

**TOWN OF
HUDSON, COLORADO**

BASIC FINANCIAL STATEMENTS

December 31, 2024

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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, 2024, 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, 2024, 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 42-47 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

May 27, 2025

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, 2024. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Net Position of the Town increased by \$7,490,671 (13.4%) during 2024.
- On December 31, 2024, the Town's governmental funds reported combined ending fund balances of \$36,944,469. This marked an increase of \$5,515,166 (17.5%) from the prior year's ending governmental fund balances.
- The Town's General Fund decreased its Fund Balance by \$227,526 (-5.8%) during 2024 primarily due to costs associated with economic development opportunities and annexations.
- The Town's water and wastewater funds' net positions increased by \$1,569,523 (20.0%) during 2024 primarily due to large one-time water tap fees from new larger developments.

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 *Reconciliation of the Governmental Funds Balance Sheet To The Statement Of Net Position* 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 government-wide financial statements.

The Town of Hudson maintains nine individual governmental funds. Information for these funds is presented by fund name in the *Governmental Funds Balance Sheet* and the *Governmental Funds 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 (Capital Projects 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." In 2024, the Sales Tax Capital Improvement Fund and Capital Reserve Fund were combined to create the Capital Projects Fund as both funds served the same purpose.

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, 2024, all funds had budgeted expenditures/expenses except the Park Impact Fee Fund and Street Impact Fee Fund.

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 \$63,241,769 at the close of 2024. As shown below, the Town's financial position improved by \$7,490,671 (13.4%) during 2024.

Town of Hudson's Condensed Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 41,631,166	\$ 36,701,747	\$ 4,922,384	\$ 3,201,191	\$ 46,553,550	\$ 39,902,938
Capital Assets, net	19,217,246	18,910,577	10,822,540	10,663,403	30,039,786	29,573,980
Net Pension Asset	-	-	-	-	-	-
Total assets	\$ 60,848,412	\$ 55,612,324	\$ 15,744,924	\$ 13,864,594	\$ 76,593,336	\$ 69,476,918
Deferred outflows of resources	\$ 408,370	\$ 438,678	\$ -	\$ -	\$ 408,370	\$ 438,678
Current liabilities	\$ 642,041	\$ 451,430	2,755,685	2,313,701	\$ 3,397,726	\$ 2,765,131
Noncurrent liabilities	2,450,362	2,619,117	3,569,359	3,700,536	6,019,721	6,319,653
Net Pension Liability	-	42,712	-	-	-	-
Total liabilities	\$ 3,092,403	\$ 3,113,259	\$ 6,325,044	\$ 6,014,237	\$ 9,417,447	\$ 9,084,784
Deferred inflows of resources	\$ 4,342,490	\$ 5,037,002	\$ -	\$ -	\$ 4,342,490	\$ 5,037,002
Net position:						
Net investment in capital assets	\$ 16,721,718	\$ 16,323,384	\$ 7,126,610	\$ 6,844,753	\$ 23,848,328	\$ 23,168,137
Restricted	5,573,305	6,375,781	-	-	5,573,305	6,375,781
Unrestricted	31,526,866	25,201,576	2,293,270	1,005,604	33,820,136	26,207,180
Total net position	\$ 53,821,889	\$ 47,900,741	\$ 9,419,880	\$ 7,850,357	\$ 63,241,769	\$ 55,751,098

Much (37.7%) of the Town's total net position on December 31, 2024, 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 8.8% (\$5,573,305) of the Town's total net position at the end of 2024 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 (\$5,104,485) and capital improvements (\$24,620). An additional \$444,200 is restricted for emergencies (TABOR).

The remaining amount of the Town's total net position at the end of 2024 (\$33,820,136) represents 53.5% 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 Reserve – Unrestricted Fund Balance to about 9 months (75%) of one year's expenditure budget.

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	
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 743,096	\$ 451,231	\$ 1,396,765	\$ 1,531,837	\$ 2,139,861	\$ 1,983,068
Operating grants & contributions	4,524,838	3,463,008	-	-	4,524,838	3,463,008
Capital grants & contributions	113,635	13,156	1,566,365	15,554	1,680,000	28,710
General Revenues						
Property taxes	5,211,858	5,106,814	-	-	5,211,858	5,106,814
Sales & use taxes	2,618,950	2,922,156	-	-	2,618,950	2,922,156
Other taxes	156,959	168,189	-	-	156,959	168,189
Investment income	1,487,494	1,058,342	69,193	33,888	1,556,687	1,092,230
Gain/(loss) on sale of capital assets	-	-	-	-	-	-
Other general revenues	229,660	69,206	1,610	4,254	231,270	73,460
Gain on Disposal of Assets	-	781,459	-	-	-	781,459
Total Revenues	\$ 15,086,490	\$ 14,033,561	\$ 3,033,933	\$ 1,585,533	\$ 18,120,423	\$ 15,619,094
Program expenses:						
General Government	\$ 4,100,777	\$ 2,450,972	\$ -	\$ -	\$ 4,100,777	\$ 2,450,972
Public safety	2,407,615	2,048,998	-	-	2,407,615	2,048,998
Public works	1,202,364	578,716	-	-	1,202,364	578,716
Parks & Recreation	162,918	989,210	-	-	162,918	989,210
Library	1,043,659	454,931	-	-	1,043,659	454,931
Water utility	-	-	838,542	1,025,281	838,542	1,025,281
Wastewater utility	-	-	664,232	860,033	664,232	860,033
Debt issuance costs	-	-	-	-	-	-
Interest on long-term debt	88,979	87,323	120,666	122,509	209,645	209,832
Total liabilities	\$ 9,006,312	\$ 6,610,150	\$ 1,623,440	\$ 2,007,823	\$ 10,629,752	\$ 8,617,973
Transfers In/(Out)	\$ (159,030)	\$ (211,598)	\$ 159,030	\$ 211,598	\$ -	\$ -
Increase/(decrease) in net position	\$ 5,921,148	\$ 7,211,813	\$ 1,569,523	\$ (210,692)	\$ 7,490,671	\$ 7,001,121
Net Position, Beginning	47,900,741	40,688,927	7,850,357	8,061,049	55,751,098	48,749,977
Net Position, Ending	\$ 53,821,889	\$ 47,900,741	\$ 9,419,880	\$ 7,850,357	\$ 63,241,769	\$ 55,751,098

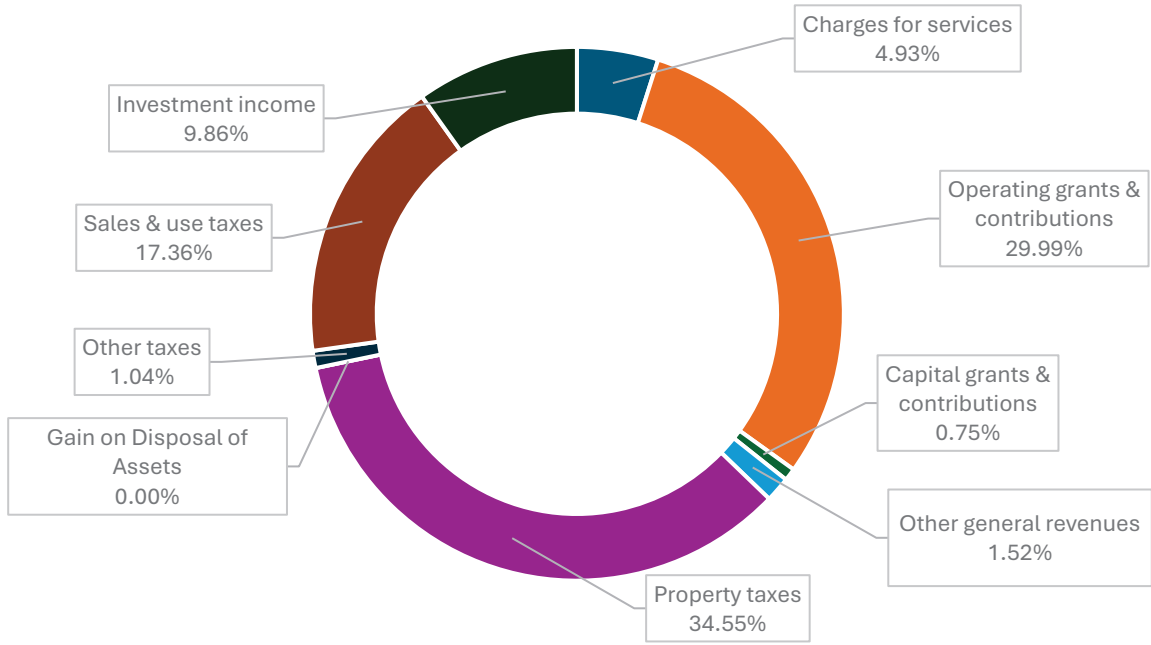
Governmental Activities

The Town's Governmental Activities increased in net position by \$5,921,148 (12.4%) in 2024. Key elements of this increase are as follows:

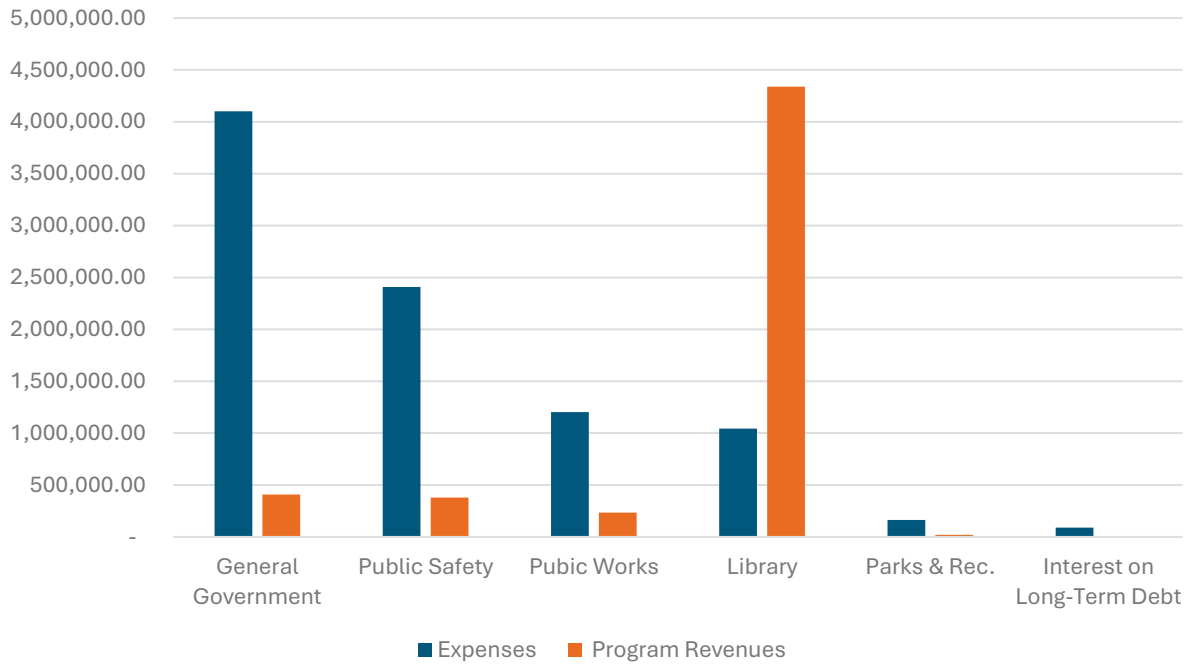
- Shared revenues from the High Plains Library District of \$4,334,556 outpaced Library expenses by \$3,262,144 (304.2%) in 2024. These revenues are tied to assessed property valuations which have increased in recent years due to development within the district.
- Sales and use taxes for streets and general purposes decreased by \$303,206 (-10.4%) in 2024.
- Transfers of property taxes to the Business-type Activities specifically for debt service payments decreased Governmental Activities net position by \$159,030 in 2024 compared to \$160,779 in 2023.
- Investment income increased from fairly insignificant amounts in prior years to \$1,556,687 in 2024 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.

Revenue by Source - Governmental Activities



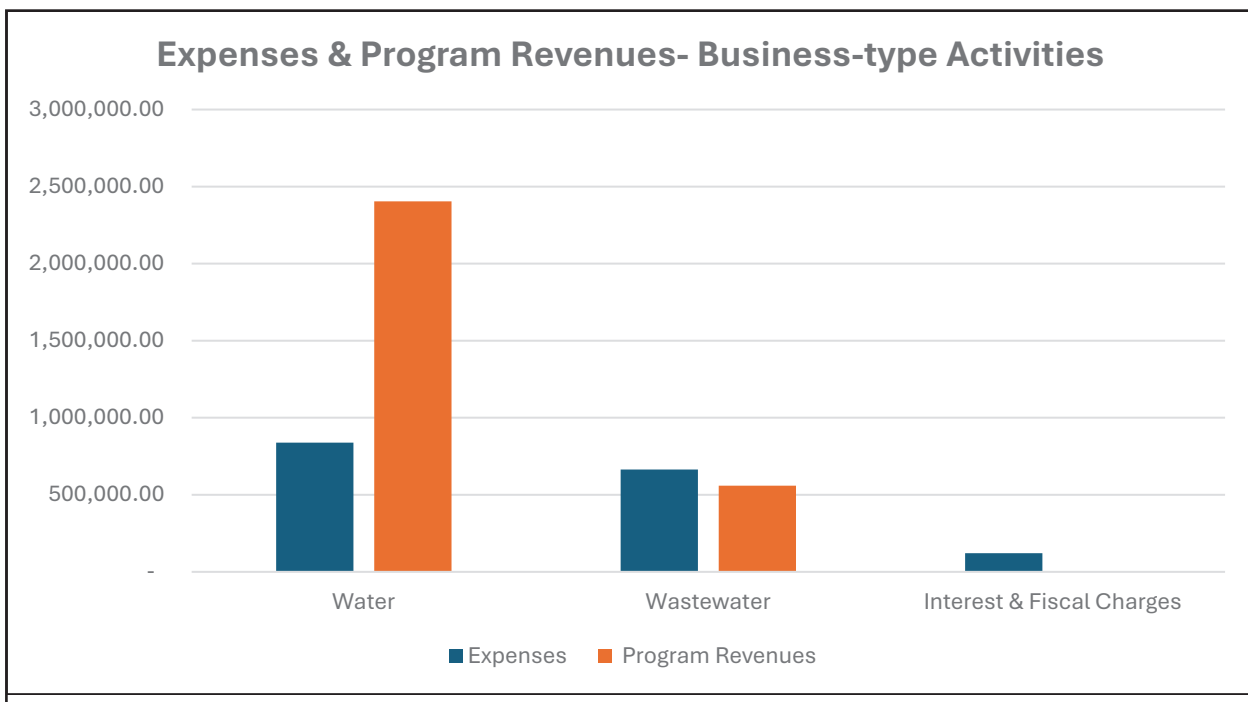
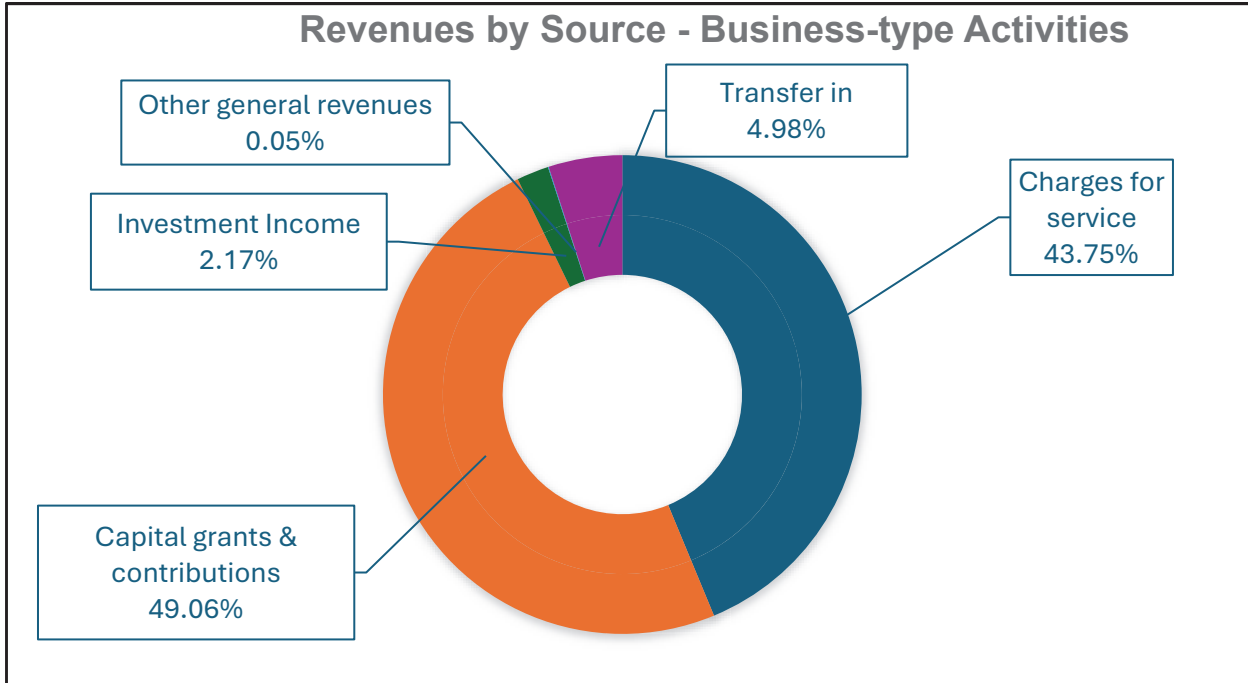
Expenses & Program Revenues- Governmental Activities



Business-type Activities

Business-type Activities decreased in net position by \$1,569,523 (20.0%) during 2024. Operating revenue exceeded operating expenses in the Water Fund by \$106,593. However, in the Wastewater Fund, operating expenses exceeded operating revenue by \$210,992. Management anticipates that rate increases as well as gradual growth in customer bases will address future revenue needs in these funds. In addition, the sale of the decommissioned lagoon property in 2023 has improved the net position of the Water Fund.

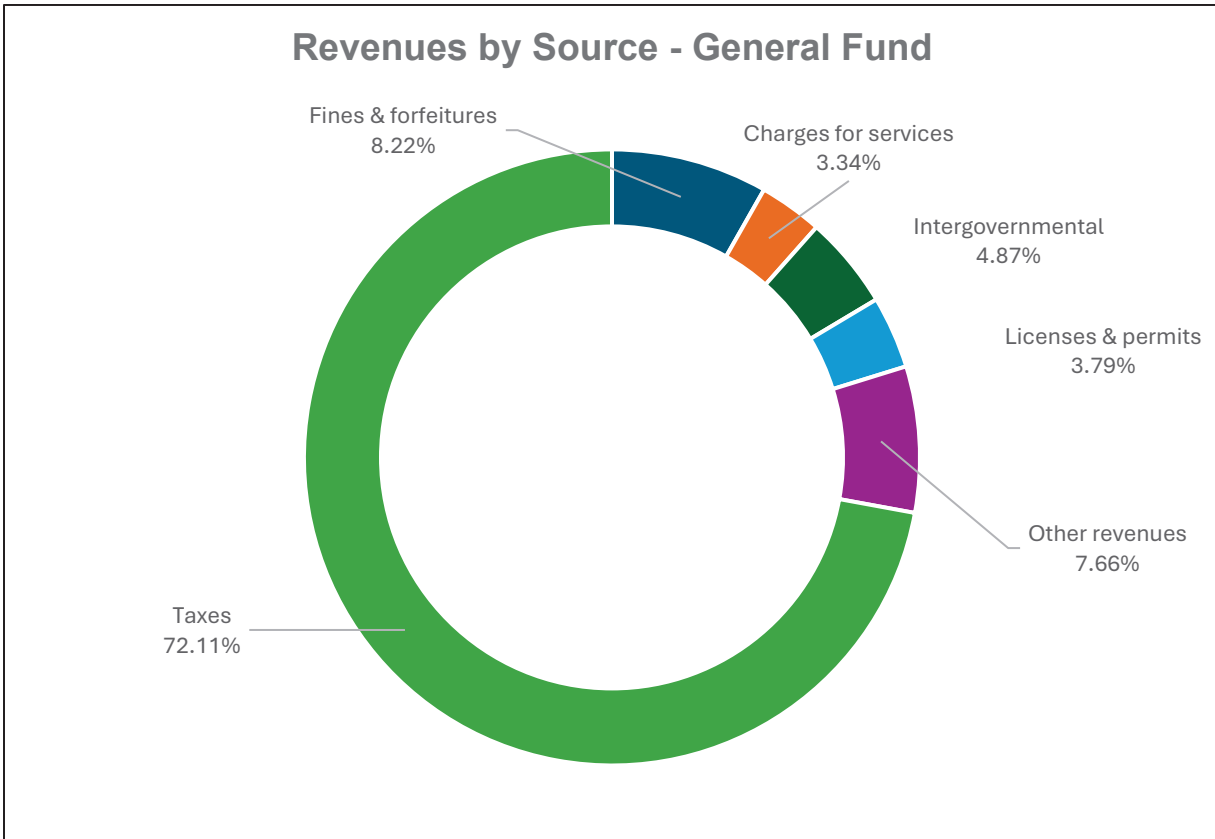
The following two charts illustrate the Business-type Activities revenues and expenses for 2024.



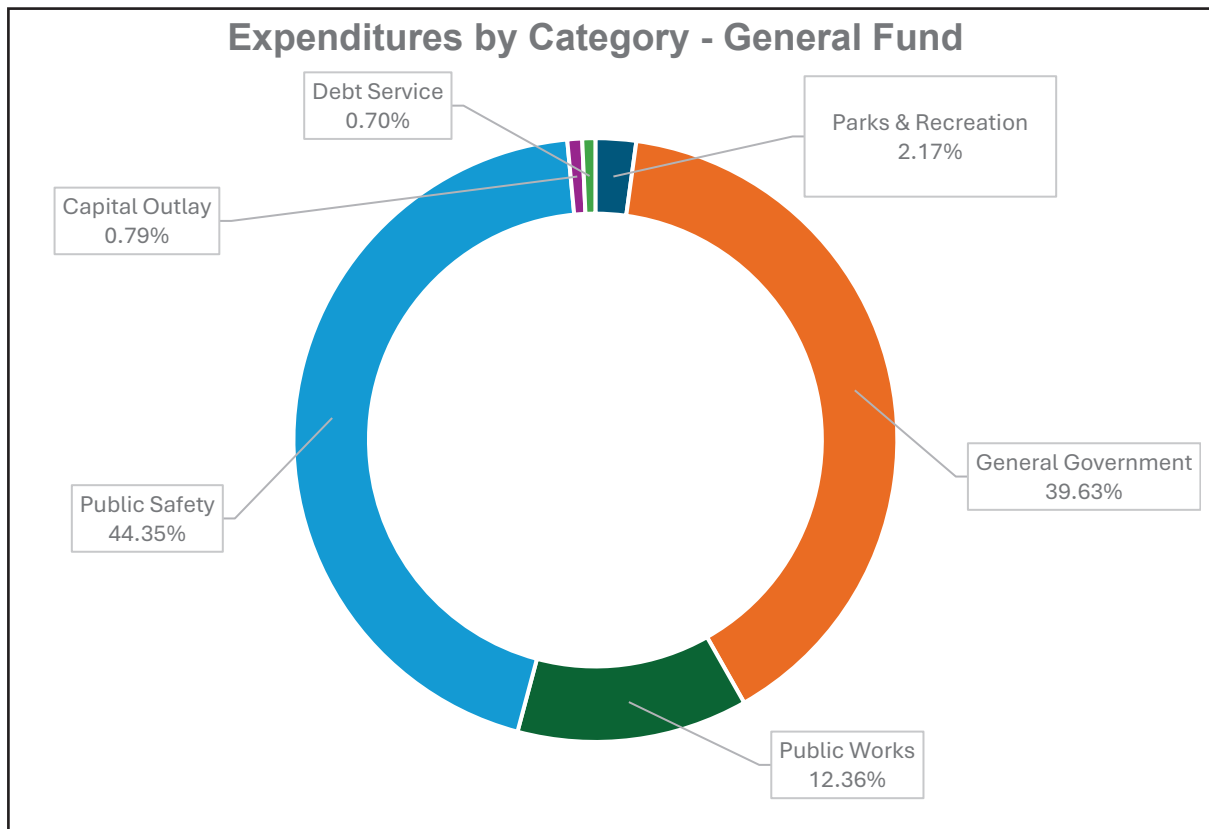
THE TOWN'S FUNDS

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, 2024, the Town's four major Governmental funds reported combined ending fund balances of \$36,944,469. 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 2024, the fund balance of the General Fund totaled \$3,721,533. This was a \$227,526 (-5.8%) decrease from 2023 primarily due to costs associated with economic development opportunities and annexations. Expenditures, excluding transfers, in 2024 totaled \$5,221,788. The following two tables illustrate General Fund revenues and expenditures during 2023.



Expenditures by Category - General Fund

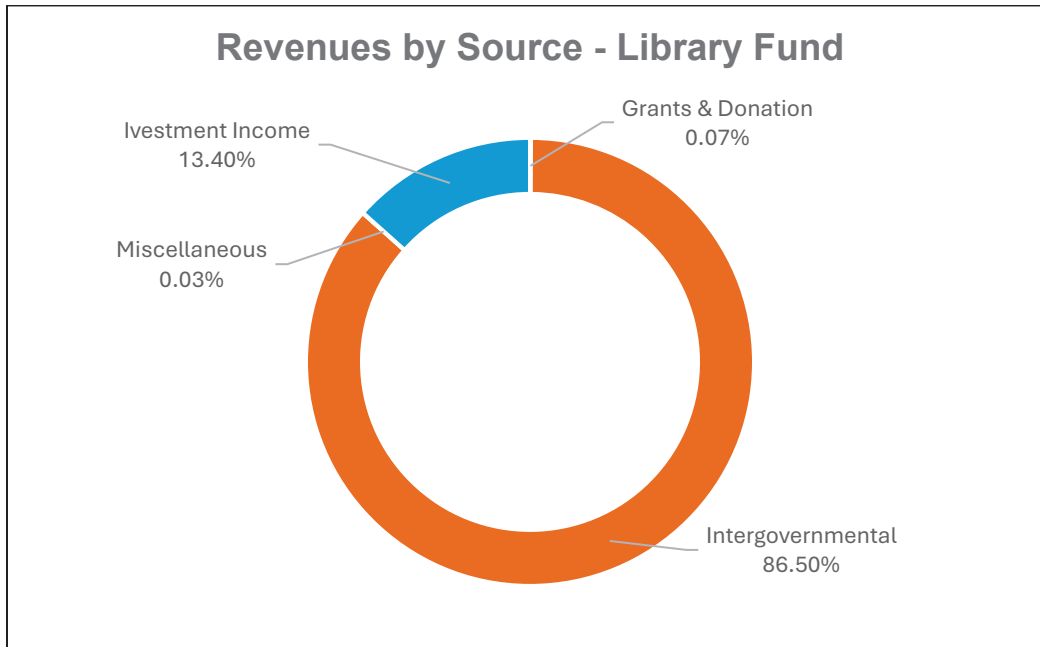


Property Tax Special Revenue Fund. This fund is mostly utilized to account for the capital acquisition and/or construction of capital projects and related debt service. Property taxes from a 15.966 mill levy are the primary revenues for the fund. Property tax revenues are subject to fluctuations in assessed property values from varying levels of oil and natural gas production. During 2024, the Town spent \$407,195 on Highway 52 improvements, \$87,913 on Water and Wastewater asset plan and master plan, and \$1,734,052 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. Fund revenues were greater than fund expenditures by \$775,727 before transfers in 2024.

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 2024 as sales taxes pledged in the Paving Sales Tax Fund were sufficient to make the debt service payments. A little over half of property taxes are shared with the associated payor for future development on the property, and this expense comes entirely out of this fund. During 2024, this revenue sharing expense totaled \$1,211,097.

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 2024, fund revenues exceeded expenditures by \$810,026 (132.3%), 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 (86.5%) 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 2024 fund revenues totaled \$5,010,921 and exceeded expenditures for operating costs (\$1,072,412) by \$3,938,509 (367.3%). The following chart illustrates Hudson Public Library Fund revenues during 2024.



The majority of fund expenditures were for general operations (\$943,246 or 88.0%). The small amount of capital outlay expenditures were for a new bookmobile.

Water Fund. On December 31, 2024, the net position of the Water Fund was \$5,422,678. This was an increase of \$1,601,180 (41.9%) from 2023. Most of the increase was attributable to water tap fees collected with a couple of large development projects in Town. The Fund had an operating income gain of \$106,593 in 2024.

Wastewater Fund. On December 31, 2024, the net position of the Wastewater Fund was \$3,997,202. This decreased by \$31,657 (-0.8%) from 2023. Most of the decrease was attributable to lower revenue due to the delay of rate increases until 2025, and higher than anticipated costs for repairs at the Wastewater Treatment Plant. The Fund had an operating loss of \$210,992 in 2024.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2024, the Town invested in a range of capital assets including 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 2024, the Town completed sidewalk improvements along Highway 52, made software, communications, and technology improvements, purchased four police vehicles, purchased a new bookmobile for the library, completed some exterior improvements at the library, and completed certain reverse osmosis water plant and wastewater treatment plant improvements.

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 2024, the governmental activities had a balance of \$2,380,000 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 \$2,843,299 owed on its 2011 Revenue Bonds, a \$325,600 balance on its 1995 general obligation bonds, and a \$527,031 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 increased the taxable assessed property value in the Town. The 2025 Budget anticipates some 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 2025 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, 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, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 36,477,460	\$ 4,548,929	\$ 41,026,389
Restricted Cash and Investments	294,768	245,342	540,110
Cash Held by County Treasurer	17,321	-	17,321
Receivables			
Property Taxes	4,244,356	-	4,244,356
Sales Taxes and Other	519,642	-	519,642
Accounts	-	128,113	128,113
Capital Assets, Not Depreciated	3,414,095	962,267	4,376,362
Capital Assets, Depreciated, Net of Accumulated Depreciation	15,803,151	9,860,273	25,663,424
Right to Use Asset, Net of Accumulated Amortization	77,619	-	77,619
TOTAL ASSETS	60,848,412	15,744,924	76,593,336
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges	160,013	-	160,013
Related to Pensions	248,357	-	248,357
TOTAL DEFERRED OUTFLOWS OF RESOURCES	408,370	-	408,370
LIABILITIES			
Accounts Payable	186,667	611,899	798,566
Accrued Expenses	133,640	-	133,640
Accrued Interest Payable	6,046	61,114	67,160
Deposits	44,415	1,956,101	2,000,516
Noncurrent Liabilities			
Due Within One Year	271,273	126,571	397,844
Due in More Than One Year	2,371,632	3,569,359	5,940,991
Compensated Absences Due in More Than One Year	78,730	-	78,730
TOTAL LIABILITIES	3,092,403	6,325,044	9,417,447
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	98,134	-	98,134
Deferred Property Tax Revenue	4,244,356	-	4,244,356
TOTAL DEFERRED INFLOWS OF RESOURCES	4,342,490	-	4,342,490
NET POSITION			
Net Investment in Capital Assets	16,721,718	7,126,610	23,848,328
Restricted	5,573,305	-	5,573,305
Unrestricted	31,526,866	2,293,270	33,820,136
TOTAL NET POSITION	\$ 53,821,889	\$ 9,419,880	\$ 63,241,769

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

TOWN OF HUDSON, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 4,100,777	\$ 402,737	\$ 900	\$ 5,713
Public Safety	2,407,615	329,146	50,623	-
Public Works	1,202,364	10,686	115,019	107,922
Library	1,043,659	227	4,338,221	-
Parks and Recreation	162,918	300	20,075	-
Interest and Fiscal Charges	88,979	-	-	-
Total Governmental Activities	9,006,312	743,096	4,524,838	113,635
Business-Type Activities				
Water	838,542	943,525	-	1,460,326
Wastewater	664,232	453,240	-	106,039
Interest and Fiscal Charges	120,666	-	-	-
Total Business-Type Activities	1,623,440	1,396,765	-	1,566,365
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				
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
\$ (3,691,427)	\$ -	\$ (3,691,427)
(2,027,846)	-	(2,027,846)
(968,737)	-	(968,737)
3,294,789	-	3,294,789
(142,543)	-	(142,543)
(88,979)	-	(88,979)
<u>(3,624,743)</u>	<u>-</u>	<u>(3,624,743)</u>
-	1,565,309	1,565,309
-	(104,953)	(104,953)
<u>-</u>	<u>(120,666)</u>	<u>(120,666)</u>
-	1,339,690	1,339,690
5,033,294	-	5,033,294
178,564	-	178,564
2,618,950	-	2,618,950
156,959	-	156,959
175,014	-	175,014
54,646	1,610	56,256
1,487,494	69,193	1,556,687
(159,030)	159,030	-
<u>9,545,891</u>	<u>229,833</u>	<u>9,775,724</u>
5,921,148	1,569,523	7,490,671
<u>47,900,741</u>	<u>7,850,357</u>	<u>55,751,098</u>
<u>\$ 53,821,889</u>	<u>\$ 9,419,880</u>	<u>\$ 63,241,769</u>

TOWN OF HUDSON, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	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	\$ 3,729,602	\$ 3,255,640	\$ 4,657,839	\$ 22,516,655	\$ 2,317,724	\$ 36,477,460	
Restricted Cash and Investments	-	-	294,768	-	-	294,768	
Cash Held by County Treasurer	17,321	-	-	-	-	17,321	
Taxes Receivable	2,011,044	2,233,312	-	-	-	4,244,356	
Accounts Receivable	273,892	-	196,600	-	49,150	519,642	
TOTAL ASSETS	\$ 6,031,859	\$ 5,488,952	\$ 5,149,207	\$ 22,516,655	\$ 2,366,874	\$ 41,553,547	
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 145,836	\$ 13,374	\$ 3,089	\$ 15,618	\$ 8,750	\$ 186,667	
Accrued Expenses	109,031	-	6,233	18,376	-	133,640	
Deposits	44,415	-	-	-	-	44,415	
TOTAL LIABILITIES	299,282	13,374	9,322	33,994	8,750	364,722	
DEFERRED INFLOWS OF RESOURCES							
Deferred Property Tax Revenues	2,011,044	2,233,312	-	-	-	4,244,356	
FUND BALANCES							
Restricted for Fund Purpose	-	-	5,104,485	-	24,620	5,129,105	
Restricted for Emergencies	156,000	82,000	35,400	150,200	20,600	444,200	
Committed	-	3,160,266	-	22,332,461	2,312,904	27,805,631	
Unassigned	3,565,533	-	-	-	-	3,565,533	
TOTAL FUND BALANCES	3,721,533	3,242,266	5,139,885	22,482,661	2,358,124	36,944,469	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,031,859	\$ 5,488,952	\$ 5,149,207	\$ 22,516,655	\$ 2,366,874	\$ 41,553,547	

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, 2024

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

Total fund balances of governmental funds \$ 36,944,469

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	20,584,187	
Accumulated Depreciation	(4,781,036)	
Right to Use Asset	129,365	
Accumulated Amortization	(51,746)	19,294,865

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	(6,046)	
Bond Payable	(2,380,000)	
Bond Premium	(93,796)	
Deferred Charges	160,013	
Lease Payable	(99,351)	
Compensated Absences	(148,488)	
Net Pension Liability	-	(2,567,668)

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	248,357	
Deferred inflows of resources - Related to Pensions	(98,134)	150,223

Net position of governmental activities \$ 53,821,889

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, 2024

	GENERAL FUND	PROPERTY TAX SPECIAL REVENUE FUND	PAVING SALES TAX FUND	HUDSON PUBLIC LIBRARY FUND
REVENUES				
Property Taxes	\$ 2,438,912	\$ 2,594,382	\$ -	\$ -
Specific Ownership Taxes	178,564	-	-	-
Sales and Use Taxes	893,874	-	1,191,832	-
Occupation Taxes	237	-	-	-
Franchise Fees	89,985	-	-	-
Intergovernmental Revenue	243,066	-	-	4,334,556
Impact Fees	-	-	-	-
Charges for Services	166,831	-	-	-
Licenses and Permits	189,494	-	-	-
Fines and Forfeitures	410,504	-	-	-
Grants and Donations	175,914	-	-	3,665
Investment Earnings	187,933	296,534	230,259	671,422
Miscellaneous	18,948	-	-	1,278
TOTAL REVENUES	4,994,262	2,890,916	1,422,091	5,010,921
EXPENDITURES				
Current				
General Government	2,069,149	1,734,052	-	-
Public Safety	2,316,111	-	-	-
Public Works	645,365	-	369,565	-
Library	-	-	-	943,246
Parks and Recreation	113,368	-	-	-
Capital Outlay	41,313	381,137	-	129,166
Debt Service				
Principal	30,014	-	165,000	-
Interest	6,468	-	77,500	-
TOTAL EXPENDITURES	5,221,788	2,115,189	612,065	1,072,412
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(227,526)	775,727	810,026	3,938,509
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	(159,030)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(159,030)	-	-
NET CHANGE IN FUND BALANCES	(227,526)	616,697	810,026	3,938,509
FUND BALANCES, Beginning	3,949,059	2,625,569	4,329,859	18,544,152
FUND BALANCES, Ending	\$ 3,721,533	\$ 3,242,266	\$ 5,139,885	\$ 22,482,661

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 5,033,294
-	178,564
533,244	2,618,950
-	237
-	89,985
20,075	4,597,697
113,635	113,635
-	166,831
-	189,494
-	410,504
-	179,579
101,346	1,487,494
-	20,226
768,300	15,086,490
85,566	3,888,767
-	2,316,111
-	1,014,930
-	943,246
-	113,368
305,274	856,890
-	195,014
-	83,968
390,840	9,412,294
377,460	5,674,196
-	(159,030)
-	(159,030)
377,460	5,515,166
1,980,664	31,429,303
\$ 2,358,124	\$ 36,944,469

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, 2024

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

Net change in fund balances - total governmental funds \$ 5,515,166

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	856,890	
Depreciation and amortization	(571,035)	
Loss on Disposal of Assets	(5,059)	280,796

Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.

Bond Principal Payments	165,000	
Lease Principal Payments	30,014	
Amortization of Deferred Charges	(13,332)	
Amortization of Bond Premium	7,909	
Changes in Accrued Interest Payable	412	
Changes in Compensated Absences	(106,198)	83,805

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		41,381
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Change in net position of governmental activities \$ 5,921,148

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

TOWN OF HUDSON, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2024

	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Cash and Investments	\$ 4,382,284	\$ 166,645	\$ 4,548,929
Restricted Cash and Investments	-	245,342	245,342
Accounts Receivable	77,509	50,604	128,113
Total Current Assets	<u>4,459,793</u>	<u>462,591</u>	<u>4,922,384</u>
Noncurrent Assets			
Capital Assets, Not Being Depreciated	962,267	-	962,267
Capital Assets, Net of Accumulated Depreciation	3,372,390	6,487,883	9,860,273
Total Noncurrent Assets	<u>4,334,657</u>	<u>6,487,883</u>	<u>10,822,540</u>
TOTAL ASSETS	<u>8,794,450</u>	<u>6,950,474</u>	<u>15,744,924</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	549,183	62,716	611,899
Deposits	1,956,101	-	1,956,101
Accrued Interest Payable	13,857	47,257	61,114
Bonds and Notes Payable, Current Portion	59,401	67,170	126,571
Total Current Liabilities	<u>2,578,542</u>	<u>177,143</u>	<u>2,755,685</u>
Noncurrent Liabilities			
Bonds and Notes Payable	793,230	2,776,129	3,569,359
Total Noncurrent Liabilities	<u>793,230</u>	<u>2,776,129</u>	<u>3,569,359</u>
TOTAL LIABILITIES	<u>3,371,772</u>	<u>2,953,272</u>	<u>6,325,044</u>
NET POSITION			
Net Investment in Capital Assets	3,482,026	3,644,584	7,126,610
Unrestricted	1,940,652	352,618	2,293,270
TOTAL NET POSITION	<u>\$ 5,422,678</u>	<u>\$ 3,997,202</u>	<u>\$ 9,419,880</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, 2024

	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for Services	\$ 943,525	\$ 453,240	\$ 1,396,765
Other Revenues	1,610	-	1,610
TOTAL OPERATING REVENUES	<u>945,135</u>	<u>453,240</u>	<u>1,398,375</u>
OPERATING EXPENSES			
Operations and Maintenance	649,043	429,023	1,078,066
Depreciation	189,499	235,209	424,708
TOTAL OPERATING EXPENSES	<u>838,542</u>	<u>664,232</u>	<u>1,502,774</u>
NET OPERATING INCOME (LOSS)	<u>106,593</u>	<u>(210,992)</u>	<u>(104,399)</u>
NON-OPERATING REVENUES (EXPENSES)			
Earnings on Investments	60,920	8,273	69,193
Interest Expense	(26,659)	(94,007)	(120,666)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>34,261</u>	<u>(85,734)</u>	<u>(51,473)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>140,854</u>	<u>(296,726)</u>	<u>(155,872)</u>
Tap Fees	1,460,326	106,039	1,566,365
Transfers In	-	159,030	159,030
CHANGE IN NET POSITION	<u>1,601,180</u>	<u>(31,657)</u>	<u>1,569,523</u>
NET POSITION, Beginning	<u>3,821,498</u>	<u>4,028,859</u>	<u>7,850,357</u>
NET POSITION, Ending	<u>\$ 5,422,678</u>	<u>\$ 3,997,202</u>	<u>\$ 9,419,880</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, 2024
 Increase (Decrease) in Cash and Cash Equivalents

	WATER	WASTEWATER	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 947,165	\$ 453,920	\$ 1,401,085
Cash Paid to Suppliers and Employees	(166,922)	(477,617)	(644,539)
Net Cash Provided (Used) by Operating Activities	<u>780,243</u>	<u>(23,697)</u>	<u>756,546</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Payments to/from Other Funds	1,955,000	159,030	2,114,030
Net Cash Provided by Noncapital Financing Activities	<u>1,955,000</u>	<u>159,030</u>	<u>2,114,030</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(504,581)	(79,264)	(583,845)
Principal Payments on Long Term Debt	(57,697)	(65,023)	(122,720)
Interest Payments	(26,659)	(94,007)	(120,666)
Tap Fees and Capital Contributions	1,460,326	106,039	1,566,365
Net Cash Provided (Used) by Capital Financing Activities	<u>871,389</u>	<u>(132,255)</u>	<u>739,134</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	60,920	8,273	69,193
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,667,552</u>	<u>11,351</u>	<u>3,678,903</u>
CASH AND CASH EQUIVALENTS, Beginning	<u>714,732</u>	<u>400,636</u>	<u>1,115,368</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 4,382,284</u>	<u>\$ 411,987</u>	<u>\$ 4,794,271</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 106,593	\$ (210,992)	\$ (104,399)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Depreciation Expense	189,499	235,209	424,708
Changes in Assets and Liabilities			
Accounts Receivable	2,030	680	2,710
Accounts Payable	488,690	(41,041)	447,649
Accrued Expenses	(4,001)	(4,985)	(8,986)
Compensated Absences	(2,568)	(2,568)	(5,136)
Total Adjustments	<u>673,650</u>	<u>187,295</u>	<u>860,945</u>
Net Cash Used by Operating Activities	<u>\$ 780,243</u>	<u>\$ (23,697)</u>	<u>\$ 756,546</u>

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

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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, 2024

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, 2024

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, 2024

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	10 - 30 years

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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 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.

Town employees also accrue personal leave time (sick leave) based on their length of employment and are allowed to accumulate unused sick leave. Once an employee has reached their maximum accrual of 240 hours, accrual of sick leave stops. Sick leave is not paid to the employee upon termination of employment. The Town estimates that approximately 20% of the sick leave awarded to employees each year is used during the year.

These compensated absences are expended when paid in the governmental fund types. A long-term liability in the amount of \$148,488 has been recorded in the governmental activities 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, 2024

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, 2024

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, 2024.

- 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 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, 2024

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 Capital Projects Fund, the Park Impact Fees Fund, the Facilities Impact Fees Fund, and the Street Impact Fees Fund as committed resources for the respective fund purpose as of December 31, 2024.
- 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, 2024.
- 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, 2024

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, 2024 through May 27, 2025, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

On April 30, 2025, the Town purchased land in order to secure water rights from a private landowner. The total amount of the purchase was \$600,396. Funding for the purchase was provided by the Town's Water Fund.

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, 2024

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.

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TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3: CASH AND INVESTMENTS

Cash and investments on December 31, 2024, consist of the following:

Petty Cash	\$	905
Deposits		26,084,819
Investments		15,480,775
Total		\$ 41,566,499

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

Cash and Investments - Governmental Activities	\$	36,477,460
Cash and Investments - Governmental Activities, Restricted		294,768
Cash and Investments - Business-Type Activities		4,548,929
Cash and Investments - Business-Type Activities, Restricted		245,342
Total		\$ 41,566,499

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, 2024, 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, 2024, the Town had deposits with financial institutions with a carrying amount of \$26,084,819. The bank balances with the financial institutions were \$25,938,564. Of these balances, \$1,365,116 was covered by federal depository insurance and \$24,573,448 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, 2024

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, 2024

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

Local Government Investment Pools

The Town had invested \$15,480,775 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 (net asset value). 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 \$294,768 and \$245,342 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, 2024

NOTE 4: CAPITAL ASSETS

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 3,292,805	\$ -	\$ -	\$ 3,292,805
Construction in Progress	121,290	-	-	121,290
Total Capital Assets, Not Depreciated	3,414,095	-	-	3,414,095
Capital Asset, Being Depreciated/Amortized				
Land Improvements	1,141,913	-	-	1,141,913
Infrastructure	7,861,198	339,924	-	8,201,122
Buildings	9,077,000	8,940	-	9,085,940
Machinery and Equipment	1,718,010	508,026	70,824	2,155,212
RTU - Equipment	129,365	-	-	129,365
Total Capital Assets, Being Depreciated/Amortized	19,927,486	856,890	70,824	20,713,552
Accumulated Depreciation and Amortization				
Land Improvements	387,489	49,550	-	437,039
Infrastructure	1,840,661	178,574	-	2,019,235
Buildings	1,242,429	178,932	-	1,421,361
Machinery and Equipment	831,060	138,106	65,765	903,401
RTU - Equipment	25,873	25,873	-	51,746
Total Depreciation and Amortization	4,327,512	571,035	65,765	4,832,782
Capital Assets, Depreciated/Amortized, Net	15,599,974	285,855	5,059	15,880,770
Net Capital Assets	\$ 19,014,069	\$ 285,855	\$ 5,059	\$ 19,294,865

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 4: **CAPITAL ASSETS** (Continued)

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

General Government	\$ 105,812
Public Safety	127,826
Public Works	187,434
Library	100,413
Parks and Recreation	<u>49,550</u>
 Total	 <u>\$ 571,035</u>

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Business-Type Activities				
Capital Assets, Not Depreciated				
Water Rights	\$ 962,267	\$ -	\$ -	\$ 962,267
Capital Asset, Being Depreciated				
Water System	7,666,503	504,581	-	8,171,084
Wastewater System	9,579,401	79,264	-	9,658,665
Machinery and Equipment	299,032	-	-	299,032
Total Capital Assets, Being Depreciated	17,544,936	583,845	-	18,128,781
Accumulated Depreciation				
Water System	4,706,375	180,561	-	4,886,936
Wastewater System	2,949,682	233,417	-	3,183,099
Machinery and Equipment	187,743	10,730	-	198,473
Total Depreciation	7,843,800	424,708	-	8,268,508
Capital Assets, Depreciated Net	9,701,136	159,137	-	9,860,273
Net Capital Assets	\$ 10,663,403	\$ 159,137	\$ -	\$ 10,822,540

Depreciation expense in the amount of \$189,499 and \$235,209 was charged to the Water Fund and Wastewater Fund, respectively.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 5: LONG-TERM DEBT

The following is a summary of the Town’s long-term debt transactions for the year ended December 31, 2024:

Governmental Activities	12/31/2023			12/31/2024	
	Balance	Additions	Payments	Balance	Due Within One Year
2016 Bonds	\$2,545,000	\$ -	\$ 165,000	\$2,380,000	\$ 170,000
Bond Premium	101,705	-	7,909	93,796	-
Lease Payable	129,365	-	30,014	99,351	31,515
Compensated Absences	42,290	106,198	-	148,488	69,758
Total	\$2,818,360	\$ 106,198	\$ 202,923	\$2,721,635	\$ 271,273

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, 2024

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>
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	185,000	51,550	236,550
2030-2034	1,035,000	169,850	1,204,850
2035-2036	460,000	22,588	482,588
Total	<u>\$ 2,380,000</u>	<u>\$ 503,138</u>	<u>\$ 2,883,138</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>
2025	\$ 31,515	\$ 4,968	\$ 36,483
2026	33,091	3,392	36,483
2027	34,745	1,738	36,483
Total	<u>\$ 99,351</u>	<u>\$ 10,098</u>	<u>\$109,449</u>

Business-Type Activities	<u>12/31/2023</u>			<u>12/31/2024</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u>	<u>Due Within One Year</u>
1995 Water Revenue Bonds	\$ 348,100	\$ -	\$ 22,500	\$ 325,600	\$ 23,500
1994 CWCB Loan	562,228	-	35,197	527,031	35,901
2011 Revenue Bonds	2,908,322	-	65,023	2,843,299	67,170
Compensated Absences	5,136	-	5,136	-	-
Total	<u>\$3,823,786</u>	<u>\$ -</u>	<u>\$ 127,856</u>	<u>\$3,695,930</u>	<u>\$ 126,571</u>

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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>
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	28,100	9,806	37,906
2030-2034	160,800	28,654	189,454
2035	36,100	1,219	37,319
Total	\$ 325,600	\$ 90,635	\$ 416,235

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, 2024

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>
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	38,860	7,581	46,441
2030-2034	206,272	25,933	232,205
2035-2037	133,930	5,393	139,323
Total	<u>\$ 527,031</u>	<u>\$ 76,702</u>	<u>\$ 603,733</u>

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, 2024

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>
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	76,416	82,614	159,030
2030-2034	421,315	373,835	795,150
2035-2039	495,006	300,144	795,150
2040-2044	581,590	213,560	795,150
2045-2049	683,315	111,835	795,150
2050-2051	303,481	14,951	318,432
Total	<u>\$ 2,843,299</u>	<u>\$ 1,450,883</u>	<u>\$ 4,294,182</u>

NOTE 6: INTERFUND BALANCES AND TRANSFERS

During the year ended December 31, 2024, the Property Tax Special Revenue Fund transferred \$159,030 to the Wastewater Fund to cover a portion of the debt service expenses.

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, 2024

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. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of services totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least 5 years of credited service.

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.

The annual normal retirement benefit of the Defined Benefit Component 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.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the SWDBP (Continued)

Beginning January 1, 2007, the annual normal retirement benefits for the Social Security Component is 1 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years plus 1.25 percent of the average of the members' highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefits started as of age 62.

The annual benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022, and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost-of-living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent of the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5 percent as interest returned as a lump sum distribution in lieu of retirement benefits.

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.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

General Information about the SWDBP (Continued)

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 10.75 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members, and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2023, the total minimum combined member and employer contribution rate was 16.25 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2023, through June 30, 2024, is 14.24 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023, through June 30, 2023, was 13.90 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

General Information about the SWDBP (Continued)

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occur according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

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

On December 31, 2023, the Town reported a net pension liability of \$0 for its proportionate share of the net pension asset. The net pension asset/liability was measured as of December 31, 2023, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of January 1, 2023.

The Town's proportion of the net pension asset/liability was based on Town contributions to the SWDBP for the calendar year 2023 relative to the total contributions of participating employers to the SWDBP.

On December 31, 2023, the Town's proportion was 0.04704 percent which is a decrease of 0.00108 from its proportion measured as of December 31, 2022. For the year ended December 31, 2024, the Town recognized pension revenue of \$41,381.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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)

On December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$60,462	\$3,535
Changes of assumptions or other inputs	\$40,411	N/A
Net difference between projected and actual earnings on pension plan investments	\$69,425	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$4,675	\$94,599
Contributions subsequent to the measurement date	\$73,384	N/A
Total	\$248,357	\$98,134

\$73,384 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, 2025.

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,	
2025	\$37,275
2026	59,353
2027	(4,122)
2028	(1,788)
2029	5,545
Thereafter	(19,424)

TOWN OF HUDSON
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2024

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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, 2024
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, 2023
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%

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.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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, 2023 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.33%
Equity Long/Short	6.00%	7.27%
Private Markets	34.00%	10.31%
Fixed Income – Rates	10.00%	5.35%
Fixed Income – Credit	5.00%	6.90%
Absolute Return	9.00%	6.39%
Cash	1.00%	4.32%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF HUDSON
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2024

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board’s Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board’s policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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 3.77 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)	\$263,751	\$0	\$0

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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.

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, 2024 and 2023, the Town contributed \$0 and \$43,900 to the plan.

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, 2024, and 2023 the Town contributed \$66,404 and \$88,355, respectively, to the plan. The plan investments are managed by the plan administrator, Empower Financial Services.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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, 2024, 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 was placed in service in 2022.

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.

TOWN OF HUDSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

Enhanced Sales Tax Incentive Program Agreement (ESTIP)

On February 7, 2024, the Town entered into an Enhanced Sales Tax Incentive Program (ESTIP) Agreement with Pilot Travel Centers, LLC. The term of the agreement is 10 years from the date of issuance of the first certificate of occupancy for a retail or commercial business on the property owned by Pilot Travelers, LLC.

Under the terms of the agreement, the Town will segregate 100 percent of the ESTIP collected by the Town and derived from the property for the ESTIP. From the allocated revenues, the Town will pay Pilot Travel Centers, LLC up to the actual cost incurred by Pilot Travel Centers, LLC for the construction and installation of public improvements but not to exceed the maximum amount of \$1,991,026.

No payments were made by the Town under the terms of the agreement during the fiscal year ended December 31, 2024.

Intergovernmental Agreement – City of Fort Lupton

The Town entered into an intergovernmental agreement with the City of Fort Lupton in July of 1995 to provide for the construction, operation, and maintenance of the water treatment plant to treat raw water, owned, controlled, by the respective parties to the agreement. Upon completion of the original water treatment plant, each party owned the following rights and interests, Fort Lupton owns an undivided five-sixth of the treatment capacity and personal property which constitutes the physical plant. The Town owns the remaining one-sixth interest.

Separate flow meters are installed at the discharge point of the plant and at which treated water is delivered to the separate delivery systems of Fort Lupton and the Town. Monthly operating and fixed costs are billed to the Town and are based on the number of gallons of treated water delivered.

In addition to monthly operating costs, the Town is also responsible for its one-sixth share of the cost of any capital improvements or expansions.

During the year ended December 31, 2024, the Town paid \$190,543 for fixed and operating costs and \$494,016 for facility expansion expenses to the City of Fort Lupton under the terms of the agreement.

TOWN OF HUDSON
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2024

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

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.

On December 31, 2024, the emergency reserve was reported as a restriction of fund balance in the following funds:

General Fund	\$ 156,000
Property Tax Special Revenue Fund	82,000
Paving Sales Tax Fund	35,400
Conservation Trust Fund	600
Library Fund	150,200
Capital Projects Fund	18,600
Facilities Impact Fee Fund	900
Street Impact Fee Fund	<u>500</u>
 Total	 <u>\$ 444,200</u>

NOTE 10: RESTATEMENT OF BEGINNING BALANCES

During the fiscal year ended December 31, 2024, the Town no longer reports the Sales Tax Capital Improvement Fund and Capital Reserve Fund. The beginning balances of these funds were combined in a newly created fund, the Capital Projects Fund. The Town’s total beginning fund balances in the combining statement of revenues, expenditures, and changes in fund balances – non major governmental funds remain unchanged.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Property Taxes	\$ 2,411,522	\$ 2,411,522	\$ 2,438,912	\$ 27,390	\$ 2,320,756
Specific Ownership Taxes	295,700	295,700	178,564	(117,136)	208,638
Sales and Use Taxes	1,188,600	1,188,600	893,874	(294,726)	1,065,127
Occupation Taxes	-	-	237	237	433
Franchise Fees	-	-	89,985	89,985	82,622
Intergovernmental	257,141	257,141	243,066	(14,075)	268,281
Charges for Services	46,033	46,033	166,831	120,798	21,416
Licenses and Permits	72,395	72,395	189,494	117,099	91,296
Fines and Forfeitures	318,920	318,920	410,504	91,584	325,753
Grants and Donations	15,000	15,000	175,914	160,914	36,390
Earnings on Investments	95,925	95,925	187,933	92,008	208,422
Miscellaneous	10,917	10,917	18,948	8,031	33,117
TOTAL REVENUES	4,712,153	4,712,153	4,994,262	282,109	4,662,251
EXPENDITURES					
Current					
General Government	1,248,730	1,837,673	2,069,149	(231,476)	1,636,610
Public Safety	2,322,415	2,322,415	2,316,111	6,304	1,902,485
Public Works	730,666	730,666	645,365	85,301	452,830
Parks and Recreation	331,034	331,034	113,368	217,666	201,753
Capital Outlay	-	-	41,313	(41,313)	214,956
Debt Service					
Principal	-	-	30,014	(30,014)	-
Interest	-	-	6,468	(6,468)	-
TOTAL EXPENDITURES	4,632,845	5,221,788	5,221,788	-	4,408,634
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	79,308	(509,635)	(227,526)	282,109	253,617
OTHER FINANCING SOURCES (USES)					
Transfer Out	-	-	-	-	(33,233)
Gain from Sale of Assets	-	-	-	-	781,459
Lease Proceeds	-	-	-	-	129,365
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	877,591
CHANGE IN FUND BALANCE	79,308	(509,635)	(227,526)	282,109	1,131,208
FUND BALANCES, Beginning	4,796,274	4,796,274	3,949,059	(847,215)	2,817,851
FUND BALANCES, Ending	\$ 4,875,582	\$ 4,286,639	\$ 3,721,533	\$ (565,106)	\$ 3,949,059

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PROPERTY TAX SPECIAL REVENUE FUND
 Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Property Taxes	\$ 2,678,064	\$ 2,678,064	\$ 2,594,382	\$ (83,682)	\$ 2,577,420
Intergovernmental Revenue	-	-	-	-	-
Earnings on Investments	34,469	34,469	296,534	262,065	149,072
TOTAL REVENUES	2,712,533	2,712,533	2,890,916	178,383	2,726,492
EXPENDITURES					
Current					
General Government	1,348,184	1,348,184	1,734,052	(385,868)	685,510
Capital Outlay	1,011,140	1,011,140	381,137	630,003	3,179,686
TOTAL EXPENDITURES	2,359,324	2,359,324	2,115,189	244,135	3,865,196
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	353,209	353,209	775,727	422,518	(1,138,704)
OTHER FINANCING USES					
Transfer Out	-	-	(159,030)	(159,030)	(178,365)
TOTAL OTHER FINANCING USES	-	-	(159,030)	(159,030)	(178,365)
CHANGE IN FUND BALANCE	353,209	353,209	616,697	263,488	(1,317,069)
FUND BALANCES, Beginning	1,723,436	1,723,436	2,625,569	902,133	3,942,638
FUND BALANCES, Ending	<u>\$ 2,076,645</u>	<u>\$ 2,076,645</u>	<u>\$ 3,242,266</u>	<u>\$ 1,165,621</u>	<u>\$ 2,625,569</u>

See the accompanying independent auditor's report.

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

PAVING SALES TAX FUND

Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Sales and Use Tax	\$ 1,620,000	\$ 1,620,000	\$ 1,191,832	\$ (428,168)	\$ 1,420,170
Earnings on Investments	74,950	74,950	230,259	155,309	111,861
TOTAL REVENUES	1,694,950	1,694,950	1,422,091	(272,859)	1,532,031
EXPENDITURES					
Current					
Public Works	245,478	245,478	369,565	(124,087)	382
Capital Outlay	277,500	277,500	-	277,500	60,707
Debt Service					
Principal	165,000	165,000	165,000	-	160,000
Interest	77,500	77,500	77,500	-	82,300
TOTAL EXPENDITURES	765,478	765,478	612,065	153,413	303,389
CHANGE IN FUND BALANCE	929,472	929,472	810,026	(119,446)	1,228,642
FUND BALANCES, Beginning	3,747,484	3,747,484	4,329,859	582,375	3,101,217
FUND BALANCES, Ending	\$ 4,676,956	\$ 4,676,956	\$ 5,139,885	\$ 462,929	\$ 4,329,859

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE
 HUDSON PUBLIC LIBRARY FUND
 Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Intergovernmental	\$ 4,339,050	\$ 4,339,050	\$ 4,334,556	\$ (4,494)	\$ 3,263,444
Grants and Donations	5,000	5,000	3,665	(1,335)	4,403
Earnings on Investments	500,000	500,000	671,422	171,422	532,957
Miscellaneous	2,500	2,500	1,278	(1,222)	1,221
TOTAL REVENUES	4,846,550	4,846,550	5,010,921	164,371	3,802,025
EXPENDITURES					
Current					
Library	1,060,486	1,060,486	943,246	117,240	893,433
Capital Outlay	3,005,000	3,005,000	129,166	2,875,834	-
TOTAL EXPENDITURES	4,065,486	4,065,486	1,072,412	2,993,074	893,433
CHANGE IN FUND BALANCE	781,064	781,064	3,938,509	3,157,445	2,908,592
FUND BALANCES, Beginning	18,631,122	18,631,122	18,544,152	(86,970)	15,635,560
FUND BALANCES, Ending	<u>\$ 19,412,186</u>	<u>\$ 19,412,186</u>	<u>\$ 22,482,661</u>	<u>\$ 3,070,475</u>	<u>\$ 18,544,152</u>

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability (Asset)	0.04700%	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	\$ 925,971	\$ 853,975	\$ 506,245	\$ 244,502	\$ 71,415
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	5.00%	-33.55%	-13.51%	-12.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%	97.60%	116.20%	106.70%	101.90%

NOTE: Information for the prior five 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contributions	\$ 73,384	\$ 43,900	\$ 39,927	\$ 21,447	\$ 9,780	\$ 2,857
Contributions in Relation to the Contractually Required Contributions	<u>73,384</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 773,607	\$ 925,971	\$ 853,975	\$ 506,245	\$ 244,502	\$ 71,415
Contributions as a Percentage of Covered Payroll	9.49%	4.74%	4.68%	4.24%	4.00%	4.00%

NOTE: Information for the prior four 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, 2024

	SALES TAX CAPITAL IMPROVEMENT	CAPITAL RESERVE	CAPITAL PROJECTS	CONSERVATION TRUST	PARK IMPACT FEES	FACILITIES IMPACT FEES	STREET IMPACT FEES	TOTALS
ASSETS								
Cash and Investments	\$ -	\$ -	\$ 1,967,010	\$ 25,220	\$ 5,100	\$ 25,594	\$ 294,800	\$ 2,317,724
Accounts Receivable	-	-	49,150	-	-	-	-	49,150
TOTAL ASSETS	\$ -	\$ -	\$ 2,016,160	\$ 25,220	\$ 5,100	\$ 25,594	\$ 294,800	\$ 2,366,874
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,750	\$ -	\$ 8,750
TOTAL LIABILITIES	-	-	-	-	-	8,750	-	8,750
FUND EQUITY								
Fund Balance								
Restricted for Fund Purpose	-	-	-	24,620	-	-	-	24,620
Restricted for Emergencies	-	-	18,600	600	-	900	500	20,600
Committed	-	-	1,997,560	-	5,100	15,944	294,300	2,312,904
TOTAL FUND EQUITY	-	-	2,016,160	25,220	5,100	16,844	294,800	2,358,124
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 2,016,160	\$ 25,220	\$ 5,100	\$ 25,594	\$ 294,800	\$ 2,366,874

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, 2024

	SALES TAX CAPITAL IMPROVEMENT	CAPITAL RESERVE	CAPITAL PROJECTS	CONSERVATION TRUST	PARK IMPACT FEES	FACILITIES IMPACT FEES	STREET IMPACT FEES	TOTALS
REVENUES								
Sales and Use Taxes	\$ -	\$ -	\$ 533,244	\$ -	\$ -	\$ -	\$ -	\$ 533,244
Intergovernmental Revenue	-	-	-	20,075	-	-	-	20,075
Impact Fees	-	-	-	-	-	5,713	107,922	113,635
Interest Income	-	-	88,010	703	245	1,928	10,460	101,346
TOTAL REVENUES	\$ -	\$ -	\$ 621,254	\$ 20,778	\$ 245	\$ 7,641	\$ 118,382	\$ 768,300
EXPENDITURES								
Current								
General Government	-	-	54,316	-	-	31,250	-	85,566
Capital Outlay	-	-	305,274	-	-	-	-	305,274
TOTAL EXPENDITURES	-	-	359,590	-	-	31,250	-	390,840
NET CHANGE IN FUND BALANCES	-	-	261,664	20,778	245	(23,609)	118,382	377,460
FUND BALANCES, Beginning, as previously reported	1,634,780	119,716	-	4,442	4,855	40,453	176,418	1,980,664
Adjustments - combining of funds	(1,634,780)	(119,716)	1,754,496	-	-	-	-	-
FUND BALANCES, beginning	-	-	1,754,496	4,442	4,855	40,453	176,418	1,980,664
FUND BALANCES, Ending	\$ -	\$ -	\$ 2,016,160	\$ 25,220	\$ 5,100	\$ 16,844	\$ 294,800	\$ 2,358,124

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

CAPITAL PROJECTS FUND

Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Sales and Use Taxes	\$ 415,000	\$ 415,000	\$ 533,244	\$ 118,244
Earnings on Investments	35,053	35,053	88,010	52,957
Miscellaneous	-	-	-	-
TOTAL REVENUES	450,053	450,053	621,254	171,201
EXPENDITURES				
Current				
General Government	-	-	54,316	(54,316)
Capital Outlay	639,000	639,000	305,274	333,726
TOTAL EXPENDITURES	639,000	639,000	359,590	279,410
CHANGE IN FUND BALANCE	(188,947)	(188,947)	261,664	450,611
FUND BALANCES, Beginning, as previously reported	1,752,658	1,752,658	-	(1,752,658)
Adjustments - combining of funds	-	-	1,754,496	1,754,496
FUND BALANCES, beginning	1,752,658	1,752,658	1,754,496	1,838
FUND BALANCES, Ending	\$ 1,563,711	\$ 1,563,711	\$ 2,016,160	\$ 452,449

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Intergovernmental Revenue	\$ 22,220	\$ 22,220	\$ 20,075	\$ (2,145)	\$ 23,257
Earnings on Investments	25	25	703	678	2,665
TOTAL REVENUES	22,245	22,245	20,778	(1,467)	25,922
EXPENDITURES					
Parks and Recreation	20,000	20,000	-	20,000	203,629
TOTAL EXPENDITURES	20,000	20,000	-	20,000	203,629
CHANGE IN FUND BALANCE	2,245	2,245	20,778	18,533	(177,707)
FUND BALANCES, Beginning	1,258	1,258	4,442	3,184	182,149
FUND BALANCES, Ending	\$ 3,503	\$ 3,503	\$ 25,220	\$ 21,717	\$ 4,442

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PARK IMPACT FEES FUND
 Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Impact Fees	\$ -	\$ -	\$ -	\$ -	\$ 117
Earnings on Investments	97	97	245	148	137
TOTAL REVENUES	97	97	245	148	254
EXPENDITURES					
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
CHANGE IN FUND BALANCE	97	97	245	148	254
FUND BALANCES, Beginning	4,845	4,845	4,855	10	4,601
FUND BALANCES, Ending	\$ 4,942	\$ 4,942	\$ 5,100	\$ 158	\$ 4,855

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

FACILITIES IMPACT FEES FUND

Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Impact Fees	\$ -	\$ -	\$ 5,713	\$ 5,713	\$ 1,560
Earnings on Investments	786	786	1,928	1,142	1,140
TOTAL REVENUES	786	786	7,641	6,855	2,700
EXPENDITURES					
General Government	-	31,250	31,250	-	-
TOTAL EXPENDITURES	-	31,250	31,250	-	-
CHANGE IN FUND BALANCE	786	(30,464)	(23,609)	6,855	2,700
FUND BALANCES, Beginning	39,319	39,319	40,453	1,134	37,753
FUND BALANCES, Ending	\$ 40,105	\$ 8,855	\$ 16,844	\$ 7,989	\$ 40,453

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

STREET IMPACT FEES FUND

Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Impact Fees	\$ -	\$ -	\$ 107,922	\$ 107,922	\$ 11,480
Earnings on Investments	3,395	3,395	10,460	7,065	4,910
TOTAL REVENUES	3,395	3,395	118,382	114,987	16,390
EXPENDITURES					
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
CHANGE IN FUND BALANCE	3,395	3,395	118,382	114,987	16,390
FUND BALANCES, Beginning	169,747	169,747	176,418	6,671	160,028
FUND BALANCES, Ending	\$ 173,142	\$ 173,142	\$ 294,800	\$ 121,658	\$ 176,418

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

WATER FUND

Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Charges for Services	\$ 776,797	\$ 776,797	\$ 943,525	\$ 166,728	\$ 1,086,709
Tap Fees	92,161	92,161	1,460,326	1,368,165	15,554
Earnings on Investments	13,566	13,566	60,920	47,354	17,025
Other Revenues	3,500	3,500	1,610	(1,890)	4,245
Transfer In	-	-	-	-	52,568
TOTAL REVENUES	886,024	886,024	2,466,381	1,580,357	1,176,101
EXPENDITURES					
Current					
Operations and Maintenance	709,984	709,984	649,043	60,941	609,739
Administration	-	-	-	-	208,360
Capital Outlay	1,523,300	1,523,300	504,581	1,018,719	89,354
Debt Service	84,357	84,357	84,356	1	83,485
TOTAL EXPENDITURES	2,317,641	2,317,641	1,237,980	1,079,661	990,938
CHANGE IN NET POSITION, Budgetary Basis	<u>\$(1,431,617)</u>	<u>\$(1,431,617)</u>	1,228,401	<u>\$ 2,660,018</u>	185,163
Adjustments to GAAP Basis					
Debt Principal Payments			57,697		56,007
Capital Outlay			504,581		68,447
Depreciation			(189,499)		(186,275)
CHANGE IN NET POSITION, GAAP Basis			<u>1,601,180</u>		<u>123,342</u>
NET POSITION, Beginning			<u>3,821,498</u>		<u>3,698,156</u>
NET POSITION, Ending			<u>\$ 5,422,678</u>		<u>\$ 3,821,498</u>

See the accompanying independent auditor's report

TOWN OF HUDSON, COLORADO

BUDGETARY COMPARISON SCHEDULE

WASTEWATER FUND

Year Ended December 31, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Charges for Services	\$ 503,997	\$ 503,997	\$ 453,240	\$ (50,757)	\$ 445,128
Tap Fees	1,290	1,290	106,039	104,749	-
Earnings on Investments	22,637	22,637	8,273	(14,364)	16,863
Other Revenues	-	-	-	-	9
Transfers In	-	-	159,030	159,030	159,030
TOTAL REVENUES	527,924	527,924	726,582	198,658	621,030
EXPENDITURES					
Current					
Operations and Maintenance	355,838	355,838	429,023	(73,185)	487,608
Administration	-	-	-	-	134,617
Capital Outlay	245,500	245,500	79,264	166,236	77,119
Debt Service	159,030	159,030	159,030	-	158,007
TOTAL EXPENDITURES	760,368	760,368	667,317	93,051	857,351
CHANGE IN NET POSITION, Budgetary Basis	\$ (232,444)	\$ (232,444)	59,265	\$ 291,709	(236,321)
Adjustments to GAAP Basis					
Debt Principal Payments			65,023		62,976
Capital Outlay			79,264		73,014
Depreciation			(235,209)		(233,703)
CHANGE IN NET POSITION, GAAP Basis			(31,657)		(334,034)
NET POSITION, Beginning			4,028,859		4,362,893
NET POSITION, Ending			\$ 3,997,202		\$ 4,028,859

See the accompanying independent auditor's report

COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2024

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)	\$ 71,537.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 397,003.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 19,184.00
2. General fund appropriations		b. Snow and ice removal	\$ 19,486.00
3. Other local imposts (from page 2)	\$ 1,443,813.00	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 280,882.00	d. Total (a. through c.)	\$ 38,670.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 28,330.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 969,313.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 1,504,853.00
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)	\$ 1,724,695.00	b. Redemption	\$ 165,000.00
B. Private Contributions		c. Total (a. + b.)	\$ 247,300.00
C. Receipts from State government (from page 2)	\$ 125,705.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 1,850,400.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ 247,300.00
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,752,153.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	\$ 2,545,000.00		\$ 165,000.00	\$ 2,380,000.00
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
	\$ 346,529.00	\$ 1,850,400.00	\$ 1,752,153.00		\$ 444,776.00

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. In 2024, the Town started to spend funds on equipment replacements while continuing ongoing maintenance. The town has plans to spend down the balance in the next couple of years through capital projects and more equipment replacements.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/y): 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	\$ 230,259.00
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 1,157,327.00	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 107,922.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 178,564.00	g. Other Misc. Receipts	\$ 50,623.00
6. Total (1. through 5.)	\$ 1,443,813.00	h. Other	
c. Total (a. + b.)	\$ 1,443,813.00	i. Total (a. through h.)	\$ 280,882.00
<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.)	\$ 115,019.00	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	\$ 10,686.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 10,686.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 125,705.00	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		\$ 71,537.00	\$ 71,537.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 71,537.00	\$ 71,537.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 71,537.00	\$ 71,537.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: