus Corporation	Type A Bus Manufacturer	250
Nickerson Public Schools (USD 309)	Public Education	245
Good Samaritan Society Hutchinson Village	Retirement, Assisted Living	238
Kuhn Krause, Inc.	Agricultural Manufacturer	208
First National Bank of Hutchinson	Financial Services	208
Data Center, Inc.	Financial Technology / Banking	171
Morton Salt, Inc.	Salt	160
Kwik Shop, Inc	Retail Store	153
Siemens Wind Power	Wind Turbine Components Mfr.	150
Takako America Co., Inc.	Manufacturer - Hydraulic parts	136
Cargill Salt	Salt	130
Jackson Dairy	Food - Bakers, Processors & Wholesalers	120
APAC-Kansas, Inc. Shears Division	Commercial Contractors	111
Lowen Corporation	Industrial Marking/Sign Mfr.	100
Superior Boiler	Construction	98
Heartland Credit Union	Financial Services	91
National Credit Adjusters	Debt Collection	83
Portfolio Recovery Associates	Debt Collection	79

Source: Hutchinson Chamber of Commerce

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Labor Force

The following table sets forth labor force figures for Reno County and the State of Kansas:

RENO COUNTY

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	29,772	28,825	947	3.2%
2022	29,232	28,406	826	2.8%
2023	28,928	28,095	833	2.9%
2024	29,464	28,367	1,097	3.7%
2025	29,854	28,678	1,176	3.9%

STATE OF KANSAS

Year	Total Labor Force	Employed	Unemployed	Unemployed Rate
2021	1,495,665	1,447,323	48,342	3.2%
2022	1,504,932	1,464,834	40,098	2.7%
2023	1,510,988	1,470,936	40,052	2.7%
2024	1,545,790	1,490,553	55,237	3.6%
2025	1,572,150	1,512,600	59,550	3.8%

Source: Kansas Department of Labor

Retail Sales Tax Collections

The following table lists the sales and use tax collections for the State of Kansas portion of the total sales and use tax collections for the years indicated for sales occurring in Reno County, Kansas:

Year	Sales Tax Collections	Per Capita Sales Tax
2020	$72,267,562	$1,125.82
2021	77,028,648	1,226.08
2022	84,951,704	1,314.38
2023	84,758,321	1,403.33
2024	86,318,458	1,352.54

The State sales and use tax increased to 6.50%, effective July 1, 2015. For sales of food and food ingredients, beginning January 1, 2023, the State sales and use tax rate was reduced to 4%, beginning January 1, 2024, such rate was reduced to 2%, and beginning January 1, 2025, such rate was reduced to 0%. During such times, the State sales and use tax rate on non-food and non-food ingredients sales will remain at 6.50%.

Source: Kansas Statistical Abstract, Kansas Dept. of Revenue

Oil Production

The oil production (in number of barrels) for Reno County, Kansas for the years listed is indicated in the following table:

Year	Oil Production
2021	398,513
2022	390,354
2023	396,048
2024	383,671
2025	358,311

Source: Kansas Geological Survey

Financial and Banking Institutions

There are currently 11 banks and 24 banking offices located in Reno County, Kansas. For the years listed, bank deposits of the County's banks are as follows:

Year	Total Bank Deposits
2021	$1,388,750,000
2022	1,359,469,000
2023	1,387,600,000
2024	1,514,316,000
2025	1,547,704,000

Source: FDIC

Population

The following table shows the approximate population of the City and County in the years indicated:

Year	City Population	Reno County Population
1960	37,574	59,055
1970	36,885	60,765
1980	40,284	64,983
1990	39,308	62,389
2000	40,787	64,790
2010	42,080	63,854
2020	40,006	61,898
2024	39,561	61,417

The median age of persons in Reno County and the State of Kansas is 41.0 and 37.4, respectively, per the 2020 Census.

Source: Kansas Statistical Abstract

Personal Income

Reno County personal and per capita income and the State of Kansas per capita income are listed for the years indicated, in the following table:

Year	Reno County Personal Income	Reno County Per Capita Income	State of Kansas Per Capita Income
2020	$2,751,568,000	$44,529	$56,099
2021	2,942,860,000	47,918	58,924
2022	2,935,983,000	47,727	60,424
2023	3,123,300,000	50,852	63,513
2024	3,270,121,000	53,245	65,856

Source: Bureau of Economic Analysis

FINANCIAL INFORMATION OF THE ISSUER

Accounting, Budgeting and Auditing Procedures

The statutes of Kansas and the regulations of the Kansas Board of Accountancy provide for municipal accounting in conformance with generally accepted accounting principles unless the municipality opts to adhere to the statutory basis of accounting, state law, the State Division of Accounts and Reports, the State Department of Administration, bond covenants, commitments for grants, ordinances passed and resolutions adopted by the City Council.

In compliance with K.S.A. 75-1120a(c), the City has approved a resolution allowing the municipality to use the statutory basis of accounting. Accounting policies of the City conform to the Kansas statutory basis of accounting and "cash-basis" law. Under the statutory basis of accounting, an increase to a fund balance is recognized when cash is received. Expenditures or decreases to a fund balance include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services and are usually evidenced by a purchase order or written contract.

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the Kansas cash basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The proposed budget is presented to the governing body of the City prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted prior to August 25 of each year (or September 20 if the City must conduct a public hearing to levy taxes in excess of its revenue neutral rate described below). Budgets may be amended upon action of the governing body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. The annual audit was performed by Lindburg Vogel Pierce Faris, Chartered, Hutchinson, Kansas. Copies of the audit reports for the past five (5) years are on file in the City Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 2024 is attached hereto as *Appendix B*.

The City received the Distinguished Budget Presentation Award for the 9th consecutive time from the Government Finance Officers Association (GFOA) in 2021.

The financial information contained in the Appendices to this Official Statement are an integral part of this document and are intended to be read in conjunction herewith.

Sources of Revenue

The City finances its general operations through the local property tax levy, sales tax, various other taxes, a variety of license and permit fees, and other miscellaneous sources as indicated below for the 2025 Fiscal Year (General Fund only):

Source	Percent
Taxes	68.79%
Franchise Fees	11.83%
License and Permits	1.66%
Fines, Forfeitures and Penalties	1.49%
Public Safety Revenues	9.31%
Other	6.92%
TOTAL	100.00%

Property Valuation

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties under the direction of state statutes. The Reno County Appraiser's office determines the fair market value of all taxable property within Reno County and the assessed valuation thereof that is to be used as a basis for the mill levy on property located in the Issuer.

Property subject to ad valorem taxation is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Code §501, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted

prior to January 1, 1985, assessed at 30%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

The Kansas Legislature (the "Legislature") reduced the applicable assessment rates on motor vehicles from 30% of market value to 20% of market value as of January 1, 2000.

The 2006 Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the City for the years set forth below:

Year	Real Property	Personal Property	State Assessed Utility	Motor Vehicle	Total
2017	$277,099,591	$10,391,846	$21,434,072	$38,031,184	$346,956,693
2018	278,471,922	9,244,872	22,664,856	38,198,983	348,580,633
2019	275,608,776	7,877,752	24,295,032	38,573,047	346,354,607
2020	278,879,693	7,613,035	25,692,371	38,985,400	351,170,499
2021	285,089,044	7,371,453	26,178,386	40,774,529	359,413,412
2022	305,803,595	7,171,432	28,179,828	39,354,630	380,509,485
2023	329,528,929	7,382,498	25,553,873	39,812,488	402,277,788
2024	347,258,085	6,993,625	26,096,749	41,409,872	421,758,331
2025	363,690,558	6,381,063	27,818,242	42,711,628	440,601,491
2026*	374,874,745	4,938,244	29,243,133	42,711,628	451,767,750

** Preliminary 2026 assessed valuation figures used for budgeting purposes. 2026 motor vehicle valuation not yet available; 2025 data used for estimation purposes only.*

Source: County Clerk

Estimated Actual Valuation

The following table shows the estimated actual valuation for the taxable property within the City assuming an average assessment ratio of 17.3%:

Year	Total
2017	$2,005,530,017
2018	2,014,916,954
2019	2,002,049,751
2020	2,029,887,277
2021	2,077,534,173
2022	2,199,476,792
2023	2,325,305,133
2024	2,437,909,428
2025	2,546,829,428
2026*	2,611,374,277

** Preliminary*

Property Tax Levies and Collections

The following table sets forth the property taxes levied and collected in the years indicated:

Levy Year	Taxes Levied	Current Tax Collections	Percent of Current Taxes Collected
2016	$9,799,686	$9,176,568	93.64%
2017	14,742,105	13,353,057	90.58%
2018	14,753,269	13,738,149	93.12%
2019	14,765,871	14,449,051	97.85%
2020	14,882,564	14,486,731	97.34%
2021	14,172,035	13,893,883	98.04%
2022	15,044,752	14,859,900	98.77%
2023	15,291,023	14,905,874	97.48%
2024	16,093,076	15,506,862	96.36%
2025*	18,482,113	16,410,817	88.79%

**Partial collections through 7/02/26*
Source: County Treasurer's Office

Tax Collections

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at the rate of 12% per annum until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

Special Assessments and Collections

In the past the City has pursued a policy of utilizing special benefit districts to assign the cost of certain internal improvement projects to the property which was directly benefited from the construction thereof. Kansas statutes allow for the creation of special benefit districts to pay for the cost of a variety of improvements including street construction, storm water drains, sanitary sewer system improvements, street lighting, water system improvements, recreational facilities, flood control projects, bridges and parking facilities. The City has typically utilized special benefit districts to pay for the costs associated with constructing streets, sidewalks, water lines, sewers, curbs, gutters and lighting in new residential developments within the City.

The creation of special benefit districts, the determination of property benefited and the method of allocating the cost of the improvements is at the discretion of the City. Property owners have the ability to suggest improvement to be made through a petition process and to comment on the final amount of their assessment. The City may or may not be included as part of the special benefit district. All property owners have the option to pay their portion of the improvement cost with a one-time payment during an assessment prepayment period or pay in annual installments with interest over a certain number of years.

Upon completion of the special benefit district improvement projects and a prepayment period, the City issues general obligation bonds to provide for permanent project financing. The payment of the principal of and interest on such bonds is paid from the special assessments levied annually on the benefited property owners. Special assessments are paid at the same time and in the same manner as ad valorem property taxes. If at any time the special assessments received from the property owners are insufficient to provide for the payment of the principal of and interest on the bonds, the City is obligated to provide for the balance of such payments through its ability to levy unlimited ad valorem property taxes.

Kansas law authorizes cities to establish land banks pursuant to K.S.A. 12-5901 *et seq*. The City has established a land bank (the "Land Bank") pursuant to Ordinance No. 2013-34, passed September 17, 2013, with the primary responsibility and authority of acquiring, managing and transforming vacant, abandoned and tax-foreclosed property into productive use. For property acquired by the

Land Bank subject to special assessments, K.S.A. 12-5909(d) and (e) authorize the governing body of the City to abate, defer or reamortize such special assessments. Accordingly, the Land Bank could, in the future, acquire certain property subject to the special assessments levied to pay principal and interest on outstanding bonds, and the governing body of the City could abate, defer or reamortize such special assessments. However, in such case, such bonds would remain general obligations of the City, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property, real and personal, within the territorial limits of the City.

Property Tax Levy

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals the "tax lid" (formerly K.S.A. 79-2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the City) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body. The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify, by July 20, the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the county clerk's notices to the taxpayer can be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by governing body approval of a resolution or ordinance, and thereafter the taxing subdivisions will hold the public hearing and adopt the budget by majority vote of its governing body. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

The City cannot predict the impact of the Revenue Neutral Tax Act on the rating on the Bonds, or the general rating of the City. A change in the rating on the Bonds or a change in the general rating of the City may adversely impact the market price of the Bonds in the secondary market.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The following table shows the City's mill levies by fund (per $1,000 of assessed valuation) for each of the years indicated:

Year	General Fund	Bond and Interest Fund	Other Funds	Total Levy
2016/17	34.124	9.860	3.650	47.634
2017/18	33.782	10.341	3.649	47.772
2018/19	33.428	10.716	3.683	47.827
2019/20	33.605	10.908	3.690	48.203
2020/21	33.567	10.895	3.685	48.147
2021/22	33.590	10.902	3.613	48.105
2022/23	31.373	10.182	3.613	45.168
2023/24	30.749	9.582	3.613	43.944
2024/25	31.264	9.131	3.618	44.013
2025/26	33.369	8.727	3.618	42.096

Source: County Clerk

Aggregate Tax Levies

The aggregate tax levies (per $1,000 assessed valuation) of the City and overlapping jurisdictions for the years indicated are set forth in the following table:

Fiscal Year	Hutchinson Community College	City	Reno County	Hutchinson Library District	School District	State	Total Levy
2016/17	22.442	47.634	41.775	6.110	55.168	1.500	174.629
2017/18	22.467	47.772	41.675	6.093	54.983	1.500	174.490
2018/19	22.525	47.827	41.687	6.303	54.884	1.500	174.726
2019/20	21.907	48.203	41.687	6.496	54.456	1.500	174.249
2020/21	21.860	48.147	41.599	6.549	53.507	1.500	173.162
2021/22	21.835	48.105	39.498	6.421	53.515	1.500	170.874
2022/23	21.828	45.168	37.808	6.421	53.494	1.500	166.219
2023/24	21.830	43.944	35.762	6.434	53.096	1.500	162.566
2024/25	21.840	44.013	35.504	6.455	52.418	1.500	161.730
2025/26	21.578	42.096	37.800	6.466	54.424	1.500	165.482

Source: County Clerk

Major Taxpayers

The following table sets forth the largest taxpayers in the City for taxes levied in 2025:

Taxpayer	Assessed Valuation	Total Taxes Paid
Evergy Kansas Central, Inc.	$13,566,945	$2,250,426.40
Siemens Gamesa Renewable Energy, Inc.	6,550,970	1,082,318.50
Main Line, Inc	5,938,540	996,628.64
Kansas Gas Service	5,554,165	921,790.86
Nustar Pipeline Operating Partnership LP	3,168,550	524,355.50
BNSF Railroad	3,127,682	518,012.18
Dillon Real Estate Co., Inc.	2,839,794	470,283.82
Wal-Mart Stores	2,503,970	414,361.96
Archer-Daniels-Midland Company	2,260,404	374,056.20
Sands of Hutchinson LLC	2,121,381	356,542.64

Source: County Clerk

Sales Tax Collections

Sales tax collections are the responsibility of the Kansas Department of Revenue. The Department of Revenue distributes the local option countywide and citywide sales taxes on a monthly basis. Countywide sales taxes are distributed between the levying county and the cities within the county based on population and relative tax levies. Citywide local option sales taxes are distributed solely to the levying city.

The total sales tax for goods and services in the City is 8.25%, which consists of 6.50% imposed by the State of Kansas, 1.00% imposed by Reno County and a 1.10% citywide local option sales tax. The City had a ¼-cent (0.25%) sales tax which was scheduled to expire in March 1, 2014. The City conducted an election in November, 2012 in which the voters approved the renewal of the 0.25% sales tax which was scheduled to expire in 2014. The City voted in November 2022 to extend the ¼-cent sales tax for another 5 years to March 30, 2029. The City uses sales tax receipts from the ¼-cent local option citywide sales tax to fund infrastructure improvements, job growth and provide property tax relief. In addition, the City has a ½-cent sales tax for general purposes which was approved by voters in January, 1986. Furthermore, the voters in the City approved a sales tax election for $0.35 in April, 2015 for improvements to the Hutchinson Municipal Sports Arena. This sales tax expired on October 1, 2024.

The voters in Reno County approved a 1.00% countywide general sales tax. This sales tax will be shared by the County with cities located in Reno County, Kansas. The City expects to receive approximately 48% of the sales tax collections received by the County pursuant to this sales tax.

The following table lists the total local option sales tax receipts of the City in the years indicated:

CITY SALES TAX COLLECTIONS

	¼-Cent Citywide Sales Tax Receipts	½- Cent Citywide Sales Tax Receipts	$0.35 Sports Arena Sales Tax[1]	Total
2016	$2,246,203	$4,492,406	$3,144,684	$9,883,293
2017	2,150,008	4,300,016	3,010,011	9,460,035
2018	2,170,904	4,341,805	3,039,263	9,551,972
2019	2,192,864	4,385,729	3,070,010	9,648,603
2020	2,281,747	4,563,494	3,194,446	10,039,687
2021	2,442,798	4,885,598	3,419,918	10,748,315
2022	2,608,205	5,216,411	3,651,487	11,476,103
2023	2,769,325	5,538,649	3,877,054	12,185,028
2024	2,783,148	5,566,295	3,561,492	11,910,935
2025	3,017,147	6,034,295	0	9,051,442

(1) *The Sports Arena Sales Tax terminated on October 1, 2024, concurrently with the redemption of the City's General Obligation Bonds, Series 2016-A.*

The City receives a portion of the county-wide 1% sales tax based upon a formula. The City's share of the 1% county-wide sales tax is approximately 48%. The following table sets forth the City's portion of the county-wide sales tax:

CITY PORTION OF COUNTY SALES TAX COLLECTIONS

Year	City Portion of County 1% Sales Tax Collections
2016	$5,458,821
2017	5,247,064
2018	5,386,646
2019	5,670,664
2020	5,786,518
2021	6,188,187
2022	6,698,521
2023	7,202,722
2024	7,188,252
2025	7,896,246

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DEBT STRUCTURE OF THE ISSUER

Debt Ratios

Assessed Valuation	$451,767,750
Estimated Actual Valuation [1]	$2,611,374,277
Outstanding General Obligation Bonds and Notes [2]	$57,809,000
Net Overlapping Indebtedness	$21,407,444
Direct and Net Overlapping Indebtedness	$79,216,444
Direct Debt per Capita (population = 39,662)	$1,457.54
Direct and Net Overlapping Debt per Capita	$1,997.29
Direct Debt as a percentage of Assessed Valuation	12.80%
Direct Debt as a percentage of Estimated Actual Valuation	2.21%
Direct & Net Overlapping Debt as a percentage of Assessed Valuation	17.53%
Direct & Net Overlapping Debt as a percentage of Estimated Actual Valuation	3.03%

(1) *The Estimated Actual Valuation has been estimated based upon an average assessment ratio of 17.3%.*
(2) *Includes the Bonds.*

General Obligation Bonds and Notes

The following table shows the general obligation bonded indebtedness of the City, excluding the general obligation bonds which are historically paid primarily from revenues of the water or sewer system of the City, as of the dated date:

GENERAL OBLIGATION BONDS AND NOTES

Series	Original Principal Amount	Principal Amount Outstanding	Final Maturity
Series 2014-C Bonds	$1,710,000	$270,000	10/1/2034
Series 2015-A Bonds	7,530,000	265,000	10/1/2027
Series 2016-B Bonds	3,970,000	460,000	10/1/2026
Series 2016-C Bonds	2,165,000	260,000	10/1/2026
Series 2017-A Bonds	6,265,000	1,270,000	10/1/2037
Series 2018-A Bonds	1,350,000	980,000	10/1/2038
Series 2018-B Bonds (Taxable)	380,000	114,000	10/1/2028
Series 2019-A Bonds	8,565,000	2,865,000	10/1/2032
Series 2019-B Bonds (Taxable)	3,490,000	2,770,000	10/1/2035
Series 2020-A Bonds	3,740,000	2,965,000	10/1/2039
Series 2020-B Bonds	6,670,000	5,390,000	10/1/2040
Series 2020-C[2] Rfdg Bonds	3,160,000	1,155,000	10/1/2033
Series 2022-A Bonds	9,810,000	8,970,000	10/1/2042
Series 2023-A Bonds	2,460,000	2,380,000	10/1/2043
Series 2024-A Bonds	4,090,000	3,885,000	10/1/2044
Series 2024-B Temporary Notes	1,590,000	-0-	10/1/2026
Series 2025-A	5,190,000	5,190,000	10/1/2045
Series 2025-B (Taxable)	1,065,000	1,065,000	10/1/2045
Series 2025-C Bonds	1,820,000	1,820,000	10/1/2045
Series 2025-D Temporary Notes	10,960,000	10,960,000	10/1/2028
Series 2026-A Bonds[1]	3,875,000	3,875,000	10/1/2047
Sub-Total Bonds=	$77,305,000	$45,949,000	
Sub-total Notes	$12,550,000	$10,960,000	
Total Notes and Bonds	$89,855,000	$56,909,000	

(1) *This Issue.*
(2) *A portion of the 2020-C bonds will be paid from revenues of the water or sewer system of the City.*

General Obligation Bonds – Utility Supported Issues

The following table shows the outstanding general obligation bonded indebtedness of the City as of the date of this Official Statement for which the City intends to use revenues of the utility systems to repay such bonds. The revenues of the respective utility systems are not formally pledged to the repayment of such bonds.

GENERAL OBLIGATION BONDS – UTILITY SUPPORTED ISSUES

Series	System	Original Principal Amount	Principal Amount Outstanding	Final Maturity
Series 2020-C Bonds[1]	Water & Sewer	$4,120,000	$900,000	10/1/2028
	Total =	$4,120,000	$900,000	

[1] *A portion of the 2020-C bonds will be paid from property tax revenues of the City.*

History of Indebtedness

The City has never in its history defaulted on the payment of any of its debt obligations.

Lease Obligations

The City has entered into various operating leases for office equipment. In addition, the City has the following outstanding Capital Leases:

Capital Leases	Interest Rate	Date of Lease	Amount of Lease	Final Maturity	Outstanding Balance*
2021 Aerial Truck	1.715%	09/30/2021	$1,501,567	08/01/2031	$1,074,814
2021 Street Sweeper	1.513%	10/18/2021	241,750	12/15/2025	49,207
2022 Pierce Enforcer	3.97%	09/30/2022	781,155	10/01/2032	647,767
				Total =	$1,771,788

**Outstanding balance as of 12/31/24*

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Debt Service Requirements

The following debt service schedule shows the annual principal and interest requirements for all outstanding general obligation indebtedness of the Issuer, except for the portion historically paid from utility system revenues:

Debt Service Schedule

	Outstanding Bonds	Series 2026-A Bonds		
Year	Total Debt Service	Principal	Interest	Total Debt Service
2026	$5,546,825.51			$5,546,825.51
2027	4,753,705.88			4,753,705.88
2028	4,019,035.12		$334,401.31	4,353,436.43
2029	3,635,526.36	$135,000	166,968.78	3,937,495.14
2030	3,620,395.08	140,000	160,218.78	3,920,613.86
2031	3,467,107.58	145,000	153,218.78	3,765,326.36
2032	3,359,226.34	145,000	145,968.78	3,650,195.12
2033	3,365,395.08	155,000	138,718.78	3,659,113.86
2034	3,190,238.84	165,000	130,968.78	3,486,207.62
2035	2,685,757.58	175,000	122,718.78	2,983,476.36
2036	2,521,407.58	185,000	113,968.78	2,820,376.36
2037	2,494,947.58	195,000	106,568.78	2,796,516.36
2038	2,457,037.58	205,000	98,768.78	2,760,806.36
2039	2,360,293.76	205,000	90,568.78	2,655,862.54
2040	2,129,581.26	215,000	82,368.78	2,426,950.04
2041	1,696,068.76	230,000	73,768.78	1,999,837.54
2042	1,670,618.76	235,000	64,568.78	1,970,187.54
2043	923,693.76	250,000	55,168.78	1,228,862.54
2044	739,168.76	260,000	45,168.78	1,044,337.54
2045	615,412.50	265,000	34,443.80	914,856.30
2046		280,000	23,512.52	303,512.52
2047		290,000	11,962.52	301,962.52
TOTAL=	$55,251,444	$3,875,000	$2,154,020.63	$61,280,464.30

Overlapping Indebtedness

The following table sets forth the overlapping general obligation indebtedness and the percent attributable (on the basis of assessed valuation) to the City as of the dated date:

Taxing Jurisdiction	Assessed Valuation	G.O. Debt Outstanding	Percent Applicable to Issuer	Gross Amount Applicable to Issuer	Net Amount Applicable to Issuer [1]
Hutchinson Community College	$773,772,399	$-0-	52.87%	$-0-	$-0-
Unified School District No. 308[1]	274,328,816	7,255,000	100.00%	7,255,000	2,394,150
Unified School District No. 309[1]	97,767,128	5,420,000	23.54%	1,275,868	1,275,868
Unified School District No. 312[1]	101,321,056	4,405,000	25.80%	1,136,490	1,136,490
Unified School District No. 313[1]	215,653,190	41,190,000	50.22%	20,685,618	12,411,371
Reno County, Kansas	773,772,399	7,925,000	52.87%	4,189,565	4,189,565
			Total =	$34,542,541	$21,407,444

[1] *Net Debt excludes the portion to be paid by the State of Kansas pursuant to the School Finance Formula.*

Additional Indebtedness

The City does not plan to issue additional general obligation notes or bonds within the next year.

APPENDIX B

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

CITY OF HUTCHINSON KS

2024 FINANCIAL AUDIT

City of Hutchinson, Kansas

Annual Financial Report

For the Year Ended December 31, 2024

Submitted By:

Finance Department

City of Hutchinson, Kansas

City of Hutchinson, Kansas
Annual Financial Report
For the Year Ended December 31, 2024
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LINDBURG
VOGEL PIERCE FARIS
Chartered

Guy A. Scofield, CPA
Nick L. Mueting, CPA
Billy J. Klug, CPA
Brent L. Knoche, CPA
Brian W. Mapel, CPA
Jeffrey D. Reece, CPA
Brady H. Byrnes, CPA
Alex P. Larson, CPA
Kayleen E. Million, CPA

INDEPENDENT AUDITORS' REPORT

The Mayor and City Council
City of Hutchinson, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of City of Hutchinson, Kansas (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse and Unmodified Opinions on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on the Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1—Summary of Significant Accounting Policies.

Basis for Adverse and Unmodified Opinions

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

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

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

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15530 E BRONCOS PARKWAY
UNIT 380
CENTENNIAL, CO 80112-7111
(303) 798-2235

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the regulatory basis reporting provisions in the *Kansas Municipal Audit and Accounting Guide*, as described in Note 1—Summary of Significant Accounting Policies, to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2024 fund summary statement of receipts, expenditures, and unencumbered cash balances – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, and the agency funds schedule of receipts and disbursements – regulatory basis (Schedules 1 through 3, as listed in the table of contents) are presented for additional analysis and are not a required part of the 2024 basic financial statement; however, they are required to be presented under the provisions in the *Kansas Municipal Audit and Accounting Guide*. Such 2024 information is the responsibility of management and the supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 information has been subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated, in all material respects, in relation to the 2024 basic financial statement as a whole, on the basis of accounting described in Note 1—Summary of Significant Accounting Policies.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City, as of and for the year ended December 31, 2023, not presented herein, and have issued our report thereon dated May 28, 2024, which contained an unmodified opinion on the regulatory basis basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the Kansas Department of Administration website at the link http://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2024 (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and are not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2023, on the basis of accounting described in Note 1.

Lindburg Vogel Pierce Faris

Certified Public Accountants

Hutchinson, Kansas
September 19, 2025

City of Hutchinson
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

	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	$ 10,213,673	$ 18,381	$ 40,519,124	$ 43,559,679	$ 7,191,499	$ 707,081	$ 7,898,580
Special Purpose Funds							
Special Street	-	-	2,380,637	2,380,637	-	20,286	20,286
Special Parks & Recreation	-	-	278,576	278,576	-	26,071	26,071
Special Alcohol Programs	204,036	-	128,144	79,500	252,680	-	252,680
Economic Opportunity Fund	385,965	-	150,000	17,500	518,465	-	518,465
Convention & Tourism Promotion	-	-	792,960	792,960	-	-	-
Recreation Commission	(951)	-	1,437,786	1,436,725	110	-	110
Animal Shelter	-	-	837,338	837,338	-	11,469	11,469
Opioid Settlement Fund	77,861	-	138,829	-	216,690	-	216,690
Community Improvement District	-	-	669,682	669,682	-	-	-
E 911 Surcharge	1,018,529	-	423,791	708,044	734,276	9,504	743,780
Federal and State Grants	2,129,014	89,963	402,395	2,644,750	(23,379)	1,765,967	1,742,588
Planning Projects	110,446	-	99,397	67,637	142,206	3,825	146,031
Gossage Animal Shelter Trust	-	-	6,872	6,872	-	-	-
Municipal Equipment Reserve	5,585,335	142,053	4,980,559	3,575,267	7,132,680	419,442	7,552,122
Bond and Interest Funds							
Bond and Interest	1,719,046	-	7,636,406	6,199,904	3,155,548	-	3,155,548
Sports Arena Sales Tax Fund	2,726,238	-	4,212,500	6,937,677	1,061	-	1,061
Capital Projects Funds							
Special Assessments	-	-	1,996,642	100,285	1,896,357	37,338	1,933,695
Capital Improvement	3,418,246	820,870	18,914,908	16,226,824	6,927,200	11,775,881	18,703,081
Business Funds							
Refuse	131,843	-	2,451,157	2,470,741	112,259	177,745	290,004
Golf Course	-	-	1,095,581	1,095,581	-	19,791	19,791
Airport	-	-	555,590	555,590	-	9,042	9,042
Water Utility	5,090,719	815	9,567,434	9,423,980	5,234,988	676,147	5,911,135
Sewer Utility	4,467,661	12,996	7,160,805	6,893,138	4,748,324	173,315	4,921,639
Storm Water Utility	6,297,288	-	2,418,972	1,826,437	6,889,823	8,783	6,898,606
Health & Dental Insurance	2,259,564	-	5,069,253	4,615,107	2,713,710	52,211	2,765,921
Risk Management	2,465,000	-	988,938	1,006,433	2,447,505	3,701	2,451,206
Worker's Compensation	2,614,478	-	537,474	588,304	2,563,648	-	2,563,648
Central Purchasing	24,898	-	2,620	2,621	24,897	-	24,897
Trust Funds							
Hutchinson Community Foundation	93,957	-	25,253	7,462	111,748	-	111,748
Donation	578,548	1,378	333,711	321,612	592,025	61,101	653,126
Total Reporting Entity (Excluding Agency Funds)	$ 51,611,394	$ 1,086,456	$ 116,213,334	$ 115,326,863	$ 53,584,320	$ 15,958,700	$ 69,543,020

Composition of Cash	
Checking Account	$ 44,306,620
Petty Cash	10,742
Municipal Investment Pool	4,791,520
Certificates of Deposit	19,973,684
Treasury Note	500,000
Hutchinson Community Foundation	111,748
Total Cash	69,694,314
Agency Funds per Schedule 3	(151,294)
Total Reporting Entity (Excluding Agency Funds)	$ 69,543,020

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. This financial statement does not include the Hutchinson Recreation Commission as a related municipal entity. A related municipal entity is an entity established to benefit the City and/or its constituents.

Hutchinson Recreation Commission
The City of Hutchinson Recreation Commission oversees recreation activities. The recreation commission operates as a separate governing body but the City levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.

Fund Accounting

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

Kansas Regulatory Basis of Accounting Fund Definitions

The following types of funds were utilized in recording the financial activities of the City for the year of 2024:

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

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

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

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

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

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

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

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United State of America

The regulatory basis of accounting as prescribed in the Kansas Municipal Audit and Accounting Guide (KMAAG) involves the recognition of cash, cash equivalents, marketable investments and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and reporting the changes in unencumbered cash and investments of a fund resulting from the regulatory basis revenues and regulatory basis expenditures for the fiscal year. All

recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Use of Estimates

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

Reimbursements

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

Restricted Assets

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

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

Operating and Reserve Transfers

Transfers of monies between budgeted City funds are presented as Operating Transfers. Transfers of monies between an unbudgeted fund and any other City fund are presented as Reserve Transfers.

NOTE 2—BUDGETARY INFORMATION

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing

to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2024 budget was not amended.

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

All legal operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

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

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

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

The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the County Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

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

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

NOTE 3—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

K.S.A. 79-2935 requires expenditures, including encumbrances, in any lawfully budgeted fund should not exceed the adopted budget of expenditures plus any reimbursements (budget credits) of current year expenditures for such fund for that budget year. The Refuse Fund and E 911 Fund exceeded their adopted budgets in 2024.

NOTE 4—DEPOSITS AND INVESTMENTS

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

Water Well Closure	$ 284,443

As of December 31, 2024, the City had the following investments:

Investment Type		Fair Value	S&P Rating
Kansas Municipal Investment Pool	$	4,791,520	Not Rated
Hutchinson Community Foundation Investment Pool		111,748	Not Rated
U.S. Treasury Note		500,000	Aaa
	$	5,403,268	

At December 31, 2024, the City had invested $4,791,520 in the Kansas Municipal Investment Pool (KMIP). KMIP is under the oversight of the pooled money investment board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the United States government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

At December 31, 2024 the City also had $111,748 in investments being held by the Hutchinson Community Foundation (HCF) investment pool.

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2024.

At December 31, 2024, the City's carrying amount of deposits was $64,280,304 and the bank balance was $64,480,676. The bank balance was held by eight banks. Of the bank balance, $27,127,302 was covered by Federal Depository Insurance Corporation (FDIC): of this amount, $25,123,823 of the FDIC coverage was through pass-through deposit placement agreements such as the Certificate of Deposit Account Registry Service and brokered certificates of deposit. The remaining $37,353,374 was collateralized by pledged securities and irrevocable letters of credit by the pledging financial institutions' agent in the City's name.

Custodial Credit Risk – Investments

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

NOTE 5—CAPITAL PROJECTS

At December 31, 2024, capital projects authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

CITY IMPROVEMENT	AUTHORIZED PROJECTS	EXPENDITURES
IT Building Repair	$ 17,000	$ 2,022
Atrium Demolition	1,200,000	1,257,812
Disposal Well By-Pass Project	1,500,000	74,479
Sewer Rehab - Halstead West 48" Sewer	1,000,000	2,108,992
WTC High Service Pipeline	100,000	0
2023 Waterline Improvements	1,115,000	1,017,054
Well 15 Replacement	375,000	191,242
Tower 1 Communications Building	135,000	51,119
Headworks Improvements	820,000	70,952
Lift Station Improvements	2,750,000	497,937
F Ave and Van Buren Ph II Sewer Rehab	1,450,000	32,000
30th Ave Reconstruct-Main to Adams	400,000	11,598
Traffic Signal Preemption	120,000	25,410
Woodie Seat Mill/Overlay	8,700,000	3,910,952
Woodie Seat Design & Study	450,000	459,780
1st & Star/Superior Storm Sewer	3,350,000	57,661
3rd Ave Reconstruct	2,750,000	0
Baker at 16th Ave Bridge Replacement	1,200,000	1,138,498
ESD & Halstead Storm Water	280,0000	25,094
Memorial Hall Preservations/Reuse	50,000	38,839
	$ 27,762,000	$ 10,971,441

NOTE 6 – LONG TERM DEBT

Changes in long-term debt of the City for the year ended December 31, 2024 were as follows:

	Interest Rates	Date of Issue	Original Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
2014C	2.00 - 3.38%	09/22/14	1,710,000	10/01/34	320,000	-	25,000	295,000	10,025
2015A	2.00 - 4.00%	08/31/15	7,530,000	10/01/35	1,580,000	-	645,000	935,000	42,140
2015B	2.00 - 2.50%	12/07/15	4,915,000	10/01/25	525,000	-	260,000	265,000	11,825
2016A	2.00 - 4.00%	02/17/16	24,985,000	10/01/25	3,685,000	-	3,685,000	-	80,613
2016B	2.00 - 4.00%	06/07/16	3,970,000	10/01/23	1,355,000	-	440,000	915,000	27,100
2016C	1.50 - 2.00%	10/13/16	2,165,000	10/01/26	750,000	-	245,000	505,000	15,000
2017A	2.00 - 3.20%	11/28/17	6,265,000	10/01/37	2,185,000	-	450,000	1,735,000	54,020
2018A	2.00 - 4.00%	07/12/18	1,382,010	10/01/38	1,100,000	-	60,000	1,040,000	37,350
2018B	3.00 - 4.25%	10/04/18	380,000	10/01/28	190,000	-	38,000	152,000	7,562
2019A	3.00 - 4.25%	11/25/19	8,565,000	10/01/32	4,395,000	-	750,000	3,645,000	169,100
2019B	3.00 - 3.00%	11/25/19	3,490,000	10/01/35	3,310,000	-	275,000	3,035,000	99,300
2020A	2.00-3.00%	05/14/20	3,740,000	10/01/39	3,285,000	-	155,000	3,130,000	73,406
2020B	2.00-3.625%	11/25/20	6,670,000	10/01/40	5,940,000	-	270,000	5,670,000	153,794
2020C	2.00-3.625%	10/19/20	7,280,000	10/01/33	3,435,000	-	910,000	2,525,000	112,331
2022A	4.00-5.00%	06/14/22	9,810,000	10/01/42	9,630,000	-	320,000	9,310,000	425,750
2023A	4.00-5.00%	09/12/23	2,460,000	10/01/32	2,460,000	-	-	2,460,000	110,700
2024A	4.00-5.00%	11/12/24	4,090,000	10/01/44	-	4,090,000	-	4,090,000	-
					44,145,000	4,090,000	8,528,000	39,707,000	1,430,015
Temporary Notes									
2024B	3.75%	11/12/24	1,590,000	10/01/26	-	1,590,000	-	1,590,000	-
Finance Leases									
911 Equipment Refinanced	2.50%	01/12/16	443,905	01/12/24	60,406	-	60,406	-	1,510
2021 Aerial Truck	1.715%	09/30/21	1,501,567	08/01/31	1,218,179	-	143,365	1,074,814	20,892
2021 Street Sweeper	1.513%	10/18/21	241,750	12/15/25	97,667	-	48,460	49,207	1,502
2022 Pierce Enforcer Pum	3.970%	09/30/22	781,115	10/01/32	715,709	-	67,942	647,767	27,745
					2,091,961	-	320,173	1,771,788	51,649
Total Bonded Indebtedness					$ 46,236,961	$ 5,680,000	$ 8,848,173	$ 43,068,788	$ 1,481,664

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

	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	Total
Principal									
General Obligation Bonds	$ 4,808,000	$ 4,138,000	$ 3,453,000	$ 2,608,000	$ 2,165,000	$ 10,825,000	7,945,000	3,765,000	$ 39,707,000
Temporary Notes	-	1,590,000	-	-	-	-	-	-	1,590,000
Finance Leases	265,675	221,700	227,080	232,569	238,304	586,459	-	-	1,771,788
Total Principal	5,073,675	5,949,700	3,680,080	2,840,569	2,403,304	11,411,459	7,945,000	3,765,000	43,068,788
Interest									
General Obligation Bonds	1,353,973	1,218,913	1,079,369	949,703	848,246	3,088,556	1,494,636	319,300	10,352,696
Temporary Notes	46,044	59,625	-	-	-	-	-	-	105,669
Finance Leases	44,230	38,244	32,863	27,375	21,639	29,114	-	-	193,465
Total Interest	1,444,247	1,316,782	1,112,232	977,078	869,885	3,117,670	1,494,636	319,300	10,651,830
Total Principal and Interest	$ 6,517,922	$ 7,266,482	$ 4,792,313	$ 3,817,647	$ 3,273,190	$ 14,529,130	$ 9,439,636	$ 4,084,300	$ 53,720,618

The City entered into a KWPCRF loan agreement, Project No. 3199, with the Kansas Department of Health and Environment in the amount of $350,000. Drawdowns of $153,852 were received during 2024. Interest in the amount of $270 and principal of $10,455 was paid in 2024. Semiannual payments of $107,304 will begin February 1, 2025, and will end August 1, 2044.

Operating Lease

On December 27, 2017, the City entered into a loan agreement for the operating lease of a fire ladder truck for the amount of $1,172,074. The loan is for a term of 10 years with an interest rate of 3.24% and annual payments totaling $122,066. There is a final balloon payment of $305,545 due January 27, 2028, if the City decides to purchase the truck at the end of the lease.

On February 4, 2019, the City entered into a loan agreement for the operating lease of a fire ladder truck for the amount of $650,000. The loan is for a term of 9 years with an interest rate of 4.45% and annual payments totaling $73,115. There is a final balloon payment of $174,257 due March 5, 2028, if the City decides to purchase the truck at the end of the lease.

Conduit Debt Obligation

From time to time, the City has issued Industrial Revenue Bonds, Single Family Revenue Bonds, Multi-Family Revenue Bonds, and Sales Tax Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. The bonds are not reported as liabilities in the accompanying financial statement.

As of December 31, 2024, there were 4 series of Industrial Revenue Bonds outstanding, 2 series of Multi-Family Revenue Bonds outstanding, and 4 Health Care Facilities Refunding Revenue Bonds outstanding. The aggregate principal payable could not be determined; however, the aggregate original issue amounts payable totaled $282,535,000.

NOTE 7—INTERFUND TRANSFERS

Interfund transfers were as follows:

From:	To:	Statutory Authority	Amount
General Fund	Special Street Fund	12-1,119	$ 1,037,561
General Fund	Golf Course	12-101a	248,628
General Fund	Special Parks Fund	12-101a	150,433
General Fund	Animal Shelter Fund	12-101a	661,239
General Fund	Airport Fund	3-1121	326,122
General Fund	Economic Opportunity Fund	Home Rule	150,000
General Fund	Municipal Equipment Reserve	12-1,117	2,559,964
General Fund	Capital Improve Projects	12-1,118	3,072,444
General Fund	Planning Projects	Home Rule	44,272
Grants	Planning Projects	Home Rule	28,500
Grants	Capital Improve Projects	Home Rule	1,146,339
Capital Improvement	Bond & Interest Fund	12-825d	8,382
Capital Improvement	Special Assessment	12-6a16	100,000
Special Street Fund	Capital Impr Projects	12-1,118	243,511
Special Street Fund	Municipal Equipment Reserve	12-1,117	390,420
Convention and Tourism	Capital Impr Projects	12-1,118	339,840

Gossage Trust	Bond & Interest Fund	12-825d	6,872
Golf Course	Municipal Equipment Reserve	12-1,117	146,500
Airport	Municipal Equipment Reserve	12-1,117	65,229
Animal Shelter	Municipal Equipment Reserve	12-1,117	3,202
Water Utility Fund	Bond & Interest Fund	12-825d	1,334,410
Water Utility Fund	Capital Impr Projects	12-1,118	1,170,000
Water Utility Fund	Municipal Equipment Reserve	12-1,117	256,341
Sewer Utility Fund	Bond & Interest Fund	12-825d	902,293
Sewer Utility Fund	Capital Impr Projects	12-1,118	455,000
Sewer Utility Fund	Municipal Equipment Reserve	12-1,117	323,808
Storm Water	Bond & Interest Fund	12-825d	633,350
Storm Water	Capital Improv Projects	12-1,118	525,000
Storm Water	Municipal Equipment Reserve	12-1,117	193,312
Sports Arena Sales Tax	Capital Improv Projects	12-1,118	3,172,064
			$ 19,695,036

NOTE 8—RISK MANAGEMENT

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

General Liability

Insured through commercial insurance policy with a $25,000 deductible. Commercial insurance carried for law enforcement and public entity management with deductibles of $10,000 and $10,000, respectively.

Physical Property

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

Worker's Compensation

The City is insured through an excess indemnity insurance policy. Policy provides coverage for claims in excess of $400,000 per accident for all employees. Individual claims up to $700,000 for police officers and $500,000 for all other employees are self-funded and administered through the Worker's Compensation Reserve. Claims are administered by an independent third party. Aggregate claims for Worker's Compensation are limited to $1,000,000.

Health and Dental Insurance

The City became self-funded in regard to its health/dental insurance coverage effective January 1, 2000. In 2024, the plan was administered by Meritain, which provided a stop loss provision of incurred claims expense in excess of $125,000 for an insured in a contract year.

Claim Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained and recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. An analysis of claims activities for 2024 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	$ 366,643	$ 586,270	$ 526,902	$ 426,011
Health and Dental Insurance	323,376	3,550,752	3,561,534	312,594

NOTE 9—DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in the Comprehensive Annual Financial Report which can be found on KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009; KPERS 2 members were first employed in a covered position on or after July 1, 2009; and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law establishes the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, or KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, KPERS 3, and KP&F be determined annually based on the results of an annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate was 9.26% for KPERS and 23.10% for KP&F for the year ended December 31, 2024. Contributions to the pension plan from the City were $1,155,207 for KPERS and $2,596,862 for KP&F for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, KPERS has determined the City's proportionate share of the collective net pension liability was $10,555,849 for KPERS and $24,048,818 for KP&F. The net pension liability was measured as of June 30, 2024, and the total pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The City's share of the allocation is based on the ratio of the City's employer contributions, relative to the total employer and non-employer contributions for the plan groups the City participates in. Because the regulatory basis of accounting under KMAAG does not recognize long-term debt, this liability is not reported in the financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE 10 —DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries, 100% or $23,000 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 11—OTHER LONG TERM LIABILITIES

Compensated Absences

Employees of the City, except temporary and part-time employees working less than 20 hours per week, accumulate vacation leave at the rate of two weeks per year during the first four years of employment. The rate increases to three weeks per year after five years of employment, and to four weeks per year after fourteen years of employment. Employees are paid for all unused and accrued vacation leave at the time of their leaving City employment. The estimated liability for this vacation is $842,081. This amount is not reflected in the financial statements.

Employees are paid for unused sick leave up to 480 hours when leaving City employment due to death or qualified retirement (including disability retirement). The costs of accumulated vacation, sick leave, and severance pay are not recorded in the financial statement at the time the benefits are earned by the employee. The estimated liability for this sick leave is $2,687,911. This amount is not reflected in the financial statements.

Other Post-Employment Benefits

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

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

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement Systems (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2024.

NOTE 12—CONTINGENCIES AND COMMITMENTS

Litigation

The City may sometimes be a defendant in various legal actions pending or in process concerning personal injury, worker's compensation claims, and property damage. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. The financial statement does not include accruals or provisions for loss contingencies that may result from these proceedings. Provisions of the Kansas Tort Claims Act authorize the levy of an annual tax by the Risk Management Reserve Fund to provide

funding for payment of claims and other direct and indirect costs in connection therewith. In the opinion of the City's legal counsel, the final outcome of the cases will not have an adverse material effect on the City's financial statement.

Grant Program Involvement

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

Environmental Remediation

KDHE has state oversight for the Environmental Protection Agency concerning the groundwater contamination cleanup of the 4th and Carey Site. In 1994, the City entered into a consent agreement with KDHE accepting the obligation to clean-up the contamination. The City entered into a separate agreement with the companies responsible for the contamination in which the companies agreed to pay for the clean-up of the contamination. The City later revised the agreement with the companies by which the companies paid the City $10.5 million and the City would construct the Groundwater Remediation and RO Water Treatment Plant Project in order to clean-up the contamination and use the clean water as part of the City's public water supply. The City under the agreement with KDHE must operate the remediation and water treatment systems until sampling and monitoring indicates that the 4th and Carey groundwater contamination has been satisfactorily cleaned up. Those systems were operational as of May 2009. It is anticipated that it will take 20 to 30 years to treat and clean-up the groundwater contamination. The City has specific monitoring and reporting requirements from KDHE for the term of the remediation efforts. Based on the results of the monitoring of the remediation efforts, KDHE will decide when the contamination has been cleaned up and the remediation system and treatment plant are no longer needed to treat the contaminated water. At that point, the water treatment plant will continue to treat the City of Hutchinson's public water supply but will not be required to treat the 4th and Carey Site groundwater any longer.

Commitments

The City has committed up to $39,240 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 2024 through 2025 depending on when and if the businesses reach the agreed upon measures.

NOTE 13— SUBSEQUENT EVENTS

On June 26, 2025, the City held a bond sale for $5,190,000 of tax-exempt bonds for capital improvement projects. The bonds have a 3.94% interest rate and the final maturity will be in 2045. On June 26, 2025, the City also issued $1,065,000 of taxable bonds for demolition of the property at 1400 N Lorraine St. The bonds have a 5.5% interest rate and the final maturity will be in 2045.

City of Hutchinson, Kansas
Summary of Expenditures - Actual & Budget
Regulatory Basis
For the Year Ended December 31, 2024

Schedule 1

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Government Type Funds					
General Fund	$ 48,458,916	$ -	$ 48,458,916	$ 43,559,679	$ (4,899,237)
Special Purpose Funds					
Special Street Fund	2,450,840	-	2,450,840	2,380,637	(70,203)
Special Parks and Recreation Fund	281,374	-	281,374	278,576	(2,798)
Special Alcohol Programs Fund	349,766	-	349,766	79,500	(270,266)
Economic Opportunity Fund	705,965	-	705,965	17,500	(688,465)
Convention and Tourism Promotion Fund	800,000	-	800,000	792,960	(7,040)
Recreation Commission Fund	1,457,214	-	1,457,214	1,436,725	(20,489)
Animal Shelter Fund	803,623	63,065	866,688	837,338	(29,350)
Opioid Settlement Fund	200,000	-	200,000	-	(200,000)
Community Improvement District Fund	700,000	-	700,000	669,682	(30,318)
E 911 Surcharge Fund	494,416	-	494,416	708,044	213,628
Bond and Interest Funds					
Bond and Interest Fund	8,740,033	-	8,740,033	6,199,904	(2,540,129)
Sports Arena Sales Tax Fund	7,240,095	-	7,240,095	6,937,677	(302,418)
Business Funds					
Refuse Fund	2,356,419	-	2,356,419	2,470,741	114,322
Golf Course Fund	1,240,062	-	1,240,062	1,095,581	(144,481)
Airport Fund	710,199	-	710,199	555,590	(154,609)
Water Utility Fund	12,195,435	-	12,195,435	9,423,980	(2,771,455)
Sewer Utility Fund	11,519,052	-	11,519,052	6,893,138	(4,625,914)
Storm Water Utility Fund	8,086,927	-	8,086,927	1,826,437	(6,260,490)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-A

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 12,002,341	$ 12,369,647	$ 12,540,047	$ (170,400)
Non Property Taxes	15,663,867	15,712,798	15,995,677	(282,879)
Franchise Fees	5,367,852	5,120,468	5,090,837	29,631
License and Permits	530,100	552,494	444,064	108,430
Fines, Forfeitures, and Penalties	606,162	651,184	568,602	82,582
Use of Money & Property	432,461	491,454	53,400	438,054
Public Safety Service Charges	3,562,165	3,852,742	4,045,554	(192,812)
Recreation & Concession Service Charges	228,341	223,493	215,453	8,040
Internal Service Charges	1,256,003	1,356,583	1,444,586	(88,003)
Miscellaneous	190,485	188,261	141,053	47,208
Total Receipts	39,839,777	40,519,124	40,539,273	(20,149)
Expenditures				
Personnel Services	24,582,272	27,553,829	27,588,071	(34,242)
Contractual Services	7,904,259	8,050,454	8,484,611	(434,157)
Commodities	2,754,503	2,913,654	3,069,252	(155,598)
Capital Outlay	183,767	202,279	205,830	(3,551)
Reserve Transfers	4,839,301	5,625,953	5,644,625	(18,672)
Operating Transfers Out	1,844,533	2,618,255	3,056,179	(437,924)
Allocated Service Costs	(3,425,429)	(3,404,745)	(3,396,989)	(7,756)
Appropriated Reserve	-	-	3,807,338	(3,807,338)
Total Expenditures	38,683,206	43,559,679	$ 48,458,916	$ (4,899,237)
Receipts Over (Under) Expenditures	1,156,571	(3,040,555)		
Unencumbered Cash, Beginning	9,051,748	10,213,673		
Prior Year Cancelled Encumbrance	5,354	18,381		
Unencumbered Cash, Ending	$ 10,213,673	$ 7,191,499		

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-A

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes				
Ad Valorem Property Tax	$ 10,001,702	$ 10,579,359	$ 11,012,931	$ (433,572)
Vehicle Tax	1,312,662	1,278,513	1,219,819	58,694
In Lieu of Tax	46,346	52,076	85,444	(33,368)
TIF	91,725	91,099	-	91,099
Delinquent Tax Collections	549,906	368,601	221,853	146,748
Total Property Taxes	12,002,341	12,369,647	12,540,047	(170,400)
Non Property Taxes				
Local Sales tax - Countywide	7,202,722	7,188,252	7,382,440	(194,188)
Local Sales Tax - Citywide	8,307,974	8,388,203	8,462,322	(74,119)
Liquor Taxes	138,472	128,143	140,890	(12,747)
Intoxicating Liquor Tax	14,700	8,200	10,025	(1,825)
Total Non Property Taxes	15,663,867	15,712,798	15,995,677	(282,879)
Utility Franchise Fees				
Electricity	2,767,930	2,834,828	2,808,567	26,261
Gas	1,261,584	965,878	885,530	80,348
Telephone	60,421	46,990	71,333	(24,343)
Cable Television	302,359	264,569	339,540	(74,971)
Refuse Fund	234,696	247,354	227,060	20,294
Water and Sewer Fund	740,861	760,849	758,807	2,042
Total Utility Franchise Fees	$ 5,367,852	$ 5,120,468	$ 5,090,837	$ 29,631

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Licenses and Permits				
Cereal Malt Beverage Licenses	$ 2,625	$ 2,550	$ 2,643	$ (93)
Tree Trimming Licenses	425	375	588	(213)
Alarm License Fees	7,795	7,555	10,294	(2,739)
Fireworks Permits	22,575	22,525	12,030	10,495
Police and Protective Licenses	360	435	-	435
Other Licenses and Permits	1,250	894	1,350	(456)
Building and Fence Permits	281,876	291,326	246,036	45,290
Sign Permits	4,225	2,624	5,316	(2,692)
Demolition Permits and Licenses	758	506	781	(275)
Building Occupancy Permits	5,035	3,325	4,996	(1,671)
Mechanical Permits	50,784	58,600	35,144	23,456
Electrical and Plumbing Permits	64,775	73,151	53,229	19,922
Electrical and Plumbing License Fees	27,540	23,785	15,667	8,118
Mechanical License Fees	14,800	14,565	14,400	165
Driveway Permit	1,088	1,214	1,480	(266)
Building Contractor Licenses	41,100	41,666	37,110	4,556
Zoning Application Fees	3,089	7,398	3,000	4,398
Total Licenses and Permits	530,100	552,494	444,064	108,430
Fines, Forfeitures, and Penalties				
Municipal Court Fines	337,116	375,550	333,579	41,971
Probation Fees	22,116	21,026	19,881	1,145
Municipal Court Bond Forfeitures	24,077	9,667	28,418	(18,751)
Municipal Court Costs	155,930	170,445	127,769	42,676
Court Surcharges	11,583	12,507	8,233	4,274
Diversion Fees	55,291	61,965	50,677	11,288
LALF Fees	50	25	45	(20)
Total Fines, Forfeitures, and Penalties	$ 606,162	$ 651,184	$ 568,602	$ 82,582

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-A

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 429,011	$ 488,254	$ 50,000	$ 438,254
Rents and Leases	3,450	3,200	3,400	(200)
Total Use of Money and Property	432,461	491,454	53,400	438,054
Public Safety Revenues				
Police Officer Service Charges	81,053	139,414	94,500	44,914
Police Records	12,688	13,308	11,000	2,308
Fingerprinting Fees	6,350	6,660	1,300	5,360
Fire District #2	2,523,654	2,725,032	2,840,807	(115,775)
Central Dispatch	832,427	874,877	1,007,546	(132,669)
Records - Reno County	10,571	9,750	25,000	(15,250)
Evidence Custodian - Reno County	69,162	65,506	65,401	105
Fire Reimbursements	26,261	18,195	-	18,195
Total Public Safety Revenues	3,562,165	3,852,742	4,045,554	(192,812)
Recreation and Concessions				
Soft Drink Contract and Commissions	6,229	6,951	5,000	1,951
Memorial Hall - Rental Fees	15,160	27,080	18,000	9,080
Sports Arena - Reimbursements	160,647	138,552	159,542	(20,990)
Homebuilders and Gazebo Rental	46,305	50,910	32,911	17,999
Total Recreation and Concessions	$ 228,341	$ 223,493	$ 215,453	$ 8,040

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-A

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Central Garage/Custodial Services	$ 1,256,003	$ 1,356,583	$ 1,444,586	$ (88,003)
Miscellaneous				
Flood Control Project	14,640	27,197	25,000	2,197
Miscellaneous	18,120	729	-	729
Industrial Revenue Bond Admin Fees	37,609	39,024	35,000	4,024
Eastside Cemetery Charges	39,510	24,294	37,614	(13,320)
Reimbursements of Expenditures	18,910	46,071	-	46,071
Zoo Gift Shop	58,659	43,966	40,439	3,527
FEMA Grant Reimbursment	-	3,459	-	3,459
Other Grant	3,038	3,521	3,000	521
Total Miscellaneous	190,485	188,261	141,053	47,208
Total Receipts	$ 39,839,777	$ 40,519,124	$ 40,539,273	$ (20,149)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-A

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Expenditures				
Departmental				
City Council	$ 15,773	$ 23,549	$ 25,250	$ (1,701)
City Manager	292,214	437,425	387,015	50,410
Human Relations	102,355	62,737	92,757	(30,020)
Street Lighting	745,019	759,050	832,712	(73,662)
Human Resources	563,586	702,485	707,152	(4,667)
Finance	408,441	465,939	459,831	6,108
Utility Billing	805,349	855,624	930,337	(74,713)
Information Systems	811,069	927,606	891,883	35,723
Planning	367,082	436,959	270,655	166,304
Housing Development	26,122	211,722	202,076	9,646
Law	773,697	852,274	810,856	41,418
Public Works Administration	334,476	390,898	341,489	49,409
Public Works Maintenance	334,571	463,871	555,655	(91,784)
Central Garage	1,350,189	1,412,319	1,602,980	(190,661)
Traffic Signals	273,172	243,599	309,980	(66,381)
Engineering	797,785	853,706	980,760	(127,054)
GIS	35,682	115,383	131,415	(16,032)
Parks	4,356,685	4,954,621	5,152,224	(197,603)
Police	8,913,690	9,602,967	10,142,652	(539,685)
Dispatch	1,639,736	1,593,421	1,951,837	(358,416)
Fire	10,043,592	10,753,242	10,962,879	(209,637)
Inspection	571,199	667,263	737,684	(70,421)
Total Departmental	$ 33,561,485	$ 36,786,660	$ 38,480,079	$ (1,693,419)

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-A

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Expenditures				
Growth Contractual Services				
Chamber of Commerce	$ 200,000	$ 200,000	$ 200,000	$ -
Total Growth	200,000	200,000	200,000	-
Non Departmental Contractual Services				
Kansas Cosmosphere	913,877	918,439	930,855	(12,416)
Kansas Underground Salt Museum	138,465	139,157	141,039	(1,882)
SCKEDD & REAP Memberships	14,615	14,613	15,307	(694)
Miscellaneous Contractual Services	5,929	89,986	105,000	(15,014)
Cultural Activities Fund	40,983	35,339	40,983	(5,644)
Fireworks	20,000	20,600	20,000	600
Employee Recognition Program	6,256	7,592	12,000	(4,408)
Railroad Spur Property Taxes	39,302	47,252	37,500	9,752
Rockstep Sales Tax Reimbursement	75,491	84,274	-	84,274
Rockstep TIF Payment	86,898	86,304	-	86,304
HRC-Director of Neighborhoods	71,500	80,000	80,000	-
Hutchinson Reno County Chamber	70,000	120,000	70,000	50,000
StartUp Hutch	80,000	90,000	90,000	-
Downtown Architect Match	100,000	-	-	-
Total Non Departmental Contractual Services	$ 1,663,316	$ 1,733,556	$ 1,542,684	$ 190,872

City of Hutchinson, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-A

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Expenditures				
Reserve Transfers				
Municipal Equipment Reserve	$ 1,950,718	$ 2,553,509	$ 2,554,496	$ (987)
Capital Improvement Projects	2,888,583	3,072,444	3,090,129	(17,685)
Total Reserve Transfers	4,839,301	5,625,953	5,644,625	(18,672)
Operating Transfers				
Special Street	500,058	1,037,561	1,112,310	(74,749)
Golf Course	270,518	248,628	480,264	(231,636)
Special Park	114,497	150,433	140,484	9,949
Animal Shelter	601,221	661,239	705,623	(44,384)
Airport	148,239	326,122	467,498	(141,376)
Economic Opportunity Fund	150,000	150,000	150,000	-
Planning Projects Fund	60,000	44,272	-	44,272
Total Operating Transfers	1,844,533	2,618,255	3,056,179	(437,924)
Other Costs				
Nondepartmental Allocated Service Costs	(3,425,429)	(3,404,745)	(3,396,989)	(7,756)
Appropriated Reserve	-	-	3,807,338	(3,807,338)
Vacancies	-	-	(875,000)	875,000
Total Other Costs	(3,425,429)	(3,404,745)	(464,651)	(2,940,094)
Total Expenditures	$ 38,683,206	$ 43,559,679	$ 48,458,916	$ (4,899,237)

City of Hutchinson, Kansas
Special Street Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-B

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenue				
State Gas Tax Distribution	$ 1,073,792	$ 1,078,555	$ 1,092,680	$ (14,125)
County Gas Tax Distribution	164,868	165,591	152,850	12,741
State Connecting Links	93,060	93,124	93,000	124
Street Cuts	-	5,806	-	5,806
Operating Transfer In	500,058	1,037,561	1,112,310	(74,749)
Total Receipts	1,831,778	2,380,637	$ 2,450,840	$ (70,203)
Expenditures				
Personnel Services	855,775	1,208,236	1,235,481	(27,245)
Contractual Services	190,281	222,243	236,649	(14,406)
Commodities	236,769	316,227	388,290	(72,063)
Reserve Transfer to Municipal Equipment Reserve	348,953	390,420	390,420	-
Reserve Transfer to Capital Improvement Fund	200,000	243,511	200,000	43,511
Total Expenditures	1,831,778	2,380,637	$ 2,450,840	$ (70,203)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-C

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
Liquor Taxes	$ 138,472	$ 128,143	$ 140,890	$ (12,747)
Operating Transfer In	114,497	150,433	140,484	9,949
Total Receipts	252,969	278,576	$ 281,374	$ (2,798)
Expenditures				
Personnel Services	20,653	77,962	77,984	(22)
Contractual Services	152,955	106,596	116,390	(9,794)
Commodities	81,658	94,018	87,000	7,018
Total Expenditures	255,266	278,576	$ 281,374	$ (2,798)
Receipts Over (Under) Expenditures	(2,297)	-		
Unencumbered Cash, Beginning	2,297	-		
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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-D

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
Liquor Taxes	$ 138,473	$ 128,144	$ 140,890	$ (12,746)
Expenditures				
Contractual Services	79,502	79,500	77,500	2,000
Appropriated Reserves	-	-	272,266	(272,266)
Total Expenditures	79,502	79,500	$ 349,766	$ (270,266)
Receipts Over (Under) Expenditures	58,970	48,644		
Unencumbered Cash, Beginning	145,066	204,036		
Unencumbered Cash, Ending	$ 204,036	$ 252,680		

City of Hutchinson, Kansas
Economic Opportunity Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-E

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfers In	$ 150,000	$ 150,000	$ 150,000	$ -
Expenditures				
Contractual Services	185,500	17,500	$ 15,500	$ 2,000
Appropriated Reserves	-	-	690,465	(690,465)
Total Expenditures	185,500	17,500	$ 705,965	$ (688,465)
Receipts Over (Under) Expenditures	(35,500)	132,500		
Unencumbered Cash, Beginning	421,465	385,965		
Unencumbered Cash, Ending	$ 385,965	$ 518,465		

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, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-F

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
Transient Guest Tax	$ 789,395	$ 792,960	$ 800,000	$ (7,040)
Expenditures				
Convention Visitors Bureau	451,083	453,120	457,143	(4,023)
Reserve Transfer to Capital Improvement	338,312	339,840	342,857	(3,017)
Total Expenditures and Transfers	789,395	792,960	$ 800,000	$ (7,040)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-G

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes				
Ad Valorem Property Tax	$ 1,154,167	$ 1,243,004	$ 1,307,349	$ (64,345)
Motor Vehicle Tax	139,589	145,218	138,217	7,001
16/20M Vehicle Tax	238	195	243	(48)
Recreational Vehicle Tax	1,440	1,538	1,565	(27)
Delinquent Ad Valorem Tax	61,236	41,936	-	41,936
In Lieu of Tax	5,337	5,895	9,840	(3,945)
Total Receipts	1,362,007	1,437,786	$ 1,457,214	$ (19,428)
Expenditures				
Appropriation to Recreation Commission	1,362,958	1,436,725	$ 1,457,214	$ (20,489)
Receipts Over (Under) Expenditures	(951)	1,061		
Unencumbered Cash, Beginning	-	(951)		
Unencumbered Cash, Ending	$ (951)	$ 110		

City of Hutchinson, Kansas
Animal Shelter Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-H

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Licenses and Permits				
Dog License	$ 11,690	$ 8,055	$ 10,000	$ (1,945)
Service Charges				
Shelter Fees & Charges	4,095	4,325	5,000	(675)
Adoption Fees	80,335	80,067	67,000	13,067
Reclaimed Pet Fees	6,040	7,089	7,500	(411)
Relinquishment Fees	9,797	12,998	8,000	4,998
Miscellaneous				
Reimbursed Expenses	18,551	63,565	500	63,065
Operating Transfer In	601,221	661,239	705,623	(44,384)
Total Receipts	731,729	837,338	$ 803,623	$ 33,715
Expenditures				
Personnel Services	497,767	567,311	572,636	(5,325)
Contractual Services	113,661	136,736	118,673	18,063
Commodities	108,370	126,000	106,612	19,388
Capital Outlay	9,225	4,089	2,500	1,589
Reserve Transfers to Municipal Equipment Reserve	2,706	3,202	3,202	-
(a) Adjustment for Qualifying Budget Credits	-	-	63,065	(63,065)
Total Expenditures	731,729	837,338	$ 866,688	$ (29,350)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

(a) Adjustment for Qualifying Budget Credits

Reimbursed Shelter Fees	$ 63,065

City of Hutchinson, Kansas
Opioid Settlement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-I

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
Opioid Settlement	$ 112,231	$ 138,829	$ 100,000	$ 38,829
Expenditures				
Contractual Services	44,251	-	$ 200,000	$ (200,000)
Receipts Over (Under) Expenditures	67,980	138,829		
Unencumbered Cash, Beginning	9,881	77,861		
Unencumbered Cash, Ending	$ 77,861	$ 216,690		

City of Hutchinson, Kansas
Community Improvement District Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-J

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
CID Sales Tax	$ 707,172	$ 669,682	$ 700,000	$ (30,318)
Expenditures				
Contractual Services	729,581	669,682	$ 700,000	$ (30,318)
Receipts Over (Under) Expenditures	(22,409)	-		
Unencumbered Cash, Beginning	22,409	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
E 911 Surcharge Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-K

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 32,188	$ 35,215	$ 7,500	$ 27,715
Intergovernmental				
State E 911	384,836	388,576	385,000	3,576
Total Receipts	417,024	423,791	$ 392,500	$ 31,291
Expenditures				
Contractual Services	214,874	425,197	304,000	121,197
Commodities	288	5,203	-	5,203
Capital Outlay	114,248	277,644	65,000	212,644
Approprated Reserve	-	-	125,416	(125,416)
Total Expenditures	329,410	708,044	$ 494,416	$ 213,628
Cash Over (Under) Expenditures	87,614	(284,253)		
Unencumbered Cash, Beginning	930,915	1,018,529		
Prior Year Cancelled Encumbrance	-	-		
Unencumbered Cash, Ending	$ 1,018,529	$ 734,276		

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-L

Grant Description	Prior Year Actual							
	Unencumbered Cash Beginning	Prior Year Cancelled Encumbrances	Federal/State Grant Contributions	Other Income	Transfer In	Grant Program Expenditures	Transfer Out	Unencumbered Cash Ending
Public Safety								
Fire ARPA	$ (877,612)	1,236	218,491	-	440,000	(24,393)	-	$ (242,278)
ARPA	6,149,548	-	-	-	(440,000)	(2,770,346)	(503,133)	2,436,069
FAA Airport COVID Grant	(1,919)	-	10,850	-	-	(10,051)	-	(1,120)
FAA Control Tower COVID Grant	(625)	-	3,756	-	-	(5,830)		(2,699)
Police								
THC Drug Funds	8,234	-	-	-	-	(838)		7,396
Special Traffic Enforcement	-	-	2,594	-	-	(2,594)	-	-
Nighttime Seatbelt Enforcement	-	-	1,129	-	-	-	-	1,129
Bulletproof Vest Funding	3,546	-	3,495	-	-	-	-	7,041
Police IDDP State DUI Sat	-	-	5,323	-	-	(5,323)	-	-
JAG COVID	(207)	-	-	-	-	-	-	(207)
DOJ Radios	-	-	410,779	-	-	(490,693)	-	(79,914)
Animal Shelter Save Them All	(401)	-	-	-	-	(153)	-	(554)
Housing and Economic Development								
2018 Planning Repair Grant	10,000	-	-	-	-	(10,000)	-	-
Phase Zero Hutch	2,775	-	-	-	-	-	-	2,775
Emergency Shelter								
2020 Emergency Shelter Grant	-	-	4,492	-	-	(4,492)	-	-
2021 Emergency Shelter Grant	(7,479)	114	8,446	-	-	-	(1,081)	-
2022 Emergency Shelter Grant	-	-	34,789	-	-	(34,789)	-	-
CDBG								
CDBG-Housing	(42,503)	750	35,012	6,741	-	-	-	-
Parks								
Community Fisheries	1,783	-	11,155	-	-	(11,562)	-	1,376
	$ 5,245,140	$ 2,100	$ 750,311	$ 6,741	$ -	$ (3,371,064)	(504,214)	$ 2,129,014

City of Hutchinson, Kansas
Federal and State Grant Funds
Schedule of Receipts and Expenditures - Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-L Cont.

	Current Year						
Grant Description	Unencumbered Cash Beginning	Prior Year Cancelled Encumbrances	Federal/State Grant Contributions	Transfer In	Grant Program Expenditures	Transfer Out	Unencumbered Cash Ending
Public Safety							
Fire ARPA	$ (242,278)	-	221,509	-	-	-	$ (20,769)
Fire ARPA LSSE Governer's Grant	-	-	40,678	-	(48,178)	-	(7,500)
ARPA	2,436,069	89,963	-	-	(1,349,077)	(1,174,839)	2,116
FAA Control Tower COVID Grant	(1,120)	-	-	-	-	-	(1,120)
FAA Airport Operations Grant 37	(2,699)	-	-	-	-	-	(2,699)
Police							
THC Drug Funds	7,396	-	-	-	(155)	-	7,241
Special Traffic Enforcement	-	-	3,243	-	(3,243)	-	-
Nighttime Seatbelt Enforcement	1,129	-	-	-	-	-	1,129
Bulletproof Vest Funding	7,041	-	3,675	-	-	-	10,715
Police IDDP State DUI Sat	-	-	1,366	-	(1,366)	-	-
JAG COVID	(207)	-	-	-	-	-	(207)
DOJ Radios	(79,914)	-	79,914	-	(4,256)	-	(4,256)
Animal Shelter Save Them All	(554)	-	-	-	-	-	(554)
2023 Edward Bryne	-	-	-	-	(15,439)	-	(15,439)
Housing and Economic Development							
Phase Zero Hutch	2,775	-	-	-	-	-	2,775
CDBG-CR 14 N Main	-	-	-	-	(154)	-	(154)
Emergency Shelter							
2023 Emergency Shelter Grant	-	-	40,855	-	(40,855)	-	-
Parks							
Community Fisheries	1,376	-	11,154	-	(7,188)	-	5,342
	$ 2,129,014	$ 89,963	$ 402,395	$ -	$ (1,469,912)	$ (1,174,839)	$ (23,379)

City of Hutchinson, Kansas
Planning Projects Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-M

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Private Donations	$ 750	$ 26,625
Transfer	61,081	72,772
Total Receipts	61,831	99,397
Expenditures		
Contractual Services	42,052	67,637
Transfers	11,341	-
Total Expenditures	53,393	67,637
Receipts Over (Under) Expenditures	8,438	31,760
Unencumbered Cash, Beginning	102,008	110,446
Unencumbered Cash, Ending	$ 110,446	$ 142,206

City of Hutchinson, Kansas
Gossage Animal Shelter Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-N

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Trust Donations	$ 7,114	$ 6,872
Expenditures		
Transfer to Bond & Interest Fund	7,114	6,872
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

City of Hutchinson, Kansas
Municipal Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-O

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Municipal Court Fees	$ 5,494	$ 4,073
Interest Income	216,484	281,800
Miscellaneous		
Miscellaneous	12,433	20,941
Grants	9,776	140,141
Reimbursement	200,770	296,262
Sale/Salvage/Auction Property	329,344	298,565
Reserve Transfers In	3,136,668	3,938,777
Total Receipts	3,910,969	4,980,559
Expenditures		
Contractual Services	11,040	21,055
Capital Outlay	3,201,300	3,554,212
Total Expenditures	3,212,340	3,575,267
Receipts Over (Under) Expenditures	698,629	1,405,292
Unencumbered Cash, Beginning	4,744,754	5,585,335
Prior Year Cancelled Encumbrance	141,952	142,053
Unencumbered Cash, Ending	$ 5,585,335	$ 7,132,680

City of Hutchinson, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-P

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 107,731	$ 183,215	$ 20,000	$ 163,215
Property Taxes				
Ad Valorem Property Tax	3,246,105	3,296,754	3,466,722	(169,968)
Motor Vehicle Tax	420,993	410,007	389,514	20,493
16/20M Vehicle Tax	615	587	685	(98)
Recreational Vehicle Tax	4,343	4,343	4,410	(67)
Delinquent Ad Valorem Tax	178,408	118,659	-	118,659
In Lieu of Tax	15,042	16,228	27,730	(11,502)
Current Special Assessments	826,774	640,598	667,334	(26,736)
Delinquent Special Assessments	78,253	80,709	27,000	53,709
Reserve Transfers	66,344	15,254	6,872	8,382
Operating Transfer In	1,998,260	2,870,053	2,870,053	-
Total Receipts	6,942,869	7,636,406	$ 7,480,320	$ 156,086
Expenditures				
Debt Principal	5,399,592	4,843,000	6,459,515	(1,616,515)
Debt Interest	1,186,273	1,349,404	1,272,302	77,102
Internal Service Costs	7,500	7,500	7,500	-
Appropriated Reserve	-	-	1,000,716	(1,000,716)
Total Expenditures	6,593,365	6,199,904	$ 8,740,033	$ (2,540,129)
Receipts Over (Under) Expenditures	349,504	1,436,502		
Unencumbered Cash, Beginning	1,369,542	1,719,046		
Unencumbered Cash, Ending	$ 1,719,046	$ 3,155,548		

City of Hutchinson, Kansas
Sports Arena Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-Q

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Non Property Taxes				
Sales Tax	$ 3,877,055	$ 3,561,492	$ 3,737,037	$ (175,545)
Reimbursement	500,000	500,000	500,000	-
Interest Income	137,529	151,008	20,000	131,008
Total Receipts	4,514,584	4,212,500	$ 4,257,037	$ (44,537)
Expenditures				
Bond Principal	6,190,000	3,685,001	3,943,200	(258,200)
Bond Interest	221,338	80,613	451,025	(370,413)
Capital Improvement Transfer	139,900	3,172,064	-	3,172,064
Appropriated Reserve	-	-	2,845,870	(2,845,870)
Total Expenditures and Transfers	6,551,238	6,937,677	$ 7,240,095	$ (302,418)
Receipts Over (Under) Expenditures	(2,036,654)	(2,725,177)		
Unencumbered Cash, Beginning	4,762,892	2,726,238		
Unencumbered Cash, Ending	$ 2,726,238	$ 1,061		

City of Hutchinson, Kansas
Special Assessments Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-R

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

City of Hutchinson, Kansas
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-S

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 553,281	$ 629,955
Miscellaneous		
Reimbursed Expenses	10,562	1,453,655
Donations	29,454	22,634
Miscellaneous	637,564	-
Sale of Real Estate/Salvage/Auction	50,469	4,449
Federal Grants	528,127	2,370,521
Non Revenue Receipts		
Bond Proceeds	2,513,011	4,309,496
Reserve Transfer Sewer	2,435,000	455,000
Reserve Transfer Storm Sewer Fund	2,425,000	525,000
Reserve Transfer Water Fund	1,240,000	1,170,000
Reserve Transfer General Fund	2,888,582	3,072,444
Reserve Transfer Convention & Tourism	338,312	339,840
Reserve Transfer Special Street	200,000	243,511
Reserve Transfer Sports Arena	139,900	3,172,064
Reserve Transfer Planning Fund	4,600	-
Reserve Transfer Grants Fund	503,133	1,146,339
Total Receipts	14,496,995	18,914,908
Expenditures		
Capital Improvement Expenditures	20,630,386	16,118,442
Transfer to Bond and Interest	71,749	8,382
Transfer to Special Assessments	-	100,000
Total Expenditures	20,702,136	16,226,824
Receipts Over (Under) Expenditures	(6,205,141)	2,688,084
Unencumbered Cash, Beginning	9,606,724	3,418,246
Prior Year Cancelled Encumbrances	16,664	820,870
Unencumbered Cash, Ending	$ 3,418,246	$ 6,927,200

City of Hutchinson, Kansas
Refuse Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-T

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 8,387	$ 9,781	$ 1,500	$ 8,281
Utility Fees				
Refuse Collection Fees	2,105,324	2,168,651	1,978,214	190,437
Franchise Fees	234,696	247,354	232,397	14,957
Late Fees	23,279	25,371	22,000	3,371
Miscellaneous	-	-	12,000	(12,000)
Total Receipts	2,371,686	2,451,157	$ 2,246,111	$ 205,046
Expenditures				
Contractual Services	2,287,717	2,358,564	2,180,858	177,706
Internal Service Cost	101,308	112,177	112,177	-
Appropriated Reserves	-	-	63,384	(63,384)
Total Expenditures	2,389,025	2,470,741	$ 2,356,419	$ 114,322
Receipts Over (Under) Expenditures	(17,339)	(19,584)		
Unencumbered Cash, Beginning	149,182	131,843		
Unencumbered Cash, Ending	$ 131,843	$ 112,259		

City of Hutchinson, Kansas
Golf Course
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-U

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Green Fees	$ 240,031	$ 239,020	$ 195,177	$ 43,843
League Fees	6,292	4,680	5,480	(800)
Advertising	500	-	1,750	(1,750)
Season Passes	106,267	108,798	113,400	(4,602)
School Fees	900	-	7,500	(7,500)
Private Cart Fees	13,060	11,016	14,336	(3,320)
City Cart Rental	185,697	203,832	165,945	37,887
Locker Rental	2,173	1,927	2,380	(453)
Cart Shed Rental	13,593	10,335	12,795	(2,460)
Golf Concessions	119,113	121,772	100,835	20,937
Golf Pro Shop	70,680	69,271	78,500	(9,229)
Golf Pro Shop Special Orders	8,529	18,852	10,000	8,852
Driving Range	39,888	43,141	38,000	5,141
Miscellaneous				
Reimbursements	288	128	-	128
Miscellaneous	16,863	12,393	12,000	393
Golf Certificates	(509)	1,787	1,700	87
Operating Transfer In	270,518	248,628	480,264	(231,636)
Total Receipts	1,093,883	1,095,581	$ 1,240,062	$ (144,481)
Expenditures				
Personnel Services	649,660	537,486	677,198	(139,712)
Contractual Services	150,731	161,260	173,424	(12,164)
Commodities	202,152	237,690	229,440	8,250
Capital Outlay	15,340	12,645	13,500	(855)
Reserve Transfer to Municipal Equipment Reserve	76,000	146,500	146,500	-
Total Expenditures	1,093,883	1,095,581	$ 1,240,062	$ (144,481)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Airport Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-V

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Restaurant Rent	$ 46,697	$ 50,021	$ 50,020	$ 1
Hanger Rent	132,951	128,444	131,004	(2,560)
Other Rents & Fees	6	1,800	370	1,430
Office Rent	27,174	23,776	23,850	(74)
Farm Rent	24,529	4,413	16,457	(12,044)
Fuel Sales	22,308	21,014	21,000	14
Miscellaneous				
Reimbursements	55	-	-	-
Operating Transfer In	148,239	326,122	467,498	(141,376)
Total Receipts	401,959	555,590	$ 710,199	$ (154,609)
Expenditures				
Personnel Services	186,376	216,993	354,845	(137,852)
Contractual Services	160,656	225,598	227,375	(1,777)
Commodities	47,537	47,665	62,750	(15,085)
Capital Outlay	4,990	105	-	105
Transfer to Municipal Equipment Reserve Fund	2,400	65,229	65,229	-
Total Expenditures	401,959	555,590	$ 710,199	$ (154,609)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

City of Hutchinson, Kansas
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-W

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 169,998	$ 221,974	$ 14,000	$ 207,974
Utility Fees				
Water Sales	8,231,359	8,562,554	7,925,652	636,902
Service Connection Fees	77,167	71,042	32,000	39,042
Tapping Charges	23,476	34,245	25,000	9,245
Connect/Disconnect Fees	94,791	99,277	85,000	14,277
Late Fees	69,287	75,106	65,000	10,106
Water District Surcharge	3,072	3,072	-	3,072
Franchise Fees	409,504	431,987	380,600	51,387
Miscellaneous				
Reimbursements	54,538	52,921	51,000	1,921
Miscellaneous	14,393	15,256	6,000	9,256
Total Receipts	9,147,585	9,567,434	$ 8,584,252	$ 983,182
Expenditures				
Personnel Services	1,170,709	1,477,906	1,514,098	(36,192)
Contractual Services	1,706,736	1,600,358	2,440,518	(840,160)
Commodities	973,653	1,102,085	1,154,500	(52,415)
Capital Outlay	128,919	404,289	222,000	182,289
Franchise Fee	409,504	431,987	330,505	101,482
Service Allocation Costs	1,634,764	1,646,604	1,646,604	-
Reserve Transfer Municipal Equipment Reserve	213,184	256,341	256,341	-
Reserve Transfer Capital Improvement Fund	1,240,000	1,170,000	1,170,000	-
Operating Transfer Out to Bond and Interest Fund	1,112,190	1,334,410	1,334,410	-
Appropriated Reserves	-	-	2,126,459	(2,126,459)
Total Expenditures	8,589,659	9,423,980	$ 12,195,435	$ (2,771,455)
Receipts Over (Under) Expenditures	557,926	143,454		
Unencumbered Cash, Beginning	4,531,931	5,090,719		
Prior Year Cancelled Encumbrances	862	815		
Unencumbered Cash, Ending	$ 5,090,719	$ 5,234,988		

City of Hutchinson, Kansas
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-X

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 161,353	$ 182,044	$ 12,000	$ 170,044
Utility Fees				
Industrial Wastewater Permit Fee	2,810	200	-	200
Sewer Use Charges	6,645,638	6,596,954	6,437,600	159,354
Late Fees	50,241	52,745	45,000	7,745
Franchise Fees	331,357	328,862	321,880	6,982
Total Receipts	7,191,399	7,160,805	$ 6,816,480	$ 344,325
Expenditures				
Personnel Services	1,705,155	1,737,255	1,913,409	(176,154)
Contractual Services	1,223,094	1,443,047	1,577,078	(134,031)
Commodities	611,231	714,935	738,250	(23,315)
Capital Outlay	-	59,850	-	59,850
Service Allocation Costs	1,325,617	1,257,450	1,257,450	-
Transfer to Municipal Equipment Reserve Fund	404,977	323,308	322,321	987
Reserve Transfer Capital Improvement Fund	2,435,000	455,000	1,335,000	(880,000)
Operating Transfer Out to Bond and Interest Fund	844,206	902,293	902,293	-
Appropriated Reserves	-	-	3,473,251	(3,473,251)
Total Expenditures	8,549,280	6,893,138	$ 11,519,052	$ (4,625,914)
Receipts Over (Under) Expenditures	(1,357,881)	267,667		
Unencumbered Cash, Beginning	5,825,252	4,467,661		
Prior Year Cancelled Encumbrances	290	12,996		
Unencumbered Cash, Ending	$ 4,467,661	$ 4,748,324		

City of Hutchinson, Kansas
Storm Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-Y

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 213,954	$ 262,217	$ 20,000	$ 242,217
Utility Fees				
Storm Water Surcharge	2,174,129	2,156,755	2,155,000	1,755
Total Receipts	2,388,083	2,418,972	$ 2,175,000	$ 243,972
Expenditures				
Personnel Services	167,442	211,653	327,812	(116,159)
Contractual Services	23,006	21,719	95,024	(73,305)
Commodities	46,016	48,984	82,976	(33,992)
Service Allocation Costs	179,856	192,419	192,419	-
Reserve Transfer to Municipal Equipment Reserve Fund	137,730	193,312	193,312	-
Reserve Transfer Capital Improvement Fund	2,425,000	525,000	525,000	-
Operating Transfer to Bond and Interest Fund	41,864	633,350	633,350	-
Appropriated Reserve	-	-	6,037,034	(6,037,034)
Total Expenditures	3,020,914	1,826,437	$ 8,086,927	$ (6,260,490)
Receipts Over (Under) Expenditures	(632,831)	592,535		
Unencumbered Cash, Beginning	6,930,119	6,297,288		
Unencumbered Cash, Ending	$ 6,297,288	$ 6,889,823		

City of Hutchinson, Kansas
Health and Dental Insurance Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-Z

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 87,075	$ 105,373
Insurance Premiums		
Employee Contributions	745,276	826,665
Retiree Premiums Collected	89,566	112,549
Employer Contributions	3,226,387	3,645,572
Reimbursed Expenses	830,098	379,094
Total Receipts	4,978,402	5,069,253
Expenditures		
Insurance Claims	4,187,853	3,561,534
Claim Administration	-	4,161
Insurance Premiums	861,615	895,460
Employee Wellness Program	11,939	7,357
Service Allocation Costs	134,384	146,595
Total Expenditures	5,195,791	4,615,107
Receipts Over (Under) Expenditures	(217,389)	454,146
Unencumbered Cash, Beginning	2,476,953	2,259,564
Unencumbered Cash, Ending	$ 2,259,564	$ 2,713,710

City of Hutchinson, Kansas
Risk Management Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-AA

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 78,255	$ 88,789
Miscellaneous		
Reimbursed Expenses	169,858	127,608
Department Premiums Charged	765,850	772,541
Total Receipts	1,013,963	988,938
Expenditures		
Administrative Expenses	67,802	54,584
Claims Paid	74,164	32,204
Extended Coverage Insurance	811,890	898,645
Service Allocation Costs	21,000	21,000
Total Expenditures	974,856	1,006,433
Receipts Over (Under) Expenditures	39,107	(17,495)
Unencumbered Cash, Beginning	2,425,893	2,465,000
Unencumbered Cash, Ending	$ 2,465,000	$ 2,447,505

City of Hutchinson, Kansas
Worker's Compensation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-AB

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 85,137	$ 105,349
Miscellaneous		
Reimbursed Expenses	5,925	7,349
Department Premiums Charged	491,858	424,776
Total Receipts	582,920	537,474
Expenditures		
Contractual Services	409,346	567,304
Service Allocation Costs	21,000	21,000
Total Expenditures	430,346	588,304
Receipts Over (Under) Expenditures	152,574	(50,830)
Unencumbered Cash, Beginning	2,461,904	2,614,478
Unencumbered Cash, Ending	$ 2,614,478	$ 2,563,648

City of Hutchinson, Kansas
Central Purchasing Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-AC

	Prior Year Actual	Current Year Actual
Receipts		
Inventory Sold	$ 2,526	$ 2,620
Expenditures		
Inventory Purchased	2,578	2,621
Receipts Over (Under) Expenditures	(52)	(1)
Unencumbered Cash, Beginning	24,950	24,898
Unencumbered Cash, Ending	$ 24,898	$ 24,897

City of Hutchinson, Kansas
Hutchinson Community Foundation Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-AD

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Investment Income (Loss)	$ 11,125	$ 11,631
Miscellaneous		
Private Donations	5,110	13,622
Total Receipts	16,235	25,253
Expenditures		
Other Contractual Services	6,715	7,462
Receipts Over (Under) Expenditures	9,520	17,791
Unencumbered Cash, Beginning	84,437	93,957
Unencumbered Cash, Ending	$ 93,957	$ 111,748

City of Hutchinson, Kansas
Donation Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

Schedule 2-AE

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous		
Private Donations	$ 303,893	$ 317,762
Miscellaneous	16,385	15,949
Transfers In	12,519	-
Total Receipts	332,797	333,711
Expenditures		
Other Contractual Services	376,999	321,612
Total Expenditures	376,999	321,612
Receipts Over (Under) Expenditures	(44,202)	12,099
Unencumbered Cash, Beginning	622,750	578,548
Prior Year Cancelled Encumbrances	-	1,378
Unencumbered Cash, Ending	$ 578,548	$ 592,025

City of Hutchinson, Kansas
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2024

Schedule 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing Fund	$ 14,037	$ 15,868,240	$ 15,856,546	$ 25,731
Fire Proceeds Fund	5,850	25,650	-	31,500
Municipal Court Agency Fund	87,129	149,879	153,485	83,523
Friends of the Zoo	-	31,265	30,949	316
Agency Funds	8,443	17,012	15,231	10,224
Total	$ 115,459	$ 16,092,046	$ 16,056,211	$ 151,294

APPENDIX C

FORM OF CONTINUING DISCLOSURE LETTERS OF INSTRUCTIONS

APPENDIX C

FORM OF CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS

[Closing Date]

Governing Body of the
City of Hutchinson, Kansas

Re: Continuing Disclosure Letter of Instructions for $3,875,000 General Obligation Bonds, Series 2026-A, dated September 30, 2026 of the City of Hutchinson, Kansas (the "Bonds")

The purpose of this letter is to assist the Underwriter (as defined below) in complying with the requirements of the SEC Rule (as defined below). It being the intention of the City that there be full and complete compliance with the SEC Rule and EMMA (as defined below), this letter shall be construed in accordance with the written interpretative guidance and no-action letters published from time to time by the Commission (as defined below) and its staff or the MSRB (as defined below) and its staff with respect to the SEC Rule or EMMA, as the case may be. The City represents that it will be the only Obligated Person (as defined below) with respect to the Bonds at the time the Bonds are delivered to the Underwriter and that no other person is expected to become so committed at any time after issuance of the Bonds.

Section 1. Definitions. Unless the context otherwise requires, the following capitalized terms have the following meanings:

"**Annual Financial Information**" means the financial information or operating data with respect to the City, provided at least annually, of the type included in the portions of the Final Official Statement set forth in *Exhibit A* to this Letter.

"**Audited Financial Statements**" means the City's annual financial statements, prepared in accordance with the regulatory basis of accounting as described in the Kansas Municipal Audit and Accounting Guide (KMAAG), which is a basis of accounting other than accounting principles generally accepted in the United States, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

"**Bond Counsel**" means the firm of Kutak Rock LLP, or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the City.

"**Bond Resolution**" means the resolution of the City prescribing the terms and details of the Bonds.

"**Bonds**" means the "Bonds" as previously defined herein.

"**City**" means the City of Hutchinson, Kansas.

"**Commission**" means the Securities and Exchange Commission.

"**Continuing Disclosure Letter of Instructions**" or "**Letter**" means this Continuing Disclosure Letter of Instructions the execution of which is authorized by the Bond Resolution, as the same may be amended or supplemented in accordance with its terms.

"**EMMA**" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB, or any other market access method approved under the SEC Rule.

"**Final Official Statement**" means the final official statement prepared by the City or its representatives in connection with the sale of the Bonds and delivered to the Underwriter within seven business days after the sale of the Bonds in accordance with the SEC Rule. The Final Official Statement includes the information in the Preliminary Official Statement as supplemented or amended.

"**Financial Obligation**" means a financial obligation as defined in the SEC Rule.

"**MSRB**" means the Municipal Securities Rulemaking Board and any successors or assigns, or any other entities or agencies approved under the SEC Rule.

"**Obligated Person**" means an Obligated Person as defined in the SEC Rule.

"**Outstanding**" means as of a particular date of determination, all Bonds authenticated and delivered under the provisions of the Bond Resolution, except:

A. Bonds canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;

B. Bonds for the payment or redemption of which moneys or investments have been deposited in accordance with the defeasance provisions of the Bond Resolution; and

C. Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Bond Resolution.

"**Paying Agent**" means the paying agent for the Bonds as described in the Bond Resolution.

"**Preliminary Official Statement**" means the Preliminary Official Statement which was prepared by the City and its advisors in connection with the sale of the Bonds and distributed to potential purchasers of the Bonds before the Final Official Statement, as described in the SEC Rule, was made available.

"**Prescribed Form**" means such electronic format accompanied by such identifying information as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of the applicable information.

"**Reporting Event**" means any of the following events with respect to the Bonds:

A. principal and interest payment delinquencies;

B. non-payment related defaults, if material;

C. unscheduled draws on debt service reserves reflecting financial difficulties;

D. unscheduled draws on credit enhancements reflecting financial difficulties;

E. substitution of credit or liquidity providers, or their failure to perform;

F. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

G. modifications to rights of security holders, if material;

H. bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;

I. defeasances;

J. release, substitution, or sale of property securing repayment of the securities, if material;

K. rating changes;

L. bankruptcy, insolvency, receivership or similar event of the Obligated Person (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in proceedings under the U.S. Bankruptcy Code or in any other proceedings under state or federal law in which a court or governmental authority

has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person);

M. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

N. an appointment of a successor or additional trustee or the change of name of a trustee, if material;

O. incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

P. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

"**Reporting Event Notice**" means notice in Prescribed Form in accordance with EMMA of a Reporting Event.

"**SEC Report Date**" means December 1 of each year, beginning December 1, 2026.

"**SEC Rule**" means the Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (17 CFR § 240.15c2-12).

"**State**" means the State of Kansas.

"**Underwriter**" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Section 2. Undertaking.

A. This Letter constitutes the written undertaking for the benefit of the holders of the Bonds required by Section (b)(5)(i) of the SEC Rule.

B. The City, as an "Obligated Person" within the meaning of the SEC Rule, undertakes to provide the following information as provided in this Letter:

(1) Annual Financial Information;

(2) Audited Financial Statements, if any; and

(3) Reporting Event Notices.

C. (1) The City shall while any Bonds are Outstanding provide the Annual Financial Information in Prescribed Form in accordance with EMMA to the MSRB, on or before the SEC Report Date. The City may adjust the SEC Report Date if the City changes its fiscal year by providing written notice of the change of fiscal year and the new SEC Report Date to the MSRB; provided that the new SEC Report Date shall be six months after the end of the new fiscal year and provided further that the period between the final SEC Report Date relating to the former fiscal year and the initial SEC Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the City provides to the MSRB the Annual Financial Information by specific reference to documents available to the public on the MSRB's Internet website, or filed with the Commission.

(2) If not provided as part of the Annual Financial Information, the City shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to the MSRB in Prescribed Form in accordance with EMMA.

(3) If a Reporting Event occurs while any Bonds are Outstanding, the City shall file a Reporting Event Notice in a timely manner not in excess of ten business days after the occurrence of such event in Prescribed Form in accordance with EMMA with the MSRB. Each Reporting Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(4) The City shall provide in Prescribed Form in accordance with EMMA in a timely manner not in excess of ten business days after the occurrence of such event to the MSRB notice of any failure by the City while any Bonds are Outstanding to provide to the MSRB Annual Financial Information on or before the SEC Report Date.

D. Any failure by the City to perform in accordance with this Letter shall not constitute an "event of default" under the Bond Resolution, and the rights and remedies provided therein upon the occurrence of an event of default shall not apply to any such failure.

Section 3. Method of Transmitting Continuing Disclosure. The information listed in Section 2 shall be provided by the City to the MSRB, at www.emma.msrb.org (or at such other address or addresses as the MSRB may from time to time specify), in the Prescribed Form or by such other method of transmitting information that is approved by the Commission.

Section 4. Amendments; Waiver. Notwithstanding any other provision of this Letter, the City may amend this Letter, and any provision of this Letter may be waived, if:

A. The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

B. This Letter, as amended, or the provision, as waived, would have complied with the requirements of the SEC Rule at the time of the primary offering, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and

C. The amendment or waiver either (i) is approved by a vote of the owners of the Bonds holding a majority of the aggregate principal amount of the Bonds (excluding Bonds held by or on behalf of the City or its affiliates) or (ii) in the opinion of nationally recognized bond counsel, does not materially impair the interests of the owners of the Bonds; or

D. The amendment or waiver is otherwise permitted by the SEC Rule.

Following any amendment or waiver of a provision of this Letter, the City shall give notice in the same manner as for the occurrence of a Reporting Event under Section 2 and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City.

Section 5. Termination of Obligation to Provide Continuing Disclosure. The continuing obligation hereunder of the City to provide Annual Financial Information, Audited Financial Statements, if any, and Reporting Event Notices shall terminate immediately once the Bonds no longer are Outstanding. This Letter, or any provision hereof, shall be null and void in the event that the City delivers to the MSRB an opinion of Bond Counsel to the effect that those portions of the SEC Rule which require this Letter, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 6. Dissemination Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Letter and may discharge any such agent with or without appointing a successor agent.

Section 7. Additional Information. Nothing in this Letter shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this subsection or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Reporting Event in addition to that which is required by this Letter. If the City chooses to include any information from any document or notice of occurrence of a Reporting Event in addition to that which is specifically required by this Letter, the City shall not have any obligation under this Letter to update such information or include it in any future disclosure or notice of the occurrence of a Reporting Event.

Section 8. Beneficiaries. This Letter has been executed in order to assist the Underwriter in complying with the Rule; however, this Letter shall inure solely to the benefit of the holders of the Bonds as required by Section (b)(5)(i) of the SEC Rule, and shall create no rights in any other person or entity.

Section 9. Recordkeeping. The City shall maintain records of all disclosure made pursuant to this Letter, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

KUTAK ROCK LLP

THIS CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS, received, acknowledged and agreed to as of [Closing Date].

CITY OF HUTCHINSON, KANSAS

By: _____
Mayor

EXHIBIT A

ANNUAL FINANCIAL INFORMATION

"Annual Financial Information" shall include the City's Audited Financial Statements and, if not part of the City's Audited Financial Statements, the tables under the following sections or headings of the Final Official Statement:

APPENDIX A: INFORMATION CONCERNING THE ISSUER, FINANCIAL INFORMATION OF THE ISSUER, Assessed Valuation

APPENDIX A: INFORMATION CONCERNING THE ISSUER, FINANCIAL INFORMATION OF THE ISSUER, Property Tax Levies and Collections

APPENDIX A: INFORMATION CONCERNING THE ISSUER, FINANCIAL INFORMATION OF THE ISSUER, Property Tax Levy

APPENDIX A: INFORMATION CONCERNING THE ISSUER, FINANCIAL INFORMATION OF THE ISSUER, Aggregate Tax Levies

APPENDIX A: INFORMATION CONCERNING THE ISSUER, FINANCIAL INFORMATION OF THE ISSUER, Major Taxpayers

APPENDIX A: INFORMATION CONCERNING THE ISSUER, FINANCIAL INFORMATION OF THE ISSUER, Sales Tax Collections, CITY SALES TAX COLLECTIONS

APPENDIX A: INFORMATION CONCERNING THE ISSUER, DEBT STRUCTURE OF THE ISSUER