

CITY OF HUDSON, WISCONSIN

Annual Financial Report

December 31, 2023

 KerberRose

www.kerberrose.com

CITY OF HUDSON, WISCONSIN

Table of Contents

December 31, 2023

	<u>Page</u>
Independent Auditors' Report	1 - 3
Financial Statements	
Statement of Net Position	4 - 5
Statement of Activities	6
Balance Sheet - Governmental Funds	7
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds to the Statement of Activities	10
Statement of Net Position - Proprietary Funds	11
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	12
Statement of Cash Flows - Proprietary Funds	13 - 14
Statement of Fiduciary Net Position - Fiduciary Fund	15
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	16
Notes to Financial Statements	17 - 55
Required Supplementary Information	
Schedules of Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System	56
Schedule of Changes in Total OPEB Liability and Related Ratios	57
Schedules of Employer's Proportionate Share of the Net OPEB Liability and Employer Contributions - Local Retiree Life Insurance Plan	58
Schedule of Budgetary Comparison - Budget and Actual - General Fund	59
Notes to Required Supplementary Information	60 - 61
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	62 - 63
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	64 - 65

CITY OF HUDSON, WISCONSIN

Table of Contents (Continued)

December 31, 2023

Other Information

General Fund

Detailed Balance Sheet	66
Statement of Changes in Fund Balance	67
Detailed Schedule of Budgetary Comparison Revenues and Other Financing Source - General Fund	68 - 69
Detailed Schedule of Budgetary Comparison Expenditures and Other Financing Use - General Fund	70 - 71

Water Utility

Statement of Net Position	72
Statement of Revenues, Expenses and Changes in Net Position	73
Statement of Cash Flows	74 - 75
Schedule of Operating Revenues and Expenses	76 - 77

Sewer Utility

Statement of Net Position	78
Statement of Revenues, Expenses and Changes in Net Position	79
Statement of Cash Flows	80 - 81
Schedule of Operating Revenues and Expenses	82

Parking Utility

Statement of Net Position	83
Statement of Revenues, Expenses and Changes in Net Position	84
Statement of Cash Flows	85

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the City Council
City of Hudson
Hudson, Wisconsin

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Hudson, Wisconsin, 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 the 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 City of Hudson, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

To the City Council
City of Hudson, Wisconsin

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial 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 City of Hudson, Wisconsin'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 City of Hudson, Wisconsin'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 schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, schedule of changes in total OPEB liability and related ratios, schedules of employer's proportionate share of the net OPEB liability and employer contributions - local retiree life insurance plan and schedule of budgetary comparison - budget and actual - general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Hudson, Wisconsin's basic financial statements. The combining balance sheet - nonmajor governmental funds and combining statement of revenues, expenditures and changes in fund balances - nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements.

To the City Council
City of Hudson, Wisconsin

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements, as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents on pages 66 to 85 does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We previously audited the City of Hudson, Wisconsin's December 31, 2022 financial statements and we expressed an unmodified opinion on the financial statements in our report dated July 31, 2023. The 2022 actual amounts in the basic financial statements, supplementary information, and other information are presented for the purpose of additional analysis and are not a required party of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepared the 2022 financial statements. Our reports stated that the information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KerberRose SC

KerberRose SC
Certified Public Accountants
Oshkosh, Wisconsin
June 7, 2024

FINANCIAL STATEMENTS

CITY OF HUDSON, WISCONSIN
Statement of Net Position
As of December 31, 2023
With Summarized Information from December 31, 2022

	Primary Government			
	Governmental	Business-Type	Total	
	Activities	Activities	2023	2022
ASSETS				
Current Assets				
Cash and Investments	\$ 19,786,825	\$ 15,205,840	\$ 34,992,665	\$ 27,772,999
Receivables:				
Property Taxes	12,925,716	-	12,925,716	11,847,983
Delinquent Property Taxes	58,024	209,935	267,959	242,368
Special Assessments	100,837	-	100,837	119,881
Accounts	1,115,844	1,753,181	2,869,025	3,261,228
Due From Other Governments	569,829	138,317	708,146	696,786
Lease Receivables	-	234,272	234,272	220,603
Prepaid Items	60,066	-	60,066	34,987
Inventories	-	45,987	45,987	35,557
Total Current Assets	<u>34,617,141</u>	<u>17,587,532</u>	<u>52,204,673</u>	<u>44,232,392</u>
Noncurrent Assets				
Restricted Cash and Investments	-	2,027,334	2,027,334	1,951,567
Restricted Impact Assessments	-	898,491	898,491	850,970
Lease Receivables	-	2,252,354	2,252,354	2,486,626
Net Pension Asset	-	-	-	3,777,576
Capital Assets - Nondepreciable	9,695,037	1,027,280	10,722,317	10,315,136
Capital Assets - Depreciable, Net of Depreciation	45,555,198	45,212,524	90,767,722	89,576,142
Total Noncurrent Assets	<u>55,250,235</u>	<u>51,417,983</u>	<u>106,668,218</u>	<u>108,958,017</u>
TOTAL ASSETS	<u>89,867,376</u>	<u>69,005,515</u>	<u>158,872,891</u>	<u>153,190,409</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	8,266,146	1,301,995	9,568,141	7,397,143
Other Post-Employment Related Amounts - LRLIF	116,968	37,479	154,447	134,376
Other Post-Employment Related Amounts - Single-Employer	118,679	38,027	156,706	131,870
Total Deferred Outflows of Resources	<u>8,501,793</u>	<u>1,377,501</u>	<u>9,879,294</u>	<u>7,663,389</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	1,717,457	445,821	2,163,278	1,999,890
Accrued and Other Current Liabilities	258,676	70,799	329,475	281,429
Due to Other Governments	5	121,796	121,801	74,624
Accrued Interest Payable	391,438	37,359	428,797	176,313
Deposits from Others	-	98,928	98,928	104,935
Compensated Absences	117,924	25,265	143,189	176,761
Current Portion of Lease Liability	8,913	-	8,913	9,129
Current Portion of Long-Term Obligations	2,265,000	718,825	2,983,825	2,675,378
Unearned Revenues:				
American Rescue Plan Act Funds	702,860	-	702,860	849,472
Total Current Liabilities	<u>5,462,273</u>	<u>1,518,793</u>	<u>6,981,066</u>	<u>6,347,931</u>
Noncurrent Liabilities				
Net Pension Liability	2,204,455	347,222	2,551,677	-
Other Post-Employment Benefits - LRLIF	217,794	69,786	287,580	388,043
Other Post-Employment Benefits - Single Employer	975,217	312,486	1,287,703	1,318,514
Lease Liability	5,431	-	5,431	13,117
Noncurrent Portion of Long-Term Obligations	29,804,503	12,630,907	42,435,410	35,842,010
Total Noncurrent Liabilities	<u>33,207,400</u>	<u>13,360,401</u>	<u>46,567,801</u>	<u>37,561,684</u>
TOTAL LIABILITIES	<u>38,669,673</u>	<u>14,879,194</u>	<u>53,548,867</u>	<u>43,909,615</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes Levied for Subsequent Period	12,976,554	-	12,976,554	11,847,983
Lease Receivables	-	2,486,626	2,486,626	2,707,229
Pension Related Amounts	4,625,294	728,528	5,353,822	8,892,738
Other Post-Employment Related Amounts - LRLIF	176,195	56,458	232,653	84,809
Other Post-Employment Related Amounts - Single-Employer	469,971	150,592	620,563	550,468
Total Deferred Inflows of Resources	<u>18,248,014</u>	<u>3,422,204</u>	<u>21,670,218</u>	<u>24,083,227</u>
NET POSITION				
Net Investment in Capital Assets	27,764,464	32,890,072	60,654,536	61,351,644
Restricted	7,729,974	3,152,070	10,882,044	9,532,900
Unrestricted	5,957,044	16,039,476	21,996,520	21,976,412
TOTAL NET POSITION	<u>\$ 41,451,482</u>	<u>\$ 52,081,618</u>	<u>\$ 93,533,100</u>	<u>\$ 92,860,956</u>

See Accompanying Notes

CITY OF HUDSON, WISCONSIN
Statement of Net Position
As of December 31, 2023
With Summarized Information from December 31, 2022

	Component Units	
	Joint Library	Community Access Board
ASSETS		
Current Assets		
Cash and Investments	\$ 408,748	\$ 1,419,176
Receivables:		
Property Taxes	-	-
Delinquent Property Taxes	-	-
Special Assessments	-	-
Accounts	-	42,586
Due From Other Governments	-	-
Lease Receivables	-	-
Prepaid Items	-	-
Inventories	-	-
Total Current Assets	<u>408,748</u>	<u>1,461,762</u>
Noncurrent Assets		
Restricted Cash and Investments	-	-
Restricted Impact Assessments	-	-
Lease Receivables	-	-
Net Pension Asset	-	-
Capital Assets - Nondepreciable	-	-
Capital Assets - Depreciable, Net of Depreciation	712,696	98,102
Total Noncurrent Assets	<u>712,696</u>	<u>98,102</u>
TOTAL ASSETS	<u>1,121,444</u>	<u>1,559,864</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	369,338	86,611
Other Post-Employment Related Amounts - LRLIF	4,733	1,044
Other Post-Employment Related Amounts - Single-Employer	4,802	1,059
Total Deferred Outflows of Resources	<u>378,873</u>	<u>88,714</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	7,000	-
Accrued and Other Current Liabilities	29,243	4,621
Due to Other Governments	-	-
Accrued Interest Payable	-	-
Deposits from Others	-	-
Compensated Absences	7,533	1,996
Current Portion of Lease Liability	-	-
Current Portion of Long-Term Obligations	-	-
Unearned Revenues:		
American Rescue Plan Act Funds	-	-
Total Current Liabilities	<u>43,776</u>	<u>6,617</u>
Noncurrent Liabilities		
Net Pension Liability	98,497	23,098
Other Post-Employment Benefits - LRLIF	8,813	1,943
Other Post-Employment Benefits - Single Employer	39,463	8,702
Lease Liability	-	-
Noncurrent Portion of Long-Term Obligations	-	-
Total NonCurrent Liabilities	<u>146,773</u>	<u>33,743</u>
TOTAL LIABILITIES	<u>190,549</u>	<u>40,360</u>
DEFERRED INFLOWS OF RESOURCES		
Taxes Levied for Subsequent Period	-	-
Lease Receivables	-	-
Pension Related Amounts	206,662	48,463
Other Post-Employment Related Amounts - LRLIF	7,130	1,572
Other Post-Employment Related Amounts - Single-Employer	19,018	4,194
Total Deferred Inflows of Resources	<u>232,810</u>	<u>54,229</u>
NET POSITION		
Net Investment in Capital Assets	712,696	98,102
Restricted	364,262	1,455,887
Unrestricted	-	-
TOTAL NET POSITION	<u>\$ 1,076,958</u>	<u>1,553,989</u>

CITY OF HUDSON, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Units	
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Primary Government		Joint Library	Community Access Board
			Grants and Contributions	Grants and Contributions			Totals			
							2023	2022		
GOVERNMENTAL ACTIVITIES										
General Government	\$ 3,102,148	\$ 100,308	\$ 17,524	\$ -	\$ (2,984,316)	\$ -	\$ (2,984,316)	\$ (3,127,319)	\$ -	\$ -
Public Safety	7,073,088	1,237,095	134,573	-	(5,701,420)	-	(5,701,420)	(4,267,802)	-	-
Transportation Facilities	5,656,781	559,931	985,986	146,612	(3,964,252)	-	(3,964,252)	(2,865,880)	-	-
Sanitation	14,330	-	-	-	(14,330)	-	(14,330)	(14,227)	-	-
Health and Human Services	16,586	26,870	-	-	10,284	-	10,284	10,842	-	-
Culture and Recreation	676,496	-	157,226	-	(519,270)	-	(519,270)	(1,088,127)	-	-
Conservation and Development	2,032,194	-	250,000	-	(1,782,194)	-	(1,782,194)	(6,747,732)	-	-
Interest and Fiscal Charges	1,064,219	-	-	-	(1,064,219)	-	(1,064,219)	(605,632)	-	-
Total Governmental Activities	19,635,842	1,924,204	1,545,309	146,612	(16,019,717)	-	(16,019,717)	(18,705,877)	-	-
BUSINESS-TYPE ACTIVITIES										
Water Utility	3,519,908	4,548,585	-	491,830	-	1,520,507	1,520,507	1,938,745	-	-
Sewer Utility	3,105,953	3,067,612	184,082	273,880	-	419,621	419,621	569,992	-	-
Parking Facilities	302,019	248,301	-	-	-	(53,718)	(53,718)	5,290	-	-
Ambulance Service	-	-	-	-	-	-	-	(60,817)	-	-
Total Business-Type Activities	6,927,880	7,864,498	184,082	765,710	-	1,886,410	1,886,410	2,453,210	-	-
TOTAL CITY OF HUDSON	\$ 26,563,722	\$ 9,788,702	\$ 1,729,391	\$ 912,322	(16,019,717)	1,886,410	(14,133,307)	(16,252,667)	-	-
COMPONENT UNITS										
Joint Library	\$ 1,019,709	\$ 479,024	\$ 364,365	\$ -	-	-	-	-	(176,320)	-
Community Access Board	204,400	180,927	45,545	-	-	-	-	-	-	22,072
Total Component Units	\$ 1,224,109	\$ 659,951	\$ 409,910	\$ -	-	-	-	-	(176,320)	22,072
GENERAL REVENUES:										
Taxes:										
General Property Taxes					7,474,743	-	7,474,743	7,184,524	-	-
Debt Service					2,340,613	-	2,340,613	2,341,244	-	-
Tax Increments					1,981,787	-	1,981,787	1,459,800	-	-
Other Taxes					313,046	-	313,046	276,772	-	-
State and Federal Aids not Restricted to Specific Functions					323,747	-	323,747	323,854	-	-
Interest and Investment Earnings					713,842	1,137,104	1,850,946	330,561	31,508	86,674
Insurance Recoveries and Dividends					2,406	-	2,406	1,366,859	-	-
Gain (Loss) on Asset Sales					14,519	-	14,519	(15,979)	-	-
Miscellaneous					427,489	76,155	503,644	151,723	232,306	139
Total General Revenues					13,592,192	1,213,259	14,805,451	13,419,358	263,814	86,813
TRANSFERS					459,679	(459,679)	-	-	-	-
CHANGE IN NET POSITION					(1,967,846)	2,639,990	672,144	(2,833,309)	87,494	108,885
NET POSITION - BEGINNING OF YEAR					43,419,328	49,441,628	92,860,956	95,694,265	989,464	1,445,104
NET POSITION - END OF YEAR					\$ 41,451,482	\$ 52,081,618	\$ 93,533,100	\$ 92,860,956	\$ 1,076,958	\$ 1,553,989

CITY OF HUDSON, WISCONSIN
Balance Sheet
Governmental Funds
As of December 31, 2023
With Summarized Information from December 31, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Tax Incremental District No. 5	Tax Incremental District No. 6	Nonmajor Governmental Funds	Totals	
							2023	2022
ASSETS								
Cash and Investments	\$ 5,034,047	\$ 258,604	\$ 7,009,192	\$ 1,503,001	\$ -	\$ 5,981,981	\$ 19,786,825	\$ 15,084,900
Receivables:								
Property Taxes	7,943,663	2,731,357	34,600	1,216,219	999,877	-	12,925,716	11,847,983
Delinquent Property Taxes	58,024	-	-	-	-	-	58,024	55,874
Special Assessments	-	-	100,837	-	-	-	100,837	119,881
Accounts	915,263	-	1,685	-	-	198,896	1,115,844	1,511,294
Due From Other Governments	-	555,000	-	-	-	14,829	569,829	613,487
Due from Other Fund	452,932	-	-	-	-	-	452,932	824,295
Prepaid Items	60,066	-	-	-	-	-	60,066	34,987
TOTAL ASSETS	<u>\$ 14,463,995</u>	<u>\$ 3,544,961</u>	<u>\$ 7,146,314</u>	<u>\$ 2,719,220</u>	<u>\$ 999,877</u>	<u>\$ 6,195,706</u>	<u>\$ 35,070,073</u>	<u>\$ 30,092,701</u>
LIABILITIES								
Accounts Payable	\$ 882,345	\$ -	\$ 664,730	\$ 1,999	\$ 13,448	\$ 154,935	\$ 1,717,457	\$ 1,247,637
Accrued Liabilities	251,561	-	-	-	-	7,115	258,676	221,912
Due to Other Fund	-	-	-	-	452,932	-	452,932	824,295
Due to Other Governments	5	-	-	-	-	-	5	64
Unearned Revenue:								
American Rescue Plan Act Funds	-	-	-	-	-	702,860	702,860	849,472
Total Liabilities	<u>1,133,911</u>	<u>-</u>	<u>664,730</u>	<u>1,999</u>	<u>466,380</u>	<u>864,910</u>	<u>3,131,930</u>	<u>3,143,380</u>
DEFERRED INFLOWS OF RESOURCES								
Taxes Levied for Subsequent Period	7,943,662	2,731,357	85,441	1,216,218	999,876	-	12,976,554	11,847,983
Unavailable Revenues - Special Assessments	-	-	94,544	-	-	-	94,544	119,881
Unavailable Revenues - Others	-	555,000	-	-	-	-	555,000	600,000
Total Deferred Inflows of Resources	<u>7,943,662</u>	<u>3,286,357</u>	<u>179,985</u>	<u>1,216,218</u>	<u>999,876</u>	<u>-</u>	<u>13,626,098</u>	<u>12,567,864</u>
FUND BALANCES (DEFICIT)								
Nonspendable	118,090	-	-	-	-	-	118,090	89,237
Restricted	-	258,604	6,301,599	1,501,003	-	3,089,051	11,150,257	4,469,814
Committed	-	-	-	-	-	2,166,509	2,166,509	5,130,933
Assigned	560,969	-	-	-	-	75,236	636,205	571,715
Unassigned (Deficit)	4,707,363	-	-	-	(466,379)	-	4,240,984	4,119,758
Total Fund Balances (Deficit)	<u>5,386,422</u>	<u>258,604</u>	<u>6,301,599</u>	<u>1,501,003</u>	<u>(466,379)</u>	<u>5,330,796</u>	<u>18,312,045</u>	<u>14,381,457</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	<u>\$ 14,463,995</u>	<u>\$ 3,544,961</u>	<u>\$ 7,146,314</u>	<u>\$ 2,719,220</u>	<u>\$ 999,877</u>	<u>\$ 6,195,706</u>	<u>\$ 35,070,073</u>	<u>\$ 30,092,701</u>

CITY OF HUDSON, WISCONSIN
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
Total Fund Balances (Deficit) - Governmental Funds	\$ 18,312,045	\$ 14,381,457
 <i>Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:</i>		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental Capital Assets	\$ 138,633,388	
Governmental Accumulated Depreciation	(83,383,153)	53,893,990
	55,250,235	
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.		
Other Receivables from Municipalities	555,000	
Special Assessments	94,544	719,881
	649,544	
Net pension asset is not usable in the current period therefore not reported in the fund financial statements		
	-	3,244,584
The City's proportionate share of the Wisconsin Retirement System pension plan and Other Post-Employment Benefits are not an available financial resource; therefore, they are not		
Deferred Outflows Related to Pension	8,266,146	6,353,452
Deferred Outflows Related to LRLIF	116,968	102,161
Deferred Outflows Related to OPEB Single-Employer	118,679	100,256
Deferred Inflows Related to Pension	(4,625,294)	(7,638,029)
Deferred Inflows Related to LRLIF	(176,195)	(64,477)
Deferred Inflows Related to OPEB Single-Employer	(469,971)	(418,501)
	(469,971)	
Net pension liability is not payable in the current period therefore not reported in the fund financial statements		
	(2,204,455)	-
Post-employment benefit liabilities are not payable in the current period therefore not reported in the fund financial statements		
Net Other Post-Employment Benefits Liability - LRLIF	(217,794)	(295,016)
Net Other Post-Employment Benefits Liability - Single-Employer Plan	(975,217)	(1,002,421)
	(975,217)	
Noncurrent liabilities, including bonds, notes payable and lease liability, are not due in the current period and therefore not reported in the fund statements. Noncurrent liabilities reported in the statement of net position that are not reported in the funds balance sheet		
General Debt	(31,215,000)	(25,030,000)
Lease Liability	(14,344)	(22,246)
Premium on Debt Issued	(854,503)	(621,051)
Accrued Interest on General Obligation Debt	(391,438)	(141,379)
Vested Employee Benefits	(117,924)	(143,333)
	(117,924)	
Total Net Position - Governmental Activities	\$ 41,451,482	\$ 43,419,328

CITY OF HUDSON, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Tax Incremental District No. 5	Tax Incremental District No. 6	Nonmajor Governmental Funds	Totals	
							2023	2022
REVENUES								
Taxes	\$ 7,474,743	\$ 2,340,613	\$ -	\$ 203,134	\$ 546,971	\$ 313,046	\$ 10,878,507	\$ 10,495,223
Special Assessments	-	-	16,621	-	-	-	16,621	97,917
Intergovernmental	1,213,022	-	-	-	250,000	146,612	1,609,634	1,852,077
Licenses and Permits	528,039	-	-	-	-	-	528,039	660,984
Fines, Forfeitures and Penalties	74,132	-	-	-	-	22	74,154	70,087
Public Charges for Services	349,712	-	-	-	-	578,977	928,689	1,010,072
Intergovernmental Charges for Services	762,080	-	-	-	-	401,373	1,163,453	786,540
Miscellaneous	537,729	386	151,283	26,315	-	61,825	777,538	1,606,159
Total Revenues	<u>10,939,457</u>	<u>2,340,999</u>	<u>167,904</u>	<u>229,449</u>	<u>796,971</u>	<u>1,501,855</u>	<u>15,976,635</u>	<u>16,579,059</u>
EXPENDITURES								
General Government	2,318,602	-	-	-	-	-	2,318,602	3,190,226
Public Safety	5,950,791	-	-	-	-	25,050	5,975,841	5,671,491
Transportation Facilities	1,950,758	-	-	-	-	595,015	2,545,773	2,376,126
Sanitation	14,330	-	-	-	-	-	14,330	14,227
Health and Human Services	15,962	-	-	-	-	-	15,962	13,959
Culture and Recreation	855,186	-	-	-	-	338,646	1,193,832	1,173,373
Conservation and Development	630,711	-	-	-	-	-	630,711	851,658
Debt Service:								
Principal Retirement	-	1,845,000	-	180,000	-	-	2,025,000	1,820,000
Interest and Fiscal Charges	-	691,727	105,090	139,266	-	-	936,083	801,948
Capital Outlay	29,055	-	5,021,423	5,316	212,561	146,612	5,414,967	9,382,439
Total Expenditures	<u>11,765,395</u>	<u>2,536,727</u>	<u>5,126,513</u>	<u>324,582</u>	<u>212,561</u>	<u>1,105,323</u>	<u>21,071,101</u>	<u>25,295,447</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(825,938)</u>	<u>(195,728)</u>	<u>(4,958,609)</u>	<u>(95,133)</u>	<u>584,410</u>	<u>396,532</u>	<u>(5,094,466)</u>	<u>(8,716,388)</u>
OTHER FINANCING SOURCES (USE)								
Proceeds of Long-Term Debt	-	-	8,210,000	-	-	-	8,210,000	3,860,000
Debt Premium	-	355,375	-	-	-	-	355,375	83,580
Transfers In	459,679	77,525	-	-	-	-	537,204	1,412,879
Transfers Out	(61,265)	-	-	-	-	(16,260)	(77,525)	(77,525)
Total Other Financing Sources (Use)	<u>398,414</u>	<u>432,900</u>	<u>8,210,000</u>	<u>-</u>	<u>-</u>	<u>(16,260)</u>	<u>9,025,054</u>	<u>5,278,934</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(427,524)</u>	<u>237,172</u>	<u>3,251,391</u>	<u>(95,133)</u>	<u>584,410</u>	<u>380,272</u>	<u>3,930,588</u>	<u>(3,437,454)</u>
FUND BALANCES (DEFICIT) - BEGINNING	<u>5,813,946</u>	<u>21,432</u>	<u>3,050,208</u>	<u>1,596,136</u>	<u>(1,050,789)</u>	<u>4,950,524</u>	<u>14,381,457</u>	<u>17,818,911</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 5,386,422</u>	<u>\$ 258,604</u>	<u>\$ 6,301,599</u>	<u>\$ 1,501,003</u>	<u>\$ (466,379)</u>	<u>\$ 5,330,796</u>	<u>\$ 18,312,045</u>	<u>\$ 14,381,457</u>

CITY OF HUDSON, WISCONSIN
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
Net Changes in Fund Balances (Deficit)- Total Governmental Funds	\$ 3,930,588	\$ (3,437,454)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay reported in governmental fund statements	\$ 4,523,744	
Depreciation expense reported in the statement of activities	(3,167,499)	
Amount by which capital outlays are greater than depreciation in the current period.	1,356,245	611,097
Amount by which capital disposals are more than depreciation recapture in the current period	-	(15,979)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.	(523,610)	775,594
Amounts related to the other post-employment benefits that affect the statement of activities but do not affect the fund financials.		
Net OPEB Liability - LRLIF	(19,689)	
Total OPEB Liability - Single-Employer	(5,843)	(28,474)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Other Receivables from Municipalities	(45,000)	
Special Assessments	(25,337)	(120,076)
Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits was less than the amount paid.	25,409	11,133
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:		
Bonds and Notes Payable	2,025,000	
Lease Liability	7,902	1,829,776
Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities.		
Bonds Payable	(8,210,000)	(3,860,000)
Lease Liability	-	(5,991)
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.	(250,059)	93,115
Debt premium, discount and amortization are allocated over the period the debt is outstanding and is reported as amortization revenue/expense in the statement of activities. The activity for the current year is as follows:		
Premium on New Debt	(355,375)	
Amortization of Premium	121,923	19,621
Change in Net Position - Governmental Activities	\$ (1,967,846)	\$ (4,127,638)

CITY OF HUDSON, WISCONSIN
Statement of Net Position
Proprietary Funds
As of December 31, 2023
With Summarized Information from December 31, 2022

	Water Utility	Sewer Utility	Nonmajor Fund Parking Utility	Totals	
				2023	2022
ASSETS					
Current Assets:					
Cash and Investments	\$ 8,557,505	\$ 6,462,414	\$ 185,921	\$ 15,205,840	\$ 12,688,099
Receivables:					
Customers	903,288	700,541	-	1,603,829	1,613,857
Receivables on Tax Roll	106,085	103,850	-	209,935	186,494
Other	55,505	84,122	9,725	149,352	136,077
Due from Other Governments	21,840	116,477	-	138,317	83,299
Lease Receivables	234,272	-	-	234,272	220,603
Inventories	45,987	-	-	45,987	35,557
Total Current Assets	9,924,482	7,467,404	195,646	17,587,532	14,963,986
Noncurrent Assets:					
Restricted Cash	168	2,027,166	-	2,027,334	1,951,567
Restricted Impact Assessments	898,491	-	-	898,491	850,970
Lease Receivables	2,252,354	-	-	2,252,354	2,486,626
Net Pension Asset	-	-	-	-	532,992
Nondepreciable Capital Assets	136,862	129,856	760,562	1,027,280	1,174,088
Depreciable Capital Assets, Net of Depreciation	27,644,012	17,044,982	523,530	45,212,524	44,823,200
Total Noncurrent Assets	30,931,887	19,202,004	1,284,092	51,417,983	51,819,443
TOTAL ASSETS	40,856,369	26,669,408	1,479,738	69,005,515	66,783,429
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Amounts	795,338	456,290	50,367	1,301,995	1,043,691
Other Post-Employment Related Amounts - LRLIF	23,042	14,437	-	37,479	32,215
Other Post-Employment Related Amounts - Single-Employer	23,379	13,542	1,106	38,027	31,614
Total Deferred Outflows of Resources	841,759	484,269	51,473	1,377,501	1,107,520
CURRENT LIABILITIES					
Accounts Payable	67,786	355,000	23,035	445,821	752,253
Accrued and Other Current Liabilities	43,050	24,522	3,227	70,799	59,517
Accrued Interest	8,612	28,747	-	37,359	34,934
Due to Other Governments	68,966	52,830	-	121,796	74,560
Deposits from Others	98,803	-	125	98,928	104,935
Compensated Absences	9,023	16,242	-	25,265	33,428
Current Portion of Long-Term Obligations	124,581	594,244	-	718,825	650,378
Total Current Liabilities	420,821	1,071,585	26,387	1,518,793	1,710,005
NONCURRENT LIABILITIES					
Net Pension Liability - Wisconsin Retirement System	212,104	121,686	13,432	347,222	-
Other Post-Employment Benefits - LRLIF	42,904	26,882	-	69,786	93,027
Other Post-Employment Benefits - Single Employer	192,115	111,280	9,091	312,486	316,093
Noncurrent Portion of Long-Term Debt	1,828,944	10,801,963	-	12,630,907	12,215,959
Total Noncurrent Liabilities	2,276,067	11,061,811	22,523	13,360,401	12,625,079
TOTAL LIABILITIES	2,696,888	12,133,396	48,910	14,879,194	14,335,084
DEFERRED INFLOWS OF RESOURCES					
Lease Receivables	2,486,626	-	-	2,486,626	2,707,229
Pension Related Amounts	445,029	255,316	28,183	728,528	1,254,709
Other Post-Employment Related Amounts - LRLIF	34,710	21,748	-	56,458	20,332
Other Post-Employment Related Amounts - Single-Employer	92,583	53,628	4,381	150,592	131,967
Total Deferred Inflows of Resources	3,058,948	330,692	32,564	3,422,204	4,114,237
NET POSITION					
Net Investment in Capital Assets	25,827,349	5,778,631	1,284,092	32,890,072	33,130,951
Restricted	1,036,864	2,106,454	8,752	3,152,070	3,124,511
Unrestricted	9,078,079	6,804,504	156,893	16,039,476	13,186,166
TOTAL NET POSITION	\$ 35,942,292	\$ 14,689,589	\$ 1,449,737	\$ 52,081,618	\$ 49,441,628

CITY OF HUDSON, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	Water Utility	Sewer Utility	Nonmajor Fund Parking Utility	Totals	
				2023	2022
OPERATING REVENUES					
Charges for Services	\$ 4,107,892	\$ 3,052,572	\$ 244,839	\$ 7,405,303	\$ 7,187,809
Other Operating Revenues	440,693	15,040	3,462	459,195	485,225
Total Operating Revenues	<u>4,548,585</u>	<u>3,067,612</u>	<u>248,301</u>	<u>7,864,498</u>	<u>7,673,034</u>
OPERATING EXPENSES					
Operation and Maintenance	2,444,206	2,053,071	220,442	4,717,719	4,488,826
Depreciation	1,034,497	891,351	81,577	2,007,425	1,755,394
Total Operating Expenses	<u>3,478,703</u>	<u>2,944,422</u>	<u>302,019</u>	<u>6,725,144</u>	<u>6,244,220</u>
OPERATING INCOME (LOSS)	<u>1,069,882</u>	<u>123,190</u>	<u>(53,718)</u>	<u>1,139,354</u>	<u>1,428,814</u>
NONOPERATING REVENUES (EXPENSE)					
Investment Income	556,039	570,331	10,734	1,137,104	174,538
Interest Expense	(41,205)	(161,531)	-	(202,736)	(196,074)
Hook-up Fees	-	184,082	-	184,082	331,448
Miscellaneous	42,329	33,826	-	76,155	1,935
Total Nonoperating Revenues (Expense)	<u>557,163</u>	<u>626,708</u>	<u>10,734</u>	<u>1,194,605</u>	<u>311,847</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,627,045</u>	<u>749,898</u>	<u>(42,984)</u>	<u>2,333,959</u>	<u>1,740,661</u>
TRANSFERS OUT	<u>(438,794)</u>	<u>(20,885)</u>	<u>-</u>	<u>(459,679)</u>	<u>(1,335,354)</u>
CAPITAL CONTRIBUTIONS	<u>491,830</u>	<u>273,880</u>	<u>-</u>	<u>765,710</u>	<u>889,022</u>
CHANGE IN NET POSITION	<u>1,680,081</u>	<u>1,002,893</u>	<u>(42,984)</u>	<u>2,639,990</u>	<u>1,294,329</u>
NET POSITION - BEGINNING	<u>34,262,211</u>	<u>13,686,696</u>	<u>1,492,721</u>	<u>49,441,628</u>	<u>48,147,299</u>
NET POSITION - ENDING	<u>\$ 35,942,292</u>	<u>\$ 14,689,589</u>	<u>\$ 1,449,737</u>	<u>\$ 52,081,618</u>	<u>\$ 49,441,628</u>

CITY OF HUDSON, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	Nonmajor Fund			Totals	
	Water Utility	Sewer Utility	Parking Utility	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 4,498,537	\$ 3,096,393	\$ 121,394	\$ 7,716,324	\$ 7,360,433
Cash Received (Paid) from (to) Governmental Subsidies/Grants	33,216	(50,283)	-	(17,067)	38,797
Cash Received from Parking Forfeitures	-	-	130,771	130,771	138,028
Cash Paid to Suppliers for Goods and Services	(1,243,101)	(1,775,668)	(116,846)	(3,135,615)	(2,961,340)
Cash Paid to Employees For Wages and Benefits	(1,068,704)	(628,166)	(93,029)	(1,789,899)	(1,822,137)
Net Cash Flows From Operating Activities	<u>2,219,948</u>	<u>642,276</u>	<u>42,290</u>	<u>2,904,514</u>	<u>2,753,781</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Merchandising, Jobbing, and Other Nonoperating Income	-	-	-	-	1,935
Transfer to Other Funds	(438,794)	(20,885)	-	(459,679)	(1,335,354)
Net Cash Flows From Noncapital Financing Activities	<u>(438,794)</u>	<u>(20,885)</u>	<u>-</u>	<u>(459,679)</u>	<u>(1,333,419)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(320,096)	(1,207,871)	-	(1,527,967)	(2,511,411)
Capital Contributions	42,329	-	-	42,329	-
Sale of Capital Assets	-	-	-	-	6,144
Cash Received for Hook-up Fees	-	217,908	-	217,908	331,448
Cash Received for Impact Fees	43,736	-	-	43,736	94,758
Principal Payments on Long-Term Debt	(123,117)	(527,260)	-	(650,377)	(610,374)
Proceeds from Long-Term Debt	-	1,134,429	-	1,134,429	1,543,611
Interest and Fiscal Charges	(41,481)	(159,487)	-	(200,968)	(193,536)
Net Cash Flows From Capital and Related Financing Activities	<u>(398,629)</u>	<u>(542,281)</u>	<u>-</u>	<u>(940,910)</u>	<u>(1,339,360)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	556,039	570,331	10,734	1,137,104	174,538
CHANGE IN CASH AND INVESTMENTS	1,938,564	649,441	53,024	2,641,029	255,540
CASH AND INVESTMENTS - BEGINNING	7,517,600	7,840,139	132,897	15,490,636	15,235,096
CASH AND INVESTMENTS - ENDING	<u>\$ 9,456,164</u>	<u>\$ 8,489,580</u>	<u>\$ 185,921</u>	<u>\$ 18,131,665</u>	<u>\$ 15,490,636</u>
RECONCILIATION OF CASH ACCOUNTS					
Cash and Investments	\$ 8,557,505	\$ 6,462,414	\$ 185,921	\$ 15,205,840	\$ 12,688,099
Restricted Cash and Investments	898,659	2,027,166	-	2,925,825	2,802,537
Total Reconciliation of Cash Accounts	<u>\$ 9,456,164</u>	<u>\$ 8,489,580</u>	<u>\$ 185,921</u>	<u>\$ 18,131,665</u>	<u>\$ 15,490,636</u>

See Accompanying Notes

CITY OF HUDSON, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Nonmajor Fund Parking Utility</u>	<u>Totals</u>	
				<u>2023</u>	<u>2022</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM					
Operating Income (Loss)	\$ 1,069,882	\$ 123,190	\$ (53,718)	\$ 1,139,354	\$ 1,428,814
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Depreciation	1,034,497	891,351	81,577	2,007,425	1,755,394
Meter Depreciation Charged to Sewer	108,354	(108,354)	-	-	-
Changes in Assets and Liabilities:					
Customer Accounts Receivable	(24,110)	30,274	3,864	10,028	(139,219)
Accounts Receivable on Tax Roll	(14,156)	(9,285)	-	(23,441)	(41,445)
Other Receivables	(11,782)	(1,493)	-	(13,275)	(31,015)
Due From Other Governments	(2,161)	(52,857)	-	(55,018)	69,699
Prepaid Items	-	-	-	-	3,220
Materials and Supplies	(10,430)	-	-	(10,430)	(9,742)
Net Pension Asset	309,858	201,908	21,226	532,992	(130,625)
Deferred Outflows Related to Pension	(188,582)	(60,919)	(8,803)	(258,304)	(373,613)
Deferred Outflows Related to OPEB Plans	(8,558)	(3,264)	145	(11,677)	(15,428)
Accounts Payable	(37,211)	(280,592)	11,371	(306,432)	(313,143)
Deposits Payable	(6,007)	-	599	(5,408)	(8,240)
Accrued Wages	8,780	1,903	-	10,683	465
Due to Other Governments	35,377	11,859	-	47,236	6,204
Accrued Compensated Absences	(784)	(6,014)	(1,365)	(8,163)	5,062
Net Pension Liability	212,104	121,686	13,432	347,222	-
Net OPEB Liability Related to OPEB Plans	(7,669)	(15,765)	(3,414)	(26,848)	126,171
Deferred Inflows Related to Pension	(284,404)	(219,993)	(21,784)	(526,181)	373,051
Deferred Inflows Related to OPEB Plans	36,950	18,641	(840)	54,751	48,171
Net Cash Flows From Operating Activities	<u>\$ 2,219,948</u>	<u>\$ 642,276</u>	<u>\$ 42,290</u>	<u>\$ 2,904,514</u>	<u>\$ 2,753,781</u>
Non-cash Capital and Related Financing Activities					
Contributions of Capital Assets	<u>\$ 448,094</u>	<u>\$ 273,880</u>	<u>\$ -</u>	<u>\$ 721,974</u>	<u>\$ 794,264</u>

CITY OF HUDSON, WISCONSIN
Statement of Fiduciary Net Position
Fiduciary Fund
As of December 31, 2023
With Summarized Information from December 31, 2022

	Custodial	
	Tax Collection	
	Fund	
	2023	2022
ASSETS		
Cash and Investments	\$ 2,884,546	\$ 3,432,964
Taxes Receivable	44,009,814	30,841,648
Total Assets	46,894,360	34,274,612
LIABILITIES		
Due to Other Taxing Entities	46,894,360	34,274,612
NET POSITION	\$ -	\$ -

CITY OF HUDSON, WISCONSIN
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	Custodial Fund Tax Collection Fund	
	2023	2022
ADDITIONS		
Taxes Collected on Behalf of Other Taxing Entities	\$ 20,642,511	\$ 19,330,240
DEDUCTIONS		
Taxes Remitted to Other Taxing Entities	20,642,511	19,330,240
CHANGE IN NET POSITION	-	-
NET POSITION - BEGINNING	-	-
NET POSITION - ENDING	\$ -	\$ -

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of the City of Hudson, Wisconsin (City) is presented to assist in understanding the City's financial statements. The financial statements and notes are representations of the City's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City is a Wisconsin municipal corporation governed by an elected six-member council. In accordance with generally accepted accounting principles (GAAP), the financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. A blended component unit, although a legally separate entity, is in substance, considered part of the government's operations and is included within the financial statements of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

Joint Library. During 2003, the City, through a joint library contractual agreement with the Village of North Hudson and the Town of Hudson, created the Hudson Area Joint Library (Joint Library). In 2008, the agreement was updated to also include the Town of St. Joseph. The Joint Library is governed by an eight-member board with three members representing the City, two members representing the Town of Hudson, one member representing the Town of St. Joseph, one member representing the Village, and one member representing the school district. The City appoints the City representatives. The City has transferred ownership of its library and collection to the joint library board; however, if the joint library is dissolved without a successor organization, ownership of its property reverts back to the City. The City is to act as the fiscal agent for the joint library, with all disbursements subject to approval of the joint library board.

Employees of the joint library are employees of the City of Hudson and reported under the City's federal and state employer identification numbers. The Joint Library does not issue stand-alone financial statements.

Community Access Board. In 1981, the City along with the Village of North Hudson established the City of Hudson - Village of North Hudson Cable Communications Board, later renamed the Hudson/North Hudson Community Access Board, to jointly enforce a single nonexclusive cable communications franchise for the City and the Village. The Board is governed by a seven-member board with three members representing the City, three representing the Village, and one representing the School District of Hudson Board of Education. The City of Hudson is deemed to be the fiscal agent of the Board. Employees of the Board are employees of the City of Hudson and are reported under the City's federal and state employer identification numbers. The Community Access Board does not issue stand-alone financial statements.

Other Entity - Hudson Housing Authority. The City is responsible for the appointment of the board members of the Hudson Housing Authority (Housing Authority). The City, however, cannot, without cause, remove appointed members prior to completion of their five-year term. The City receives no funding from, nor provides any funding to, the Housing Authority. The City is not considered to be financially accountable for the Housing Authority and, accordingly, the Housing Authority is not considered to be a component unit of the City.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

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 City, except those that are fiduciary. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Governmental funds include general, special revenue, capital projects and debt service funds. Proprietary funds include enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/ expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the City believes is particularly important to financial statement users may be reported as a major fund.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Funds

Governmental funds are identified as either general, debt service, special revenue or capital projects based upon the following guidelines:

General Fund

The general fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major governmental funds:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds, except debt issued to finance project plan expenditures of the City's tax incremental financing Districts.

Capital Projects Fund

This fund accounts for the various governmental infrastructure outlay projects of the City in which the time of construction normally exceeds more than one accounting period and often are funded with proceeds of long-term debt.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Tax Incremental District No. 5

This fund accounts for the City's resources accumulated to support development and improvement costs in a designated area funded from the property tax generated on the increased value of the property after creation date of the districts.

Tax Incremental District No. 6

This fund accounts for the City's resources accumulated to support development and improvement costs in a designated area funded from the property tax generated on the increased value of the property after creation date of the districts.

Proprietary Funds

The City reports the following major proprietary funds:

Water Utility

This is the City's fund to account for operations of the City's Water Utility. Utility operations are subject to regulations by the Wisconsin Public Service Commission.

Sewer Utility

This is the City's fund to account for the operations of the City's wastewater treatment facilities.

Fiduciary Fund

The City reports the following custodial fund:

Tax Collection Fund

This fund accounts for taxes and deposits collected by the City, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

Measurement Focus And Basis Accounting

The government-wide financial statements and fiduciary fund 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 a 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus And Basis Accounting (Continued)

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

Assets, Liabilities and Net Position or Equity

Cash and Investments

Cash and investments are combined. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purpose of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash.

The City categories the fair value measurement of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Restricted Cash

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt.

Accounts Receivable

Accounts receivable in the governmental funds are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof.

Accounts receivable in the proprietary funds are recorded at net amounts with uncollectible amounts recognized internally when appropriate.

Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Installments placed on the 2023 tax roll are recognized as revenue in 2024. Special assessments are subject to collection procedures.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Inventories

Inventories of governmental fund types are offset by a nonspendable fund balance to indicate they do not represent spendable available financial resources.

Inventories of governmental and proprietary fund types are recorded at cost, which approximates market, using the first-in, first-out method of valuation. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed rather than when purchased.

Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental fund types in the fund financial statements are offset by a nonspendable fund balance to indicate that they do not represent spendable available financial resources.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more 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 acquisition cost at the date of donation.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

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.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land Improvements	20 - 50
Buidlings and Improvements	20 - 50
Machinery and Equipment	3 - 10
Infrastructure	20 - 50
Utility Systems	4 - 100

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the balance sheet and/or statement of net position 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 or fund balances that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. Accordingly, deferred outflows of resources related to pension, and other post-employment benefits are reported in the statement of net position.

In addition to liabilities, the balance sheet and/or statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has seven types of deferred inflows of resources, one which arises under both modified accrual and the full accrual basis of accounting, two that only arise under the modified accrual basis of accounting on the governmental funds balance sheet and four that arise under the full accrual basis of accounting. Taxes levied for the subsequent period have not met the time requirement to be recognized as an acquisition of resources and is therefore reported as deferred inflows of resources on both the governmental funds balance sheet and the governmental activities statement of net position. The governmental funds report unavailable revenues from special assessments and due from other municipalities. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension, other post-employment benefits local retiree life insurance fund and single-employer plan, and lease receivables are reported in the statement of net position.

Pension and Other Post-Employment Benefits

Pensions. The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Pension Expense

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. 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.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Other Post-Employment Benefits (OPEB). The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits
- OPEB Expense (Revenue)

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) – Single Employer

The City's single-employer other post-employment benefit plan has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits – single employer plan. OPEB expenses have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds) of employee contributions are recognized when due and payable in accordance with the benefit terms.

Long-Term Obligations

In the government-wide financial statements and proprietary fund type 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 fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payables are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

Conduit Debt

The City has approved the issuance of one industrial revenue bond (IRB) for the benefit of a private business enterprise. IRBs are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bond is not reported as a liability in the accompanying financial statements. The City has not made any additional commitments on the IRB outstanding. The total amount of the IRB outstanding at the end of the year is approximately \$664,139.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Interfund Transactions

During the course of normal operations, the City has various transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The governmental funds generally record such transactions as operating transfers if within governmental funds. Transactions between governmental and proprietary funds are usually recorded as revenues and either expenditures or expenses of the respective funds.

Unearned Revenue

Revenue received that has not been earned, is recorded as a liability until a period of time or expenditures occur. Once the funds are considered earned, at that point they are recognized as revenue.

Leases

The City follows GASB Statements No. 87 which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Subscription-Based Information Technology Agreements

The City adopted GASB Statement No. 96 for the year ended December 31, 2023, which requires recognition in the financial statements of certain subscription-based information technology agreements (SBITAs). A SBITA is any contract conveying control of the right to use another party's information technology software. This statement requires the City to report a right-to-use subscription asset and corresponding subscription liability for any SBITAs. There were no material SBITAs that were required to be recorded for the year ended December 31, 2023.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted net position – Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that is neither classified as restricted nor as net investment in capital assets.

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

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Equity Classifications (Continued)

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The City Council is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the City Council for a specific intended purpose. The City has not delegated that authority to others. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The City, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned. The City has not adopted a minimum fund balance policy.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments expected to be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not expected to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund financial statements. Claims and judgments in the government-wide financial statements and proprietary funds are recorded as expenses when the related liabilities are incurred. There were no significant claims or judgments at the end of the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates.

Prior Year Information

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the City's financial position and operations. The comparative amounts are summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 2 - Cash and Investments

The City is required to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three year or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, or the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The Wisconsin Local Government Investment Pool.
- Any security maturing in seven year or less and having the highest or second highest rating category of a nationally recognized rating.
- Securities of an open-end management investment company or investment trust subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The carrying amount of the City's cash and investment balances consisted of the following as of December 31, 2023:

Deposits in Financial Institutions	\$	2,188,018
Deposits in State Local Government Pooled Investment Fund		9,726,218
Investments in Federal Agency Issuances		3,369,844
Investment in Municipal Bonds and Notes		4,217,481
Investments in U.S. Treasury Securities		15,565,036
Investments in Money Market Funds		1,791,339
Certificate of Deposits		5,771,493
Petty Cash		1,531
Total Cash and Investments		<u>42,630,960</u>
Less Amount Allocated to Component Units		<u>(1,827,924)</u>
Total Cash and Investments	\$	<u><u>40,803,036</u></u>

Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

At December 31, 2023, the City's deposits had a bank balance of \$2,279,723. The City maintains its cash accounts at several financial institutions. Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts); up to \$250,000 for the combined amount of all interest and noninterest bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2023, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 2 - Cash and Investments (Continued)

The following represents a summary of deposits as of December 31, 2023:

Fully Insured Deposits	\$ 750,000
Uninsured and Uncollateralized	<u>1,529,723</u>
Total	<u><u>\$ 2,279,723</u></u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2023.

Credit Risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City’s investment policy does not further limit its investment choices.

As of December 31, 2023, the City’s credit quality ratings are as follows:

Investment Type	Amount	Exempt From Disclosure	AAA	Aa1	Not Rated
U.S. Treasury Securities	\$ 15,565,036	\$ -	\$ 15,565,036	\$ -	\$ -
Municipal Bonds and Notes	4,217,481	-	929,482	3,287,999	-
Federal Home Loan Bank	1,377,972	-	-	1,377,972	-
Federal Home Loan Mortgage Corp	1,492,848	-	-	1,492,848	-
Federal Farm Credit Bureau	499,024	-	-	499,024	-
Certificate of Deposits	5,771,493	-	-	-	5,771,493
WI Local Government Investment Pool	9,726,218	-	-	-	9,726,218
	<u>\$ 38,650,072</u>	<u>\$ -</u>	<u>\$ 16,494,518</u>	<u>\$ 6,657,843</u>	<u>\$ 15,497,711</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 2 - Cash and Investments (Continued)

As of December 31, 2023, The City's Investments were as follows:

Investments	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury Securities	\$ 15,565,036	\$ 15,565,036	\$ -	\$ -	\$ -
Municipal Bonds and Notes	4,217,481	1,049,251	2,165,804	1,002,426	-
Federal Home Loan Bank	1,377,972	1,377,972	-	-	-
Federal Home Loan Mortgage Corp	1,492,848	1,492,848	-	-	-
Federal Farm Credit Bureau	499,024	499,024	-	-	-
Certificate of Deposits	5,771,493	4,181,889	832,138	757,466	-
WI Local Government Investment Pool	9,726,218	9,726,218	-	-	-
	<u>\$ 38,650,072</u>	<u>\$ 33,892,238</u>	<u>\$ 2,997,942</u>	<u>\$ 1,759,892</u>	<u>\$ -</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree that already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Federal Home Loan Bank	\$ 1,377,972
Federal Home Loan Mortgage Corp	1,492,848
Federal Farm Credit Bureau	499,024
	<u>\$ 3,369,844</u>

Fair Value

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value.

- Level 1 – Valuation for assets are from quoted prices in active markets. These valuations are obtained from readily available pricing sources for market transactions involving identical assets.
- Level 2 – Valuation for assets are from less active markets. These valuations are obtained from third party pricing services for identical or similar assets.
- Level 3 – Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations. These valuations incorporate certain assumptions and projections in determining fair value assigned to such assets.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 2 - Cash and Investments (Continued)

	Fair Value Measurement Using		
	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ -	\$ 15,565,036	\$ -
Municipal Bonds and Notes	-	4,217,481	-
Federal Home Loan Bank	-	1,377,972	-
Federal Home Loan Mortgage Corp	-	1,492,848	-
Federal Farm Credit Bureau	-	499,024	-
Certificate of Deposits	-	5,771,493	-
Total Cash and Investments	<u>\$ -</u>	<u>\$ 28,923,854</u>	<u>\$ -</u>

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. Investments in the local government investment pool are not insured. Investments in the LGIP are valued at amortized cost. The balance in the local government investment pool at December 31, 2023 was \$9,726,218.

Note 3 - Restricted Assets

Restricted assets on December 31, 2023 totaled \$2,925,825 and consisted of cash and investments held for the following purposes:

Enterprise Funds:	
Water Utility	
Debt Service	\$ 168
Carmichael Impact Assessments	898,491
Total Water Utility	<u>898,659</u>
Sewer Utility	
Sewer Replacement Fund	<u>2,027,166</u>
Total Restricted Assets	<u>\$ 2,925,825</u>

Note 4 - Property Taxes

Real estate property taxes are payable in full by January 31 or in four installments on or before January 31, March 31, May 31, and July 31. Real estate taxes not paid by July 31 are submitted to St. Croix County for final collection as part of the August tax settlement.

Personal property tax bills, except improvements on leased land, must be paid in full on or before January 31 or the taxes are delinquent.

All delinquent real estate and personal property taxes are subject to interest of 1% per month (fraction of a month counts as a whole month) from February 1 until paid and may be subject to an additional penalty (sec. 74.47, Wis. Stats.). The payment must be received by the treasurer within 5 working days of the due date.

Under 2011 Wisconsin Act 32, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 5 - Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 8,609,512	\$ -	\$ -	\$ 8,609,512
Construction in Progress	531,536	553,989	-	1,085,525
Total Capital Assets Not Being Depreciated	<u>9,141,048</u>	<u>553,989</u>	<u>-</u>	<u>9,695,037</u>
Capital Assets Being Depreciated				
Right To Use Asset	46,287	-	-	46,287
Land Improvements	3,190,873	730,643	-	3,921,516
Buildings and Improvements	14,369,099	73,693	-	14,442,792
Machinery and Equipment	6,455,430	597,045	-	7,052,475
Vehicles	6,729,228	413,071	-	7,142,299
Infrastructure	94,177,679	2,155,303	-	96,332,982
Total Capital Assets Being Depreciated	<u>124,968,596</u>	<u>3,969,755</u>	<u>-</u>	<u>128,938,351</u>
Less Accumulated Depreciation				
Right To Use Asset	(24,904)	(8,713)	-	(33,617)
Land Improvements	(2,434,464)	(86,196)	-	(2,520,660)
Buildings and Improvements	(3,707,513)	(339,599)	-	(4,047,112)
Machinery and Equipment	(3,706,840)	(460,612)	-	(4,167,452)
Vehicles	(4,425,053)	(430,341)	-	(4,855,394)
Infrastructure	(65,916,880)	(1,842,038)	-	(67,758,918)
Total Accumulated Depreciation	<u>(80,215,654)</u>	<u>(3,167,499)</u>	<u>-</u>	<u>(83,383,153)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>44,752,942</u>	<u>802,256</u>	<u>-</u>	<u>45,555,198</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 53,893,990</u>	<u>\$ 1,356,245</u>	<u>\$ -</u>	<u>\$ 55,250,235</u>

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:	
General Government	\$ 243,852
Public Safety	633,288
Public Works	2,083,995
Health and Human Services	624
Culture and Recreation	205,740
Total Depreciation Expense - Governmental Activities	<u>\$ 3,167,499</u>

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 5 - Capital Assets (Continued)

Capital asset activity for the business-type activities for the year ended December 31, 2023 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Water Utility				
Capital Assets not Being Depreciated				
Land and Land Rights	\$ 136,862	\$ -	\$ -	\$ 136,862
Construction in Progress	1,395	-	1,395	-
Total Capital Assets Not Being Depreciated	<u>138,257</u>	<u>-</u>	<u>1,395</u>	<u>136,862</u>
Capital Assets Being Depreciated				
Source of Supply	1,873,394	-	-	1,873,394
Pumping Plant	2,397,119	64,338	15,471	2,445,986
Water Treatment	8,481,322	2,240	224	8,483,338
Transmission and Distribution	29,991,440	603,299	13,100	30,581,639
General Assets	2,312,787	99,708	-	2,412,495
Total Capital Assets Being Depreciated	<u>45,056,062</u>	<u>769,585</u>	<u>28,795</u>	<u>45,796,852</u>
Less Accumulated Depreciation				
Source of Supply	(903,534)	(51,775)	-	(955,309)
Pumping Plant	(2,233,502)	(57,216)	(15,471)	(2,275,247)
Water Treatment	(3,845,356)	(275,100)	(224)	(4,120,232)
Transmission and Distribution	(8,744,411)	(665,145)	(13,100)	(9,396,456)
General Assets	(1,311,981)	(93,615)	-	(1,405,596)
Total Accumulated Depreciation	<u>(17,038,784)</u>	<u>(1,142,851)</u>	<u>(28,795)</u>	<u>(18,152,840)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>28,017,278</u>	<u>(373,266)</u>	<u>-</u>	<u>27,644,012</u>
Water Utility Capital Assets Net of Accumulated Depreciation	<u>\$ 28,155,535</u>	<u>\$ (373,266)</u>	<u>\$ 1,395</u>	<u>\$ 27,780,874</u>

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 5 - Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Sewer Utility				
Capital Assets not Being Depreciated				
Land	\$ 129,856	\$ -	\$ -	\$ 129,856
Construction in Progress	145,413	-	145,413	-
Total Capital Assets Not Being Depreciated	<u>275,269</u>	<u>-</u>	<u>145,413</u>	<u>129,856</u>
Capital Assets Being Depreciated				
Collection System	1,472,856	77,350	-	1,550,206
Pumping System	135,363	42,686	-	178,049
Treatment and Disposal plant	23,905,304	689,865	-	24,595,169
General Plant	1,052,933	817,263	219,284	1,650,912
Total Capital Assets Being Depreciated	<u>26,566,456</u>	<u>1,627,164</u>	<u>219,284</u>	<u>27,974,336</u>
Less Accumulated Depreciation				
Collection System	(298,643)	(29,409)	-	(328,052)
Pumping System	(49,253)	(13,748)	-	(63,001)
Treatment and Disposal plant	(9,181,543)	(652,206)	-	(9,833,749)
General Plant	(836,202)	(87,634)	(219,284)	(704,552)
Total Accumulated Depreciation	<u>(10,365,641)</u>	<u>(782,997)</u>	<u>(219,284)</u>	<u>(10,929,354)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>16,200,815</u>	<u>844,167</u>	<u>-</u>	<u>17,044,982</u>
Sewer Utility Capital Assets Net of Accumulated Depreciation	<u>\$ 16,476,084</u>	<u>\$ 844,167</u>	<u>\$ 145,413</u>	<u>\$ 17,174,838</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Parking Utility				
Capital Assets not Being Depreciated				
Land	\$ 760,562	\$ -	\$ -	\$ 760,562
Capital Assets Being Depreciated				
Improvement to Lots	991,691	-	-	991,691
Equipment	445,048	-	-	445,048
Total Capital Assets Being Depreciated	<u>1,436,739</u>	<u>-</u>	<u>-</u>	<u>1,436,739</u>
Less Accumulated Depreciation				
Improvement to Lots	(662,498)	(42,424)	-	(704,922)
Equipment	(169,134)	(39,153)	-	(208,287)
Total Accumulated Depreciation	<u>(831,632)</u>	<u>(81,577)</u>	<u>-</u>	<u>(913,209)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>605,107</u>	<u>(81,577)</u>	<u>-</u>	<u>523,530</u>
Parking Utility Capital Assets Net of Accumulated Depreciation	<u>\$ 1,365,669</u>	<u>\$ (81,577)</u>	<u>\$ -</u>	<u>\$ 1,284,092</u>

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 5 - Capital Assets (Continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Total Business-Type Activities:				
Capital Assets Not Being Depreciated	\$ 1,174,088	\$ -	\$ 146,808	\$ 1,027,280
Capital Assets Being Depreciated	73,059,257	2,396,749	248,079	75,207,927
Total Business-Type Capital Assets	<u>74,233,345</u>	<u>2,396,749</u>	<u>394,887</u>	<u>76,235,207</u>
Less Accumulated Depreciation	<u>(28,236,057)</u>	<u>(2,007,425)</u>	<u>(248,079)</u>	<u>(29,995,403)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 45,997,288</u>	<u>\$ 389,324</u>	<u>\$ 146,808</u>	<u>\$ 46,239,804</u>

Depreciation expense was charged to the following business-type activities:

Business-Type Activities:	
Water Utility Depreciation Charged to Accumulated Depreciation	\$ 1,142,851
Less: Share of Meter Depreciation	(108,354)
Total Water Utility Depreciation Expense	<u>1,034,497</u>
Sewer Utility Depreciation Charged to Accumulated Depreciation	782,997
Plus: Share of Meter Depreciation	108,354
Total Sewer Utility Depreciation Expense	<u>891,351</u>
Parking Utility	<u>81,577</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,007,425</u>

Note 6 - Interfund Transfers

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Tax Increment District No. 6	<u>\$ 452,932</u>	Year End Cash Flow Timing

Interfund transfers for the year ended December 31, 2023 were as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water Utility	\$ 438,794	Property Tax Equivalent
General Fund	Sewer Utility	20,885	Property Tax Equivalent
Debt Service Fund	General Fund	61,265	Town Share of Fire Truck Purchase
Debt Service Fund	Stormwater Fund	16,260	Share of Debt Service
		<u>\$ 537,204</u>	

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 7 - Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2023:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Debt:					
G.O. Bonds	\$ 20,155,000	\$ 8,210,000	\$ 1,250,000	\$ 27,115,000	\$ 1,445,000
G.O. Promissory Notes	4,875,000	-	775,000	4,100,000	820,000
Total General Obligation Debt	<u>25,030,000</u>	<u>8,210,000</u>	<u>2,025,000</u>	<u>31,215,000</u>	<u>2,265,000</u>
Adjustments For					
Debt Premium	621,051	355,375	121,923	854,503	-
Lease Liability	22,246	-	7,902	14,344	8,913
Compensated Absences	143,333	117,924	143,333	117,924	117,924
Total Governmental Activity Long-Term Obligations	<u>\$ 25,816,630</u>	<u>\$ 8,683,299</u>	<u>\$ 2,298,158</u>	<u>\$ 32,201,771</u>	<u>\$ 2,391,837</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Business-Type Activities					
General Obligation Debt:					
G.O Bonds					
Water Utility	\$ 660,000	\$ -	\$ 40,000	\$ 620,000	\$ 40,000
Mortgage Revenue Bonds					
Water Utility	1,412,724	-	83,117	1,329,607	84,581
Sewer Utility	10,789,038	1,134,429	527,260	11,396,207	594,244
Compensated Absences	33,428	25,266	33,429	25,265	
Debt Premium	4,575	-	657	3,918	-
Long-Term Obligations	<u>\$ 12,899,765</u>	<u>\$ 1,159,695</u>	<u>\$ 684,463</u>	<u>\$ 13,374,997</u>	<u>\$ 718,825</u>

Total interest paid during the year on long-term debt totaled \$1,137,051

Additional information on the above outstanding long-term obligations are as follows:

	<u>Dates of Issuance</u>	<u>Final Maturities</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balances 12/31/23</u>
Governmental Activities Long-Term Obligations					
G.O. Bonds - 2013A	10/09/13	10/01/33	3.00-4.00%	\$ 3,490,000	\$ 1,975,000
G.O. Bonds - 2015A	06/09/15	04/01/35	3.00-3.50%	2,115,000	1,430,000
G.O. Bonds - 2016A	04/12/16	04/01/36	2.00-3.00%	3,110,000	1,555,000
G.O. Bonds - 2017A	05/15/17	12/01/32	2.00-3.00%	2,495,000	1,630,000
G.O. Bonds - 2019A	04/29/19	12/31/39	3.00%	5,960,000	5,285,000
G.O. Bonds - 2021B	05/06/21	04/01/41	1.00-2.00%	3,850,000	3,350,000
G.O. Bonds - 2022A	12/01/22	10/01/42	4.00-5.00%	3,860,000	3,680,000
G.O. Bonds - 2023A	05/22/23	12/31/43	4.00%	4,770,000	4,770,000
G.O. Bonds - 2023B	05/22/23	12/31/33	3.125-5.00%	3,440,000	3,440,000
G.O. Promissory Notes - 2015B	06/09/15	04/01/25	1.50-3.00%	1,885,000	405,000
G.O. Promissory Notes - 2017B	06/01/17	06/01/27	3.00%	2,470,000	1,200,000
G.O. Promissory Notes - 2019B	04/29/19	12/31/29	3.00-4.00%	2,200,000	1,265,000
G.O. Promissory Notes - 2021C	05/06/21	04/01/31	1.15-3.00%	2,470,000	1,230,000
Total Governmental Activities Long-Term Obligations					<u>\$ 31,215,000</u>

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 7 - Long-Term Obligations (Continued)

	<u>Date of Issuances</u>	<u>Final Maturities</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balances 12/31/23</u>
Business Type Activities					
Long-Term Obligations					
G.O Bonds - Water	04/12/16	04/01/36	2.00-3.00%	\$ 3,110,000	\$ 620,000
Mortgage Revenue Bond - Water	12/13/17	05/01/37	1.760%	1,653,550	1,329,607
Mortgage Revenue Bond - Sewer	01/27/21	05/01/40	1.485%	12,616,740	11,396,207
Total Business Type Activities Long-Term Obligations					<u>\$ 13,345,814</u>

The annual principal and interest maturities for general obligation debt are allocated as follows:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,265,000	\$ 1,159,117	\$ 718,825	\$ 201,642	\$ 2,983,825	\$ 1,360,759
2025	2,205,000	953,003	729,138	191,035	2,934,138	1,144,038
2026	2,280,000	876,528	744,608	179,285	3,024,608	1,055,813
2027	2,360,000	792,503	755,238	167,674	3,115,238	960,177
2028	2,085,000	717,725	766,030	155,899	2,851,030	873,624
2029-2033	10,045,000	2,574,697	4,012,882	595,562	14,057,882	3,170,259
2024-2038	6,125,000	1,209,916	4,125,490	267,085	10,250,490	1,477,001
2039-2043	3,850,000	341,623	1,493,603	22,262	5,343,603	363,885
	<u>\$ 31,215,000</u>	<u>\$ 8,625,112</u>	<u>\$ 13,345,814</u>	<u>\$ 1,780,444</u>	<u>\$ 44,560,814</u>	<u>\$ 10,405,556</u>

Legal Margin For Debt

The 2023 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$3,157,300,000. The legal debt limit and margin of indebtedness as of December 31, 2023, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Equalized valuation of the City	\$ 3,157,300,000
Statutory limitation percentage	5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>157,865,000</u>
Net outstanding general obligation debt applicable to debt limitation	31,835,000
Legal margin for new debt	<u>\$ 126,030,000</u>

Utility Revenues Pledged

The Utility has pledged future revenue derived from the Water and Sewer Utilities, net of specified operating expenses, to repay the Clean Water Fund Loan, Safe Drinking Water Loans, and Revenue Bonds. Proceeds from the debt provided financing for the construction or acquisition of capital assets used within the utilities.

The Clean Water Fund Loan and Mortgage Revenue Bonds are payable from Sewerage System net revenues and payable through 2040. The total principal and interest remaining to be paid on the loans is \$12,893,517. Principal and interest paid for the current year and total Sewerage System net revenues were \$688,791 and \$1,609,183, respectively. The Sewerage System did meet the Clean Water Fund Loan revenue requirements in 2023.

The Safe Drinking Water Loans and Mortgage Revenues Bonds are payable from Water System net revenues and are payable through 2037. The total principal and interest remaining to be paid on the loans is \$1,442,306. Principal and interest paid for the current year and total water system net revenues were \$107,251 and \$2,660,418, respectively. The Water System did meet the Safe Drinking Water Loans and Revenue Bonds revenue requirements in 2023.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 8 - Fund Equity

Fund Financial Statements

At December 31, 2023 the governmental fund balances are as follows:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned (Deficit)</u>
Major Funds						
General Fund:						
Deliquent Taxes	\$ 58,024	\$ 58,024	\$ -	\$ -	\$ -	\$ -
Prepaid Items	60,066	60,066	-	-	-	-
Police Equipment	38,556	-	-	-	38,556	-
Fire Equipment	55,142	-	-	-	55,142	-
Energy Savings	8,323	-	-	-	8,323	-
BOGO Tree Funds	4,539	-	-	-	4,539	-
Health Insurance Reserve	454,409	-	-	-	454,409	-
Unassigned	4,707,363	-	-	-	-	4,707,363
Debt Service Fund	258,604	-	258,604	-	-	-
Capital Projects Fund	6,301,599	-	6,301,599	-	-	-
TID No. 5	1,501,003	-	1,501,003	-	-	-
TID No. 6	(466,379)	-	-	-	-	(466,379)
NonMajor Funds:						
Special Revenue Funds:						
Impact Fees Fund	1,471,746	-	1,471,746	-	-	-
Room Tax Fund	82,352	-	-	82,352	-	-
American Rescue Plan Act (ARPA) Fund	75,236	-	-	-	75,236	-
Sewer Collection System Replacement	1,372,063	-	-	1,372,063	-	-
Park Dedication Fees	916,995	-	916,995	-	-	-
Police Donations	64,739	-	64,739	-	-	-
Police Drug Forfeitures	3,865	-	3,865	-	-	-
Business Park Revolving Loan Fund	631,706	-	631,706	-	-	-
Storm Water MS-4	173,627	-	-	173,627	-	-
Storm Water	538,467	-	-	538,467	-	-
Total Governmental Fund Balances						
As of December 31, 2023	<u>\$ 18,312,045</u>	<u>\$ 118,090</u>	<u>\$ 11,150,257</u>	<u>\$ 2,166,509</u>	<u>\$ 636,205</u>	<u>\$ 4,240,984</u>

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 8 - Fund Equity (Continued)

Government-Wide Financial Statements

At December 31, 2023 net position was as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Net Capital Assets	\$ 55,250,235	\$ 46,239,804	\$ 101,490,039
Less: Related Long-Term Debt	(31,215,000)	(13,345,814)	(44,560,814)
Less: Premium on Capital Debt	(854,503)	(3,918)	(858,421)
Less: Lease Liability	(14,344)	-	(14,344)
Plus: Unspent Bond Proceeds	4,598,076	-	4,598,076
Total Net Investment in Capital Assets	<u>27,764,464</u>	<u>32,890,072</u>	<u>60,654,536</u>
Restricted			
Impact Fees	1,471,746	-	1,471,746
Park Fees	916,995	-	916,995
Police Fees and Donations	68,604	-	68,604
Community Development Loans	631,706	-	631,706
Capital Projects	3,204,526	-	3,204,526
Debt Service	-	168	168
Special Assessments	-	898,491	898,491
Asset Replacement	-	2,027,166	2,027,166
Pension Benefits	1,436,397	226,245	1,662,642
Total Restricted	<u>7,729,974</u>	<u>3,152,070</u>	<u>10,882,044</u>
Unrestricted	<u>5,957,044</u>	<u>16,039,476</u>	<u>21,996,520</u>
Total Government-Wide Activities Net Position	<u>\$ 41,451,482</u>	<u>\$ 52,081,618</u>	<u>\$ 93,533,100</u>

Note 9 - Individual Fund Balance Disclosures

The following governmental funds have a deficit fund balance as of December 31, 2023:

Tax Incremental District No. 6	<u>\$ 466,379</u>
--------------------------------	-------------------

These deficit fund balances will be corrected with subsequent years' revenues.

Note 10 - Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	(9.6)%	9.0%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

During the reporting period, the WRS recognized \$697,307 in contributions from the City.

Contribution rates as of December 31, 2023 are:

Employee Category	Employee	Employer
General (including executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At December 31, 2023, the City reported a liability of \$2,673,272 for its proportionate share of the net pension liability, with \$2,551,677 relating to the primary government and \$121,595 relating to the City's component units. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.05046096%, which was an increase of 0.00123710% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$1,356,754.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	\$ 4,257,694	\$ 5,593,654
Changes in assumptions	525,675	-
Net differences between projected and actual earnings on pension plan investments	4,541,272	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,142	15,293
Employer contributions subsequent to the measurement date	697,307	-
Total	10,024,090	5,608,947
Less Amounts Allocated to Component Units	(455,949)	(255,125)
Total Primary Government	\$ 9,568,141	\$ 5,353,822

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

The \$697,307 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 152,283
2025	767,998
2026	787,938
2027	2,009,617
	<u>\$ 3,717,836</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

**No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Long-term Expected Return on Plan Assets. The 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 returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are 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 by adding expected inflation.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**Asset Allocation Targets and Expected Returns¹
As of December 31, 2022**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	48%	7.6%	5.0%
Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115% *	7.4%	4.8%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	7.2%	4.6%
International Equities	30	8.1	5.5
Total Variable Fund	100%	7.7%	5.1%

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 10 - Defined Benefit Pension Plan (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,872,503	\$ 2,673,272	\$ (1,591,267)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the Pension Plan. The City is required to remit the monthly required contribution for both the employee and City portions by the last day of the following month. There was no amount due to WRS as of December 31, 2023.

Note 11 - Post-Employment Benefits Other Than Pension Benefits - LRLIF

General Information About the Other Post-Employment Benefits Plan

Plan Description. The LRLIF is a multiple-employer, defined-benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits Provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023 are:

<u>Coverage Type</u>	<u>Employee</u>
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 11 - Post-Employment Benefits Other Than Pension Benefits - LRLIF (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are as listed below:

**Life Insurance
Member Contribution Rates *
For the Year Ended December 31, 2022**

<u>Attained Age</u>	<u>Basic/Supplemental</u>
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

** Disabled members under age 70 receive a waiver-of-premium benefit.*

During the reporting period, the Plan recognized \$1,670 in contributions from the City.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2023, the City reported a liability of \$298,336 for its proportionate share of the net OPEB liability, with \$287,580 relating to the primary government and \$10,756 relating to the City's component units. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.07830700%, which was an increase of 0.00940500% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$25,895.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 11 - Post-Employment Benefits Other Than Pension Benefits - LRLIF (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	\$ -	\$ 29,197
Changes in assumptions	107,186	176,101
Net differences between projected and actual earnings on pension plan investments	5,598	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	45,770	36,057
Employer contributions subsequent to the measurement date	1,670	-
Total	160,224	241,355
Less Amounts Allocated to Component Units	(5,777)	(8,702)
Total Primary Government	\$ 154,447	\$ 232,653

The \$1,670 reported as deferred outflows related to OPEB resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (10,043)
2025	(12,772)
2026	(3,921)
2027	(13,408)
2028	(21,566)
Thereafter	(21,091)
	\$ (82,801)

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 11 - Post-Employment Benefits Other Than Pension Benefits - LRLIF (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability:	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2022**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 11 - Post-Employment Benefits Other Than Pension Benefits - LRLIF (Continued)

Single Discount Rate. A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.76 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	<u>1% Decrease to Discount Rate (2.76%)</u>	<u>Current Discount Rate (3.76%)</u>	<u>1% Increase to Discount Rate (4.76%)</u>
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 406,750	\$ 298,336	\$ 215,250

Payables to the OPEB Plan. The City is required to remit the monthly required contribution for both the employee and City portions by the last day of the following month. There was no amount due for the life insurance plan at December 31, 2023.

Note 12 - Post-Employment Benefits Other Than Pension Benefits - Single-Employer Plan

Plan description. The City incurs a liability for postemployment health care benefits under its current plan and policies as follows:

Conversion of Sick Leave. The City allows for a portion of accumulated sick leave to be used as a credit for postemployment health insurance upon retirement based upon the rate of pay at the time of retirement.

Implicit Rate Subsidy. The City plan uses a blended rate for both active and retired employees. The difference between the blended rate and the higher age-adjusted rate is considered a subsidy of the retirees' health insurance cost.

The City's plan is a single employer defined benefit plan used to provide postemployment benefits other than pensions (OPEB). The City Council is designated as the administrator of the OPEBplan.

Benefits provided. All City employees eligible for retirement under the Wisconsin Retirement System with a minimum of 5 years of service and at least 55 years of age (50 for protective status) may continue coverage under the City's group medical plan until Medicare eligible provided that they self-pay 100% of the required premium.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 12 - Post-Employment Benefits Other Than Pension Benefits - Single-Employer Plan (Continued)

Employees covered by benefit terms. At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	89
	<u>99</u>

Contributions. The City funds its other postemployment benefit on a pay-as-you go basis. For fiscal year 2023, the City contributed an estimated \$68,910 to the plan.

Total OPEB Liability. The City does not accumulate assets in a trust for payment of OPEB benefits. Accordingly, the City must report its total OPEB liability. The City's total OPEB liability was determined by an actuarial valuation as of January 1, 2022, with a measurement date of January 1, 2023. At December 31, 2023, the City reported a total OPEB liability of \$1,335,868, with \$1,287,703 allocated to the primary government and the remaining amount allocated to component units. Changes in the City's total OPEB liability were as follows:

	<u>Total OPEB Liability</u>
Balance at December 31, 2022	\$ 1,383,731
Changes for the Year:	
Service Cost	127,026
Interest	29,904
Differences Between Expected and Actual Experiences	-
Changes of Assumptions or Other Input	(173,557)
Benefit Payments	<u>(31,236)</u>
Net Changes	<u>(47,863)</u>
Balance at December 31, 2023	1,335,868
Less: Allocation to Component Units	48,165
Balance at December 31, 2023 - Primary Government	<u>\$ 1,287,703</u>

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 12 - Post-Employment Benefits Other Than Pension Benefits - Single-Employer Plan (Continued)

Actuarial assumptions. The total OPEB liability in the actuarial valuation was determined under the alternative measurement method using the following actuarial assumptions rolled forward to the measurement date, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	January 1, 2023
Actuarial Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age, level percentage of pay
Amortization Method	average of expected remaining service on a closed basis for differences between expected and actual experience and assumption changes
Discount Rate	4.00%
20-Year Municipal Bond Yield	4.00%
Inflation Rate	2.50%
Salary Increases	3.4% - 7.8%
Medical Trend Rates	6.25% in 2023 grading to 5.00% over 5 years and then to 4.00% over the next 48 years
Mortality Rates	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale

Discount Rate. The discount rate used to measure the total OPEB liability was 4.00%. The discount rate is based upon all years of projected payments discounted at a municipal bond rate of 4.00%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease (3.00%)</u>	<u>Current Discount Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Total OPEB Liability	\$ 1,441,112	\$ 1,335,868	\$ 1,238,237

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care cost trend rates:

	<u>1% Decrease (5.0% decreasing to 4.0%)</u>	<u>Healthcare Cost Trend Rates (6.25% decreasing to 5.0%)</u>	<u>1% Increase (7.25% decreasing to 6.0%)</u>
Total OPEB Liability	\$ 1,237,056	\$ 1,335,868	\$ 1,453,681

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 12 - Post-Employment Benefits Other Than Pension Benefits - Single-Employer Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2023, the City recognized OPEB expense of \$62,952. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between OPEB plan - projected and actual experiences	\$ -	\$ 368,349
Changes in assumptions	93,657	275,426
Employer contributions subsequent to the measurement date	68,910	-
Total	<u>162,567</u>	<u>643,775</u>
Less Amounts Allocated to Component Units	(5,861)	(23,212)
Total Primary Government	<u>\$ 156,706</u>	<u>\$ 620,563</u>

The \$68,910 reported as deferred outflows of resources resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024.

The plan does not issue separate financial statements.

Note 13 - Leases

Lessee

The City is obligated under one lease accounted for as a lease obligation that was used to finance the acquisition of vehicles to be used for the public works department.

At December 31, 2023, the City has recognized a right to use asset of \$46,287 and a lease liability of \$14,344 related to this lease. During the current fiscal year, the City recorded \$8,713 as depreciation expense and \$33,617 as total accumulated depreciation related to its right to use asset.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Lease Obligations					
Lease Liability	<u>\$ 22,246</u>	<u>\$ -</u>	<u>\$ 7,902</u>	<u>\$ 14,344</u>	<u>\$ 8,913</u>

Interest paid on lease liability obligation during the year ended December 31, 2022, was \$1,407.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 13 - Leases (Continued)

The remaining obligations associated with the lease at December 31, 2023, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,913	\$ 1,397	\$ 10,310
2025	4,407	726	5,133
2026	1,024	233	1,257
Total	<u>\$ 14,344</u>	<u>\$ 2,356</u>	<u>\$ 16,700</u>

Lessor

At December 31, 2023, the City had eight leases with entities that they lease all or a portion of the City's assets. These leases are for antenna leases on City property and are reflected in the water utility on the statement of net position proprietary funds.

The water utility leases tower space to an entity for the purpose of transmission and reception of communication signals. This lease has an initial lease term of six years with five additional six-year terms. The initial monthly payment was \$2,800 and increases 5.0% annually. The water utility leases tower space to an entity for the purpose of transmission and reception of communication signals. This lease has an initial lease term of six years with two additional six-year terms. The initial monthly payment was \$1,708 and increases by 5.0% annually. The water utility leases tower space to an entity for the purpose of transmission and reception of communication signals. This lease has an initial lease term of six years with two additional six-year terms. The initial monthly payment was \$2,011 and increases 2.5% annually. The water utility leases tower space to an entity for the purpose of transmission and reception of communication signals. This lease has an initial lease term of six years with two additional six-year terms. The initial monthly payment was \$1,583 and increases 5.0% annually. The water utility leases tower space to an entity for the purpose of transmission and reception of communication signals. This lease has an initial lease term of six years with two additional six-year terms. The initial annual payment was \$27,844 and increases 2.0% annually. The water utility leases tower space to entity for the purpose of transmission and reception of communication signals. This lease has an initial lease term of six years with two additional six-year terms. The initial monthly payment was \$1,385 and increases 5.0% annually. The water Utility leases tower space to an entity for the purpose of transmission and reception of communication signals. This lease has an initial lease term of six years with two additional six-year terms. The initial monthly payment was \$2,602 and increases 3.0% annually. The water utility leases tower space to a governmental entity for the purpose of transmission and reception of communication signals. This lease has an initial lease term of six years with two additional six-year terms. The initial monthly payment was \$1,000 and increases 5.0% annually.

For the year end December 31, 2023, the water utility recognized \$220,604 in lease revenue related to these agreements. At December 31, 2023, the utility recorded \$2,486,625 in lease receivables and deferred inflows of resources for these arrangements.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 13 - Leases (Continued)

Leases Receivable	Beginning Balances	Additions	Reductions	Ending Balances
AT&T Deer Path Tower Lease	\$ 1,167,913	\$ -	\$ 11,175	\$ 1,156,738
T Mobile Carmichael Tower Lease	127,530	-	43,731	83,799
T Mobile Hanley Rd Tower Lease	341,117	-	25,068	316,049
T Mobile WI St. Tower Lease	160,256	-	39,421	120,835
Verizon Carmichael Tower Lease	283,640	-	27,534	256,106
Verizon Deer Path Tower Lease	147,693	-	29,485	118,208
Verizon Hanley Road Tower Lease	437,453	-	30,798	406,655
Washington County Hanley Rd. Tower Lease	41,627	-	13,392	28,235
Total	<u>\$ 2,707,229</u>	<u>\$ -</u>	<u>\$ 220,604</u>	<u>\$ 2,486,625</u>

Remaining amounts to be received associated with these leases at December 31, 2023 are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 234,272	\$ 42,487	\$ 276,759
2025	234,192	38,804	272,996
2026	181,628	35,649	217,277
2027	131,716	33,109	164,825
2028	121,750	31,174	152,924
2029-2033	619,846	124,911	744,757
2034-2038	166,947	91,238	258,185
2039-2043	228,263	71,045	299,308
2044-2048	303,108	43,871	346,979
2049-2052	264,903	10,059	274,962
Total	<u>\$ 2,486,625</u>	<u>\$ 522,347</u>	<u>\$ 3,008,972</u>

Note 14 - Tax Incremental Financing Districts

The City has established separate capital projects funds for the Tax Incremental Financing Districts (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TID's were created, the property tax base within each TID was "frozen" and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. State Statutes allow a tax incremental district to incur eligible project costs up to five years from the maximum termination date.

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective TID's. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No.5	2045
TID No.6	2038

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 14 - Tax Incremental Financing Districts (Continued)

Tax Abatements

The City has entered into agreements within some of the Districts that require the City to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2023, the City abated property taxes of \$1,231,682 under this program which include the following tax abatement agreements:

- A property tax abatement of \$905,663 to a developer within Tax Incremental District No. 5
- A property tax abatement of \$236,019 to two developers within Tax Incremental District No. 6

Note 15 - Business Park Revolving Loan Fund

The City was awarded a grant by the Wisconsin Department of Commerce under the Major Economic Development (MED) program in 2003 in the amount of \$850,000. The funds were to be used to assist in financing site acquisition costs from the St. Croix Business Park for a major business to locate within the business park. Upon closing of the sale, St. Croix Business Park was to pay \$425,000 of the funds to the City to establish a separate revolving loan fund under management and direction of the City to be used by St. Croix Business Park to assist future economic development projects in the City.

The \$425,000 was recorded in a separate special revenue fund by the City. There were no loans outstanding at December 31, 2023. Outstanding balances on the loans would be shown as long-term receivables in the business park revolving loan special revenue fund. The balance in the fund at December 31, 2023 totaled \$631,706.

Note 16 - Participation in Biosolids Facility

The City is a participating member of the West Central Wisconsin Biosolids Facility (Facility), a facility jointly constructed by eleven Wisconsin communities to provide for the treatment, storage, and disposal of biosolids (sludge). The communities have created a commission pursuant to Section 66.0301 (formerly 66.30) of the Wisconsin Statutes to administer the Facility with said commission to operate as a governmental body under Section 19.82(1) of the Statutes. Costs of operation of the Facility are to be recovered from users of the Facility (both members and nonmembers) based on usage. The City is advanced billed quarterly for its estimated share of costs. The billings are subject to a final adjustment based on actual costs and actual usage.

Note 17 - Landfill Postclosure Care Costs

The City is responsible for postclosure care costs relating to a landfill site owned by the City. The landfill was closed in prior years and a cover and monitoring wells were installed in 1992. Future postclosure care costs currently consist solely of monitoring emissions from the site wells and the water quality of identified adjacent property owners' wells. The Wisconsin Department of Natural Resources did not stipulate a specific future timeframe for the required monitoring and, accordingly, no liability has been recorded for these ongoing costs in the government-wide financial statements. Total expenditures during 2023 were \$3,210. Future annual expenditures are expected to be similar to current year expenditures.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 18 - Discretely Presented Component Units

Joint Library

Capital asset activity for the Joint Library for the year ended December 31, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Being Depreciated				
Buildings and Improvements	\$ 557,724	\$ 25,426	\$ -	\$ 583,150
Machinery and Equipment	784,586	97,928	-	882,514
Total Capital Assets Being Depreciated	<u>1,342,310</u>	<u>123,354</u>	<u>-</u>	<u>1,465,664</u>
Less Accumulated Depreciation				
Buildings and Improvements	(258,351)	(25,832)	-	(284,183)
Machinery and Equipment	(383,700)	(85,085)	-	(468,785)
Total Accumulated Depreciation	<u>(642,051)</u>	<u>(110,917)</u>	<u>-</u>	<u>(752,968)</u>
Net Capital Assets - Joint Library	<u>\$ 700,259</u>	<u>\$ 12,437</u>	<u>\$ -</u>	<u>\$ 712,696</u>

Depreciation expense charge to the Joint Library was \$110,917.

The long-term obligations activity for the Joint Library component unit for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Compensated Absences	\$ 9,378	\$ 7,533	\$ 9,378	\$ 7,533	\$ 7,533

Community Access Board

Capital asset activity for the Community Access Board for the year ended December 31, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Being Depreciated				
Machinery and Equipment	\$ 314,831	\$ 2,896	\$ -	\$ 317,727
Less Accumulated Depreciation				
Machinery and Equipment	(200,072)	(19,553)	-	(219,625)
Net Capital Assets Community Access Board	<u>\$ 114,759</u>	<u>\$ (16,657)</u>	<u>\$ -</u>	<u>\$ 98,102</u>

Depreciation expense charge to the Community Access Board was \$19,553.

CITY OF HUDSON, WISCONSIN

Notes to Financial Statements

December 31, 2023

Note 18 - Discretely Presented Component Units (Continued)

The long-term obligations activity for the Community Access Board component unit for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Compensated Absences	\$ 16,408	\$ 1,996	\$ 16,408	\$ 1,996	\$ 1,996

Note 19 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the City purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in past year.

Note 20 - Contingencies

The City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor for expenditures disallowed under terms of the grants. The City believes such disallowances, if any, would be immaterial.

From time to time the City is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of City management, these issues, and any other proceedings known to exist at December 31, 2023, are not likely to have a material adverse impact on the City's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HUDSON, WISCONSIN

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System (WRS)

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset/Liability	City's Proportionate Share of the Net Pension (Asset)/Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability
12/31/2022	0.05046096%	\$ 2,673,272	\$ 7,138,788	37.45%	95.72%
12/31/2021	0.04922386%	(3,967,533)	6,679,423	59.40%	106.02%
12/31/2020	0.04850856%	(3,028,456)	6,345,452	47.73%	105.26%
12/31/2019	0.04733479%	(1,526,289)	6,377,558	23.93%	102.96%
12/31/2018	0.04506210%	1,603,168	6,078,348	26.38%	96.45%
12/31/2017	0.04237096%	(1,258,044)	5,580,151	22.54%	102.93%
12/31/2016	0.04027648%	331,974	5,274,504	6.29%	99.12%
12/31/2015	0.03942175%	640,597	4,990,775	12.84%	98.20%
12/31/2014	0.03932084%	(965,827)	4,775,480	20.22%	102.74%

Schedule of Employer Contributions
Wisconsin Retirement System (WRS)

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2023	\$ 697,307	\$ 697,307	\$ -	\$ 7,475,254	9.33%
12/31/2022	614,281	614,281	-	7,138,788	8.60%
12/31/2021	583,209	583,209	-	6,679,423	8.73%
12/31/2020	545,833	545,833	-	6,345,452	8.60%
12/31/2019	511,551	511,551	-	6,377,558	8.02%
12/31/2018	490,651	490,651	-	6,078,348	8.07%
12/31/2017	455,284	455,284	-	5,580,151	8.16%
12/31/2016	398,730	398,730	-	5,274,504	7.56%
12/31/2015	385,618	385,618	-	4,990,775	7.73%

CITY OF HUDSON, WISCONSIN
Schedule of Changes in Total OPEB Liability and Related Ratios
Other Post-Employment Benefit Plan - Single-Employer Plan
Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 127,026	\$ 164,860	\$ 153,479	\$ 130,844	\$ 145,836	\$ 152,610
Interest	29,904	29,197	36,984	68,322	57,878	53,756
Differences Between Expected and Actual Experience	-	(142,028)	-	(458,515)	-	-
Changes of Assumptions or Other Input	(173,557)	63,308	64,518	(174,127)	(50,609)	-
Benefit Payments	(31,236)	(52,954)	(110,134)	(113,301)	(75,082)	(74,355)
Net Change in Total OPEB Liability	(47,863)	62,383	144,847	(546,777)	78,023	132,011
Total OPEB Liability - Beginning	1,383,731	1,321,348	1,176,501	1,723,278	1,645,255	1,513,244
Total OPEB Liability - Ending	<u>\$ 1,335,868</u>	<u>\$ 1,383,731</u>	<u>\$ 1,321,348</u>	<u>\$ 1,176,501</u>	<u>\$ 1,723,278</u>	<u>\$ 1,645,255</u>
Covered-Employee Payroll	\$ 6,527,616	\$ 6,306,875	\$ 5,820,162	\$ 5,636,961	\$ 5,469,304	\$ 5,310,004
Total OPEB Liability as a Percentage of Covered-Employee Payroll	20.46%	21.94%	22.70%	20.87%	31.51%	30.98%

*Ten years of data will be accumulated beginning with 2018.

CITY OF HUDSON, WISCONSIN

Schedule of Employer's Proportionate Share of the Net OPEB Liability
Local Retiree Life Insurance Plan

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2022	0.07830700%	\$ 298,336	\$ 4,700,000	6.35%	38.81%
12/31/2021	0.06890200%	407,236	4,292,000	9.49%	29.57%
12/31/2020	0.06659100%	366,299	4,086,000	8.96%	31.36%
12/31/2019	0.07222800%	307,561	3,889,000	7.91%	37.58%
12/31/2018	0.08302300%	214,227	3,791,000	5.65%	48.69%
12/31/2017	0.09710600%	292,152	4,083,585	7.15%	44.81%

Schedule of Employer Contributions
Local Retiree Life Insurance Plan

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2023	\$ 1,670	\$ 1,670	\$ -	\$ 4,897,000	0.03%
12/31/2022	1,597	1,597	-	4,700,000	0.03%
12/31/2021	1,395	1,395	-	4,292,000	0.03%
12/31/2020	1,313	1,313	-	4,086,000	0.03%
12/31/2019	1,397	1,397	-	3,889,000	0.04%
12/31/2018	1,598	1,598	-	3,791,000	0.04%

CITY OF HUDSON, WISCONSIN
Schedule of Budgetary Comparison
Budget and Actual
General Fund
For the Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ 7,476,341	\$ 7,474,743	\$ (1,598)
Intergovernmental	1,206,791	1,213,022	6,231
Licenses and Permits	514,080	528,039	13,959
Fines, Forfeitures and Penalties	130,900	74,132	(56,768)
Public Charges for Services	395,400	349,712	(45,688)
Intergovernmental Charges for Services	740,025	762,080	22,055
Miscellaneous	243,935	537,729	293,794
Total Revenues	<u>10,707,472</u>	<u>10,939,457</u>	<u>231,985</u>
EXPENDITURES			
General Government	2,133,963	2,318,602	(184,639)
Public Safety	5,734,741	5,950,791	(216,050)
Transportation Facilities	1,810,469	1,950,758	(140,289)
Sanitation	15,368	14,330	1,038
Health and Human Services	12,800	15,962	(3,162)
Culture and Recreation	825,345	855,186	(29,841)
Conservation and Development	632,021	630,711	1,310
Capital Outlay	41,500	29,055	12,445
Total Expenditures	<u>11,206,207</u>	<u>11,765,395</u>	<u>(559,188)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(498,735)</u>	<u>(825,938)</u>	<u>(327,203)</u>
OTHER FINANCING SOURCE (USE)			
Transfers In	560,000	459,679	(100,321)
Transfers Out	(61,265)	(61,265)	-
Total Other Financing Source (Use)	<u>498,735</u>	<u>398,414</u>	<u>(100,321)</u>
NET CHANGE IN FUND BALANCE	-	(427,524)	(427,524)
FUND BALANCE - BEGINNING	<u>5,813,946</u>	<u>5,813,946</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 5,813,946</u>	<u>\$ 5,386,422</u>	<u>\$ (427,524)</u>

CITY OF HUDSON, WISCONSIN
Notes to Required Supplementary Information
December 31, 2023

Budgetary Process

The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- During November, City management submits to the Common Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, certain special revenue funds, debt service funds, and certain capital projects funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the general fund, certain special revenue funds, debt service funds, and certain capital projects funds.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Common Council.

Excess of Actual Expenditures Over Budget

The following fund had an excess of actual expenditures over budget for the year ended December 31, 2023:

General Fund	Excess Expenditures
General Government	\$ 184,639
Public Safety	216,050
Tranportation Facilities	140,289
Health and Human Services	3,162
Culuture and Recreation	29,841

CITY OF HUDSON, WISCONSIN
Notes to Required Supplementary Information
December 31, 2023

Defined Benefit Pension Plan

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions.

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Post-Employment Benefits Other Than Pension Benefits - LRLIF

Changes of benefit terms. There were no recent changes in benefit terms.

Changes of assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Post-Employment Benefits Other Than Pension Benefits - Single-Employer Plan

Changes of benefit terms. There were no recent changes in benefit terms.

Changes of assumptions. The inflation rate was changed from 2.00% to 2.50%. The discount rate was changed from 2.00% to 4.00%.

SUPPLEMENTARY INFORMATION

CITY OF HUDSON, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2023
With Summarized Information From December 31, 2022

	Impact Fees Fund	Room Tax	American Rescue Plan Act (ARPA) Fund	Sewer Collection System	Park Dedication Fees	Police Donations
ASSETS						
Cash and Investments	\$ 1,471,746	\$ 96,128	\$ 794,433	\$ 1,372,063	\$ 916,995	\$ 67,745
Accounts Receivable	-	47,227	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,471,746</u>	<u>\$ 143,355</u>	<u>\$ 794,433</u>	<u>\$ 1,372,063</u>	<u>\$ 916,995</u>	<u>\$ 67,745</u>
LIABILITIES						
Accounts Payable	\$ -	\$ 61,003	\$ 16,337	\$ -	\$ -	\$ 3,006
Accrued Liabilities	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
American Rescue Plan Act Funds	-	-	702,860	-	-	-
Total Liabilities	<u>-</u>	<u>61,003</u>	<u>719,197</u>	<u>-</u>	<u>-</u>	<u>3,006</u>
FUND BALANCES						
Restricted	1,471,746	-	-	-	916,995	64,739
Assigned	-	-	75,236	-	-	-
Committed	-	82,352	-	1,372,063	-	-
Total Fund Balances	<u>1,471,746</u>	<u>82,352</u>	<u>75,236</u>	<u>1,372,063</u>	<u>916,995</u>	<u>64,739</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,471,746</u>	<u>\$ 143,355</u>	<u>\$ 794,433</u>	<u>\$ 1,372,063</u>	<u>\$ 916,995</u>	<u>\$ 67,745</u>

CITY OF HUDSON, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2023
With Summarized Information From December 31, 2022

	Police Drug Forfeitures	Business Park Revolving Loan Fund	Storm Water MS-4 Fund	Storm Water Fund	Total Nonmajor Governmental Funds	2022
ASSETS						
Cash and Investments	\$ 3,865	\$ 631,706	\$ 173,627	\$ 453,673	\$ 5,981,981	\$ 5,638,684
Accounts Receivable	-	-	-	151,669	198,896	194,141
Due from Other Governments	-	-	-	14,829	14,829	13,487
TOTAL ASSETS	<u>\$ 3,865</u>	<u>\$ 631,706</u>	<u>\$ 173,627</u>	<u>\$ 620,171</u>	<u>\$ 6,195,706</u>	<u>\$ 5,846,312</u>
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ 74,589	\$ 154,935	\$ 42,858
Accrued Liabilities	-	-	-	7,115	7,115	3,458
Unearned Revenue						
American Rescue Plan Act Funds	-	-	-	-	702,860	849,472
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,704</u>	<u>864,910</u>	<u>895,788</u>
FUND BALANCES						
Restricted	3,865	631,706	-	-	3,089,051	2,852,246
Assigned	-	-	-	-	75,236	17,553
Committed	-	-	173,627	538,467	2,166,509	2,080,725
Total Fund Balances	<u>3,865</u>	<u>631,706</u>	<u>173,627</u>	<u>538,467</u>	<u>5,330,796</u>	<u>4,950,524</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,865</u>	<u>\$ 631,706</u>	<u>\$ 173,627</u>	<u>\$ 620,171</u>	<u>\$ 6,195,706</u>	<u>\$ 5,846,312</u>

CITY OF HUDSON, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023
With Summarized Information From December 31, 2022

	Impact Fees Fund	Room Tax Fund	American Rescue Plant Act (ARPA) Fund	Sewer Collection System	Parks Dedication Fees	Police Donations
REVENUES						
Taxes	\$ -	\$ 313,046	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	146,612	-	-	-
Fines, Forfeitures and Penalties	-	-	-	-	-	-
Charges for Services	-	-	-	-	19,046	-
Investment Income	96,337	6,081	58,162	90,651	60,339	2,476
Donations	-	-	-	-	-	20,655
Miscellaneous	-	-	-	-	-	23,756
Total Revenues	<u>96,337</u>	<u>319,127</u>	<u>204,774</u>	<u>90,651</u>	<u>79,385</u>	<u>46,887</u>
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	23,407
Transportation Facilities	-	-	-	-	-	-
Culture, Recreation, and Education	-	336,735	-	-	1,911	-
Conservation and Development	-	-	-	-	-	-
Capital Outlay	-	-	146,612	-	-	-
Total Expenditures	<u>-</u>	<u>336,735</u>	<u>146,612</u>	<u>-</u>	<u>1,911</u>	<u>23,407</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>96,337</u>	<u>(17,608)</u>	<u>58,162</u>	<u>90,651</u>	<u>77,474</u>	<u>23,480</u>
OTHER FINANCING USE						
Transfers Out	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	96,337	(17,608)	58,162	90,651	77,474	23,480
FUND BALANCES - BEGINNING	<u>1,375,409</u>	<u>99,960</u>	<u>17,074</u>	<u>1,281,412</u>	<u>839,521</u>	<u>41,259</u>
FUND BALANCES - ENDING	<u>\$ 1,471,746</u>	<u>\$ 82,352</u>	<u>\$ 75,236</u>	<u>\$ 1,372,063</u>	<u>\$ 916,995</u>	<u>\$ 64,739</u>

CITY OF HUDSON, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023
With Summarized Information From December 31, 2022

	Police Drug Forfeitures	Business Park Revolving Loan Fund	Storm Water MS- 4 Fund	Storm Water Fund	Special Assessments	Total Nonmajor Governmental Funds	2022
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,046	\$ 276,772
Intergovernmental	-	-	-	-	-	146,612	626,668
Fines, Forfeitures and Penalties	22	-	-	-	-	22	-
Charges for Services	-	-	-	559,931	-	578,977	762,851
Investment Income	41	41,094	11,296	34,896	-	401,373	74,286
Donations	-	-	-	-	-	20,655	7,775
Miscellaneous	-	-	-	17,414	-	41,170	171
Total Revenues	<u>63</u>	<u>41,094</u>	<u>11,296</u>	<u>612,241</u>	<u>-</u>	<u>1,501,855</u>	<u>1,748,523</u>
EXPENDITURES							
Current:							
Public Safety	1,643	-	-	-	-	25,050	12,203
Transportation Facilities	-	-	-	594,536	479	595,015	514,156
Culture, Recreation, and Education	-	-	-	-	-	338,646	303,696
Conservation and Development	-	-	-	-	-	-	302,798
Capital Outlay	-	-	-	-	-	146,612	626,668
Total Expenditures	<u>1,643</u>	<u>-</u>	<u>-</u>	<u>594,536</u>	<u>479</u>	<u>1,105,323</u>	<u>1,759,521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,580)</u>	<u>41,094</u>	<u>11,296</u>	<u>17,705</u>	<u>(479)</u>	<u>396,532</u>	<u>(10,998)</u>
OTHER FINANCING USE							
Transfers Out	-	-	-	(16,260)	-	(16,260)	(16,260)
NET CHANGE IN FUND BALANCES	(1,580)	41,094	11,296	1,445	(479)	380,272	(27,258)
FUND BALANCES - BEGINNING	<u>5,445</u>	<u>590,612</u>	<u>162,331</u>	<u>537,022</u>	<u>479</u>	<u>4,950,524</u>	<u>4,977,782</u>
FUND BALANCES - ENDING	<u>\$ 3,865</u>	<u>\$ 631,706</u>	<u>\$ 173,627</u>	<u>\$ 538,467</u>	<u>\$ -</u>	<u>\$ 5,330,796</u>	<u>\$ 4,950,524</u>

OTHER INFORMATION

CITY OF HUDSON, WISCONSIN
Detailed Balance Sheet
General Fund
As of December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
ASSETS		
Cash and Investments	\$ 5,034,047	\$ 4,544,649
Receivables:		
Property Taxes	7,943,663	7,474,741
Delinquent Property Taxes	58,024	54,250
Accounts	915,263	1,315,469
Due from Other Funds	452,932	824,295
Prepaid Items	60,066	34,987
TOTAL ASSETS	\$ 14,463,995	\$ 14,248,391
LIABILITIES		
Accounts Payable	\$ 882,345	\$ 741,186
Accrued Liabilities	251,561	218,454
Due to Other Governments	5	64
Total Liabilities	1,133,911	959,704
DEFERRED INFLOWS OF RESOURCES		
Taxes Levied for Subsequent Period	7,943,662	7,474,741
FUND BALANCES		
Nonspendable	118,090	89,237
Assigned	560,969	554,162
Unassigned	4,707,363	5,170,547
Total Fund Balances	5,386,422	5,813,946
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,463,995	\$ 14,248,391

CITY OF HUDSON, WISCONSIN
Statement of Changes in Fund Balance
General Fund
For the Year Ended December 31, 2023

	Balance 01/01/23	Revenue and Other Sources			Net Transfers From (To) General Fund	Total Available	Expenditures/ Transfers to Other Funds	Balance 12/31/23
		Tax Levy	Interest	Other				
NONSPENDABLE								
Deliquent Taxes	\$ 54,250	\$ -	\$ -	\$ -	\$ 3,774	\$ 58,024	\$ -	\$ 58,024
Prepaid Items	34,987	-	-	-	25,079	60,066	-	60,066
Total Nonspendable	\$ 89,237	\$ -	\$ -	\$ -	\$ 28,853	\$ 118,090	\$ -	\$ 118,090
ASSIGNED								
Police Equipment	\$ 13,252	\$ -	\$ 25,304	\$ -	\$ -	\$ 38,556	\$ -	\$ 38,556
Fire Equipment	81,850	-	426	10,389	-	92,665	37,523	55,142
Health Insurance	449,899	-	4,510	-	-	454,409	-	454,409
Energy Savings	7,577	-	746	-	-	8,323	-	8,323
BOGO Tree Funds	1,584	-	2,955	-	-	4,539	-	4,539
Total Assigned	\$ 554,162	\$ -	\$ 33,941	\$ 10,389	\$ -	\$ 598,492	\$ 37,523	\$ 560,969

CITY OF HUDSON, WISCONSIN
Detailed Schedule of Budgetary Comparison Revenues and Other Financing Source
General Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
TAXES			
General Property Taxes	\$ 7,474,741	\$ 7,474,743	\$ 2
Interest on Taxes	1,600	-	(1,600)
Total Taxes	<u>7,476,341</u>	<u>7,474,743</u>	<u>(1,598)</u>
INTERGOVERNMENTAL			
State Aids			
Shared Taxes	200,000	211,531	11,531
Aid for Exempt Computers	30,502	30,502	-
Fire Insurance Dues	92,000	109,918	17,918
Aid for Police Training	4,000	4,000	-
General Transportation Aids	800,429	775,357	(25,072)
Personal Property Aid	79,860	79,860	-
Other State Payments	-	1,854	1,854
Total Intergovernmental	<u>1,206,791</u>	<u>1,213,022</u>	<u>6,231</u>
LICENSES AND PERMITS			
Liquor and Malt Beverage Licenses	40,000	22,720	(17,280)
Other Business and Occupational Licenses	19,930	23,866	3,936
Dog and Cat Licenses	5,000	5,975	975
Cigarette Licenses	2,400	3,200	800
Building Permits	403,000	428,621	25,621
Other Permits	14,750	18,563	3,813
Filing Fees	29,000	25,094	(3,906)
Total Licenses and Permits	<u>514,080</u>	<u>528,039</u>	<u>13,959</u>
FINES, FORFEITURES AND PENALTIES			
Court Penalties and Fees	130,900	74,132	(56,768)
PUBLIC CHARGES FOR SERVICES			
Publication Fees	300	1,075	775
Maps, Copies, and Photos	200	451	251
Assessment Search Fees	6,000	3,500	(2,500)
Administrations Charges to Business Park	12,500	9,323	(3,177)
Police Special OT	5,000	3,175	(1,825)
Public Education Fees	400	-	(400)
Maintenance Charges	200,000	194,009	(5,991)
Weed and Nuisance Control	1,000	(1)	(1,001)
Parks and Recreation	30,000	32,166	2,166
Boat Launching	125,000	90,797	(34,203)
Sal Boat Mooring	15,000	15,217	217
Total Public Charges for Services	<u>395,400</u>	<u>349,712</u>	<u>(45,688)</u>

CITY OF HUDSON, WISCONSIN
Detailed Schedule of Budgetary Comparison Revenues and Other Financing Source- Continued
General Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
INTERGOVERNMENTAL CHARGES FOR SERVICES			
Fire Protection - Contracts	513,625	513,686	61
School Liason Officer	200,000	215,617	15,617
Police Labor Reimbursement	2,000	5,907	3,907
Other Charges	1,000	3,470	2,470
Library - Administrative Charge	15,000	15,000	-
Cable TV Administrative Charge	8,400	8,400	-
Total Intergovernmental Charges for Services	740,025	762,080	22,055
MISCELLANEOUS			
Investment Income	100,000	134,618	34,618
MB Occupancy Costs	99,535	99,535	-
Rent of City Building and Property	5,000	1,200	(3,800)
Rent Charge to Ambulance Service	1,200	1,200	-
Insurance Recoveries and Dividends	-	19,613	19,613
Donations	-	(324)	(324)
Sale of Assets	4,000	14,519	10,519
Other Miscellaneous Revenue	34,200	267,368	233,168
Total Miscellaneous	243,935	537,729	293,794
OTHER FINANCING SOURCE			
Transfers In	560,000	459,679	(100,321)
TOTAL REVENUES AND OTHER FINANCING SOURCE	\$ 11,267,472	\$ 11,399,136	\$ 131,664

CITY OF HUDSON, WISCONSIN

Detailed Schedule of Budgetary Comparison Expenditures and Other Financing Use

General Fund

For the Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Mayor and Council	\$ 66,731	\$ 113,025	\$ (46,294)
Municipal Court	136,306	120,816	15,490
City Attorney and Other Legal	85,400	119,674	(34,274)
Clerk-Treasurer	562,280	535,405	26,875
Administrator	178,533	191,791	(13,258)
Labor Negotiator and Drug Test	11,000	9,089	1,911
Information Technology	329,078	286,678	42,400
Elections	36,850	25,014	11,836
Assessment of Property	74,150	80,712	(6,562)
Insurance	284,206	291,476	(7,270)
City Hall	147,001	154,454	(7,453)
Municipal Building	222,428	381,708	(159,280)
Other General Government	-	8,760	(8,760)
Total General Government	<u>2,133,963</u>	<u>2,318,602</u>	<u>(184,639)</u>
PUBLIC SAFETY			
Police Administration	755,463	789,819	(34,356)
Police Patrol	2,887,217	3,191,262	(304,045)
Criminal Investigation	579,657	407,025	172,632
School Officer	263,700	247,791	15,909
Police and Fire Commission	2,400	1,524	876
Fire Department	465,892	571,987	(106,095)
Fire Department Training	70,248	59,647	10,601
Fire Department Officers	32,986	32,133	853
Fire Deferred Compensation Wages	22,683	13,587	9,096
Fire Mechanic Wages	10,647	9,776	871
Fire Administration	387,718	379,703	8,015
Building Inspection	252,430	243,674	8,756
Emergency Government - Sirens	3,100	2,863	237
Dams	600	-	600
Total Public Safety	<u>5,734,741</u>	<u>5,950,791</u>	<u>(216,050)</u>
TRANSPORTATION FACILITIES			
Director of Public Works	366,522	357,816	8,706
Machinery and Equipment	200,351	229,716	(29,365)
Garage - Storage Sheds	36,000	48,549	(12,549)
West Garage	9,500	17,579	(8,079)
Street Maintenance	1,003,096	1,075,321	(72,225)
Highways 94 and 35	35,000	21,500	13,500
Street Lighting	132,500	164,968	(32,468)
Street Signs and Markings	14,000	22,245	(8,245)
Stop and Go Lights	11,500	12,331	(831)
Sidewalks and Crosswalks	1,000	310	690
Curb and Gutter	1,000	423	577
Total Transportation Facilities	<u>1,810,469</u>	<u>1,950,758</u>	<u>(140,289)</u>

CITY OF HUDSON, WISCONSIN
Detailed Schedule of Budgetary Comparison Expenditures and Other Financing Use - Continued
General Fund
For the Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
SANITATION			
Landfill	2,500	3,210	(710)
Weed Control	7,250	6,748	502
Recycling Coordinator	5,618	4,372	1,246
Total Sanitation	<u>15,368</u>	<u>14,330</u>	<u>1,038</u>
HEALTH AND HUMAN SERVICES			
Sealer of Weights and Measurers	6,000	3,600	2,400
Animal Control	6,800	12,362	(5,562)
Total Health and Human Services	<u>12,800</u>	<u>15,962</u>	<u>(3,162)</u>
CULTURE AND RECREATION			
Joint Library	364,365	364,365	-
Parks:			
Park Administration	127,264	126,586	678
Park Maintenance	236,896	277,718	(40,822)
Lakefront Park	41,447	36,244	5,203
Grandview Park	55,373	50,273	5,100
Total Culture and Recreation	<u>825,345</u>	<u>855,186</u>	<u>(29,841)</u>
CONSERVATION AND DEVELOPMENT			
Shade Tree Control	138,003	171,250	(33,247)
Community Development	494,018	459,461	34,557
Total Conservation and Development	<u>632,021</u>	<u>630,711</u>	<u>1,310</u>
CAPITAL OUTLAY			
Fire Department	41,500	29,055	12,445
OTHER FINANCING USE			
Transfers Out	61,265	61,265	-
TOTAL EXPENDITURES AND OTHER FINANCING USE	<u>\$ 11,267,472</u>	<u>\$ 11,826,660</u>	<u>\$ (559,188)</u>

CITY OF HUDSON, WISCONSIN
Statement of Net Position
Water Utility
As of December 31, 2023
With Summarized Information from December 31, 2022

	<u>2023</u>	<u>#N/A</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 8,557,505	\$ 6,666,471
Receivables:		
Customers	903,288	879,178
Receivables on Tax Roll	106,085	91,929
Other	55,505	43,723
Due from Other Governments	21,840	19,679
Lease Receivables	234,272	220,603
Inventories	45,987	35,557
Total Current Assets	<u>9,924,482</u>	<u>7,957,140</u>
Noncurrent Assets:		
Restricted Cash	168	159
Restricted Impact Assessments	898,491	850,970
Lease Receivables	2,252,354	2,486,626
Net Pension Asset	-	309,858
Nondepreciable Capital Assets	136,862	138,257
Depreciable Capital Assets, Net of Depreciation	27,644,012	28,017,278
Total Noncurrent Assets	<u>30,931,887</u>	<u>31,803,148</u>
TOTAL ASSETS	<u>40,856,369</u>	<u>39,760,288</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	795,338	606,756
Other Post-Employment Related Amounts - LRLIF	23,042	19,110
Other Post-Employment Related Amounts - Single-Employer	23,379	18,753
Total Deferred Outflows of Resources	<u>841,759</u>	<u>644,619</u>
CURRENT LIABILITIES		
Accounts Payable	67,786	104,997
Accrued and Other Current Liabilities	43,050	34,270
Accrued Interest	8,612	8,231
Due to Other Governments	68,966	33,589
Deposits from Others	98,803	104,810
Compensated Absences	9,023	9,807
Current Portion of Long-Term Obligations	124,581	123,118
Total Current Liabilities	<u>420,821</u>	<u>418,822</u>
NONCURRENT LIABILITIES		
Net Pension Liability	212,104	-
Other Post-Employment Benefits - LRLIF	42,904	55,183
Other Post-Employment Benefits - Single Employer	192,115	187,505
Noncurrent Portion of Long-Term Debt	1,828,944	1,954,181
Total Noncurrent Liabilities	<u>2,276,067</u>	<u>2,196,869</u>
TOTAL LIABILITIES	<u>2,696,888</u>	<u>2,615,691</u>
DEFERRED INFLOWS OF RESOURCES		
Lease Receivables	2,486,626	2,707,229
Pension Related Amounts	445,029	729,433
Other Post-Employment Related Amounts - LRLIF	34,710	12,061
Other Post-Employment Related Amounts - Single-Employer	92,583	78,282
Total Deferred Inflows of Resources	<u>3,058,948</u>	<u>3,527,005</u>
NET POSITION		
Net Investment in Capital Assets	25,827,349	26,078,236
Restricted	1,036,864	1,038,310
Unrestricted	9,078,079	7,145,665
TOTAL NET POSITION	<u>\$ 35,942,292</u>	<u>\$ 34,262,211</u>

CITY OF HUDSON, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Water Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Sales of Water		
Residential	\$ 1,166,715	\$ 1,164,883
Commercial	1,772,178	1,673,982
Industrial	8,653	9,625
Public Authorities	56,674	53,284
Multifamily Residential	126,356	121,197
Metered Sales to Temporary Customers	20,994	4,407
Public Fire Protection	157,565	153,234
Private Fire Protection	798,757	790,425
Total Sales of Water	<u>4,107,892</u>	<u>3,971,037</u>
Other Operating Revenues		
Forfeited Discounts	14,291	13,245
Tower Leasing	309,743	305,853
Meter Charge to Sewer	116,659	120,600
Other Operating Revenues	-	9,000
Total Other Operating Revenues	<u>440,693</u>	<u>448,698</u>
Total Operating Revenues	<u>4,548,585</u>	<u>4,419,735</u>
OPERATING EXPENSES		
Operation and Maintenance	2,444,206	2,315,315
Depreciation	1,034,497	1,010,363
Total Operating Expenses	<u>3,478,703</u>	<u>3,325,678</u>
OPERATING INCOME	<u>1,069,882</u>	<u>1,094,057</u>
NONOPERATING REVENUES (EXPENSE)		
Investment Income	556,039	74,945
Interest Expense	(41,205)	(44,334)
Miscellaneous	42,329	1,935
Total Nonoperating Revenues (Expense)	<u>557,163</u>	<u>32,546</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,627,045	1,126,603
CAPITAL CONTRIBUTIONS		
Plant Contributed by Developers	448,094	794,264
Impact Fees Applied	43,736	94,758
Total Capital Contributions	<u>491,830</u>	<u>889,022</u>
TRANSFERS OUT	<u>(438,794)</u>	<u>(460,786)</u>
CHANGE IN NET POSITION	1,680,081	1,554,839
NET POSITION - BEGINNING	<u>34,262,211</u>	<u>32,707,372</u>
NET POSITION - ENDING	<u>\$ 35,942,292</u>	<u>\$ 34,262,211</u>

CITY OF HUDSON, WISCONSIN
Statement of Cash Flows
Water Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 4,498,537	\$ 4,398,787
Cash Received from Governmental Subsidies/Grants	33,216	3,126
Cash Paid to Suppliers for Goods and Services	(1,243,101)	(1,167,507)
Cash Paid to Employees For Wages and Benefits	(1,068,704)	(1,017,721)
Net Cash Flows From Operating Activities	2,219,948	2,216,685
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Merchandising, Jobbing, and Other Nonoperating Income	-	1,935
Transfer to Other Funds	(438,794)	(460,786)
Net Cash Flows From Noncapital Financing Activities	(438,794)	(458,851)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(320,096)	(475,228)
Capital Contributions	42,329	-
Cash Received for Impact Fees	43,736	94,758
Principal Payments on Long-Term Debt	(123,117)	(121,680)
Interest and Fiscal Charges	(41,481)	(45,531)
Net Cash Flows From Capital and Related Financing Activities	(398,629)	(547,681)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	556,039	74,945
CHANGE IN CASH AND INVESTMENTS	1,938,564	1,285,098
CASH AND INVESTMENTS - BEGINNING	7,517,600	6,232,502
CASH AND INVESTMENTS - ENDING	\$ 9,456,164	\$ 7,517,600
RECONCILIATION OF CASH ACCOUNTS		
Cash and Investments	\$ 8,557,505	\$ 6,666,471
Restricted Cash and Investments	898,659	851,129
Total Reconciliation of Cash Accounts	\$ 9,456,164	\$ 7,517,600

CITY OF HUDSON, WISCONSIN
Statement of Cash Flows (Continued)
Water Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM		
Operating Income	\$ 1,069,882	\$ 1,094,057
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:		
Depreciation	1,034,497	1,010,363
Meter Depreciation Charged to Sewer	108,354	106,853
Changes in Assets and Liabilities:		
Customer Accounts Receivable	(24,110)	(34,576)
Accounts Receivable on Tax Roll	(14,156)	(4,339)
Other Receivables	(11,782)	17,967
Due From Other Governments	(2,161)	(567)
Materials and Supplies	(10,430)	(9,742)
Net Pension Asset	309,858	(66,681)
Deferred Outflows Related to Pension	(188,582)	(201,784)
Deferred Outflows Related to OPEB Plans	(8,558)	(10,032)
Accounts Payable	(37,211)	11,433
Deposits Payable	(6,007)	(7,992)
Accrued Wages	8,780	1,073
Due to Other Governments	35,377	3,693
Accrued Compensated Absences	(784)	(3,081)
Net Pension Liability	212,104	-
Net OPEB Liability Related to OPEB Plans	(7,669)	82,087
Deferred Inflows Related to Pension	(284,404)	196,590
Deferred Inflows Related to OPEB Plans	36,950	31,363
Net Cash Flows From Operating Activities	\$ 2,219,948	\$ 2,216,685
Non-cash Capital and Related Financing Activities		
Contributions of Capital Assets	\$ 448,094	\$ 794,264

CITY OF HUDSON, WISCONSIN
Schedule Operating Revenues and Expenses
Water Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
OPERATING REVENUES		
Sales of Water		
Residential	\$ 1,166,715	\$ 1,164,883
Commercial	1,772,178	1,673,982
Industrial	8,653	9,625
Public Authorities	56,674	53,284
Multifamily Residential	126,356	121,197
Metered Sales to Temporary Customers	20,994	4,407
Private Fire Protection	157,565	153,234
Public Fire Protection	798,757	790,425
Total Water Sales	4,107,892	3,971,037
Other Operating Revenues		
Forfeited Discounts	14,291	13,245
Tower Leasing	309,743	305,853
Meter Charge to Sewer	116,659	120,600
Other Operating Revenues	-	9,000
Total Other Operating Revenues	440,693	448,698
Total Operating Revenues	4,548,585	4,419,735
OPERATING EXPENSES		
Operation and Maintenance		
Pumping Expenses		
Salaries and Wages	150,388	162,474
Fringe Benefits	73,944	84,075
Power Purchased for Pumping	247,090	203,447
Operating Supplies	61,112	68,817
Maintenance of Structures and Improvements	20,117	17,418
Maintenance of Pumping Plant	17,965	111,565
Total Pumping Expense	570,616	647,796
Water Treatment		
Salaries and Wages	103,568	61,303
Fringe Benefits	45,563	30,698
Operating Supplies	40,170	37,206
Chemicals	47,544	37,477
Maintenance Supplies	6,997	4,303
Total Water Treatment	243,842	170,987
Transmission and Distribution		
General Transmission and Distribution		
Salaries and Wages	251,245	248,232
Fringe Benefits	126,424	123,265
Operating Supplies	6,213	3,841
Other Expenses	849	20,380
Maintenance		
Reservoir and Towers		
Salaries and Wages	115	111
Fringe Benefits	56	56
Other Expenses	26,800	18,974
Mains		
Salaries and Wages	9,437	1,291
Fringe Benefits	3,177	469
Payment to North Hudson	50,000	50,000
Other Expenses	74,111	26,023
Services		
Salaries and Wages	897	225
Fringe Benefits	413	179
Other Expenses	29,486	39,003

CITY OF HUDSON, WISCONSIN
Schedule Operating Revenues and Expenses (Continued)
Water Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
OPERATING EXPENSES (continued)		
Operation and Maintenance (continued)		
Transmission and Distribution (Continued)		
Meters		
Salaries and Wages	\$ 48,067	\$ 37,387
Fringe Benefits	25,362	21,655
Other Expenses	2,692	16,497
Hydrants		
Salaries and Wages	11,014	4,703
Fringe Benefits	3,196	1,921
Other Expenses	97,619	82,228
Total Transmission and Distribution	767,173	696,440
Meter Reading		
Salaries and Wages	4,992	6,686
Fringe Benefits	3,345	3,938
Other Expenses	27,284	30,409
Total Meter Reading	35,621	41,033
Customer Accounts and Collection		
Salaries and Wages	56,899	53,134
Fringe Benefits	30,482	28,711
Other Expenses	10,583	6,241
Total Customer Accounts and Collection	97,964	88,086
Administrative and General		
Salaries and Wages	267,839	256,555
Office Supplies	71,436	59,097
Outside Services Employed	55,318	82,000
Property Insurance	70,789	68,326
Employee Pensions and Benefits	179,880	142,261
Miscellaneous	5,171	3,961
Transportation		
Salaries	2,565	1,028
Fringe Benefits	1,487	676
Insurance	6,202	5,873
Other Expenses	32,299	35,477
Maintenance of General Plant	36,004	15,719
Total Administrative and General	728,990	670,973
Total Operation and Maintenance	2,444,206	2,315,315
Other Operating Expenses		
Depreciation	1,034,497	1,010,363
Total Operating Expenses	3,478,703	3,325,678
OPERATING INCOME	\$ 1,069,882	\$ 1,094,057

CITY OF HUDSON, WISCONSIN
Statement of Net Position
Sewer Utility
As of December 31, 2023
With Summarized Information from December 31, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 6,462,414	\$ 5,888,731
Receivables:		
Customers	700,541	730,815
Receivables on Tax Roll	103,850	94,565
Other	84,122	82,629
Due from Other Governments	116,477	63,620
Total Current Assets	<u>7,467,404</u>	<u>6,860,360</u>
Noncurrent Assets:		
Restricted Cash	2,027,166	1,951,408
Net Pension Asset	-	201,908
Nondepreciable Capital Assets	129,856	275,269
Depreciable Capital Assets, Net of Depreciation	17,044,982	16,200,815
Total Noncurrent Assets	<u>19,202,004</u>	<u>18,629,400</u>
TOTAL ASSETS	<u>26,669,408</u>	<u>25,489,760</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	456,290	395,371
Other Post-Employment Related Amounts - LRLIF	14,437	13,105
Other Post-Employment Related Amounts - Single-Employer	13,542	11,610
Total Deferred Outflows of Resources	<u>484,269</u>	<u>420,086</u>
CURRENT LIABILITIES		
Accounts Payable	355,000	635,592
Accrued and Other Current Liabilities	24,522	22,619
Accrued Interest	28,747	26,703
Due to Other Governments	52,830	40,971
Compensated Absences	16,242	22,256
Current Portion of Long-Term Obligations	594,244	527,260
Total Current Liabilities	<u>1,071,585</u>	<u>1,275,401</u>
NONCURRENT LIABILITIES		
Net Pension Liability - Wisconsin Retirement System	121,686	-
Other Post-Employment Benefits - LRLIF	26,882	37,844
Other Post-Employment Benefits - Single Employer	111,280	116,083
Noncurrent Portion of Long-Term Debt	10,801,963	10,261,778
Total Noncurrent Liabilities	<u>11,061,811</u>	<u>10,415,705</u>
TOTAL LIABILITIES	<u>12,133,396</u>	<u>11,691,106</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	255,316	475,309
Other Post-Employment Related Amounts - LRLIF	21,748	8,271
Other Post-Employment Related Amounts - Single-Employer	53,628	48,464
Total Deferred Inflows of Resources	<u>330,692</u>	<u>532,044</u>
NET POSITION		
Net Investment in Capital Assets	5,778,631	5,687,046
Restricted	2,106,454	2,073,378
Unrestricted	6,804,504	5,926,272
TOTAL NET POSITION	<u>\$ 14,689,589</u>	<u>\$ 13,686,696</u>

CITY OF HUDSON, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Sewer Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for Services		
Residential	\$ 2,047,228	\$ 1,996,433
Commercial	668,400	694,091
Industrial	16,118	19,271
Public Authorities	71,275	67,033
Multifamily Residential	249,551	239,003
Less: Charges for City/Village Replacement Accounts	-	(63,138)
Total Charges for Services	<u>3,052,572</u>	<u>2,952,693</u>
Other Operating Revenues		
Forfeited Discounts	14,030	12,355
Dam Maintenance	-	3,036
Other Operating Revenues	1,010	8,140
Total Other Operating Revenues	<u>15,040</u>	<u>23,531</u>
Total Operating Revenues	<u>3,067,612</u>	<u>2,976,224</u>
OPERATING EXPENSES		
Operation and Maintenance	2,053,071	1,918,960
Depreciation	891,351	666,980
Total Operating Expenses	<u>2,944,422</u>	<u>2,585,940</u>
OPERATING INCOME	<u>123,190</u>	<u>390,284</u>
NONOPERATING REVENUES (EXPENSE)		
Investment Income	570,331	91,526
Interest Expense	(161,531)	(151,740)
Hook-up Fees	184,082	331,448
Miscellaneous	33,826	-
Total Nonoperating Revenues (Expense)	<u>626,708</u>	<u>271,234</u>
INCOME BEFORE TRANSFERS	749,898	661,518
CAPITAL CONTRIBUTIONS		
Plant Contributed by Developers	273,880	-
TRANSFERS OUT	<u>(20,885)</u>	<u>(83,321)</u>
CHANGE IN NET POSITION	1,002,893	578,197
NET POSITION - BEGINNING	<u>13,686,696</u>	<u>13,108,499</u>
NET POSITION - ENDING	<u>\$ 14,689,589</u>	<u>\$ 13,686,696</u>

CITY OF HUDSON, WISCONSIN
Statement of Cash Flows
Sewer Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 3,096,393	\$ 2,781,155
Cash Received (Paid) from (to) Governmental Subsidies/Grants	(50,283)	35,671
Cash Paid to Suppliers for Goods and Services	(1,775,668)	(1,610,252)
Cash Paid to Employees For Wages and Benefits	(628,166)	(706,009)
Net Cash Flows From Operating Activities	642,276	500,565
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Transfer to Other Funds	(20,885)	(83,321)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(1,207,871)	(2,036,183)
Sale of Capital Assets	-	6,144
Cash Received for Hook-up Fees	217,908	331,448
Principal Payments on Long-Term Debt	(527,260)	(488,694)
Proceeds from Long-Term Debt	1,134,429	1,543,611
Interest and Fiscal Charges	(159,487)	(148,005)
Net Cash Flows From Capital and Related Financing Activities	(542,281)	(791,679)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	570,331	91,526
CHANGE IN CASH AND INVESTMENTS	649,441	(282,909)
CASH AND INVESTMENTS - BEGINNING	7,840,139	8,123,048
CASH AND INVESTMENTS - ENDING	\$ 8,489,580	\$ 7,840,139
RECONCILIATION OF CASH ACCOUNTS		
Cash and Investments	\$ 6,462,414	\$ 5,888,731
Restricted Cash and Investments	2,027,166	1,951,408
Total Reconciliation of Cash Accounts	\$ 8,489,580	\$ 7,840,139

CITY OF HUDSON, WISCONSIN
Statement of Cash Flows (Continued)
Sewer Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM		
Operating Income	\$ 123,190	\$ 390,284
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:		
Depreciation	891,351	666,980
Meter Depreciation Charged to Sewer	(108,354)	(106,853)
Changes in Assets and Liabilities:		
Customer Accounts Receivable	30,274	(136,362)
Accounts Receivable on Tax Roll	(9,285)	(37,106)
Other Receivables	(1,493)	(58,707)
Due From Other Governments	(52,857)	70,266
Net Pension Asset	201,908	(58,566)
Deferred Outflows Related to Pension	(60,919)	(156,658)
Deferred Outflows Related to OPEB Plans	(3,264)	(5,237)
Accounts Payable	(280,592)	(298,833)
Accrued Wages	1,903	(608)
Due to Other Governments	11,859	2,511
Accrued Compensated Absences	(6,014)	6,778
Net Pension Liability	121,686	-
Net OPEB Liability Related to OPEB Plans	(15,765)	44,662
Deferred Inflows Related to Pension	(219,993)	161,221
Deferred Inflows Related to OPEB Plans	18,641	16,793
Net Cash Flows From Operating Activities	\$ 642,276	\$ 500,565
Non-cash Capital and Related Financing Activities		
Contributions of Capital Assets	\$ 273,880	\$ -

CITY OF HUDSON, WISCONSIN
Schedule Operating Revenues and Expenses
Sewer Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Sewer Revenues		
Residential	\$ 2,047,228	\$ 1,996,433
Commercial	668,400	694,091
Industrial	16,118	19,271
Public Authorities	71,275	67,033
Multifamily Residential	249,551	239,003
Less Charges for City/Village Replacement Accounts	-	(63,138)
Total Sewer Revenues	<u>3,052,572</u>	<u>2,952,693</u>
Other Operating Revenues		
Forfeited Discounts	14,030	12,355
Dam Maintenance Charges	-	3,036
Miscellaneous Service Revenue	1,010	8,140
Total Other Operating Revenues	<u>15,040</u>	<u>23,531</u>
Total Operating Revenues	<u>3,067,612</u>	<u>2,976,224</u>
OPERATING EXPENSES		
Operation and Maintenance		
Collection System		
Salaries and Benefits	24,364	7,829
Supplies	2,910	1,090
Other Services and Charges	19,767	12,583
Equipment and Improvement	37,496	-
Total Collection System	<u>84,537</u>	<u>21,502</u>
Wastewater Treatment Plant		
Salaries and Benefits	417,513	496,532
Supplies	101,840	103,058
Biosolid Charges	492,117	444,377
Other Services and Charges	287,513	220,219
Equipment and Improvement	1,159	-
Total Wastewater Treatment Plant	<u>1,300,142</u>	<u>1,264,186</u>
Lift Stations		
Salaries and Benefits	17,563	13,404
Supplies	43,319	122,843
Other Services and Charges	2,047	573
Total Lift Stations	<u>62,929</u>	<u>136,820</u>
Dams		
Salaries and Benefits	2,614	1,596
Other Services and Charges	1,286	1,194
Total Dams	<u>3,900</u>	<u>2,790</u>
Meter Reading		
Salaries and Benefits	18,776	15,538
Supplies	8,191	11,293
Meter Use Charge Paid to Water Utility	92,523	92,764
Total Meter Reading	<u>119,490</u>	<u>119,595</u>
Administrative and General		
Salaries and Benefits	185,519	179,495
Office Supplies	9,484	8,879
Outside Services Employed	91,663	26,830
Property Insurance	68,698	72,409
Employee Pensions and Benefits	125,366	85,210
Miscellaneous General Expenses	1,343	1,244
Total Administrative and General	<u>482,073</u>	<u>374,067</u>
Total Operation and Maintenance	<u>2,053,071</u>	<u>1,918,960</u>
Other Operating Expenses		
Depreciation	891,351	666,980
Total Operating Expenses	<u>2,944,422</u>	<u>2,585,940</u>
OPERATING INCOME	<u>\$ 123,190</u>	<u>\$ 390,284</u>

CITY OF HUDSON, WISCONSIN
Statement of Net Position
Parking Utility
As of December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and Investments	\$ 185,921	\$ 132,897
Receivables:		
Special Assessments	9,725	9,725
Accounts	-	3,864
Total Current Assets	195,646	146,486
Noncurrent Assets:		
Net Pension Asset	-	21,226
Nondepreciable Capital Assets	760,562	760,562
Depreciable Capital Assets, Net of Depreciation	523,530	605,107
Total Noncurrent Assets	1,284,092	1,386,895
TOTAL ASSETS	1,479,738	1,533,381
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	50,367	41,564
Other Post-Employment Related Amounts - Single-Employer	1,106	1,251
Total Deferred Outflows of Resources	51,473	42,815
CURRENT LIABILITIES		
Accounts Payable	23,035	11,664
Accrued and Other Current Liabilities	3,227	2,628
Deposits from Others	125	125
Compensated Absences	-	1,365
Total Current Liabilities	26,387	15,782
NONCURRENT LIABILITIES		
Net Pension Liability - Wisconsin Retirement System	13,432	-
Other Post-Employment Benefits - Single Employer	9,091	12,505
Total Noncurrent Liabilities	22,523	12,505
TOTAL LIABILITIES	48,910	28,287
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	28,183	49,967
Other Post-Employment Related Amounts - Single-Employer	4,381	5,221
Total Deferred Inflows of Resources	32,564	55,188
NET POSITION		
Net Investment in Capital Assets	1,284,092	1,365,669
Restricted	8,752	12,823
Unrestricted	156,893	114,229
TOTAL NET POSITION	\$ 1,449,737	\$ 1,492,721

CITY OF HUDSON, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Parking Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
OPERATING REVENUES		
Parking Meters	\$ 96,042	\$ 105,339
Parking Permits	18,026	20,712
Parking Tickets	130,771	138,028
Other Operating Revenues	3,462	4,271
Total Operating Revenues	248,301	268,350
OPERATING EXPENSES		
Operation and Maintenance		
General Utility	203,350	178,597
Parking Lots	17,092	6,412
Total Operation and Maintenance	220,442	185,009
Depreciation	81,577	78,051
Total Operating Expenses	302,019	263,060
OPERATING INCOME (LOSS)	(53,718)	5,290
NONOPERATING REVENUE		
Investment Earnings	10,734	1,489
CHANGE IN NET POSITION	(42,984)	6,779
NET POSITION - BEGINNING	1,492,721	1,485,942
NET POSITION - ENDING	\$ 1,449,737	\$ 1,492,721

CITY OF HUDSON, WISCONSIN
Statement of Cash Flows
Parking Utility
For the Year Ended December 31, 2023
With Summarized Information from December 31, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 121,394	\$ 136,183
Cash Received from Parking Forfeitures	130,771	138,028
Cash Paid to Suppliers for Goods and Services	(116,846)	(116,816)
Cash Paid to Employees For Wages and Benefits	(93,029)	(95,339)
Net Cash Flows From Operating Activities	42,290	62,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	10,734	1,489
CHANGE IN CASH AND INVESTMENTS	53,024	63,545
CASH AND INVESTMENTS - BEGINNING	132,897	69,352
CASH AND INVESTMENTS - ENDING	\$ 185,921	\$ 132,897
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM		
Operating Income (Loss)	\$ (53,718)	\$ 5,290
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:		
Depreciation	81,577	78,051
Changes in Assets and Liabilities:		
Customer Accounts Receivable	3,864	(3,864)
Accounts Receivable on Tax Roll	-	9,725
Prepaid Items	-	3,220
Net Pension Asset	21,226	(5,378)
Deferred Outflows Related to Pension	(8,803)	(15,171)
Deferred Outflows Related to OPEB Plans	145	(159)
Accounts Payable	11,371	(25,452)
Accrued Wages	599	(248)
Accrued Compensated Absences	(1,365)	1,365
Net Pension Liability	13,432	-
Net OPEB Liability Related to OPEB Plan	(3,414)	(578)
Deferred Inflows Related to Pension	(21,784)	15,240
Deferred Inflows Related to OPEB Plan	(840)	15
Net Cash Flows From Operating Activities	\$ 42,290	\$ 62,056

THIS PAGE LEFT BLANK INTENTIONALLY