MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns Aa3 to Hutchinson, KS's GOULT, Series 2026-A

18 Aug 2026

New York, August 18, 2026 -- Moody's Ratings (Moody's) has assigned a Aa3 rating to the City of Hutchinson, KS's proposed estimated $4 million General Obligation Bonds, Series 2026-A. We maintain the Aa3 rating on the city's previously issued general obligation unlimited tax (GOULT) debt. Post sale, the city will have approximately $57.9 million in debt outstanding.

RATINGS RATIONALE

The Aa3 issuer rating reflects the city's strong reserves and liquidity, which are expected to remain sound despite general fund deficits in fiscal 2025 (December 31 year end) and fiscal 2026. Fiscal 2025 draft audited results indicated fund balance and liquidity of 53% and 61% respectively. Levels will fall modestly in fiscal 2026 but a gradual recovery will begin in fiscal 2027 with the implementation of a new 0.75% sales tax to help fund park and street operations."

The rating also incorporates the city's stable local economy, including an improving but still below-average full value per capita of more than $58,000 and resident income equal to 84% of the national level.

Leverage will likely rise over the next few years but remain moderate and manageable. Long-term liabilities are expected to increase modestly to about 114% of revenue with the Series 2026 issuance. The city is pre-approved for nearly $20 million of Kansas State Revolving Fund loans, which are incorporated into water and sewer rate studies and are expected to be issued over the next several years.

The rating also incorporates financial reporting which does not disclose a modified accrual based fund balance, other post-employment liability, capital asset values or depreciation.

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

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

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

- Significant decline in long-term liabilities ratio below 100%

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Inability to maintain balanced operations, resulting in available fund balance declining to under 35% of revenue

- Substantial increase in long-term liabilities to over 200% of revenue

PROFILE

The City of Hutchinson is located in south central Kansas, approximately 45 miles northwest of Wichita, and is the county seat of Reno County. The city has a population of 39,709 per the 2024 American Community Survey. In addition to general government services including public safety, the city provides business services via a municipal airport, and water and sewer utilities.

METHODOLOGY

The principal methodology used in this rating was US Cities and Counties published in June 2026 and available at https://ratings.moodys.com/rmc-documents/466689. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

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

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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