

**TOWN OF
HUDSON, COLORADO**

BASIC FINANCIAL STATEMENTS

December 31, 2023

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FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Honorable Mayor and Members of the Board of Trustees
Town of Hudson
Hudson, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hudson (the "Town"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 Town'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 statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information, the schedule of the Town's proportionate share, and the schedule of the Town's contributions on pages 40 - 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the local highway finance report are fairly stated in all material respects in relation to the financial statements as a whole.

PB Solutions LLC

Littleton, Colorado

June 4, 2024

Management's Discussion and Analysis

This discussion and analysis of the financial performance of the Town of Hudson, Colorado (Town) provides an overview of the Town's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Net Position of the Town increased by \$7,001,121 (14.4%) during 2023.
- On December 31, 2023, the Town's governmental funds reported combined ending fund balances of \$31,429,303. This marked an increase of \$3,744,490 (13.5%) from the prior year's ending governmental fund balances.
- The Town's General Fund increased its Fund Balance by \$1,131,208 (40.1%) during 2023 primarily due to the sale of land.
- The Town's water and wastewater funds' net positions decreased by \$210,692 (-2.6%) during 2023 primarily due to depreciation of capital assets.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Town of Hudson's basic financial statements. The Town's basic financial statements are comprised of three components: 1) governmentwide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the Town's assets and liabilities and deferred inflows and outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee leave).

Both government-wide financial statements distinguish functions of the Town of Hudson that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety (police), public works, parks and recreation, and library. The business-type activities of the Town include water and wastewater operations.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Hudson, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-

related legal requirements. All funds of the Town can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds -- Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The unrestricted balances left at year-end are available for spending in future years. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide detailed short-term views of cash, operations, and basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund *Balance Sheet* and the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Town of Hudson maintains ten individual governmental funds. Information for these funds is presented by fund name in the *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for four of the ten governmental funds that meet the criteria to be designated as major funds (General Fund, Property Tax Special Revenue Fund, Paving Sales Tax Fund, and Hudson Public Library Fund). The other governmental funds (Sales Tax Capital Improvement Fund, Capital Reserve Fund, Conservation Trust Fund, Park Impact Fee Fund, Facilities Impact Fee Fund, and Street Impact Fee Fund) are shown in a column titled "Other Nonmajor Governmental Funds." Individual fund data for these nonmajor governmental funds are provided in the back of this report following the "Notes to Financial Statements."

Proprietary Funds -- The Town's utility services are reported in proprietary funds; they focus on overall economic position rather than year-end fund balances. Enterprise funds are the type of proprietary funds used to account for the Town's Water Fund and Wastewater Fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, only in a bit more detail.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the fund financial statements.

Other information

Budgetary comparison statements or schedules for all funds with budgeted expenditures/expenses are included following the "Notes to Financial Statements" to demonstrate each fund's compliance with adopted budgets and appropriations. For the year ended December 31, 2023, all funds had budgeted expenditures/expenses except the three nonmajor impact fee funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Hudson, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$55,751,098 at the close of 2023. As shown below, the Town's financial position improved by \$7,001,121 (14.4%) during 2023.

Town of Hudson's Condensed Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 36,701,747	\$ 34,002,875	\$ 3,201,191	\$ 1,209,241	\$ 39,902,938	\$ 35,212,116
Capital Assets, net	18,910,577	15,549,724	10,663,403	10,941,921	29,573,980	26,491,645
Net Pension Asset	-	169,858	-	-	-	169,858
Total assets	\$ 55,612,324	\$ 49,722,457	\$ 13,864,594	\$ 12,151,162	\$ 69,476,918	\$ 61,873,619
Deferred outflows of resources	\$ 438,678	\$ 286,768	\$ -	\$ -	\$ 438,678	\$ 286,768
Current liabilities	\$ 451,430	\$ 1,418,880	2,313,701	\$ 147,750	\$ 2,765,131	\$ 1,566,630
Noncurrent liabilities	2,619,117	2,849,662	3,700,536	3,942,363	6,319,653	6,792,025
Net Pension Liability	42,712	-	-	-	42,712.00	-
Total liabilities	\$ 3,113,259	\$ 4,268,542	\$ 6,014,237	\$ 4,090,113	\$ 9,127,496	\$ 8,358,655
Deferred inflows of resources	\$ 5,037,002	\$ 5,051,755	\$ -	\$ -	\$ 5,037,002	\$ 5,051,755
Net position:						
Net investment in capital assets	\$ 16,323,384	\$ 12,735,110	\$ 6,844,753	\$ 7,004,288	\$ 23,168,137	\$ 19,739,398
Restricted	6,375,781	4,983,726	-	-	6,375,781	4,983,726
Unrestricted	25,201,576	22,970,092	1,005,604	1,056,761	26,207,180	24,026,853
Total net position	\$ 47,900,741	\$ 40,688,928	\$ 7,850,357	\$ 8,061,049	\$ 55,751,098	\$ 48,749,977

Much (41.6%) of the Town's total net position on December 31, 2023, is represented by its investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment). The Town uses these capital assets to provide services to residents and businesses; consequently, these assets are not available for future spending.

Approximately 11.4% (\$6,375,781) of the Town's total net position at the end of 2023 represents resources that are subject to external restrictions on how they may be used. They are fund balance restrictions of sales taxes collected for paving and maintenance of streets (\$4,291,159) and capital improvements (\$1,621,122). An additional \$463,500 is restricted for emergencies (TABOR).

The remaining amount of the Town's total net position at the end of 2023 (\$26,207,180) represents 47.0% of total net position and may be used to meet the Town's other ongoing obligations to residents and creditors. The Town utilizes a working policy seeking to improve the General Fund balance to approximate one year's operating expenses.

The following chart displays the changes in net position experienced by the Town over the last two fiscal years. An analysis of these changes follows for both its Governmental and Business-type Activities.

Town of Hudson's Condensed Changes in Net Position

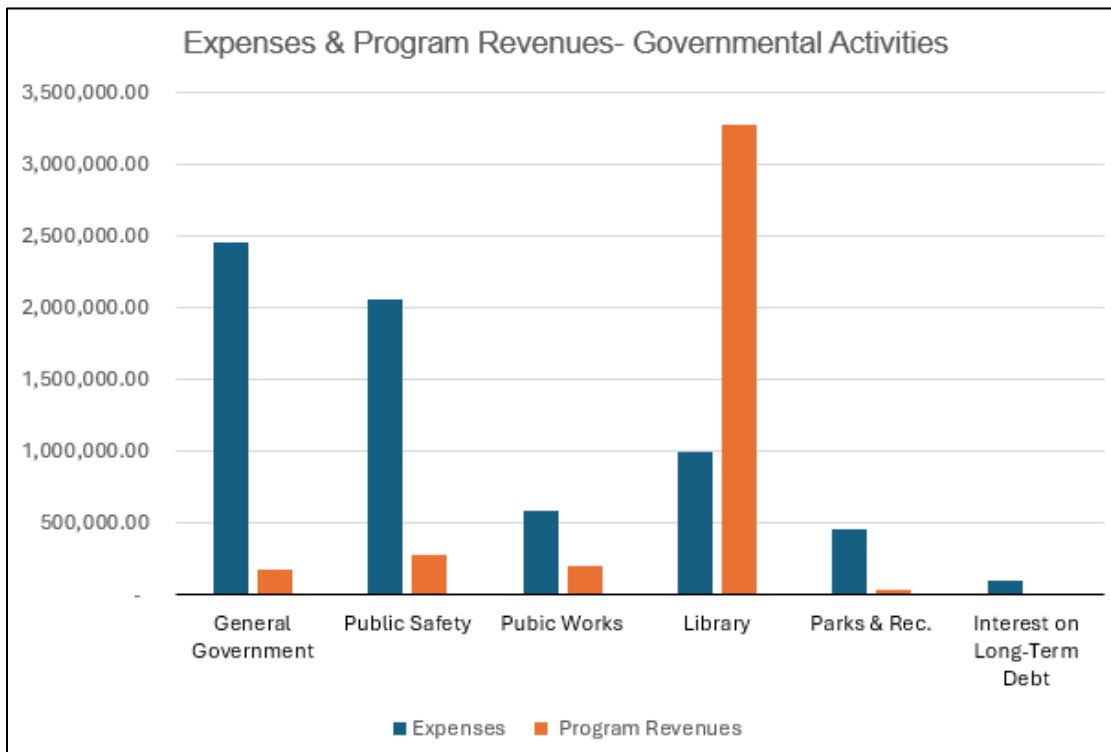
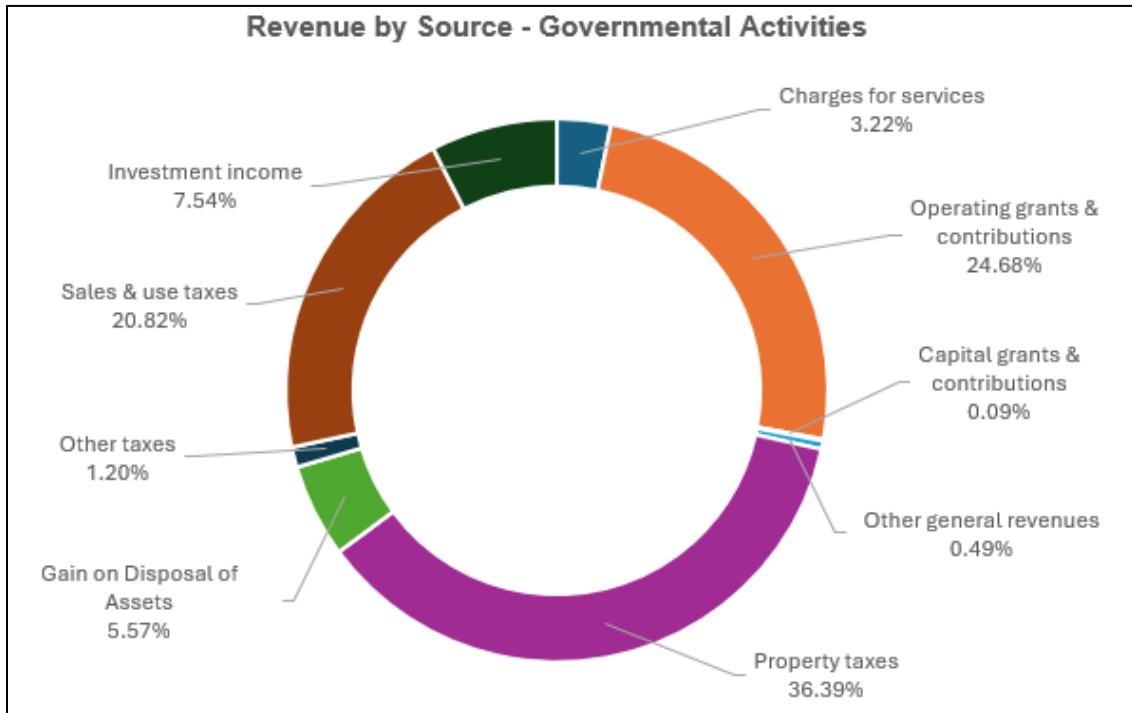
	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 451,231	\$ 268,255	\$ 1,531,837	\$ 1,226,240	\$ 1,983,068	\$ 1,494,495
Operating grants & contributions	3,463,008	2,617,589	-	-	3,463,008	2,617,589
Capital grants & contributions	13,156	265,964	15,554	71	28,710	266,035
General Revenues						-
Property taxes	5,106,814	4,807,815	-	-	5,106,814	4,807,815
Sales & use taxes	2,922,156	2,164,260	-	-	2,922,156	2,164,260
Other taxes	168,189	77,978	-	-	168,189	77,978
Investment income	1,058,342	274,138	33,888	10,373	1,092,230	284,511
Gain/(loss) on sale of capital assets	-	-	-	-	-	-
Other general revenues	69,206	197,700	4,254	34,305	73,460	232,005
Gain on Disposal of Assets	781,459	-	-	-	781,459	-
Total Revenues	\$ 14,033,561	\$ 10,673,699	\$ 1,585,533	\$ 1,270,989	\$ 15,619,094	\$ 11,944,688
Program expenses:						
General Government	\$ 2,450,972	\$ 2,132,964	\$ -	\$ -	\$ 2,450,972	\$ 2,132,964
Public safety	2,048,998	1,619,123	-	-	2,048,998	1,619,123
Public works	578,716	619,199	-	-	578,716	619,199
Parks & Recreation	989,210	680,028	-	-	989,210	680,028
Library	454,931	127,501	-	-	454,931	127,501
Water utility	-	-	1,025,281	1,006,468	1,025,281	1,006,468
Wastewater utility	-	-	860,033	644,899	860,033	644,899
Debt issuance costs	-	-	-	-	-	-
Interest on long-term debt	87,323	78,378	122,509	126,339	209,832	204,717
Total liabilities	\$ 6,610,150	\$ 5,257,193	\$ 2,007,823	\$ 1,777,706	\$ 8,617,973	\$ 7,034,899
Transfers In/(Out)	\$ (211,598)	\$ (139,009)	\$ 211,598	\$ 139,009	\$ -	\$ -
Increase/(decrease) in net position	\$ 7,211,813	\$ 5,277,497	\$ (210,692)	\$ (367,708)	\$ 7,001,121	\$ 4,909,789
Net Position, Beginning	40,688,928	35,411,431	8,061,049	8,428,757	48,749,977	43,840,188
Net Position, Ending	\$ 47,900,741	\$ 40,688,928	\$ 7,850,357	\$ 8,061,049	\$ 55,751,098	\$ 48,749,977

Governmental Activities

The Town's Governmental Activities increased in net position by \$7,211,813 (17.7%) in 2023. Key elements of this increase are as follows:

- Shared revenues from the High Plains Library District of \$3,263,444 outpaced Library expenses by \$2,370,011 (265.3%) in 2023. These revenues are tied to assessed property valuations which have increased in recent years due to development within the district.
- Sales and use taxes for streets and general purposes increased by \$757,896 (35.0%) in 2023.
- Transfers of property taxes to the Business-type Activities for debt service payments decreased Governmental Activities net position by \$211,598 in 2023 compared to \$139,009 in 2022.
- Investment income increased from fairly insignificant amounts in prior years to \$1,058,342 in 2023 due to utilization of Local Government Investment Pools and inflationary interest rates.
- Increased expenses did not surpass total revenues from all sources.

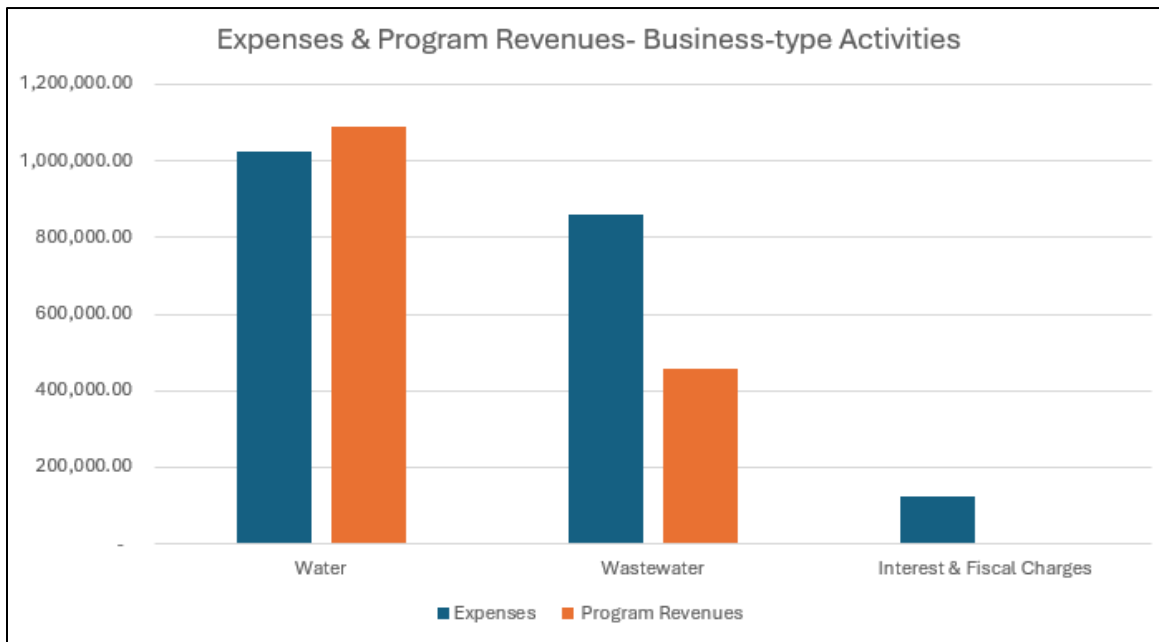
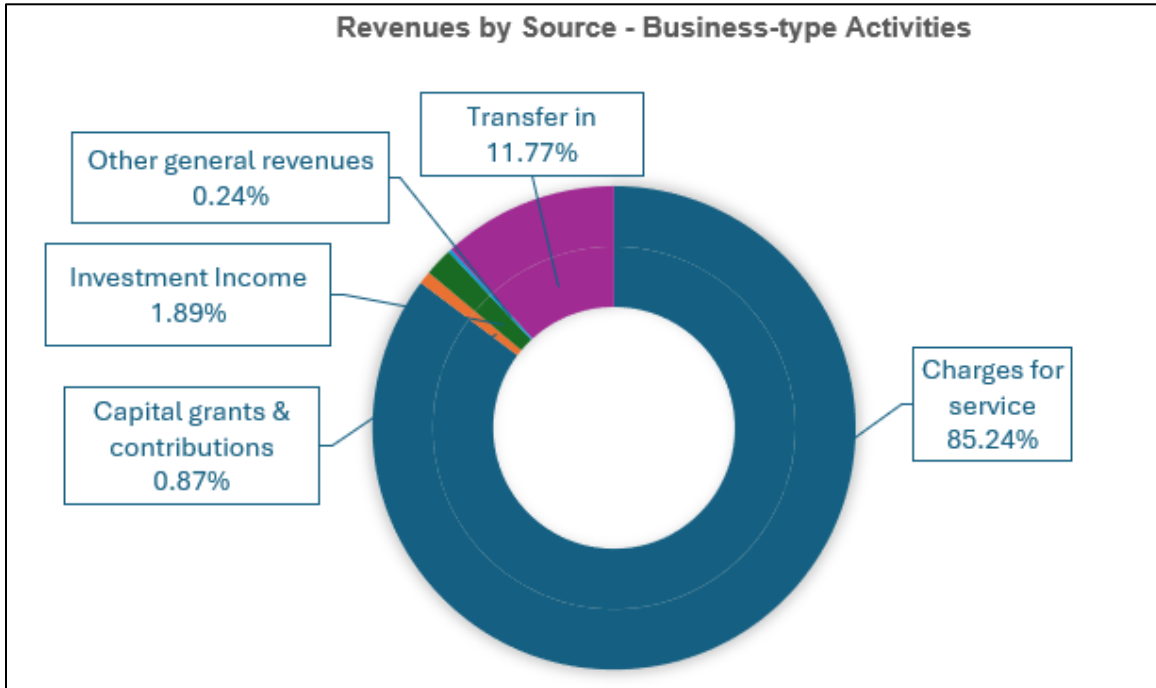
The following two charts illustrate the Governmental Activities revenues and expenses. As in most municipalities, the expenses of governmental activities are not fully supported through program revenues but are largely financed through taxes.



Business-type Activities

Business-type Activities decreased in net position by \$210,692 (-2.6%) during 2023. Operating revenue exceeded operating expenses in the Water Fund by \$65,673. However, in the Wastewater Fund, operating expenses exceeded operating revenue by \$414,896. Management anticipates that rate increases as well as gradual growth in customer bases will address future revenue needs in these funds. In addition, the future sale of the decommissioned lagoon property will improve the net position of the Wastewater Fund.

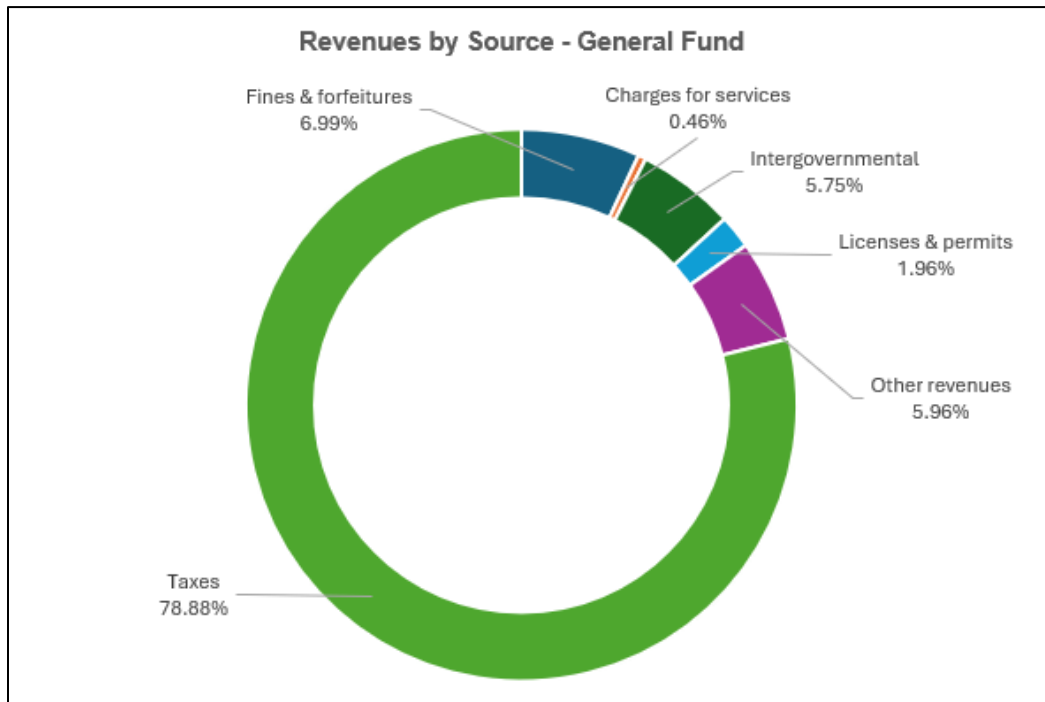
The following two charts illustrate the Business-type Activities revenues and expenses for 2023.

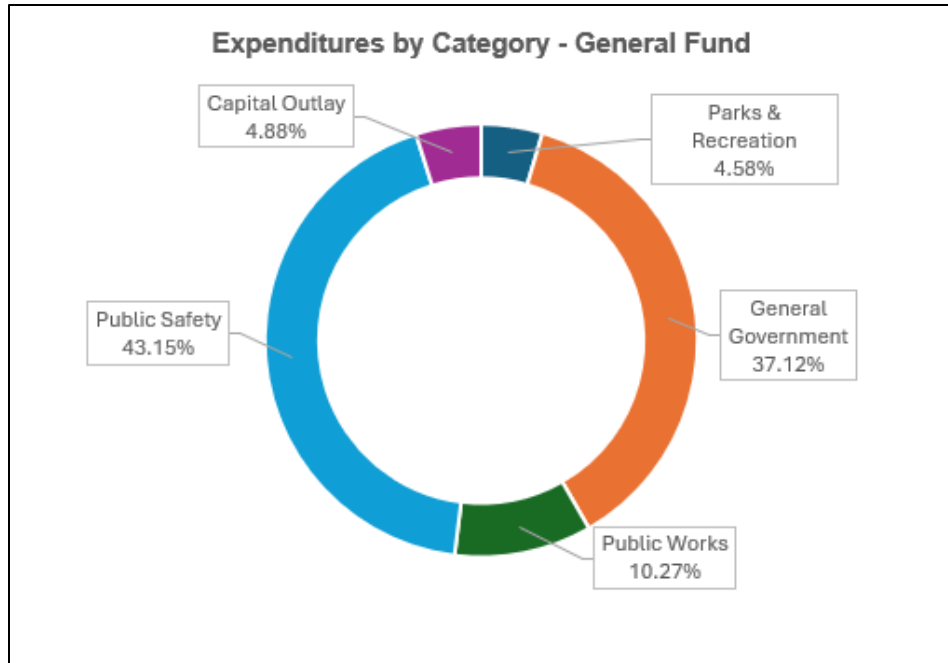


THE TOWN'S FUNDS

As noted earlier, the Town of Hudson uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. On December 31, 2023, the Town's four major Governmental funds reported combined ending fund balances of \$29,448,639. These funds are discussed below.

General Fund. The General Fund is the chief operating fund of the Town of Hudson. It accounts for all the general services provided by the Town. At the end of 2023, the fund balance of the General Fund totaled \$3,949,059. This was a \$1,131,208 (40.1%) increase from 2022 primarily due to sale on land. Expenditures, excluding transfers, in 2023 totaled \$4,408,634. The following two tables illustrate General Fund revenues and expenditures during 2023.



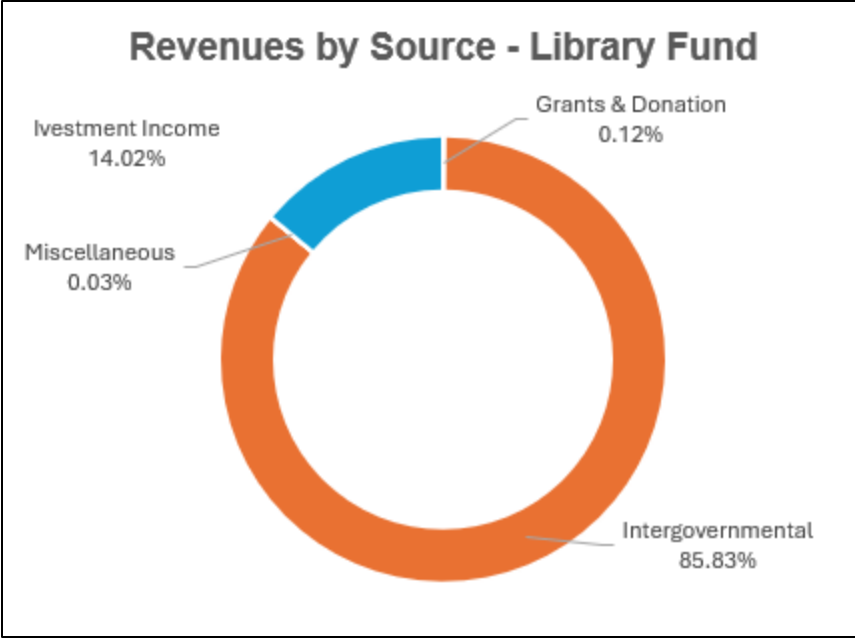


Property Tax Special Revenue Fund. This fund is utilized to account for the capital acquisition and/or construction of capital projects and related debt service. Property taxes from a 15.966 mill levy are the primary revenues for the fund. Property tax revenues are subject to fluctuations in assessed property values from varying levels of oil and natural gas production. During 2023, the Town spent \$2,948,968 on property purchases, \$230,718 on Town Hall improvements, and \$26,163 on general government expenses. A transfer of \$159,030 was made to the Wastewater Fund to assist with debt service payments on bonds and loans. A transfer of \$19,335 was made to the Water Fund to assist with debt service payments on bonds and loans. Fund revenues were greater than fund expenditures, by \$1,138,704 before transfers in 2023.

The fund's property taxes are pledged to pay the debt service on the 2016 Limited Property and Sales Tax Refunding Bonds if needed. They were not needed during 2023 as sales taxes pledged in the Paving Sales Tax Fund were sufficient to make the debt service payments. A little over half of certain property taxes are shared with the associated payor for future development on the property. During 2023, this revenue sharing expense totaled \$659,347.

Paving Sales Tax Fund. The Paving Sales Tax Fund is utilized to account for the paving and maintenance of town streets, including curbs and gutters. Sales and use taxes are the primary revenues of the fund. These revenues are pledged to pay the debt service on the 2016 Limited Property and Sales Tax Refunding Bonds as needed. During 2023, fund revenues exceeded expenditures by \$1,228,642 (505.0%), easily covering the debt service on the bonds.

Hudson Public Library Fund. This fund accounts for the operations of the Hudson Public Library. Virtually all (85.8%) revenues of this fund are shared revenues from property taxes received through an Intergovernmental Agreement with the High Plains Library District. As mentioned above, property tax revenues are subject to fluctuations in assessed property values from varying levels of oil and natural gas production. During 2023 fund revenues totaled \$3,802,025 and exceeded expenditures for operating costs (\$893,433) by \$2,908,592 (425.6%). The following chart illustrates Hudson Public Library Fund revenues during 2023.



All fund expenditures were for general operations; no capital improvements were performed in 2023.

Water Fund. On December 31, 2023, the net position of the Water Fund was \$3,821,498. This was an increase of \$123,342 (3.3%) from 2022. Most of the increase was attributable to an increase in charges for services. The Fund had an operating income of \$65,673 in 2023.

Wastewater Fund. On December 31, 2023, the net position of the Wastewater Fund was \$4,028,859. This was a decrease of \$334,034 (-7.7%) from 2022. Most of the decrease was attributable to depreciation of the wastewater system capital assets. The Fund had an operating loss of \$414,896 in 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2023, the Town invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment, and park equipment. Note 4 on page 23 of the financial statements provides a summary of changes in capital assets during the year. During 2023, the Town completed improvements to Memorial Park, Cedar Park, and the remodeling of the Police department within Town Hall, made software, communications, and technology improvements, purchased four police vehicles, purchased a flail mower for public works, completed certain water pump station, sewer lift station, wastewater treatment plant improvements, and completed the reopening of the reverse osmosis water plant.

The Town has specified certain property tax and sales tax revenue streams to fund capital improvements. One-half of one cent of the Town’s four cent sales tax is restricted for general governmental capital improvements. Two cents of the Town’s four cent sales tax is restricted for street maintenance and construction. Property taxes collected from a 15.966 mill levy are restricted for capital improvements and associated debt.

Debt Administration. The Town's long-term debt primarily consists of bonds and loans. At the end of 2023, the governmental activities had a balance of \$2,545,000 owed on the 2016 limited tax refunding bonds for street improvements. Bond premium and accrued compensated absences are also recorded. See Note 5 on page 25 for more detailed information.

In business-type activities on December 31, 2023, the Town had a balance of \$2,908,322 owed on its 2011 Revenue Bonds, a \$348,100 balance on its 1995 general obligation bonds, and a \$562,228 balance on its Colorado Water Conservation Board loan. These debts were incurred for water rights acquisition and water and wastewater system facilities and upgrades. Compensated absences are also recorded. See Note 5 on page 26 for more detailed information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The extent of oil and gas industry operations in the region fluctuates quickly and significantly with the national economy. When active drilling takes place in the region, the Town benefits from increases in sales taxes, property taxes, and state shared excise taxes. Management is aware that these revenues will continue to benefit the Town to some extent. Currently the Town seeks to be conservative in its revenue estimates.

Measurable growth in the residential and commercial sectors of Hudson's economy is occurring. In addition, annexations of adjacent land and industrial properties in recent years have significantly increased the taxable assessed property value in the Town. The 2024 Budget anticipates continued improvement in the General Fund balance due to the growth and annexations.

Federal spending, unemployment insurance policies, restrictions on domestic energy production, and considerable expansion of the monetary supply is causing significant inflation throughout all sectors of the economy. The full economic impact of these state-imposed and federal-imposed policies and restrictions on the Town's 2024 and future budgets has yet to be determined.

REQUESTS FOR INFORMATION

This financial report is designed to provide the Town of Hudson's residents, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds it receives and assets it maintains. If you have any questions about this report, or should you desire additional financial information, contact the Town's management at Town of Hudson, 50 S. Beech Street, P.O. Box 351, Hudson, CO 80642-0351 or call Town Hall at (303) 536-9311.

BASIC FINANCIAL STATEMENTS

TOWN OF HUDSON, COLORADO

STATEMENT OF NET POSITION

December 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 32,968,094	\$ 968,707	\$ 33,936,801
Restricted Cash and Investments	279,591	146,661	426,252
Cash Held by County Treasurer	17,321	-	17,321
Internal Balances	(1,955,000)	1,955,000	-
Receivables			
Property Taxes	4,923,223	-	4,923,223
Sales and Other	365,026	-	365,026
Accounts	-	130,823	130,823
Capital Assets, Not Depreciated	3,414,095	962,267	4,376,362
Capital Assets, Depreciated,			
Net of Accumulated Depreciation	15,496,482	9,701,136	25,197,618
Right to Use Asset, Net of Accumulated Amortization	103,492	-	103,492
TOTAL ASSETS	55,612,324	13,864,594	69,476,918
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges	173,345	-	173,345
Related to Pensions	265,333	-	265,333
TOTAL DEFERRED OUTFLOWS OF RESOURCES	438,678	-	438,678
LIABILITIES			
Accounts Payable	105,211	164,250	269,461
Accrued Expenses	96,103	8,986	105,089
Accrued Interest Payable	6,458	61,114	67,572
Deposits	44,415	1,956,101	2,000,516
Noncurrent Liabilities			
Due Within One Year	199,243	123,250	322,493
Due in More Than One Year	2,581,056	3,695,914	6,276,970
Compensated Absences Due in More Than One Year	38,061	4,622	42,683
Net Pension Liability	42,712	-	42,712
TOTAL LIABILITIES	3,113,259	6,014,237	9,127,496
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	113,779	-	113,779
Deferred Property Tax Revenue	4,923,223	-	4,923,223
TOTAL DEFERRED INFLOWS OF RESOURCES	5,037,002	-	5,037,002
NET POSITION			
Net Investment in Capital Assets	16,323,384	6,844,753	23,168,137
Restricted	6,375,781	-	6,375,781
Unrestricted	25,201,576	1,005,604	26,207,180
TOTAL NET POSITION	\$ 47,900,741	\$ 7,850,357	\$ 55,751,098

The accompanying notes are an integral part of the financial statements.

TOWN OF HUDSON, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,450,972	\$ 171,322	\$ -	\$ 1,560
Public Safety	2,048,998	265,579	-	-
Public Works	578,716	11,544	171,604	11,479
Library	989,210	1,221	3,267,847	-
Parks and Recreation	454,931	1,565	23,557	117
Interest and Fiscal Charges	87,323	-	-	-
Total Governmental Activities	6,610,150	451,231	3,463,008	13,156
Business-Type Activities				
Water	1,025,281	1,086,709	-	15,554
Wastewater	860,033	445,128	-	-
Interest and Fiscal Charges	122,509	-	-	-
Total Business-Type Activities	2,007,823	1,531,837	-	15,554
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Other Taxes				
Grants and Contributions Not Restricted to Specific Programs				
Other Revenues				
Earnings on Investments				
Transfers				
SPECIAL ITEM - Gain on Disposal of Assets				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION, Beginning				
NET POSITION, Ending				

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (2,278,090)	\$ -	\$ (2,278,090)
(1,783,419)	-	(1,783,419)
(384,089)	-	(384,089)
2,279,858	-	2,279,858
(429,692)	-	(429,692)
(87,323)	-	(87,323)
<u>(2,682,755)</u>	<u>-</u>	<u>(2,682,755)</u>
-	76,982	76,982
-	(414,905)	(414,905)
-	(122,509)	(122,509)
<u>-</u>	<u>(460,432)</u>	<u>(460,432)</u>
4,898,176	-	4,898,176
208,638	-	208,638
2,922,156	-	2,922,156
168,189	-	168,189
36,090	-	36,090
33,116	4,254	37,370
1,058,342	33,888	1,092,230
(211,598)	211,598	-
781,459	-	781,459
<u>9,894,568</u>	<u>249,740</u>	<u>10,144,308</u>
7,211,813	(210,692)	7,001,121
<u>40,688,928</u>	<u>8,061,049</u>	<u>48,749,977</u>
<u>\$ 47,900,741</u>	<u>\$ 7,850,357</u>	<u>\$ 55,751,098</u>

TOWN OF HUDSON, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	PROPERTY TAX FUND	PAVING SALES TAX FUND	HUDSON PUBLIC LIBRARY FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and Investments	\$ 3,960,513	\$ 4,599,555	\$ 3,888,173	\$ 18,579,713	\$ 1,940,140	\$ 32,968,094	
Restricted Cash and Investments	-	-	279,591	-	-	279,591	
Cash Held by County Treasurer	17,321	-	-	-	-	17,321	
Taxes Receivable	2,332,702	2,590,521	-	-	-	4,923,223	
Accounts Receivable	162,407	-	162,095	-	40,524	365,026	
TOTAL ASSETS	\$ 6,472,943	\$ 7,190,076	\$ 4,329,859	\$ 18,579,713	\$ 1,980,664	\$ 38,553,255	
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 63,288	\$ 18,986	\$ -	\$ 22,937	\$ -	\$ 105,211	
Due to Other Funds	-	1,955,000	-	-	-	1,955,000	
Accrued Expenses	83,479	-	-	12,624	-	96,103	
Deposits	44,415	-	-	-	-	44,415	
TOTAL LIABILITIES	191,182	1,973,986	-	35,561	-	2,200,729	
DEFERRED INFLOWS OF RESOURCES							
Deferred Property Tax Revenues	2,332,702	2,590,521	-	-	-	4,923,223	
FUND BALANCES							
Restricted for Fund Purpose	-	-	4,291,159	-	1,621,122	5,912,281	
Restricted for Emergencies	165,700	116,000	38,700	113,900	29,200	463,500	
Committed	-	2,509,569	-	18,430,252	330,342	21,270,163	
Unassigned	3,783,359	-	-	-	-	3,783,359	
TOTAL FUND BALANCES	3,949,059	2,625,569	4,329,859	18,544,152	1,980,664	31,429,303	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,472,943	\$ 7,190,076	\$ 4,329,859	\$ 18,579,713	\$ 1,980,664	\$ 38,553,255	

The accompanying notes are an integral part of the financial statements.

TOWN OF HUDSON, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds	\$ 31,429,303
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Capital Assets, Not Depreciated	3,414,095	
Capital Assets, Depreciated	19,798,121	
Accumulated Depreciation	(4,301,639)	
Right to Use Asset	129,365	
Accumulated Amortization	<u>(25,873)</u>	<u>19,014,069</u>

Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable	(6,458)	
Bond Payable	(2,545,000)	
Bond Premium	(101,705)	
Deferred Charges	173,345	
Lease Payable	(129,365)	
Compensated Absences	(42,290)	
Net Pension Liability	<u>(42,712)</u>	<u>(2,694,185)</u>

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources - Related to Pensions	265,333	
Deferred inflows of resources - Related to Pensions	<u>(113,779)</u>	<u>151,554</u>

Net position of governmental activities		<u><u>\$ 47,900,741</u></u>
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The accompanying notes are an integral part of the financial statements.

TOWN OF HUDSON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	GENERAL FUND	PROPERTY TAX SPECIAL REVENUE FUND	PAVING SALES TAX FUND	HUDSON PUBLIC LIBRARY FUND
REVENUES				
Property Taxes	\$ 2,320,756	\$ 2,577,420	\$ -	\$ -
Specific Ownership Taxes	208,638	-	-	-
Sales and Use Taxes	1,065,127	-	1,420,170	-
Occupation Taxes	433	-	-	-
Franchise Fees	82,622	-	-	-
Intergovernmental Revenue	268,281	-	-	3,263,444
Impact Fees	-	-	-	-
Charges for Services	21,416	-	-	-
Licenses and Permits	91,296	-	-	-
Fines and Forfeitures	325,753	-	-	-
Grants and Donations	36,390	-	-	4,403
Investment Earnings	208,422	149,072	111,861	532,957
Miscellaneous	33,117	-	-	1,221
TOTAL REVENUES	4,662,251	2,726,492	1,532,031	3,802,025
EXPENDITURES				
Current				
General Government	1,636,610	685,510	-	-
Public Safety	1,902,485	-	-	-
Public Works	452,830	-	382	-
Library	-	-	-	893,433
Parks and Recreation	201,753	-	-	-
Capital Outlay	214,956	3,179,686	60,707	-
Debt Service				
Principal	-	-	160,000	-
Interest	-	-	82,300	-
TOTAL EXPENDITURES	4,408,634	3,865,196	303,389	893,433
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	253,617	(1,138,704)	1,228,642	2,908,592
OTHER FINANCING SOURCES (USES)				
Transfer Out	(33,233)	(178,365)	-	-
Gain from Sale of Assets	781,459	-	-	-
Lease Proceeds	129,365	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	877,591	(178,365)	-	-
NET CHANGE IN FUND BALANCES	1,131,208	(1,317,069)	1,228,642	2,908,592
FUND BALANCES, Beginning	2,817,851	3,942,638	3,101,217	15,635,560
FUND BALANCES, Ending	\$ 3,949,059	\$ 2,625,569	\$ 4,329,859	\$ 18,544,152

The accompanying notes are an integral part of the financial statements.

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 4,898,176
-	208,638
436,859	2,922,156
-	433
-	82,622
23,257	3,554,982
13,157	13,157
-	21,416
-	91,296
-	325,753
-	40,793
56,030	1,058,342
-	34,338
529,303	13,252,102
-	2,322,120
-	1,902,485
-	453,212
-	893,433
203,629	405,382
532,557	3,987,906
-	160,000
-	82,300
736,186	10,206,838
(206,883)	3,045,264
-	(211,598)
-	781,459
-	129,365
-	699,226
(206,883)	3,744,490
2,187,547	27,684,813
\$ 1,980,664	\$ 31,429,303

TOWN OF HUDSON, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds			\$ 3,744,490
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.			
	Capital Outlay	4,052,930	
	Depreciation and amortization	<u>(588,585)</u>	<u>3,464,345</u>
Lease proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities.			
			<u>(129,365)</u>
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.			
	Bond Principal Payments	160,000	
	Amortization of Deferred Charges	(13,332)	
	Amortization of Bond Premium	7,909	
	Changes in Accrued Interest Payable	400	
	Changes in Compensated Absences	<u>(7,242)</u>	<u>147,735</u>
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.			
	Deferred charges related to Pension Plan		<u>(15,392)</u>
Change in net position of governmental activities			<u>\$ 7,211,813</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HUDSON, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	WATER	WASTEWATER	TOTAL
ASSETS			
Current Assets			
Cash and Investments	\$ 714,732	\$ 253,975	\$ 968,707
Restricted Cash and Investments	-	146,661	146,661
Due From Other Funds	1,955,000	-	1,955,000
Accounts Receivable	79,539	51,284	130,823
Total Current Assets	<u>2,749,271</u>	<u>451,920</u>	<u>3,201,191</u>
Noncurrent Assets			
Capital Assets, Not Being Depreciated	962,267	-	962,267
Capital Assets, Net of Accumulated Depreciation	3,057,308	6,643,828	9,701,136
Total Noncurrent Assets	<u>4,019,575</u>	<u>6,643,828</u>	<u>10,663,403</u>
TOTAL ASSETS	<u>6,768,846</u>	<u>7,095,748</u>	<u>13,864,594</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	60,493	103,757	164,250
Accrued Expenses	4,001	4,985	8,986
Deposits	1,956,101	-	1,956,101
Accrued Interest Payable	13,857	47,257	61,114
Accrued Compensated Absences, Current Portion	257	257	514
Bonds and Notes Payable, Current Portion	57,697	65,039	122,736
Total Current Liabilities	<u>2,092,406</u>	<u>221,295</u>	<u>2,313,701</u>
Noncurrent Liabilities			
Accrued Compensated Absences	2,311	2,311	4,622
Bonds and Notes Payable	852,631	2,843,283	3,695,914
Total Noncurrent Liabilities	<u>854,942</u>	<u>2,845,594</u>	<u>3,700,536</u>
TOTAL LIABILITIES	<u>2,947,348</u>	<u>3,066,889</u>	<u>6,014,237</u>
NET POSITION			
Net Investment in Capital Assets	3,109,247	3,735,506	6,844,753
Unrestricted	712,251	293,353	1,005,604
TOTAL NET POSITION	<u>\$ 3,821,498</u>	<u>\$ 4,028,859</u>	<u>\$ 7,850,357</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HUDSON, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2023

	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for Services	\$ 1,086,709	\$ 445,128	\$ 1,531,837
Other Revenues	4,245	9	4,254
TOTAL OPERATING REVENUES	<u>1,090,954</u>	<u>445,137</u>	<u>1,536,091</u>
OPERATING EXPENSES			
Operations and Maintenance	630,646	491,713	1,122,359
Administration	208,360	134,617	342,977
Depreciation	186,275	233,703	419,978
TOTAL OPERATING EXPENSES	<u>1,025,281</u>	<u>860,033</u>	<u>1,885,314</u>
NET OPERATING INCOME (LOSS)	<u>65,673</u>	<u>(414,896)</u>	<u>(349,223)</u>
NON-OPERATING REVENUES (EXPENSES)			
Earnings on Investments	17,025	16,863	33,888
Interest Expense	(27,478)	(95,031)	(122,509)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(10,453)</u>	<u>(78,168)</u>	<u>(88,621)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>55,220</u>	<u>(493,064)</u>	<u>(437,844)</u>
Tap Fees	15,554	-	15,554
Transfers In	52,568	159,030	211,598
CHANGE IN NET POSITION	<u>123,342</u>	<u>(334,034)</u>	<u>(210,692)</u>
NET POSITION, Beginning	<u>3,698,156</u>	<u>4,362,893</u>	<u>8,061,049</u>
NET POSITION, Ending	<u>\$ 3,821,498</u>	<u>\$ 4,028,859</u>	<u>\$ 7,850,357</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HUDSON, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2023
 Increase (Decrease) in Cash and Cash Equivalents

	WATER	WASTEWATER	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 3,043,547	\$ 447,972	\$ 3,491,519
Cash Paid to Employees	(228,702)	(134,665)	(363,367)
Cash Paid to Suppliers	(587,989)	(422,058)	(1,010,047)
Net Cash Provided (Used) by Operating Activities	<u>2,226,856</u>	<u>(108,751)</u>	<u>2,118,105</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Payments to/from Other Funds	(1,902,432)	159,030	(1,743,402)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,902,432)</u>	<u>159,030</u>	<u>(1,743,402)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(68,446)	(73,014)	(141,460)
Principal Payments on Long Term Debt	(56,007)	(62,976)	(118,983)
Interest Payments	(28,328)	(96,055)	(124,383)
Tap Fees and Capital Contributions	15,554	-	15,554
Net Cash Used by Capital Financing Activities	<u>(137,227)</u>	<u>(232,045)</u>	<u>(369,272)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	<u>17,025</u>	<u>16,863</u>	<u>33,888</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	204,222	(164,903)	39,319
CASH AND CASH EQUIVALENTS, Beginning	<u>510,510</u>	<u>565,539</u>	<u>1,076,049</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 714,732</u></u>	<u><u>\$ 400,636</u></u>	<u><u>\$ 1,115,368</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 65,673	\$ (414,896)	\$ (349,223)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Depreciation Expense	186,275	233,703	419,978
Changes in Assets and Liabilities			
Accounts Receivable	(2,407)	2,835	428
Prepaid Expenses	1,059	882	1,941
Accounts Payable	24,864	68,640	93,504
Accrued Expenses	(3,811)	(118)	(3,929)
Compensated Absences	203	203	406
Deposits	1,955,000	-	1,955,000
Total Adjustments	<u>2,161,183</u>	<u>306,145</u>	<u>2,467,328</u>
Net Cash Used by Operating Activities	<u><u>\$ 2,226,856</u></u>	<u><u>\$ (108,751)</u></u>	<u><u>\$ 2,118,105</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Hudson, Colorado (the “Town”) was founded in 1887 and incorporated in 1914. The Town is governed by a town manager and a seven-member board of trustees (including the mayor) elected by the residents.

The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the Town and organizations for which the Town is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. In addition, any legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Town.

Based upon the application of these criteria, the Town includes the following organization in its reporting entity:

Hudson Public Library

The Hudson Public Library provides services to the citizens of the Town through an intergovernmental agreement between the Town and High Plains Library District. The Town’s Board of Trustees appoints the governing board of the Library and management of the Town has operational responsibility for the Library. The Library’s financial information is blended in the Town’s financial statements as a special revenue fund. Separate financial statements are not available.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The *Property Tax Special Revenue Fund* accounts for the collection of property taxes established for capital improvements and related debt.

The *Paving Sales Tax Fund* accounts for a 2 percent sales tax that is restricted by election for paving, curb and gutter, and street maintenance within the Town.

The *Hudson Public Library Fund* accounts for the operations of the library.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Wastewater Fund* accounts for the financial activities associated with the provision of sewer services.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Town considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets – Capital assets, which include land, water rights, infrastructure, utility plant and lines, and property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	20 years
Infrastructure	10 - 50 years
Water System	50 years
Wastewater System	50 years
Buildings	10 - 50 years
Machinery and Equipment	30 - 30 years

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Compensated Absences – Town employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. The maximum accrual is based on tenure. Once an employee has reached their maximum, accrual of compensated absences stops until the balance is below the minimum. Unused vacation is automatically carried over to the next fiscal year. The Town gives employees the option to sell back unused vacation down to 80 hours. This opportunity occurs once a year at the end of the year. Upon termination of employment, employees are entitled to receive compensation for any unused vacation time.

Town employees are also eligible to receive compensatory time, which is earned at one and one-half times the hours worked beyond 40 hours in a given week. Compensatory time may substitute overtime pay at the discretion of the employee. Compensatory time may be accrued up to 40 hours. In the event compensatory time has not been taken by the employee by December 31, the balance of the accrued time will be paid to the employee.

These compensated absences are expended when paid in the governmental fund types. Compensated absences are expended when earned in the proprietary fund type. A long-term liability in the amount of \$42,290 and \$5,136 has been recorded in the governmental activities and business-type activities, respectively, in the statement of net position for the accrued benefits.

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Pensions – The Town participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing, multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to and deductions from the fiduciary net position of the SWDBP have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Employer contributions are recognized in the year the contributions are paid.

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent, and penalties and interest may be assessed by the County Treasurer on the postmark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. The County Treasurer’s Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitations on their use. While Town management may have categorized and segmented portions for various purposes, the Town Board of Trustees has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Town does not report any nonspendable fund balances on December 31, 2023.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the Town reports restricted fund balances in the Paving Sales Tax Fund, Sales Tax Capital Improvement Fund, and Conservation Trust Fund. These balances are restricted for capital and infrastructure improvements, and parks and recreation.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Board of Trustees. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town reports the fund balance in the Property Tax Special Revenue Fund, the Hudson Public Library Fund, the Park Impact Fees Fund, the Facilities Impact Fees Fund, the Street Impact Fees Fund, and the Capital Reserve Fund as committed resources for the respective fund purpose as of December 31, 2023.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The Town does not report any assigned fund balances as of December 31, 2023.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes and the Colorado Constitution, Article XIV, Section 18(2).

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Risk Management (Continued)

The purposes of CIRSA are to provide member defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims made against members of CIRSA, their employees and officers.

It is the intent of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a legal separate entity, and the Town does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

Subsequent Events

The Town has evaluated events subsequent to the year ended December 31, 2023 through June 4, 2024, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparison for the proprietary fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted. Annual appropriated budgets are adopted for all funds. All appropriations lapse at fiscal year-end.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

Budgets (Continued)

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. Management submits to the Town Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the Town Board of Trustees.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Town Board of Trustees.

Compliance

For the year ended December 31, 2023, budgeted expenditures in the Conservation Trust fund exceed estimated revenues and fund balances, resulting in a deficit budgeted ending fund balance of \$16,095. This may be a violation of state statute.

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TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: CASH AND INVESTMENTS

Cash and investments on December 31, 2023 consist of the following:

Petty Cash	\$	882
Deposits		21,906,820
Investments		<u>12,455,351</u>
Total		<u>\$ 34,363,053</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Governmental Activities	\$	32,968,094
Cash and Investments - Governmental Activities, Restricted		279,591
Cash and Investments - Business-Type Activities		968,707
Cash and Investments - Business-Type Activities, Restricted		<u>146,661</u>
Total		<u>\$ 34,363,053</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. On December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

On December 31, 2023, the Town had deposits with financial institutions with a carrying amount of \$21,906,820. The bank balances with the financial institutions were \$21,958,303. Of these balances, \$5,944,461 was covered by federal depository insurance and \$16,013,842 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments

The Town is required to comply with State statutes and the Town's investment policy which specify investment instruments meeting defined rating, maturity, and concentration of credit risk criteria in which the Town may invest.

Interest Rate Risk

State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Concentration of Credit Risk

Except for corporate securities, State statutes do not limit the amount the Town may invest in any single investment or issuer.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Local Government Investment Pools

The Town had invested \$12,455,351 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor’s. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables, and payables.

Restricted Cash and Investments

Cash and investments in the amount of \$279,591 and \$146,661 are restricted in the Paving Sales Tax Fund and Wastewater Fund to comply with debt covenants.

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TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: CAPITAL ASSETS

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 346,805	\$ 2,946,000	\$ -	\$ 3,292,805
Construction in Progress	152,973	26,910	58,593	121,290
Total Capital Assets, Not Depreciated	499,778	2,972,910	58,593	3,414,095
Capital Asset, Being Depreciated				
Land Improvements	840,068	301,845	-	1,141,913
Infrastructure	7,826,731	34,467	-	7,861,198
Buildings	8,645,972	431,028	-	9,077,000
Machinery and Equipment	1,476,102	241,908	-	1,718,010
RTU - Equipment	-	129,365	-	129,365
Total Capital Assets, Being Depreciated	18,788,873	1,138,613	-	19,927,486
Accumulated Depreciation and Amortization				
Land Improvements	337,940	49,549	-	387,489
Infrastructure	1,647,468	193,193	-	1,840,661
Buildings	1,058,459	183,970	-	1,242,429
Machinery and Equipment	695,060	136,000	-	831,060
RTU - Equipment	-	25,873	-	25,873
Total Depreciation and Amortization	3,738,927	588,585	-	4,327,512
Capital Assets, Depreciated Net	15,049,946	550,028	-	15,599,974
Net Capital Assets	\$ 15,549,724	\$ 3,522,938	\$ 58,593	\$ 19,014,069

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions/programs of the Town as follows:

Governmental Activities

General Government	\$ 121,610
Public Safety	131,121
Public Works	190,528
Library	95,777
Parks and Recreation	<u>49,549</u>
Total	<u>\$ 588,585</u>

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Business-Type Activities				
Capital Assets, Not Depreciated				
Water Rights	\$ 962,267	\$ -	\$ -	\$ 962,267
Capital Asset, Being Depreciated				
Water System	7,598,057	68,446	-	7,666,503
Wastewater System	9,506,387	73,014	-	9,579,401
Machinery and Equipment	299,032	-	-	299,032
Total Capital Assets, Being Depreciated	<u>17,403,476</u>	<u>141,460</u>	<u>-</u>	<u>17,544,936</u>
Accumulated Depreciation				
Water System	4,529,039	177,336	-	4,706,375
Wastewater System	2,717,774	231,908	-	2,949,682
Machinery and Equipment	177,009	10,734	-	187,743
Total Depreciation	<u>7,423,822</u>	<u>419,978</u>	<u>-</u>	<u>7,843,800</u>
Capital Assets, Depreciated Net	<u>9,979,654</u>	<u>(278,518)</u>	<u>-</u>	<u>9,701,136</u>
Net Capital Assets	<u>\$ 10,941,921</u>	<u>\$ (278,518)</u>	<u>\$ -</u>	<u>\$ 10,663,403</u>

Depreciation expense in the amount of \$186,275 and \$233,703 was charged to the Water Fund and Wastewater Fund, respectively.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: LONG-TERM DEBT

The following is a summary of the Town’s long-term debt transactions for the year ended December 31, 2023:

Governmental Activities	12/31/2022		12/31/2023		Due
	Balance	Additions	Payments	Balance	Within One Year
2016 Bonds	\$2,705,000	\$ -	\$ 160,000	\$2,545,000	\$ 165,000
Bond Premium	109,614	-	7,909	101,705	-
Lease Payable	-	129,365	-	129,365	30,014
Compensated Absences	35,048	7,242	-	42,290	4,229
Total	\$2,849,662	\$ 136,607	\$ 167,909	\$2,818,360	\$ 199,243

Compensated absences are expected to be liquidated with revenues from the General Fund.

2016 Limited Property and Sales Tax Refunding Bonds

In 2016, the Town issued \$3,485,000 Limited Property and Sales Tax Refunding Bonds, Series 2016. Proceeds of the bonds were used to refund the outstanding Sales Tax Revenue Bonds, Series 2009 and the Limited Tax General Obligation Bonds, Series 2009. The bonds carry interest rates ranging from 3% to 3.25%. Interest payments on the bonds are due semi-annually on June 1 and December 1. Principal payments on the bonds are due annually on December 1, beginning in 2018 through 2036.

The bonds are payable solely from the Town’s 2 percent street paving sales taxes accounted for in the Paving Sales Tax Fund and a 15.966 mill levy reported in the Property Tax Special Revenue Fund.

Bonds maturing on and before December 1, 2023 are not subject to redemption prior to maturity. Bonds maturing on or after December 1, 2024 are subject to redemption prior to maturity, at the option of the Town, in whole or in part from any maturity, and by lot within a maturity in such a manner as the Town may determine, on December 1, 2023, and on any date thereafter, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without a redemption premium.

The bonds maturing on December 1, 2026, December 1, 2028, December 1, 2030, December 1, 2032, December 1, 2034, and December 1, 2036 (the “term bonds”) are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest thereon to the redemption date. The bonds subject to mandatory sinking fund redemption shall be selected by lot in such a manner as the paying agent shall determine.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: LONG-TERM DEBT (Continued)

2016 Limited Property and Sales Tax Refunding Bonds (Continued)

The annual debt service requirements on the outstanding bonds are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 165,000	\$ 77,500	\$ 242,500
2025	170,000	72,550	242,550
2026	175,000	67,450	242,450
2027	175,000	62,200	237,200
2028	180,000	56,950	236,950
2029-2033	1,000,000	199,850	1,199,850
2034-2036	680,000	44,138	724,138
Total	<u>\$ 2,545,000</u>	<u>\$ 580,638</u>	<u>\$ 3,125,638</u>

Lease Payable

In May of 2023, the Town entered in a lease agreement for police equipment. The Town paid an initial amount of \$13,229 at lease signing. Annual principal and interest payments of \$36,483 are due beginning May 2024 through May 2027. The interest on the lease is calculated using an estimated incremental borrowing rate of 5%. Principal and interest payments to maturity of the lease are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 30,014	\$ 6,469	\$ 36,483
2025	31,515	4,968	36,483
2026	33,091	3,392	36,483
2027	34,745	1,738	36,483
Total	<u>\$129,365</u>	<u>\$ 16,567</u>	<u>\$145,932</u>

	12/31/2022		12/31/2023		Due
	Balance	Additions	Payments	Balance	Within One Year
Business-Type Activities					
1995 Water Revenue Bonds	\$ 369,600	\$ -	\$ 21,500	\$ 348,100	\$ 22,500
1994 CWCB Loan	596,735	-	34,507	562,228	35,197
2011 Revenue Bonds	2,971,298	-	62,976	2,908,322	65,039
Compensated Absences	4,730	406	-	5,136	514
Total	<u>\$3,942,363</u>	<u>\$ 406</u>	<u>\$ 118,983</u>	<u>\$3,823,786</u>	<u>\$ 123,250</u>

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: LONG-TERM DEBT (Continued)

1995 Water Revenue Bond

In October 1995, the Town issued Water Revenue Bonds Series 1995 in the amount of \$700,000. Proceeds of the bonds were used to finance the construction and acquisition of regional water distribution system improvements. The bonds carry an interest rate of 4.50% per annum. Principal and interest payments on the bonds are due semi-annually on May 1 and November 1, beginning in 1996 through 2035. The bonds are secured by, and payable solely from an irrevocable pledge of the net revenues of the Water Fund.

The bonds are subject to redemption prior to maturity, at the option of the Town, as a whole or in part, at any time, upon payment of par and accrued interest, without redemption premium.

The annual debt service requirements on the outstanding bonds are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 22,500	\$ 15,415	\$ 37,915
2025	23,500	14,391	37,891
2026	24,500	13,322	37,822
2027	25,700	12,206	37,906
2028	26,900	11,037	37,937
2029-2033	153,800	35,656	189,456
2034-2035	71,200	4,023	75,223
Total	<u>\$ 348,100</u>	<u>\$ 106,050</u>	<u>\$ 454,150</u>

1994 Colorado Water Conservation Board (CWCB) Loan

In March 1994, the Town entered into a loan agreement with the Colorado Water Conservation Board (“CWCB”) in the amount of \$1,273,000. Proceeds of the loan were used to purchase a portion of the Southern Water Supply Project, a pipeline that carries water from Carter Lake to several communities in northeastern Colorado. The Town is a 0.3% participant in the Southern Water Supply Project. The loan carries an interest rate of 2%. Annual principal and interest payments in the amount of \$46,535 are due beginning on January 1, 1997 through 2037. The loan is payable solely from revenues pledged for the repayment from water user charges or fees.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: LONG-TERM DEBT (Continued)

The annual debt service requirement on the outstanding loan is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 35,197	\$ 11,244	\$ 46,441
2025	35,901	10,540	46,441
2026	36,619	9,822	46,441
2027	37,351	9,090	46,441
2028	38,098	8,343	46,441
2029-2033	202,228	29,977	232,205
2034-2037	176,834	8,930	185,764
Total	\$ 562,228	\$ 87,946	\$ 650,174

2011 Wastewater Revenue Bonds

In July 2011, the Town issued Wastewater Revenue Bonds, Series 2011 in the amount of \$3,545,000. Proceeds of the bonds were used to refund and discharge the previously issued Wastewater and Treatment System Revenue Bond Anticipation Note issued in 2010. The bonds carry an interest rate of 3.25% per annum. Principal and interest payments in the amount of \$79,515 are due semi-annually on January 1 and July 1, beginning in 2012 through 2051.

Installments of principal and interest payments may be subject to prepayment prior to their payment date, at the option of the Town, in whole or in part, on any date and in any order selected by the Town at a price equal to the principal amount of the bond so prepaid plus accrued interest to the prepayment date, without premium. The bonds are payable solely from net revenues of the wastewater system.

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TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: LONG-TERM DEBT (Continued)

The annual debt service requirement on the outstanding bonds are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 65,039	\$ 93,991	\$ 159,030
2025	67,170	91,860	159,030
2026	69,371	89,659	159,030
2027	71,644	87,386	159,030
2028	73,991	85,039	159,030
2029-2033	407,950	387,200	795,150
2034-2038	479,302	315,848	795,150
2039-2043	563,139	232,011	795,150
2044-2048	661,638	133,512	795,150
2049-2051	449,078	28,182	477,260
Total	<u>\$ 2,908,322</u>	<u>\$ 1,544,688</u>	<u>\$ 4,453,010</u>

NOTE 6: INTERFUND BALANCES AND TRANSFERS

During the year ended December 31, 2023, the General Fund and the Property Tax Special Revenue Fund transferred \$33,233 and \$19,335, respectively, to the Water Fund to cover a portion of the debt service expenses. The Property Tax Special Revenue Fund also transferred \$159,030 to the Wastewater Fund to cover a portion of the debt service expenses.

At December 31, 2023, the Property Tax Special Revenue Fund reports an amount of \$1,955,000 due to the Water Fund for proceeds received by a developer to be held in deposit for future water tap fee purchases.

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDBP have been determined using the economic resources measurement focus and the accrual basis of accounting.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: **STATEWIDE DEFINED BENEFIT PENSION PLAN** (Continued)

Summary of Significant Accounting Policies (Continued)

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the SWDBP

Plan description. The SWDBP covers substantially all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDBP may include fire department clerical and other personnel whose services are auxiliary to fire protection. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado Statelaw provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the members combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under the Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan.

Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: **STATEWIDE DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the SWDBP (Continued)

A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at a rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 6 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021.

Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On December 31, 2022, the Town reported a net pension liability of \$42,712 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022.

The Town’s proportion of the net pension liability was based on Town contributions to the SWDBP for the calendar year 2022 relative to the total contributions of participating employers to the SWDBP.

On December 31, 2022, the Town’s proportion was 0.04812 percent which is an increase of 0.01678 from its proportion measured as of December 31, 2021. For the year ended December 31, 2023, the Town recognized pension revenue of \$15,392. On December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	Difference between expected and actual experience	\$74,451
Changes of assumptions or other inputs	\$44,288	N/A
Net difference between projected and actual earnings on pension plan investments	\$101,756	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$938	\$109,376
Contributions subsequent to the measurement date	\$43,900	N/A
Total	\$265,333	\$113,779

\$43,900 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2024.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2024	\$26,129
2025	42,916
2026	65,019
2027	1,855
2028	(5,092)
Thereafter	(23,173)

Actuarial assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Total Pension Liability

Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

Actuarial Determined Contributions

Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 years
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The actuarial assumption changes were effective January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The SWDBP’s long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table.

in the Fund target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	4.47%
Private Markets	34.00%	10.31%
Fixed Income – Rates	10.00%	5.45%
Fixed Income – Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

TOWN OF HUDSON
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate. Projected benefits payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

The expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release; and the resulting Single Discount rate is 7.00 percent.

Sensitivity of the Town’s proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage- point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.00%)	Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	\$294,453	\$42,712	(\$165,810)

Pension plan fiduciary net position. Detailed information about the SWDBP’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at www.fppaco.org.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: **STATEWIDE DEFINED BENEFIT PENSION PLAN** (Continued)

Subsequent Event

Statewide Retirement Plan

During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer-term stability for both plans in addition to simplification of administration, operation, and communication of benefits. The financial impact of the merger of plans is being determined.

Actuarial Experience Study

During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete the actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 29, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

NOTE 8: **OTHER RETIREMENT COMMITMENTS**

Statewide Money Purchase Pension Plan

The Town contributes to the Statewide Money Purchase Pension Plan, a multiple-employer defined contribution plan. The plan is administered by the Fire & Police Pension Association of Colorado ("FPPA"). The contribution requirements of the plan are established by state statute. Currently, the plan participants contribute 5.50% of base salary, and the Town contributes 4% of base salary. Participants are vested immediately in their contributions. Vesting in the Town's contributions and related investment earnings occurs at 20% per year after the first year of service, with full vesting after five years of service. During the year ended December 31, 2023 and 2022, the Town contributed \$43,900 and \$45,603 to the plan.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 8: **OTHER RETIREMENT COMMITMENTS** (Continued)

Deferred 457 Compensation Plan

The Town’s employees participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. Contribution to the deferred compensation plan is optional for employees. The Town is required to contribute 5% of each employee’s compensation to the plan if the employee was hired prior to October 5, 2022. For employees hired on or after October 5, 2022, the Town will match up to 5% of the employee’s contribution to the plan. The match will start after the employee passes their probationary period. Employees become vested in the Town’s contributions at 20% annually after one year of employment. The contribution requirements of the plan members and the Town are established and may be amended by the Town Board of Trustees. During the year ended December 31, 2023 and 2022 the Town contributed \$88,355 and \$45,462, respectively, to the plan. The plan investments are managed by the plan administrator, Empower Financial Services.

NOTE 9: **COMMITMENTS AND CONTINGENCIES**

Claims and Judgments

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. As of December 31, 2023, significant amounts of grant expenditures have not been audited but the Town believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

Lease and Operations Agreement with Allo Hudson, LLC

In June 2019, the Town entered into a master service agreement with Allo Hudson LLC (“Allo”) to provide certain services related to the design, construction, operation, and maintenance of the Hudson Fiber Network (HFN). The project is funded by a combination of state grants and Town funds. The construction of the infrastructure asset has been completed and placed in service in 2022.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 9: **COMMITMENTS AND CONTINGENCIES** (Continued)

Lease and Operations Agreement with Allo Hudson, LLC (Continued)

In June 2021, the Town entered into a Lease and Network Operations Agreement with Allo. Under the terms of the agreement, the Town grants Allo the exclusive right to use the HFN to operate the fiber network. Allo offers residential and business broadband internet access service to potential subscribers.

No payments for the operation of the HFN are due to the Town. The parties to the agreement may renew the agreement for an additional ten years after the initial term, and an additional ten years after the first renewal.

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Tabor Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Tabor Amendment is complex and subject to judicial interpretations. The Town believes it has complied with the Amendment.

In November 2009, the citizens of the Town approved a ballot question which authorized the Town to collect, retain, and expend the full proceeds generated by any revenue source of the Town notwithstanding any limitation contained in Article X, Section 20, of the Colorado Constitution and without limiting in any year the amount of other revenues that may be collected and spent by the Town under Article X, Section 20. The Town has established a reserve, representing 3% of qualifying expenditures, as required by the amendment.

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TOWN OF HUDSON
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

On December 31, 2023, the emergency reserve was reported as a restriction of fund balance in the following funds:

General Fund	\$ 165,700
Sales Tax Capital Improvement Fund	12,000
Property Tax Special Revenue Fund	116,000
Paving Sales Tax Fund	38,700
Conservation Trust Fund	6,100
Library Fund	113,900
Capital Reserve Fund	10,500
Facilities Impact Fee Fund	100
Street Impact Fee Fund	<u>500</u>
 Total	 <u>\$ 463,500</u>

NOTE 10: CHANGE IN ACCOUNTING PRINCIPLES- SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended December 31, 2023, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. For the year ended December 31, 2023, the Town has evaluated its existing agreements and has determined that no changes to the Town’s financial statements are required.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Property Taxes	\$ 2,324,776	\$ 2,324,776	\$ 2,320,756	\$ (4,020)	\$ 2,150,767
Specific Ownership Taxes	216,000	216,000	208,638	(7,362)	268,417
Sales and Use Taxes	647,378	647,378	1,065,127	417,749	804,131
Occupation Taxes	75	75	433	358	368
Franchise Fees	95,000	95,000	82,622	(12,378)	75,772
Intergovernmental	2,248,376	2,248,376	268,281	(1,980,095)	621,952
Charges for Services	110,200	110,200	21,416	(88,784)	25,125
Licenses and Permits	65,700	65,700	91,296	25,596	54,052
Fines and Forfeitures	140,095	140,095	325,753	185,658	176,454
Grants and Donations	-	-	36,390	36,390	157,568
Earnings on Investments	6,000	6,000	208,422	202,422	36,696
Miscellaneous	5,000	5,000	33,117	28,117	106,863
TOTAL REVENUES	5,858,600	5,858,600	4,662,251	(1,196,349)	4,478,165
EXPENDITURES					
Current					
General Government	1,556,993	1,704,492	1,636,610	67,882	1,383,290
Public Safety	1,906,079	1,908,983	1,902,485	6,498	1,601,221
Public Works	429,981	484,881	452,830	32,051	222,834
Parks and Recreation	164,362	227,008	201,753	25,255	81,798
Capital Outlay	83,270	83,270	214,956	(131,686)	198,306
TOTAL EXPENDITURES	4,140,685	4,408,634	4,408,634	-	3,487,449
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,717,915	1,449,966	253,617	(1,196,349)	990,716
OTHER FINANCING SOURCES (USES)					
Transfer Out	-	(33,233)	(33,233)	-	-
Gain from Sale of Assets	-	-	781,459	781,459	-
Lease Proceeds	-	-	129,365	129,365	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(33,233)	877,591	910,824	-
CHANGE IN FUND BALANCE	1,717,915	1,416,733	1,131,208	(285,525)	990,716
FUND BALANCES, Beginning	3,193,665	3,193,665	2,817,851	(375,814)	1,827,135
FUND BALANCES, Ending	\$ 4,911,580	\$ 4,610,398	\$ 3,949,059	\$ (661,339)	\$ 2,817,851

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PROPERTY TAX SPECIAL REVENUE FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Property Taxes	\$ 2,581,580	\$ 2,581,580	\$ 2,577,420	\$ (4,160)	\$ 2,388,631
Intergovernmental Revenue	-	-	-	-	710,657
Earnings on Investments	49,033	49,033	149,072	100,039	46,698
TOTAL REVENUES	2,630,613	2,630,613	2,726,492	95,879	3,145,986
EXPENDITURES					
Current					
General Government	658,889	658,889	685,510	(26,621)	645,590
Capital Outlay	1,815,000	3,141,308	3,179,686	(38,378)	757,100
TOTAL EXPENDITURES	2,473,889	3,800,197	3,865,196	(64,999)	1,402,690
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	156,724	(1,169,584)	(1,138,704)	30,880	1,743,296
OTHER FINANCING USES					
Transfer Out	(243,365)	(243,365)	(178,365)	65,000	(139,009)
TOTAL OTHER FINANCING USES	(243,365)	(243,365)	(178,365)	65,000	(139,009)
CHANGE IN FUND BALANCE	(86,641)	(1,412,949)	(1,317,069)	95,880	1,604,287
FUND BALANCES, Beginning	3,922,659	3,922,659	3,942,638	19,979	2,338,351
FUND BALANCES, Ending	<u>\$ 3,836,018</u>	<u>\$ 2,509,710</u>	<u>\$ 2,625,569</u>	<u>\$ 115,859</u>	<u>\$ 3,942,638</u>

See the accompanying independent auditor's report.

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

PAVING SALES TAX FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Sales and Use Tax	\$ 867,300	\$ 867,300	\$ 1,420,170	\$ 552,870	\$ 1,072,175
Earnings on Investments	2,065	2,065	111,861	109,796	31,458
TOTAL REVENUES	869,365	869,365	1,532,031	662,666	1,103,633
EXPENDITURES					
Current					
Public Works	10,800	10,800	382	10,418	200,000
Capital Outlay	577,160	577,160	60,707	516,453	-
Debt Service					
Principal	135,000	135,000	160,000	(25,000)	145,000
Interest	98,981	98,981	82,300	16,681	86,650
TOTAL EXPENDITURES	821,941	821,941	303,389	518,552	431,650
CHANGE IN FUND BALANCE	47,424	47,424	1,228,642	1,181,218	671,983
FUND BALANCES, Beginning	2,409,484	2,409,484	3,101,217	691,733	2,429,234
FUND BALANCES, Ending	<u>\$ 2,456,908</u>	<u>\$ 2,456,908</u>	<u>\$ 4,329,859</u>	<u>\$ 1,872,951</u>	<u>\$ 3,101,217</u>

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

HUDSON PUBLIC LIBRARY FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Intergovernmental	\$ 3,273,224	\$ 3,273,224	\$ 3,263,444	\$ (9,780)	\$ 2,037,093
Grants and Donations	5,000	5,000	4,403	(597)	5,606
Earnings on Investments	100,000	100,000	532,957	432,957	136,480
Miscellaneous	3,000	3,000	1,221	(1,779)	320
TOTAL REVENUES	3,381,224	3,381,224	3,802,025	420,801	2,179,499
EXPENDITURES					
Current					
Library	1,203,340	1,203,340	893,433	309,907	587,359
Capital Outlay	1,631,000	1,631,000	-	1,631,000	-
TOTAL EXPENDITURES	2,834,340	2,834,340	893,433	1,940,907	587,359
CHANGE IN FUND BALANCE	546,884	546,884	2,908,592	2,361,708	1,592,140
FUND BALANCES, Beginning	13,741,412	13,741,412	15,635,560	1,894,148	14,043,420
FUND BALANCES, Ending	\$ 14,288,296	\$ 14,288,296	\$ 18,544,152	\$ 4,255,856	\$ 15,635,560

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

Years Ended December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability (Asset)	0.04800%	0.03134%	0.01522%	0.01575%
Proportionate Share of the Net Pension Liability (Asset), \$	42,712	\$ (169,858)	\$ (33,043)	\$ (8,905)
Covered payroll	\$ 853,975	\$ 506,245	\$ 244,502	\$ 71,415
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	5.00%	-33.55%	-13.51%	-12.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.60%	116.20%	106.70%	101.90%

NOTE: Information for the prior six years is not available for this report

TOWN OF HUDSON, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

Years Ended December 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contributions	\$ 43,900	\$ 39,927	\$ 21,447	\$ 9,780	\$ 2,857
Contributions in Relation to the Contractually Required Contributions	<u>43,900</u>	<u>39,927</u>	<u>21,447</u>	<u>9,780</u>	<u>2,857</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 925,971	\$ 853,975	\$ 506,245	\$ 244,502	\$ 71,415
Contributions as a Percentage of Covered Payroll	4.74%	4.68%	4.24%	4.00%	4.00%

NOTE: Information for the prior five years was not available for this report.

See the accompanying independent auditor's report

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

TOWN OF HUDSON, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	SALES TAX CAPITAL IMPROVEMENT	CAPITAL RESERVE	CONSERVATION TRUST	PARK IMPACT FEES	FACILITIES IMPACT FEES	STREET IMPACT FEES	TOTALS
ASSETS							
Cash and Investments	\$ 1,594,256	\$ 119,716	\$ 4,442	\$ 4,855	\$ 40,453	\$ 176,418	\$ 1,940,140
Accounts Receivable	40,524	-	-	-	-	-	40,524
TOTAL ASSETS	\$ 1,634,780	\$ 119,716	\$ 4,442	\$ 4,855	\$ 40,453	\$ 176,418	\$ 1,980,664
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND EQUITY							
Fund Balance	1,622,780	-	(1,658)	-	-	-	1,621,122
Restricted for Fund Purpose	12,000	10,500	6,100	-	100	500	29,200
Restricted for Emergencies	-	109,216	-	4,855	40,353	175,918	330,342
Committed							
TOTAL FUND EQUITY	1,634,780	119,716	4,442	4,855	40,453	176,418	1,980,664
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,634,780	\$ 119,716	\$ 4,442	\$ 4,855	\$ 40,453	\$ 176,418	\$ 1,980,664

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	SALES TAX CAPITAL IMPROVEMENT	CAPITAL RESERVE	CONSERVATION TRUST	PARK IMPACT FEES	FACILITIES IMPACT FEES	STREET IMPACT FEES	TOTALS
REVENUES							
Sales and Use Taxes	\$ 355,042	\$ 81,817	\$ -	\$ -	\$ -	\$ -	\$ 436,859
Intergovernmental Revenue	-	-	23,257	-	-	-	23,257
Impact Fees	-	-	-	117	1,560	11,480	13,157
Interest Income	44,279	2,899	2,665	137	1,140	4,910	56,030
Miscellaneous	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 399,321	\$ 84,716	\$ 25,922	\$ 254	\$ 2,700	\$ 16,390	\$ 529,303
EXPENDITURES							
Current							
Parks and Recreation	-	-	203,629	-	-	-	203,629
Capital Outlay	183,808	348,749	-	-	-	-	532,557
TOTAL EXPENDITURES	183,808	348,749	203,629	-	-	-	736,186
NET CHANGE IN FUND BALANCES	215,513	(264,033)	(177,707)	254	2,700	16,390	(206,883)
FUND BALANCES, Beginning	1,419,267	383,749	182,149	4,601	37,753	160,028	2,187,547
FUND BALANCES, Ending	\$ 1,634,780	\$ 119,716	\$ 4,442	\$ 4,855	\$ 40,453	\$ 176,418	\$ 1,980,664

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE
 SALES TAX CAPITAL IMPROVEMENT FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Sales Taxes	\$ 242,760	\$ 242,760	\$ 355,042	\$ 112,282	\$ 268,044
Earnings on Investments	16,798	16,798	44,279	27,481	14,010
TOTAL REVENUES	<u>259,558</u>	<u>259,558</u>	<u>399,321</u>	<u>139,763</u>	<u>282,054</u>
EXPENDITURES					
Current					
Parks and Recreation	-	-	-	-	3,700
Capital Outlay	198,000	198,000	183,808	14,192	-
TOTAL EXPENDITURES	<u>198,000</u>	<u>198,000</u>	<u>183,808</u>	<u>14,192</u>	<u>3,700</u>
CHANGE IN FUND BALANCE	61,558	61,558	215,513	153,955	278,354
FUND BALANCES, Beginning	<u>1,343,854</u>	<u>1,343,854</u>	<u>1,419,267</u>	<u>75,413</u>	<u>1,140,913</u>
FUND BALANCES, Ending	<u>\$ 1,405,412</u>	<u>\$ 1,405,412</u>	<u>\$ 1,634,780</u>	<u>\$ 229,368</u>	<u>\$ 1,419,267</u>

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Use Taxes	\$ 50,000	\$ 50,000	\$ 81,817	\$ 31,817	\$ 19,910
Earnings on Investments	6,000	6,000	2,899	(3,101)	4,702
Miscellaneous	-	-	-	-	31,725
TOTAL REVENUES	<u>56,000</u>	<u>56,000</u>	<u>84,716</u>	<u>28,716</u>	<u>56,337</u>
EXPENDITURES					
Current					
Capital Outlay	<u>351,000</u>	<u>351,000</u>	<u>348,749</u>	<u>2,251</u>	<u>296,310</u>
TOTAL EXPENDITURES	<u>351,000</u>	<u>351,000</u>	<u>348,749</u>	<u>2,251</u>	<u>296,310</u>
CHANGE IN FUND BALANCE	(295,000)	(295,000)	(264,033)	30,967	(239,973)
FUND BALANCES, Beginning	<u>485,298</u>	<u>485,298</u>	<u>383,749</u>	<u>(101,549)</u>	<u>623,722</u>
FUND BALANCES, Ending	<u>\$ 190,298</u>	<u>\$ 190,298</u>	<u>\$ 119,716</u>	<u>\$ (70,582)</u>	<u>\$ 383,749</u>

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Intergovernmental Revenue	\$ 15,000	\$ 15,000	\$ 23,257	\$ 8,257	\$ 21,116
Earnings on Investments	800	800	2,665	1,865	1,898
TOTAL REVENUES	15,800	15,800	25,922	10,122	23,014
EXPENDITURES					
Parks and Recreation	-	203,630	203,629	1	-
TOTAL EXPENDITURES	-	203,630	203,629	1	-
CHANGE IN FUND BALANCE	15,800	(187,830)	(177,707)	10,123	23,014
FUND BALANCES, Beginning	171,735	171,735	182,149	10,414	159,135
FUND BALANCES, Ending	\$ 187,535	\$ (16,095)	\$ 4,442	\$ 20,537	\$ 182,149

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

PARK IMPACT FEES FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Impact Fees	\$ 100	\$ 100	\$ 117	\$ 17	\$ -
Earnings on Investments	2	2	137	135	50
TOTAL REVENUES	102	102	254	152	50
EXPENDITURES					
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
CHANGE IN FUND BALANCE	102	102	254	152	50
FUND BALANCES, Beginning	4,653	4,653	4,601	(52)	4,551
FUND BALANCES, Ending	<u>\$ 4,755</u>	<u>\$ 4,755</u>	<u>\$ 4,855</u>	<u>\$ 100</u>	<u>\$ 4,601</u>

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE
 FACILITIES IMPACT FEES FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Impact Fees	\$ 100	\$ 100	\$ 1,560	\$ 1,460	\$ -
Earnings on Investments	80	80	1,140	1,060	409
TOTAL REVENUES	180	180	2,700	2,520	409
EXPENDITURES					
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
CHANGE IN FUND BALANCE	180	180	2,700	2,520	409
FUND BALANCES, Beginning	37,477	37,477	37,753	276	37,344
FUND BALANCES, Ending	\$ 37,657	\$ 37,657	\$ 40,453	\$ 2,796	\$ 37,753

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

STREET IMPACT FEES FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Impact Fees	\$ 5,000	\$ 5,000	\$ 11,480	\$ 6,480	\$ -
Earnings on Investments	90	90	4,910	4,820	1,737
TOTAL REVENUES	5,090	5,090	16,390	11,300	1,737
EXPENDITURES					
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
CHANGE IN FUND BALANCE	5,090	5,090	16,390	11,300	1,737
FUND BALANCES, Beginning	163,381	163,381	160,028	(3,353)	158,291
FUND BALANCES, Ending	\$ 168,471	\$ 168,471	\$ 176,418	\$ 7,947	\$ 160,028

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

WATER FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Charges for Services	\$ 708,100	\$ 708,100	\$ 1,086,709	\$ 378,609	\$ 769,027
Tap Fees	48,000	48,000	15,554	(32,446)	71
Earnings on Investments	7,300	7,300	17,025	9,725	6,287
Other Revenues	13,800	13,800	4,245	(9,555)	34,305
Transfer In	-	-	52,568	52,568	-
TOTAL REVENUES	777,200	777,200	1,176,101	398,901	809,690
EXPENDITURES					
Current					
Operations and Maintenance	626,064	626,064	609,739	16,325	661,505
Administration	298,872	298,872	208,360	90,512	151,673
Capital Outlay	242,000	242,000	89,354	152,646	8,866
Debt Service	85,281	85,281	83,485	1,796	83,438
TOTAL EXPENDITURES	1,252,217	1,252,217	990,938	261,279	905,482
CHANGE IN NET POSITION, Budgetary Basis	\$ (475,017)	\$ (475,017)	185,163	\$ 660,180	(95,792)
Adjustments to GAAP Basis					
Debt Principal Payments			56,007		54,330
Capital Outlay			68,447		8,866
Depreciation			(186,275)		(193,290)
CHANGE IN NET POSITION, GAAP Basis			123,342		(225,886)
NET POSITION, Beginning			3,698,156		3,924,042
NET POSITION, Ending			\$ 3,821,498		\$ 3,698,156

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

WASTEWATER FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Charges for Services	\$ 447,000	\$ 447,000	\$ 445,128	\$ (1,872)	\$ 457,213
Tap Fees	5,000	5,000	-	(5,000)	-
Earnings on Investments	3,300	3,300	16,863	13,563	4,086
Other Revenues	-	-	9	9	-
Transfers In	-	-	159,030	159,030	139,009
TOTAL REVENUES	455,300	455,300	621,030	165,730	600,308
EXPENDITURES					
Current					
Operations and Maintenance	479,503	479,503	487,608	(8,105)	319,214
Administration	249,642	249,642	134,617	115,025	93,514
Capital Outlay	22,500	22,500	77,119	(54,619)	3,790
Debt Service	163,061	163,061	158,007	5,054	158,039
TOTAL EXPENDITURES	914,706	914,706	857,351	57,355	574,557
CHANGE IN NET POSITION, Budgetary Basis	\$ (459,406)	\$ (459,406)	(236,321)	\$ 223,085	25,751
Adjustments to GAAP Basis					
Debt Principal Payments			62,976		60,808
Capital Outlay			73,014		3,790
Depreciation			(233,703)		(232,171)
CHANGE IN NET POSITION, GAAP Basis			(334,034)		(141,822)
NET POSITION, Beginning			4,362,893		4,504,715
NET POSITION, Ending			\$ 4,028,859		\$ 4,362,893

See the accompanying independent auditor's report

COMPLIANCE

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

Honorable Mayor and Members of the Board of Trustees
Town of Hudson, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hudson, Colorado (the "Town") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated June 4, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

PB Solutions LLC

Littleton, Colorado
June 4, 2024

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/2023
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This Information From The Records Of: Town of Hudson	Prepared By: Kimberly Brown 303-536-9311
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 48,455.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 369,441.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 17,422.00
2. General fund appropriations		b. Snow and ice removal	\$ 21,052.00
3. Other local imposts (from page 2)	\$ 1,555,464.00	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 183,712.00	d. Total (a. through c.)	\$ 38,474.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 21,261.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 788,924.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 1,266,555.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ 82,300.00
7. Total (1 through 6)	\$ 1,739,176.00	b. Redemption	\$ 160,000.00
B. Private Contributions		c. Total (a. + b.)	\$ 242,300.00
C. Receipts from State government (from page 2)	\$ 116,208.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 1,855,384.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ 242,300.00
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,508,855.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	\$ 2,705,000.00		\$ 160,000.00	\$ 2,545,000.00
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 1,855,384.00	\$ 1,508,855.00		\$ 346,529.00

Notes and Comments:

The Town needed to concentrate on more pressing needs in our water and wastewater utilities in 2023. As a result, the town did maintenance to existing roads only. The town has plans to spend down the balance in the next couple of years through capital projects and equipment replacements.

LOCAL HIGHWAY FINANCE REPORT

STATE:
 COLORADO
 YEAR ENDING (mm/yy) 0
 0

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	\$ 116,772.00
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 1,335,347.00	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 11,479.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 208,638.00	g. Other Misc. Receipts	\$ 66,940.00
6. Total (1. through 5.)	\$ 1,555,464.00	h. Other	
c. Total (a. + b.)	\$ 1,555,464.00	i. Total (a. through h.)	\$ 183,712.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 104,664.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 11,544.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 11,544.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 116,208.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation		\$ 48,455.00	\$ 48,455.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 48,455.00	\$ 48,455.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 48,455.00	\$ 48,455.00

(Carry forward to page 1)

Notes and Comments: