

FINAL OFFICIAL STATEMENT

NEW & RENEWAL ISSUES

S&P GLOBAL BOND RATING:

BONDS AND BOND ANTICIPATION NOTES

See “RATINGS” herein

UNDERLYING: “A+” STABLE OUTLOOK

INSURED: “AA” STABLE OUTLOOK

In the opinion of Rodenhausen Chale & Polidoro LLP, Rhinebeck, New York, Bond Counsel to the City, under existing statutes and court decisions, and assuming continuing compliance with certain tax certifications referred to herein, interest on the Bonds and Notes is not included in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and such interest will not be treated as a preference item in calculating the Federal alternative minimum tax that may be imposed on individuals under the Code; however, for tax years beginning after December 31, 2022, interest on the Notes and Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. It is also the opinion of Bond Counsel that interest on the Bonds and Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See “TAX MATTERS” herein.

The Bonds and Notes will be designated as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.

\$7,062,486

CITY of HUDSON

COLUMBIA COUNTY, NEW YORK

CUSIP BASE #: 444060

GENERAL OBLIGATIONS

\$2,066,943 Public Improvement (Serial) Bonds, Series 2023

(the “Bonds”)

Dated: June 22, 2023

Due: June 15, 2024-2038

MATURITIES*

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2024	\$ 66,943	3.00%	3.40%	DE4	2029	\$130,000	4.00%	3.00%	DK0	2034	\$155,000**	4.00%	3.04%	DQ7
2025	105,000	3.00	3.30	DF1	2030	135,000	4.00	2.92	DL8	2035	165,000**	4.00	3.15	DR5
2026	110,000	3.50	3.17	DG9	2031	140,000	4.00	2.90	DM6	2036	170,000**	4.00	3.33	DS3
2027	115,000	3.50	3.06	DH7	2032	145,000**	4.00	2.89	DN4	2037	175,000**	4.00	3.48	DT1
2028	120,000	4.00	3.01	DJ3	2033	150,000**	4.00	2.94	DP9	2038	185,000**	4.00	3.62	DU8

* The scheduled payment of principal of an interest on the Bonds will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”).



**The Bonds are subject to redemption prior to maturity in the years 2032-2038 as described herein under the heading “THE BONDS – Optional Redemption” herein.



&

\$4,995,543 Bond Anticipation Notes, Series 2023

(the “Notes”)

(the Notes together with the Bonds referred to herein as the “Bonds and Notes”)

Dated: June 22, 2023

Due: June 21, 2024

At an Interest Rate of 4.60% to Yield 3.75%

CUSIP: 444060 DV6

TD SECURITIES (USA) LLC

The Bonds and Notes are general obligations of the City of Hudson, Columbia County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended. See “NATURE OF OBLIGATION” AND “TAX LEVY LIMITATION LAW” herein.

The Bonds will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof except for a necessary odd denomination maturing in 2024. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity commencing June 15, 2024. Principal and interest will be paid by the City to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (DTC), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased. Payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes will not be subject to redemption prior to maturity. The Bonds will be subject to redemption on or after June 15, 2031 as provided herein.

The Bonds and Notes are offered when, as and if issued and received by the purchasers and subject to the receipt of the approving legal opinion as to the validity of the Notes of Rodenhausen Chale & Polidoro LLP, Rhinebeck, New York, Bond Counsel. It is anticipated that the Bonds and Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, on or about June 22, 2023.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the “APPENDIX – H - BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

June 13, 2023

THIS REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE CITY DATED JUNE 9, 2023 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12. OTHER THAN AS SET FORTH ON THE REVISED COVER, THE REVISION OF THE “RATINGS” SECTION, DATED DATE ON PAGE 30, AND THE INCLUSION OF “APPENDIX-H”, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

CITY OF HUDSON, NEW YORK

CITY OFFICIALS

KAMAL JOHNSON

Mayor

BOARD OF ALDERPERSONS

TOM DEPIETRO

Common Council President

FIRST WARD

ART FRICK
MARGARET MORRIS

SECOND WARD

DEWAN SAROWAR
MOHAMED RONY

THIRD WARD

AMBER HARRIS
RYAN WALLACE

FOURTH WARD

MALACHI WALKER
THEODORE ANTHONY



FIFTH WARD

VICKY DASKALOUDI
DOMINIC MERANTE

* * * * *

HEATHER S. CAMPBELL

City Treasurer & Chief Fiscal Officer

TRACY S. DELANEY

City Clerk

ANDREW HOWARD

Corporation Counsel

MUNICIPAL ADVISOR



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 5002
Syracuse, New York 13202
(315) 752-0051

BOND COUNSEL

Rodenhausen Chale & Polidoro LLP
55 Chestnut Street
Rhinebeck, New York 12572

No person has been authorized by the City of Hudson to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds and Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City of Hudson.

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PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051

<http://www.fiscaladvisors.com>

**PRELIMINARY OFFICIAL STATEMENT
OF THE
CITY of HUDSON
COLUMBIA COUNTY, NEW YORK**

**RELATING TO
\$2,066,943 Public Improvement (Serial) Bonds, Series 2023
&
\$4,995,543 Bond Anticipation Notes, Series 2023**

This Official Statement, which includes the cover page and appendices, has been prepared by the City of Hudson, Columbia County, New York (the “City”, “County” and “State”, respectively) in connection with the sale by the City of Hudson \$2,066,943 principal amount of Public Improvement (Serial) Bonds, 2023 (the “Bonds”) and \$4,995,543 principal amount of Bond Anticipation Notes, Series 2023 (the “Notes” and collectively with the Bonds, the “Bonds and Notes”).

The factors affecting the City’s financial condition and the Bonds and Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the City’s tax base, revenues, and expenditures, this Official Statement should be read in its entirety. No one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and Notes and such proceedings.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended. See “TAX LEVY LIMITATION LAW” herein.

The Bonds will be dated June 22, 2023 and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading “Optional Redemption.” The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity commencing June 15, 2024. Interest on the Bonds will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or integral multiples thereof, except for a necessary odd denomination maturing in 2024. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the City to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof except for a necessary odd denomination maturing in 2024 and the City will act as paying agent. The Bonds may not be converted into coupon bonds or be registered to bearer.

Optional Redemption

The Bonds maturing on or before June 15, 2031 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2032 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the City on June 15, 2031 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the City by lot in any customary manner of selection as determined by the City Treasurer. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Purposes of Issue

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the General City Law, the Local Finance Law and City bond resolutions for the purposes displayed below.

<u>PROJECT:</u>	<u>Authorization</u>	<u>2022</u>		<u>2023</u>
	<u>Date</u>	<u>BAN Amount</u>	<u>Paydowns</u>	<u>Bond Amount</u>
Water Distribution Improvements	8/20/2019	\$ 300,000	\$ 88,567	\$ 211,433
Wastewater Treatment Improvements	3/17/2020	441,600	108,590	333,010
Acquisition of a Ladder Truck	12/17/2019	1,087,500	40,000	1,047,500
City Hall Improvements	5/16/2023	-	-	475,000
		\$ 1,829,100	\$ 237,157	\$ 2,066,943

THE NOTES

Description of the Notes

The Notes are general obligations of the City, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended. See "TAX LEVY LIMITATION LAW" herein.

The Notes are dated June 22, 2023 and will mature, without option of prior redemption, on June 21, 2024. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form and at the option of the Purchaser(s) either (i) registered in the name of the purchaser, in denominations of \$5,000 or integral multiples thereof except for a necessary odd denomination, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s), at their expense.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purposes of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the General City Law, the Local Finance Law and City bond resolutions.

<u>PROJECT:</u>	<u>Authorization</u>	<u>2022</u>		<u>2023</u>
	<u>Date</u>	<u>BAN Amount</u>	<u>Paydown</u>	<u>BAN Amount</u>
DRI/Promenade Park	1/19/21 & 4/5/21	\$ 1,200,000	\$ 336,095	\$ 863,905
DRI/Hudson-Connectivity Improvements	4/19/2022	3,146,000	313,603	2,832,397
CSO/Front Street	4/19/2022	2,225,925	926,684	1,299,241
		\$ 6,571,925	\$ 1,576,382	\$ 4,995,543

NATURE OF OBLIGATION

Each of the Bonds and Notes when duly issued and paid for will constitute a contract between the City and the owner thereof.

Owners of any series of notes or bonds of the City may bring an action or commence a proceeding in accordance with the Civil Practice Law and Rules to enforce the rights of the owners of such series of notes or bonds.

The Bonds and Notes will be general obligations of the City and will contain a pledge of the full faith and credit of the City for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the City has power and statutory authorization to levy ad valorem taxes on all real property within the City subject to such taxation by the City, subject to applicable statutory limitations. See “Tax Levy Limitation Law” herein.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). Chapter 97 of the Laws of 2011, as amended by Chapter 20 of the Laws of 2015, as amended by Chapter 59 of the Laws of 2019 (as amended, the “Tax Levy Limitation Law”), applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the City is required to pledge its full faith and credit for the payment of the principal of and interest on the Bonds and Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the City’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW” herein.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Bonds. A fully-registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 110 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies,

clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

Principal and interest payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment, principal and interest to DTC is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

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

Source: The Depository Trust Company.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS AND NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS AND NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OR ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES, (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS AND NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE CITY MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply. The Bonds will be issued in fully registered form in denominations of \$5,000 or multiples thereafter, except for one odd denomination. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the City upon termination of the book-entry-only system. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determination of the City Treasurer of the City authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: The Notes will be issued in fully registered form in denominations of \$5,000 and multiples thereafter except for one necessary odd denomination. Interest on the Notes will remain payable at maturity. Principal of and interest on the Notes will be payable at a bank or trust company located and authorized to do business in the State as fiscal agent to be named by the City.

THE CITY

General Information

The City is located on the west border of Columbia County (the "County") with a land area of 2.2 square miles and an estimated population of 5,826 (2022 U.S. Census Bureau).

The City of Albany is approximately 30 miles to the north of the City. Residents find employment within the City or County or commute to governmental professional and business occupations in the New York City and Capital District Region. The two major employment industries within the County include Health Care and Social Assistance (43.7%) and Public Administration & Education (35.3%).

Source: City officials.

Major Employers

City residents find employment within the County. The five major employers located within the County include the following:

<u>Business</u>	<u>Service or Product</u>	<u>Employees</u>
Columbia Memorial Hospital	Healthcare Facility	1,400
Columbia County	Municipal Government	1,049
Hudson City School District	Public Education	600
Taconic Farms, Inc.	Animal Specialist	550
Berkshire Farm Center	Educational Program	548

Source: Columbia Economic Development Corporation and County of Columbia Annual Financial Information and Operating Data.

Population Trends

	<u>City of Hudson</u>	<u>Columbia County</u>	<u>New York State</u>
1990	8,034	62,982	17,990,455
2000	7,524	63,094	18,976,457
2010	6,713	63,096	19,378,102
2020	5,894	61,570	20,201,249
2022	5,826	61,286	19,677,151

Source: U.S. Bureau of the Census.

Wealth and Income Indicators

Per capita income statistics are available for the City, County and State. Listed below are select figures from the U.S. Census Bureau 2000 census report, and 2006-2010 and 2017-2021 American Community Survey 5-Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2017-2021</u>	<u>2000</u>	<u>2006-2010</u>	<u>2017-2021</u>
City of:						
Hudson	\$ 15,759	\$ 24,628	\$ 27,441	\$ 27,594	\$ 56,591	\$ 46,989
County of:						
Columbia	22,265	31,844	42,900	49,357	69,132	91,845
State of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

Note: 2018-2022 American Community Survey estimates are not available as of the date of this Official Statement.

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Unemployment Rate Statistics

Unemployment statistics are not available for the City as such. The smallest area for which such statistics are available (which includes the City) is the County. The information set forth below with respect to the County is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the City, or vice versa.

	<u>Annual Average</u>						
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Hudson NY, MSA	3.7%	3.8%	3.3%	3.2%	6.2	3.8%	2.7%
Columbia County	3.7	3.8	3.3	3.2	6.2	3.8	2.7
New York State	4.9	4.7	4.1	4.0	10.0	6.9	4.3

	<u>2023 Monthly Figures</u>				
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Hudson NY, MSA	3.3%	3.3%	2.9%	N/A	N/A
Columbia County	3.3	3.3	2.9	N/A	N/A
New York State	4.6	4.5	4.0	3.7	N/A

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Note: Certain unemployment rates for April of 2023 and May of 2023 are not available as of the date of this Official Statement.

Economic Development

- The City has an established Local Development Corporation: the Hudson Development Corporation housed in a fully renovated historic Hudson Firehouse, with its co-tenants, the Columbia County Chamber of Commerce.
- In 2012, the City approved its Local Waterfront Development Plan with its principal provision being a comprehensive rezoning of two-thirds of the City that focuses on a balance of commercial shipping and tourism related areas on the Hudson waterfront.
- Minutes from the Amtrak station, a 300,000 square foot former manufacturing building was converted to a facility, The Warehouse, to house small businesses with ten commercial enterprises now housed there, including a brewery, digital fabrication shop, and multiple antique outlets.
- In 2015, the thirty-year old Harney and Son Fine Tea Company of Millerton, NY purchased a 65,000 square foot building on North 2nd Street from which it produces and distributes its products. The company employs 200 employees across all locations.
- The City is home to the Columbia Memorial Hospital, which serves all of Columbia and Greene Counties.
- In 2016, the Galvan Initiatives Foundation rehabilitated the historic Armory as the new home for the Hudson Library Association.
- The retail sector of the City, for thirty years an antiques and home furnishing mecca, recently estimated its annual sales and inventory value at \$40 Million.
- The City has become a tourist destination of note with the recent renovations of three boutique hotels, the 20-room Rivertown Lodge and the 17-room Barlow, and the 55-room Wick Hotel, located in a historic tallow candle and soap manufactory into. In 2018, the Maker Lounge, housed on a 19th century carriage house, and the Maker Café, on a prominent block of Warren Street, opened, followed by the Maker in 2019. This is in addition to nearly 90 hotel and bed and breakfast rooms, approximately 200 short-term lodging providers, and twelve fine dining restaurants in the City.

- The residential and commercial real estate market has grown significantly in recent years. The number of sales and mean price are displayed below.

Year	Number of Sales	Mean Price
2015	92	\$286,000
2016	66	379,000
2017	94	366,000
2018	102	372,082
2019	113	399,671
2020	45	436,976
2021	92	488,839
2022	48	594,740
2023	51	530,043

Note: The 2023 figures are as of the date of this Official Statement.

- In 2017, downtown Hudson was selected as the Capital region winner of the \$10 million NYS Downtown Revitalization Initiative. The intent of the DRI is to advance downtown revitalization through transformative housing, economic development, transportation and community projects that will attract and retain residents, visitors and businesses.
- In 2019, River House, an impeccably restored historic schoolhouse one block from the Amtrak station, opened its doors with the goal of creating a film, media, design and innovation hub in Hudson by offering creative studio spaces and common co-working spaces for Filmmakers, Architects, Publishers, Designers, Producers, Photographers, Tech Designers, and all creatives.
- There has been an increase in applications to the Hudson Industrial Development Agency, representing new businesses interested in locating in Hudson. Recently approved PILOTs (payments in lieu of taxes) issued by HIDA include 620 Union Street, a proposed \$14.3 million hotel, restaurant and bar; 75 N 7th Street, a proposed \$22.5 million regulated affordable housing development; 708 State Street, a proposed \$16.1 mixed-income housing development; 549 Washington Avenue, a proposed \$25.6 million hotel, restaurant, wellness center, and offices; and SEC 7, food manufacturing and distribution.

SEC 7's expansion is substantially complete. The remaining projects are dependent on their owners and other funding sources.

Source: City officials.

Elected and Appointed Officials

Elected Officials

The City of Hudson is governed by the following elected officials: the Mayor, the Common Council President and 10 alderpersons who compose the Common Council. Each is elected to a two-year term. The City also elects a City Treasurer, City Judge and 5 ward Supervisors who are the City's representatives on the Board of Supervisors of Columbia County.

It is the responsibility of the Common Council to approve all legislation, including ordinances and local laws, to adopt and modify, as required, operating and capital budgets, to levy real property taxes and to authorize the issuance of all indebtedness.

The Mayor is elected at a general election for a two-year term and there is no restriction on the number of terms that may be served. The Mayor is the Chief Executive Officer of the City.

The City Treasurer is the Chief Fiscal Officer, and is responsible for the receiving and collecting of funds. It is the responsibility of the City Treasurer to disburse and account for all financial transactions.

The Treasurer's office is responsible for accounting for all revenues and disbursements of the City, for the administration of employee payrolls, for custody and investment of all City funds, supervision of city tax billing, city and county tax and revenue collections, delinquent school tax billing and collection, administration of tax lien sales, registration and collection of the city's lodging tax, management of bank accounts, the preparation and monitoring of the annual operating budget, and state and local financial reporting.

Appointed Officials

The Mayor appoints the Assessor for six years, City Clerk for four years, and members of the Planning Commission for three years. The Mayor appoints the following officers to serve at his pleasure: Commissioner of Public Works, Commissioner of Police, Commissioner of Fire, Commissioner of Senior Services, and Commissioner of Youth. The Mayor is also authorized to appoint a Commissioner of Purchases and a Harbor Master. The Mayor appoints an Assessment Board of Review and the members of each board and commission authorized by the City Charter. The Mayor may also, in his discretion, appoint a City Marshal and such legal counsel as he may deem necessary.

The Common Council designates Commissioners of Deeds as provided by law.

The Commissioner of Public Works appoints the following to serve at his pleasure: Superintendent of Public Works, Superintendent of Cemeteries.

The Commissioner of Youth appoints the following to serve at his pleasure: Director of Youth

The Mayor appoints the following from the civil service list: Code Enforcement Officer, Building Inspector.

Budgetary Procedures

The Board of Estimate and Apportionment (BEA) is comprised of the Mayor, City Treasurer and President of the Common Council. The BEA, with input from department heads, prepares a proposed budget each year and a public hearing is held thereon pursuant to State Law. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Common Council. The budget is not subject to referendum.

The City has not voted to exceed its tax cap since 2012.

The budget for the 2022 fiscal year was adopted on November 22, 2021.

The budget for the 2023 fiscal year was adopted on November 17, 2022.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law and the City Charter, the City has an investment policy applicable to the investment of all moneys and financial resources of the City. The responsibility for the investment program has been delegated by the Common Council to the Chief Financial Officer who was required to establish written operating procedures consistent with the City's investment policy guidelines. According to the investment policy of the City, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The Common Council annually designates the banks or trust companies located and authorized to conduct business in the State to receive deposits of money in accordance with the City Charter. The City is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the City is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America, and obligations of the State, unless otherwise provided by law. All purchased obligations, unless registered or inscribed in the name of the City, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements. All City deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities" with an aggregate "market value" equal to the aggregate amount of deposits.

Eligible securities include (i) obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation, and (ii) obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district, or district corporation of such State or obligation of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys. Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. Securities not registered or inscribed in the name of the City must be delivered, in a form suitable for transfer or with an assignment in blank, to the City or its designated custodial bank. The custodial agreements used by the City provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability.

State Aid

The City's actual State aid revenues for the years 2017 through 2020, the 2021 and 2022 unaudited amounts, and the 2023 budgeted amounts, are listed below:

<u>Fiscal Year</u>	<u>State Aid Revenues</u>	<u>Total Revenues</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2017	2,130,698	10,707,193	19.90
2018	1,757,415	10,848,676	16.20
2019	2,192,829	11,896,895	18.43
2020	1,800,279	10,958,213	16.54
2021	2,516,700	12,943,309	19.44
2022 (Unaudited)	2,015,901	13,135,035	15.70
2023 (Budgeted)	2,107,782	13,422,741	15.70

Source: City officials.

The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present State aid levels will be maintained this year or in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the City requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. Delays in State aid due to delays in state budget approval and/or delays or difficulties in State financing could adversely affect the City's revenues. (See also "MARKET AND RISK FACTORS").

Source: City officials.

Employees

The City currently has a total of 134 employees including 85 full-time and elected and 49 part-time employees. Employees are represented by collective bargaining agents as summarized below:

<u>Bargaining Unit</u>	<u>Number Represented</u>	<u>Contract Expiration Date</u>
CSEA	37	December 31, 2025
POLICE	25 ⁽¹⁾	December 31, 2023
CWA (Youth Department FT & PT)	1	December 31, 2025
Part-Time	42 ⁽²⁾	Nonunionized
Per Diem	0	Nonunionized
Elected	13 ⁽³⁾	Nonunionized
Appointed/Other Full-Time	9 ⁽⁴⁾	Nonunionized
Appointed Part-Time	7 ⁽⁵⁾	Nonunionized

⁽¹⁾ 21 officers and 4 dispatchers.

⁽²⁾ Within DPW/Cemetery, Parking Enforcement, and Code Enforcement.

⁽³⁾ Mayor, Common Council President, City Treasurer and 10 Council Members.

⁽⁴⁾ DPW Superintendent, Code Enforcement Officer, City Clerk, Police Chief, Mayor's Aide, Housing Director, Youth Director, Asst Youth Director, and Youth Janitor

⁽⁵⁾ City Attorney, Assessor, and Commissioners of DPW, Youth, Senior, Police and Fire.

Source: City officials.

Pension Payments

Substantially all employees of the City are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non- contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The City's payments to the Retirement System since the 2017 fiscal year, the unaudited amounts for the 2022 fiscal year, and the budgeted amounts for the 2023 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>PFRS</u>
2017	\$308,264	\$446,917
2018	305,892	466,892
2019	293,847	483,575
2020	303,500	510,270
2021	374,152	612,623
2022 (Unaudited)	310,462	609,143
2023 (Budgeted)	334,604	630,656

Source: City officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The City does not have any early retirement incentives outstanding.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2019 to 2023) is shown below:

<u>State Fiscal Year Ending</u>	<u>ERS</u>	<u>PFRS</u>
2019	14.9%	23.5%
2020	14.6	23.5
2021	14.6	24.4
2022	16.2	28.3
2023	11.6	27.0

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the City, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The City is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the City's employees is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. The City provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the City, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

OPEB. Other Post-Employment Benefits (“OPEB”) refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The City has not contracted with an actuary to calculate its OPEB liability and did not contract with a firm to complete its actuarial valuation of its OPEB liability in accordance with GASB 75. The City pays a variable percentage of the cost of premiums to various insurance companies and records these expenditures in the year in which they are paid. The City does not record the other post-employment benefit liability related to these benefits. This is a departure from generally accepted accounting principles. There is no authority in current State law to establish a trust account or reserve fund for this liability. The City has reserved \$0 towards its OPEB liability. The City funds this liability on a pay-as-you-go basis.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the City Law and the Local Finance Law.

No principal or interest upon any obligation of the City is past due.

The fiscal year of the City is the calendar year.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the City. Such entities include the City of Hudson City School District and the County of Columbia.

Financial Statements

The City retains independent certified public accountants. The financial affairs of the City are also subject to periodic compliance audits by the State Comptroller. The audit for the fiscal year ending December 31, 2021 is in progress and will be filed with the Electronic Municipal Market Access (“EMMA”) Website upon completion. Certain figures from the 2021 draft audited financial statements are available in the Appendices to this Official Statement. The City’s audit for the fiscal year ending December 31, 2020 is available and has been filed the EMMA website. The City’s 2020 audit includes an adverse opinion, because, according to the audit, management has not recorded other post-employment benefits (OPEB), capital assets and general infrastructure assets in governmental activities and, accordingly, has not recorded postemployment benefits or depreciation expense. The Annual Financial Report Update Document (“AUD”) for fiscal year ending December 31, 2022, which is not prepared in accordance with GAAP and is not audited, is incorporated herein as “APPENDIX-E”. The Certain financial information may be found in the Appendices to this Official Statement.

The City complies with the Uniform System of Accounts as prescribed for cities in New York State by the Office of the State Comptroller. Except for the accounting for fixed assets, this System conforms to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants’ Industry Audit Guide, “Audits of State and Local Governmental Units,” and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending December 31, 2003 the City was required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as a Management’s Discussion and Analysis. The City has not implemented GASB Statement No. 34 in its entirety and implementation of this standard is not a New York State Comptroller’s office requirement.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the City has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the City on March 13, 2020. The purpose of the audit was to Determine whether City officials ensured employees' salaries and the amounts withheld for benefits were accurate and leave accrual records were properly maintained and recorded for the period January 1, 2018 through July 31, 2019.

Key Findings:

- City officials did not segregate the duties of the clerks inputting payroll or implement compensating controls.
- The Council did not adopt policies that address how compensatory (comp) time will be authorized, earned and used.
- City officials did not have a process to verify accrual balances prior to approving the use of leave accruals.

Key Recommendations:

- Ensure compensating controls are implemented to address the lack of segregation of duties within the payroll process.
- Adopt policies and procedures that address how comp time will be earned and used.
- Develop a process to verify leave balances prior to approving leave slips and periodically review leave records for accuracy.

The City provided a complete response to the State Comptroller's office on March 4, 2020. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptrollers audits of the City that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five fiscal years classified the City as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2017	No Designation	3.3
2018	No Designation	6.7
2019	No Designation	6.7
2020	No Designation	6.7
2021	No Designation	6.7

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

TAX INFORMATION

Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Valuations	\$ 406,571,562	\$ 718,291,503	\$ 711,945,896	\$ 728,836,263	\$ 734,906,357
New York State Equalization Rate	77.00%	100.00% ⁽¹⁾	100.00%	95.00%	85.00%
Total Taxable Full Valuation	\$ 528,015,016	\$ 718,291,503	\$ 711,945,896	\$ 767,196,066	\$ 864,595,714

⁽¹⁾ Significant change due to revaluation.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	\$ 12.96	\$ 7.59 ⁽¹⁾	\$ 7.66	\$ 7.48	\$ 7.42

⁽¹⁾ Significant change due to revaluation.

Uncollected City Property Taxes

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total City Tax Levy	\$ 5,270,104	\$ 5,452,273	\$ 5,452,273	\$ 5,452,273	\$ 5,452,273
Uncollected End of Year ⁽¹⁾	187,835	301,123	475,056	427,563	N/A
% Uncollected End of Year	3.56%	5.52%	8.71%	7.84%	N/A

⁽¹⁾ See "Tax Collection Procedure" herein.

Uncollected Taxes (City, County, Water/Sewer, Prorates & Delinquent School)

<u>Fiscal Year Ending December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Levied Taxes + Del. School	\$ 8,401,588	\$ 9,454,276	\$ 9,318,814	\$ 9,322,937	\$ 9,152,574
Uncollected End of Year	360,723	570,404	528,951	520,232	N/A
% Uncollected End of Year	4.29%	6.03%	5.68%	5.58%	N/A

Tax Collection Procedure

City real property taxes are levied annually on January 1st and are payable in four equal installments on January 1st, April 1st, July 1st and September 1st. Taxes are collected without penalty or interest for a period of 30 calendar days for the first and third installments and for 15 calendar days for the second and fourth installments. Taxes for County purposes apportioned to the area within the City are levied together with taxes for the City and payable per the City Charter in two equal installments due January 1st and July 1st and are collected without penalty or interest for 30 calendar days. Penalties for Late Payments are 1 percent per month. The City assumes enforcement responsibility for all taxes levied in the City.

Unpaid City school district taxes are turned over to the City for collection. The City receives payment on these unpaid school taxes until foreclosure.

Constitutional Tax Margin

The City derives its power to levy an ad valorem real property tax from the Constitution of the State, subject to applicable statutory limitations. The City's property tax levying powers, other than for debt service and certain other purposes, are limited by the State Constitution to two percent of the five year average full valuation of taxable real property of the City, subject to certain exclusions. See also "TAX LEVY LIMITATION LAW" herein.

Computation of Constitutional Tax Margin for fiscal years ending December 31st:

<u>Fiscal Year Ending December 31:</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Five Year Average Full Valuation.....	\$718,122,447	\$640,870,083	\$571,421,428
Tax Limit - 2% Five Year Average.....	\$14,362,449	\$12,817,402	\$11,428,429
Add: Exclusions from Tax Limit.....	\$1,062,369	\$845,893	\$842,155
Total Taking Power.....	\$ 15,424,818	\$ 13,663,295	\$ 12,270,584
Less: Total Levy.....	\$5,452,273	\$5,452,273	\$5,452,273
Constitutional Tax Margin.....	\$ 9,972,545	\$ 8,211,022	\$ 6,818,311

Larger Taxpayers – 2022 Assessment Roll for 2023 Taxes

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Galvan Initiatives Foundation	Investor/Developer	\$ 22,142,300
Columbia Memorial Hospital	Hospital	13,560,000
Niagara Mohawk Power	Utility	11,102,353
Galvan Civic Inc.	Investor/Developer	7,355,000
South 99 LLC	Warehouse/Rental	5,500,000
Colarusso Ventures	Industrial	4,720,600
Eight Iron Buildings Inc.	Bank/Office	3,900,000
Haddad Nicholas & Carrie	Investor/Developer	3,347,000
Hudson Gardens	Apt. Complex	3,000,000
Hudson City Housing	Apt. Complex	2,855,000

The ten taxpayers listed above have a total taxable assessed valuation of \$77,482,253, which represents 10.54% of the City Tax Base for the 2023 fiscal year. See “LITIGATION” herein.

Source: City tax rolls.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limitation Law”) applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipality’s tax levies.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implications thereof.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the City (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the City and the Notes include the following:

Purpose and Pledge. Subject to certain enumerated exceptions, the City shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its notes and such required annual installments on its bonds.

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the City is calculated by taking 7% of the latest five year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the City to borrow and incur indebtedness, subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the General City Law, the General Municipal Law and the City Charter.

Pursuant to the Local Finance Law, the City authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least two-thirds of the members of the Common Council, the finance board of the City. Customarily, the Common Council has delegated to the Treasurer, as chief fiscal officer of the City, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the City is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the City complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

Statutory Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the City with the power to issue certain other short-term general obligations indebtedness including revenue and tax anticipation notes and budget and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending December 31st:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$ 13,079,079	\$ 12,367,994	\$ 11,649,926	\$ 10,940,976	\$ 10,224,477
Leases ⁽¹⁾	1,372,575	1,202,281	1,030,000	900,000	770,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,029,100</u>	<u>8,401,025</u>
Total Debt Outstanding	\$ 14,451,654	\$ 13,570,275	\$ 12,679,926	\$ 14,870,076	\$ 19,395,502

⁽¹⁾ See "Other Obligations" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the City as evidenced by bonds as of June 9, 2023.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2023-2043	\$ 10,144,477
Bond Anticipation Notes		
Various Projects	June 23, 2023	<u>8,401,025</u> ⁽¹⁾
Total Indebtedness		<u>\$ 18,625,502</u>

⁽¹⁾ To be partially redeemed, renewed, and permanently financed with the proceeds of the Bonds, Notes and available funds of the City.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared as of June 9, 2023:

Five Year Average Full Valuation of Taxable Real Property	\$ 718,008,839
Debt Limit 7% thereof ⁽¹⁾	50,260,618

Inclusions:

Bonds	\$ 10,144,477	
Bond Anticipation Notes	8,401,025	⁽²⁾
Total Inclusions		\$ 18,545,502

Exclusions:

Water Indebtedness ⁽³⁾	\$ 3,481,204	
Sewer Indebtedness ⁽⁴⁾	3,479,700	
Appropriations ⁽⁵⁾	198,573	
Total Exclusions		\$ 7,159,477

Total Net Indebtedness Subject to Debt Limit.....\$ 11,386,025

Net Debt-Contracting Margin.....\$ 38,874,593

The percent of debt contracting power exhausted is 22.65%

The issuance of the Bonds and Notes will not increase the Total Net Indebtedness of the City.

- (1) The City has a debt contracting limitation equal to seven percent of average full valuation (See “Constitutional Requirements; Debt Limit” and “TAX LEVY LIMITATION LAW”, herein.)
- (2) To be partially redeemed, renewed and permanently financed with the proceeds of the Bonds, Notes and available funds of the City.
- (3) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.
- (4) Sewer Debt may be excluded pursuant to Section 124.10 of the Local Finance Law, subject to certain requirements. The City received a certificate from the State Comptroller’s Office on April 14, 2014 with respect to obligations issued December 19, 2013 to NYS EFC in the original principal amount of \$4,968,647.
- (5) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

Other Obligations

The City issued a \$3,815,000 lease for a Firehouse in 2005. The principal amount outstanding as of December 31, 2022 is \$770,000. The lease has a variable rate of interest based on LIBOR plus 55 basis points. The last payment is scheduled to be made on December 1, 2028.

Authorized But Unissued Items

The City anticipates short-term borrowing in order to initiate and complete a portion of the capital projects identified in the \$10 million NYS Downtown Revitalization Initiative (“DRI”) won by Hudson in 2017. A portion of the Notes in the amount of \$863,905 and \$336,095 available funds of the City will partially redeem and renew 1,200,000 outstanding bond anticipation notes issued for the Promenade Park DRI Project. On June 23, 2022; the City issued bond anticipation notes in the amount of \$3,146,000 for the DRI Connectivity Improvements. A \$2,832,397 portion of the Notes along with \$313,603 available funds of the City will partially redeem and renew the outstanding \$3,146,000 bond anticipation notes. The majority of these funds are expected to be reimbursed by the DRI award.

In 2022, the City authorized the issuance of serial bonds in an aggregate principal amount not to exceed \$150,000 for the acquisition of a fire boat for fire department purposes, dependent on a successful grant application to FEMA. The grant was not awarded.

The City has authorized the issuance of \$1,522,528 for the NYPA LED replacement street light program. The City may issue obligations directly or may finance the project through NYPA’s program. If the City proceeds with this project, the anticipated debt may be offset by operational savings, a project breakeven of 10 years and anticipated savings of approximately \$200,000 per year post breakeven.

The City has authorized obligations in the principal amount of \$475,000 to finance a portion of the cost of ADA improvements to City Hall. A \$475,000 portion of the proceeds of the Bonds will permanently finance the above mentioned project.

The City has authorization to issue obligations in the principal amount of \$4,376,000 to finance the Ferry Street Bridge project. The City is currently receiving bids for the project. A portion of the potential obligations to be issued to finance the project are estimated to be reimbursable from State and Federal grants.

The City has authorized obligations in the principal amount of \$1,100,000 to finance the acquisition of a pumper truck.

Cash Flow Borrowings

The City has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the past 20 years and has no current plans to issue either in the future.

Bonded Debt Service

A schedule of Bonded Debt Service may be found as APPENDIX - B to this Official Statement.

Estimated Overlapping Indebtedness

In addition to the City, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the City. Bonded indebtedness, including bond anticipation notes, is estimated as of the close of the fiscal year of the respective governmental units not adjusted to include subsequent bond issues, if any.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>City Share</u>	<u>Applicable Indebtedness</u>
County of:						
Columbia	12/31/2021	\$ 50,885,000 ⁽²⁾	\$ -	\$ 50,885,000	8.36%	\$ 4,253,986
School District:						
Hudson City SD	6/30/2022	34,645,000 ⁽³⁾	24,736,530	9,908,470	41.28%	4,090,216
					Total:	<u>\$ 8,344,202</u>

⁽¹⁾ Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

⁽³⁾ State Building aid.

Source: The State Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021 and 2022.

Debt Ratios

The following table sets forth certain ratios relating to the City's Net Indebtedness as of June 9, 2023.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 11,386,025	\$ 1,954.35	1.32%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	19,730,227	3,386.58	2.28

^(a) The current population of the City is estimated to be 5,826. (See "THE CITY – Population Trends" herein.)

^(b) The City's full value of taxable real estate for the 2023 fiscal year is \$864,595,714. (See "TAX INFORMATION – Taxable Valuations" herein.)

^(c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.

^(d) The City's applicable share of Net Overlapping Indebtedness is estimated to be \$8,344,202. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond and Note when duly issued and paid for will constitute a contract between the City and the holder thereof. Under current law, provision is made for contract creditors of the City to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the City upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds and Notes in the event of a default in the payment of the principal of and interest on the Bonds and Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the City may not be enforced by levy and execution against property owned by the City.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns and villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds and Notes should the City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. A plan of adjustment potentially including a plan altering the terms of payment of the Bonds and Notes can be confirmed by a federal bankruptcy court over the objections of creditors if the plan is found to be "fair and equitable" and "in the best interest of creditors."

The rights of the owners of Bonds and Notes to receive interest and principal from the City could be adversely affected by the restructuring of the City's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the City (including the Bonds and Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its full faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims against the municipality, including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which, upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims, including debt service due or overdue, must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of

the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities, and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid. The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service.

Such Constitutional provision does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “NATURE OF OBLIGATION” herein.

No Past Due Debt. No principal of or interest on City indebtedness is past due.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12” or the “Rule”), the City will enter into an Undertaking to provide notice of certain enumerated events as described in Rule 15c2-12 with respect to the Notes, and an Undertaking to provide continuing disclosure with respect to the Bonds, substantially in the forms attached hereto as “APPENDIX – C” and “APPENDIX – D”. The City reserves the right to amend or modify the UndertakingS under certain circumstances set forth therein, provided that any such modification must be done in a manner consistent with Rule 15c2-12.

Historical Compliance

Except as noted below, the City is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule.

On January 2, 2018, the City's submitted notice of its failure to provide audited financial statements for the fiscal year ending December 31, 2016 by the last business day of the respective succeeding fiscal year. The City's 2016 audited financial report was submitted to the EMMA system on February 21, 2018.

On March 4, 2021, the City's submitted notice of its failure to provide audited financial statements for the fiscal year ending December 31, 2019 by the last business day of the respective succeeding fiscal year. The City's 2019 audited financial report was submitted to the EMMA system on March 4, 2021. On December 30, 2021, the City timely submitted its audited financial statement for 2020 by the last business day of the succeeding fiscal year.

The City failed to file its audited financial statements for the fiscal year ending December 31, 2021 by the last business day of the respective succeeding fiscal year. The City filed a failure to file material event notification to EMMA on January 6, 2023.

The City currently retains Fiscal Advisors & Marketing, Inc. as a dissemination agent to assist the City with filings required under Rule 15c2-12. Such dissemination agent works with the City to help ensure that proper information is filed as required under the City's disclosure undertakings.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds and Notes. The following is a discussion of certain events that could affect the risk of investing in the Bonds and Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial and economic condition of the City as well as the market for the Bonds and Notes could be affected by a variety of factors, some of which are beyond the City's control. There can be no assurance that adverse events in the State and in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds and Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds and Notes, could be adversely affected.

The City is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the City, in any year, the City may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the City. In several recent years, the City has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid" herein).

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds and Notes should elect to sell a Bond or Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds and Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds and Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and Notes and other debt issued by the City. Any such future legislation would have an adverse effect on the market value of the Bonds and Notes (See "TAX MATTERS" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts and have restrictions in the State, including the City without providing an exclusion for debt service on obligations issued by municipalities or fire districts, including the City, could have an impact upon the market price of the Bonds and Notes. See "TAX LEVY LIMITATION" herein.

COVID -19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid, as well as resulting in a delay or reduction of sales tax receipts or other revenues of the City. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The current outbreak had caused the Federal government to declare a national state of emergency. The State had also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including temporarily closing schools and non-essential businesses for several months. It is not possible to predict the long term impact of the outbreak of COVID-19 on the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the City's operations and finances is extremely difficult to predict. The City is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

Cybersecurity

The City, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. In addition, the City faces threats from email compromise and other attempts to fraudulently obtain private data or funds. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

Opinion of Bond Counsel. In the opinion of Rodenhausen Chale & Polidoro LLP, Rhinebeck, New York, Bond Counsel to the City, under existing law, and assuming continuing compliance with certain tax certifications described herein, interest on the Bonds and Notes is not included in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, interest on the Bonds and Notes is not treated as an "item of tax preference" for purposes of the federal alternative minimum tax applicable to individuals under the Code; however, for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Arbitrage and Use of Proceeds Certificates of the City which will be delivered concurrently with the delivery of the Bonds and Notes, respectively, will contain provisions and procedures relating to compliance with applicable provisions of the Code.

It is also the opinion of Bond Counsel to the City that interest on the Bonds and Notes is exempt from personal income taxes imposed by the State and its political subdivisions (including The City of New York).

Bond Counsel expresses no opinion with respect to any other federal, state or local tax consequences arising with respect to the Bonds and Notes or the ownership or disposition thereof.

Bond Counsel's opinion is rendered as of its date, and no opinion is expressed as to matters referred to herein on any subsequent date. Certain requirements and procedures contained or referred to in the Arbitrage and Use of Proceeds Certificates delivered in connection with the issuance of the Bonds and Notes may be changed, and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such document, upon the advice or with the approving opinion of Bond Counsel. Bond Counsel expresses no opinion as to the Bonds and Notes or the interest thereon if any change occurs or action is taken upon the advice or approval of bond counsel other than Rodenhausen Chale & Polidoro LLP, Rhinebeck, New York.

Certain Requirements of the Code. The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds and Notes in order that interest on the Bonds and Notes be and remain not included in gross income for Federal income tax purposes pursuant to Section 103 of the Code. These requirements include but are not limited to restrictions on the investment and use of proceeds of the Bonds and Notes and the rebate of certain earnings in respect of such investments to the United States. Noncompliance may cause interest on the Bonds and Notes to become subject to Federal income taxes retroactive to the date of issue of the Notes, irrespective of the date on which such noncompliance occurs or is ascertained. The City will execute and deliver an Arbitrage and Use of Proceeds Certificate with respect to the Bonds and Notes which will contain provisions and procedures relating to compliance with applicable requirements of the Code. The Arbitrage and Use of Proceeds Certificates will include the City's certification to the effect that the City will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Bonds and Notes is not included in gross income pursuant to Section 103(a) of the Code.

In rendering its opinion, Bond Counsel has relied upon the representations, certifications of fact and statements of reasonable expectations made by the City in connection with the Bonds and Notes, and Bond Counsel has assumed compliance with such covenants and warranties and the accuracy, in all material respects, of such representations and certifications.

Certain Additional Federal Tax Consequences. The following is a brief discussion of certain federal income tax matters with respect to the Bonds and Notes under existing law. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a Bond or Note. Prospective investors are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds or Notes. Bond Counsel expresses no opinion regarding any such consequences.

Prospective purchasers of Bonds and Notes should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S Corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, and individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry obligations. Interest on the Bonds and Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Owners of Bonds and Notes subject to any such taxes or who might fall into any such category should consult their own tax advisors as to the computation of any such tax and the applicability of these consequences.

Legislation affecting municipal obligations, such as the Bonds or Notes, is considered from time to time by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds and Notes will not have an adverse effect on the tax-exempt status or market price of the Bonds and Notes.

Original Issue Discount. "Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Tax-Exempt Obligation (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of each of the Bonds and Notes of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents or wholesalers). In general, the issue price for the Bonds and Notes is expected to be the initial public offering price set forth in this Official Statement. For any Bonds and Notes having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Bonds and Notes.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or the other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond and Note Premium. In general, if an owner acquires a bond or note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bonds and Notes after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes a “bond premium” on that bond or note (a “Premium Bond”). In general, under Section 171, of the Code, an owner of a Premium Bond must amortize the premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds and Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

The Bonds and Notes will be designated as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.

Miscellaneous. Tax legislation, administrative action taken by tax authorities, and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds and Notes under Federal or state law or otherwise prevent beneficial owners of the Bonds and Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds and Notes.

The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds and Notes is commenced, under current procedures the IRS is likely to treat the City as the “taxpayer,” and the owners of the Bonds and Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds and Notes, the City may have different or conflicting interests from the owners of the Bonds and Notes. Public awareness of any future audit of the Bonds and Notes could adversely affect the value and liquidity of the Bonds and Notes during the pendency of the audit, regardless of its ultimate outcome.

PROSPECTIVE PURCHASERS OF THE BONDS AND NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

LEGAL MATTERS

Legal matters incident to the authorized issuance and sale of the Bonds and Notes will be subject to the final approving opinion of Rodenhause Chale & Polidoro LLP, Rhinebeck, New York, Bond Counsel. The forms of the approving opinions of bond counsel with respect to the Bonds and Notes expected to be delivered at closing are attached to this Official Statement as “APPENDIX F”, and “APPENDIX G” and made a part thereof. Certain legal matters will be passed on for the City by its Corporation Counsel.

RATINGS

The Notes are not rated.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying rating of "A+" with a stable outlook to the Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

S&P is anticipated to assign its bond rating "AA/Stable" to the Bonds based upon the issuance by Build America Mutual Assurance Company ("BAM") of its standard form of Municipal Bond Insurance Policy with respect to the Bonds. See "APPENDIX – H – BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

LITIGATION

The City is subject to a number of lawsuits in the ordinary conduct of its affairs, some of which are being defended by the City's insurance carrier. For those matters covered by the carrier, all have been reserved within the applicable limits of the City's insurance coverage and are expected to be resolved with the policy limits of the City of Hudson's insurance coverage.

The status of pending litigation is as follows:

A Notice of Claim was filed by Jusselby Vindel-Rax in connection with a property damage claim involving the claimant's motor vehicle. No formal legal action has yet been commenced.

A Notice of Claim was filed by Elaine Allen alleging damages in a slip and fall in a City owned parking lot. No formal legal action has yet been commenced.

A Notice of Claim was filed by Kevron Lee alleging false arrest by the City of Hudson police department. No formal legal action has yet been commenced.

A Notice of Claim was filed by Joshua Ryder alleging false arrest by the City of Hudson police department. No formal legal action has yet been commenced.

A Notice of Claim was filed by Khalid Lord alleging false an unlawful seizure by the City of Hudson police department. No formal legal action has yet been commenced.

Once again, all of the above-cited claims are expected to be resolved with the policy limits of the City of Hudson's insurance coverage.

Hess v. City of Hudson. In the matter of Hess v. City of Hudson, the initial lawsuit was filed against the City for a trench that collapsed while the plaintiff was working on a construction project. The City sued the insurance carrier for the contractor seeking insurance coverage and that carrier agreed to pay. The action has been resolved on terms satisfactory to the City.

Colarusso & Sons v. City of Hudson Planning Board. This is a hybrid Art. 78 against the City Planning Board related to site plan approval of a dock operation. The City has filed a Notice of Appeal that is pending before the Appellate Division Third Department. There is no monetary claim to the City of Hudson as the matter involves determination of a Planning Board decision.

Tax Certiorari Proceedings. The City is often a named party in certiorari proceedings instituted commenced pursuant to Article 7 of the N.Y. Real Property Tax Law. In these proceedings, taxpayers claim that their current real property assessment is excessive and ask that such assessment be reduced. Generally, tax claims request a refund of taxes applicable to the alleged over-assessment. Claims of this nature are filed continuously and some cases may not be settled for several years or more. It is not unusual for certain taxpayers to have multiple pending claims affecting a period of years. None of the outstanding claims are expected to result in any refunds that would have a substantial material impact on the City.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a municipal advisor, registered with the SEC and the MSRB. The Municipal Advisor serves as independent financial advisor to the City on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and Notes. The advice on the plan of financing and the structuring of the Bonds and Notes was based on materials provided by the City and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the City to the Municipal Advisor are partially contingent on the successful closing of the Bonds and Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds and Notes. All expenses in relation to the printing of CUSIP numbers on the Bonds and Notes will be paid for by the City; provided, however, the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the City management's beliefs as well as assumptions made by, and information currently available to, the City management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the City's files with the repositories. When used in City documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds and Notes.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Rodenhausen, Chale, & Polidoro LLP, Bond Counsel to the City, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the City for use in connection with the offer and sale of the, including but not limited to, the financial or statistical information in this Official Statement.

The City hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The City's contact information is as follows: Ms. Heather S. Campbell, City Treasurer, City of Hudson, 520 Warren Street, Hudson, New York 12534, phone: (518) 828-0212, telefax: (518) 828-3579, email: citytreasurer@cityofhudson.org.

This Official Statement has been duly executed and delivered by the City Treasurer of the City of Hudson on behalf of the City.

CITY of HUDSON

Dated: June 13, 2023

HEATHER S. CAMPBELL
City Treasurer

GENERAL FUND
Balance Sheets

Fiscal Years Ending December 31:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u> (Draft Audit)	<u>2022</u> (Unaudited)
ASSETS					
Cash:					
Unrestricted	\$ 3,997,061	\$ 4,286,558	\$ 3,178,947	\$ 1,851,342	\$ 2,708,188
Restricted	677,645	437,234	619,622	723,808	650,072
Taxes receivable, net	1,384,516	1,555,079	1,800,043	1,909,355	1,886,789
Other, net of allowance	741,993	524,653	896,484	155,351	945,593
Prepaid Expenditures	67,328	23,252	14,001	13,810	40,853
Due from Other Governments	-	342,449	73,899	1,679,647	1,050
Due from Other Funds	80,023	909,009	2,109,727	3,798,702	3,091,236
TOTAL ASSETS	<u>\$ 6,948,566</u>	<u>\$ 8,078,234</u>	<u>\$ 8,692,723</u>	<u>\$ 10,132,015</u>	<u>\$ 9,323,781</u>
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 478,038	\$ 1,143,226	\$ 1,350,220	\$ 1,895,996	\$ 442,047
Accrued Liabilities	83,491	99,758	176,807	135,832	134,664
Other Liabilities	16,184	6,386	42,393	58,863	469,761
Due to Other Governments	926,717	766,655	923,648	880,723	1,629,910
Due to Other Funds	149,003	141,386	319,824	308,050	417,371
Deferred Revenue	308,796	647,184	804,886	308,909	733,436
Due to Employees' Retirement System	167,773	525,036	562,494	686,947	-
Due to Police and Firemens' Retirement System	354,894	-	-	-	-
Overpayments & collections in advance	-	-	-	891,211	-
TOTAL LIABILITIES	<u>2,484,896</u>	<u>3,329,631</u>	<u>4,180,272</u>	<u>5,166,531</u>	<u>3,827,189</u>
FUND EQUITY					
Non Spendable	\$ 67,328	\$ 23,252	\$ 10,601	\$ 13,810	\$ 40,853
Restricted	677,645	871,972	762,682	754,733	659,934
Committed	-	-	-	-	-
Assigned	444,848	1,015,972	1,224,341	556,004	651,012
Unassigned	3,273,849	2,837,407	2,514,827	3,640,937	4,144,793
TOTAL FUND EQUITY	<u>4,463,670</u>	<u>4,748,603</u>	<u>4,512,451</u>	<u>4,965,484</u>	<u>5,496,592</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 6,948,566</u>	<u>\$ 8,078,234</u>	<u>\$ 8,692,723</u>	<u>\$ 10,132,015</u>	<u>\$ 9,323,781</u>

Source: Audited financial reports and 2022 Annual Financial Report Update Document (unaudited) of the City.
This Appendix is not itself audited.

GENERAL FUND
Revenues, Expenditures and Changes in Fund Balance

<u>Fiscal Years Ending December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u> (Draft Audit)
REVENUES					
Real Property Taxes	\$ 5,078,803	\$ 5,200,606	\$ 5,224,376	\$ 5,563,136	\$ 5,616,472
Real Property Tax Items	353,803	333,325	-	-	-
Non-Property Taxes	1,889,963	2,205,843	2,258,746	2,179,157	2,888,201
Departmental Income	549,514	613,030	924,107	510,238	744,641
Use of Money & Property	75,060	74,726	83,942	101,115	109,500
Licenses and Permits	183,549	160,584	205,052	173,162	252,380
Fines and Forfeitures	293,280	376,058	395,595	307,399	463,883
Sale of Property and Compensation for Loss	57,973	55,608	469,909	31,152	46,682
Miscellaneous	94,550	71,481	139,924	383,945	287,913
Revenues from State Sources	2,130,698	1,757,415	2,192,829	1,800,279	2,516,700
Revenues from Federal Sources	-	-	-	-	16,937
Total Revenues	<u>\$ 10,707,193</u>	<u>\$ 10,848,676</u>	<u>\$ 11,894,480</u>	<u>\$ 11,049,583</u>	<u>\$ 12,943,309</u>
EXPENDITURES					
General Government Support	\$ 1,247,369	\$ 1,296,302	\$ 1,312,146	\$ 1,264,413	\$ 1,319,803
Public Safety	3,301,970	3,575,420	3,707,157	3,601,310	3,635,093
Health	8,363	8,575	8,556	7,632	9,489
Transportation	1,729,714	1,210,452	1,535,652	1,165,674	1,765,845
Economic Assistance and Opportunity	3,160	3,232	3,938	173,921	166,391
Culture and Recreation	585,408	880,759	1,053,594	1,122,179	965,739
Home and Community Services	316,903	237,476	313,318	367,028	382,476
Employee Benefits	2,602,107	2,885,783	2,701,164	2,657,303	2,895,738
Debt Service	527,741	523,959	603,076	598,753	533,612
Total Expenditures	<u>\$ 10,322,735</u>	<u>\$ 10,621,958</u>	<u>\$ 11,238,601</u>	<u>\$ 10,958,213</u>	<u>\$ 11,674,186</u>
Other Financing Sources (Uses):					
BAN Premium	-	-	-	-	21,325
Operating Transfers In	-	-	2,415	1,428	-
Operating Transfers Out	(847,880)	(250,000)	(373,360)	(465,000)	(837,415)
Total Other Financing	<u>(847,880)</u>	<u>(250,000)</u>	<u>(370,945)</u>	<u>(463,572)</u>	<u>(816,090)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(463,422)</u>	<u>(23,282)</u>	<u>284,934</u>	<u>(372,202)</u>	<u>453,033</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	4,486,951	4,463,669	4,748,603	4,512,451
Prior Period Adjustments (net)	-	-	-	136,050	-
Fund Balance - End of Year	<u>\$ (463,422)</u>	<u>\$ 4,463,669</u>	<u>\$ 4,748,603</u>	<u>\$ 4,512,451</u>	<u>\$ 4,965,484</u>

Source: Audited financial reports of the City. This Appendix is not itself audited.

GENERAL FUND
Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:

	2022		2023
	Adopted <u>Budget</u>	Unaudited <u>Actual</u>	Adopted <u>Budget</u>
REVENUES			
Real Property Taxes	\$ 5,452,273	\$ 5,472,149	\$ 5,452,273
Real Property Tax Items	504,758	277,920	504,758
Non-Property Taxes	2,720,000	3,144,272	2,720,000
Departmental Income	495,500	857,426	495,500
Use of Money & Property	59,200	56,874	59,200
Licenses and Permits	231,650	290,464	231,650
Fines and Forfeitures	440,000	387,554	440,000
Sale of Property and Compensation for Loss	271,000	130,494	271,000
Miscellaneous	157,407	162,948	157,407
Revenues from State Sources	2,093,194	2,061,882	2,093,194
Revenues from Federal Sources	150,962	293,056	150,962
Total Revenues	<u>\$ 12,575,944</u>	<u>\$ 13,135,039</u>	<u>\$ 12,575,944</u>
EXPENDITURES			
General Government Support	\$ 1,749,346	\$ 1,444,004	\$ 1,749,346
Public Safety	4,030,648	4,135,491	4,030,648
Health	8,662	8,900	8,662
Transportation	1,305,563	1,231,811	1,305,563
Economic Assistance and Opportunity	34,000	57,696	34,000
Culture and Recreation	1,231,941	1,029,516	1,231,941
Home and Community Services	341,037	376,822	341,037
Employee Benefits	3,001,754	2,910,238	3,001,754
Debt Service	536,279	536,607	536,279
Total Expenditures	<u>\$ 12,239,230</u>	<u>\$ 11,731,085</u>	<u>\$ 12,239,230</u>
Other Financing Sources:			
Operating Transfers In	1,500	-	1,500
Operating Transfers Out	(338,214)	(624,425)	(338,214)
Total Other Financing	<u>(336,714)</u>	<u>(624,425)</u>	<u>(336,714)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>779,529</u>	<u>-</u>
FUND BALANCE			
Fund Balance - Beginning of Year	-	4,965,484	-
Prior Period Adjustments (net)	-	(248,421)	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 5,496,592</u>	<u>\$ -</u>

Source: 2022 Annual Financial Report Update Document (unaudited) and adopted budgets of the City. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Principal	Interest	Total
2023	\$ 729,526	\$ 122,139	\$ 851,665
2024	604,763	112,688	717,451
2025	613,573	107,813	721,386
2026	627,382	102,681	730,063
2027	636,192	97,294	733,486
2028	645,001	91,750	736,751
2029	653,811	86,050	739,861
2030	667,620	79,775	747,395
2031	676,430	72,925	749,355
2032	690,239	65,800	756,039
2033	414,320	58,400	472,720
2034	424,780	50,725	475,505
2035	430,240	42,775	473,015
2036	440,700	34,550	475,250
2037	405,700	26,050	431,750
2038	420,700	17,175	437,875
2039	320,700	9,500	330,200
2040	325,700	3,200	328,900
2041	165,700	-	165,700
2042	165,700	-	165,700
2043	165,700	-	165,700
TOTALS	\$ 10,224,477	\$ 1,181,289	\$ 11,405,766

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2003 NYS EFC - Water			2006 NYS EFC - Water		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 251,231	\$ -	\$ 251,231.00	\$ 34,022	\$ -	\$ 34,022.00
2024	254,581	-	254,581.00	34,482	-	34,482.00
2025	257,931	-	257,931.00	34,942	-	34,942.00
2026	261,280	-	261,280.00	35,402	-	35,402.00
2027	264,630	-	264,630.00	35,862	-	35,862.00
2028	267,980	-	267,980.00	36,321	-	36,321.00
2029	271,330	-	271,330.00	36,781	-	36,781.00
2030	274,679	-	274,679.00	37,241	-	37,241.00
2031	278,029	-	278,029.00	37,701	-	37,701.00
2032	281,379	-	281,379.00	38,160	-	38,160.00
2033	-	-	-	38,620	-	38,620.00
2034	-	-	-	39,080	-	39,080.00
2035	-	-	-	39,540	-	39,540.00
2036	-	-	-	40,000	-	40,000.00
TOTALS	\$ 2,663,050	\$ -	\$ 2,663,050.00	\$ 518,154	\$ -	\$ 518,154.00

Fiscal Year Ending Dec 31st	2013 Statutory Installment Bond		
	Principal	Interest	Total
2023	\$ 58,091	\$ 1,864.73	\$ 59,956.05
TOTALS	\$ 58,091	\$ 1,864.73	\$ 59,956.05

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2013 NYS EFC - Sewer			2014 Serial Bond		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 165,700	-	\$ 165,700.00	\$ 80,000	\$ 81,200.00	\$ 161,200.00
2024	165,700	-	165,700.00	80,000	78,000.00	158,000.00
2025	165,700	-	165,700.00	85,000	74,700.00	159,700.00
2026	165,700	-	165,700.00	90,000	71,200.00	161,200.00
2027	165,700	-	165,700.00	95,000	67,500.00	162,500.00
2028	165,700	-	165,700.00	95,000	63,700.00	158,700.00
2029	165,700	-	165,700.00	100,000	59,800.00	159,800.00
2030	165,700	-	165,700.00	105,000	55,700.00	160,700.00
2031	165,700	-	165,700.00	110,000	51,400.00	161,400.00
2032	165,700	-	165,700.00	115,000	46,900.00	161,900.00
2033	165,700	-	165,700.00	120,000	42,200.00	162,200.00
2034	165,700	-	165,700.00	125,000	37,300.00	162,300.00
2035	165,700	-	165,700.00	130,000	32,200.00	162,200.00
2036	165,700	-	165,700.00	135,000	26,900.00	161,900.00
2037	165,700	-	165,700.00	140,000	21,400.00	161,400.00
2038	165,700	-	165,700.00	150,000	15,600.00	165,600.00
2039	165,700	-	165,700.00	155,000	9,500.00	164,500.00
2040	165,700	-	165,700.00	160,000	3,200.00	163,200.00
2041	165,700	-	165,700.00	-	-	-
2042	165,700	-	165,700.00	-	-	-
2043	165,700	-	165,700.00	-	-	-
TOTALS	\$ 3,479,700	\$ -	\$ 3,479,700.00	\$ 2,070,000	\$ 838,400.00	\$ 2,908,400.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2016 Serial Bond			2018 Bond - Airpacks		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 65,000	\$ 36,206.25	\$ 101,206.25	\$ 75,482	\$ 2,868.02	\$ 78,349.70
2024	70,000	34,687.50	104,687.50	-	-	-
2025	70,000	33,112.50	103,112.50	-	-	-
2026	75,000	31,481.25	106,481.25	-	-	-
2027	75,000	29,793.75	104,793.75	-	-	-
2028	80,000	28,050.00	108,050.00	-	-	-
2029	80,000	26,250.00	106,250.00	-	-	-
2030	85,000	24,075.00	109,075.00	-	-	-
2031	85,000	21,525.00	106,525.00	-	-	-
2032	90,000	18,900.00	108,900.00	-	-	-
2033	90,000	16,200.00	106,200.00	-	-	-
2034	95,000	13,425.00	108,425.00	-	-	-
2035	95,000	10,575.00	105,575.00	-	-	-
2036	100,000	7,650.00	107,650.00	-	-	-
2037	100,000	4,650.00	104,650.00	-	-	-
2038	105,000	1,575.00	106,575.00	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
TOTALS	\$ 1,360,000	\$ 338,156.25	\$ 1,698,156.25	\$ 75,482	\$ 2,868.02	\$ 78,349.70

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE WITH RESPECT TO THE NOTES

This Undertaking to Provide Continuing Disclosure (the "Undertaking") is executed and delivered by the City of Hudson (the "Issuer") in connection with the issuance by the Issuer of its Bond Anticipation Notes, Series 2023 in the aggregate principal amount of \$4,995,543 dated June 22, 2023 (the "Notes"). The Notes are being issued pursuant to bond resolutions of the Issuer described in the Certificate of Determination dated as of June ___, 2023 (collectively the "Resolution"). The Notes mature less than eighteen months after their date of issue. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide timely notices of the occurrence of certain events, and in that regard hereby covenants and agrees as follows:

SECTION 1. Purpose of the Undertaking. This Undertaking is being executed and delivered by the Issuer for the benefit of the Bondholder. This Undertaking constitutes the written undertaking required by SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings;

"Applicable Series" shall mean the Notes described above and any other obligations made subject to this Undertaking by the Issuer.

"Beneficial Owners" shall mean, with respect to the Applicable Series, persons who have or share investment power, including beneficial owners of any Notes held by Depository Trust Company.

"Bondholder" means the person in whose name a security is registered.

"EMMA" means the Electronic Municipal Market Access System created by the MSRB, and any successor thereto designated by the SEC for purposes of the Rule.

"Fiscal Year" means the fiscal year of the Issuer, which is currently a calendar year.

"Issuer" means the City of Hudson, which is the obligated person with respect to the Applicable Series.

"Material Events" shall mean any of the events listed in Section 4 of this Undertaking, if material.

"MSRB" means the Municipal Securities Rulemaking Board, currently located at 1150 18th Street, N.W., Suite 400, Washington, D.C. 20036.

"Official Statement" means the Official Statement prepared and executed by the Issuer in connection with the Applicable Series.

"Repository" shall mean EMMA.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means Securities and Exchange Commission.

SECTION 3. [Intentionally Omitted.]

SECTION 4. Reporting of Significant Events. (a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events, if material:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Applicable Series, or other material events affecting the tax status of the Applicable Series; (vii) modifications to rights of Bondholders, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Applicable Series, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Issuer; (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a "financial obligation" (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the Issuer, any of which affect bondholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, if any such event reflects financial difficulties.

"Financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

Event (iii) is included pursuant to a letter for the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (iv) the Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Applicable Series.

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) The Issuer shall provide to EMMA timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the Material Events.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Material Event, the Issuer shall as soon as possible determine if such event would constitute material information for Bondholders of the Applicable Series provided that any event under subsection a(vi) will always be deemed material.

(d) If the Issuer has determined that knowledge of the occurrence of a Material Event would be material, the Issuer shall promptly file a notice of such occurrence with EMMA at EMMA Dataport @ www.emma.msrb.org.

SECTION 5. Termination of Reporting Obligation. The Issuer's obligations under this Undertaking shall terminate upon the defeasance, prior redemption or payment in full of all of the Applicable Series, or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Applicable Series.

SECTION 6. Amendment; Waiver. The Issuer reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer, provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking and any provision of this Undertaking may be waived if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule and provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

SECTION 7. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any notice of occurrence of a Material Event, in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future notice of occurrence of a Material Event.

SECTION 8. Default. (a) In the event of a failure of the Issuer to comply with any provision of this Undertaking, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. (b) Beneficial Owners shall have the right to seek specific performance by court order to cause the Issuer to comply with its obligations to provide notices of Material Events under this Undertaking. (c) A default under this Undertaking shall not be deemed a default under the Applicable Series or the Resolutions, and the sole and exclusive remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel specific performance and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances.

SECTION 9. Beneficiaries. This Undertaking shall inure solely to the benefit of the Issuer and the Bondholders from time to time of the Applicable Series (and solely for the purposes set forth in Section 8(b), the Beneficial Owners), and shall create no rights in any other person or entity. In the event of any conflict between the terms of the Resolutions and this Undertaking, the terms of the Resolutions shall control. This Undertaking, or any provision hereof, shall be null and void in the event that the Issuer delivers to each then existing Repository, an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which required this Undertaking are invalid, have been repealed retroactively or otherwise do not apply to the Applicable Series.

IN WITNESS WHEREOF, the Issuer has executed this Undertaking as of June 22, 2023.

CITY OF HUDSON

BY: _____
Heather S. Campbell
City Treasurer & CFO

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE WITH RESPECT TO THE BONDS

This Undertaking to Provide Continuing Disclosure (the "Undertaking") is executed and delivered by the City of Hudson (the "Issuer") in connection with the issuance by the Issuer of its Public Improvement (Serial) Bonds, Series 2023 in the aggregate principal amount of \$2,066,943 dated June 22, 2023 (the "Bonds"). The Bonds are being issued pursuant to various bond resolutions of the Issuer described in the Certificate of Determination dated as of June __, 2023 (the "Resolution"). Pursuant to the Resolution, the Issuer has covenanted and agreed to provide timely notices of the occurrence of certain events, and in that regard hereby covenants and agrees as follows:

SECTION 1. Purpose of the Undertaking. This Undertaking is being executed and delivered by the Issuer for the benefit of the Bondholder. This Undertaking constitutes the written undertaking required by SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings;

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Undertaking.

"Applicable Series" shall mean the Bonds described above and any other obligations made subject to this Undertaking by the Issuer.

"Audited Financial Statements" means the Issuer's annual financial statements, prepared in accordance with generally accepted accounting principles in effect at the time of the audit ("GAAP") for Governmental Units as Prescribed by the Governmental Accounting Standards Board ("GASB").

"Beneficial Owners" shall mean, with respect to the Applicable Series, persons who have or share investment power, including beneficial owners of any Bonds held by Depository Trust Company.

"Bondholder" means the person in whose name a security is registered.

"EMMA" means the Electronic Municipal Market Access System created by the MSRB, and any successor thereto designated by the SEC for purposes of the Rule.

"Fiscal Year" means the fiscal year of the Issuer, which is currently a calendar year.

"Issuer" means the City of Hudson, which is the obligated person with respect to the Applicable Series.

"Material Events" shall mean any of the events listed in Section 4 of this Undertaking, if material.

"MSRB" means the Municipal Securities Rulemaking Board, currently located at 1150 18th Street, N.W., Suite 400, Washington, D.C. 20036.

"Official Statement" means the Official Statement prepared and executed by the Issuer in connection with the Applicable Series.

"Repository" shall mean EMMA.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means Securities and Exchange Commission.

SECTION 3. Annual Reports. (a) The Issuer shall, by the end of the sixth month following the end of each fiscal year, commencing with the fiscal year ending December 31, 2023, provide to each Repository an Annual Report which is consistent with the requirements of this Section. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) The Annual Report shall be prepared by the Issuer and shall contain or incorporate by reference (I) the annual audited financial statements of the Issuer, unless such audited financial statement shall not be available in which case the unaudited financial statement shall be provided in the form provided to the State, if available, and an audited financial statement shall be delivered to each Repository within sixty (60) days after it becomes available and in no event later than the last business day of each succeeding fiscal year after the end of each fiscal year; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Issuer of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and (II) annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement under the headings "THE CITY", "TAX INFORMATION" "STATUS OF INDEBTEDNESS" "LITIGATION" and all Appendices (other than "APPENDIX C, D, E, F, & G and any related to bond insurance). Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The Issuer shall provide, in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice to EMMA of any failure to provide the annual financial information required by this section by the date specified.

SECTION 4. Reporting of Significant Events. (a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events, if material:

principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Issuer; (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a "financial obligation" (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the Issuer, any of which affect bondholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, if any such event reflects financial difficulties.

"Financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

Event (iii) is included pursuant to a letter for the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (iv) the Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) The Issuer shall provide to EMMA timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the Material Events.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Material Event, the Issuer shall as soon as possible determine if such event would constitute material information for Bondholders of the Applicable Series provided that any event under subsection a(vi) will always be deemed material.

(d) If the Issuer has determined that knowledge of the occurrence of a Material Event would be material, the Issuer shall promptly file a notice of such occurrence with EMMA at EMMA Dataport @ www.emma.msrb.org.

SECTION 5. Termination of Reporting Obligation. The Issuer's obligations under this Undertaking shall terminate upon the defeasance, prior redemption or payment in full of all of the Applicable Series, or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds.

SECTION 6. Amendment; Waiver. The Issuer reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer, provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking and any provision of this Undertaking may be waived if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule and provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

SECTION 7. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any notice of occurrence of a Material Event, in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future notice of occurrence of a Material Event.

SECTION 8. Default. (a) In the event of a failure of the Issuer to comply with any provision of this Undertaking, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. (b) Beneficial Owners shall have the right to seek specific performance by court order to cause the Issuer to comply with its obligations to provide notices of Material Events under this Undertaking. (c) A default under this Undertaking shall not be deemed a default under the Applicable Series or the Resolutions, and the sole and exclusive remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel specific performance and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances.

SECTION 9. Beneficiaries. This Undertaking shall inure solely to the benefit of the Issuer and the Bondholders from time to time of the Applicable Series (and solely for the purposes set forth in Section 8(b), the Beneficial Owners), and shall create no rights in any other person or entity. In the event of any conflict between the terms of the Resolutions and this Undertaking, the terms of the Resolutions shall control. This Undertaking, or any provision hereof, shall be null and void in the event that the Issuer delivers to each then existing Repository, an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which required this Undertaking are invalid, have been repealed retroactively or otherwise do not apply to the Applicable Series.

IN WITNESS WHEREOF, the Issuer has executed this Undertaking as of June 22, 2023.

CITY OF HUDSON

BY: _____
Heather S. Campbell
City Treasurer & CFO

CITY OF HUDSON
COLUMBIA COUNTY, NEW YORK
ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
(UNAUDITED)
For the Year Ended December 31, 2022

Such unaudited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

CITY OF HUDSON
ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
December 31, 2022

One Hudson City Centre, Suite 204
Hudson, NY 12534

Phone 518-828-1565
Fax 518-828-2672
Web www.uhy-us.com

To the Mayor and Members of the Board of the
City of Hudson, Hudson, New York

Management is responsible for the accompanying annual financial report update document (AUD) for the City of Hudson (the "City") as of December 31, 2022 and for the year then ended, and the related notes to the annual financial report update document in accordance with the form prescribed by the State of New York, Office of the State Comptroller Division of Municipal Affairs. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying annual financial report update document included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on the annual financial report update document included in the accompanying prescribed form.

The annual financial report update document included in the accompanying prescribed form and the related notes and supplementary information are presented in accordance with the requirements of the State of New York, Office of the State Comptroller Division of Municipal Affairs are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the City and the State of New York, Office of the State Comptroller Division of Municipal Affairs, and are not intended to be and should not be used by anyone other than these specified parties.

The supplementary information contained in the prescribed form is presented for purposes of additional analysis and is not a required part of basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

Summarized Comparative Information

The annual financial report update document and related notes for the City of Hudson as of December 31, 2021, was subjected to a compilation engagement with a report dated September 8, 2022. The summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent with the compiled financial statements from which it is derived.

We are not independent with respect to the City of Hudson.

UHY LLP

Hudson, New York
May 2, 2023

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

CITY of Hudson

County of Columbia

For the Fiscal Year Ended 12/31/2022

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

CITY OF Hudson

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2021 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2022:

- (A) GENERAL
- (CM) MISCELLANEOUS SPECIAL REV
- (FX) WATER
- (G) SEWER
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (PN) PERMANENT
- (TC) CUSTODIAL
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2021 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(A) GENERAL

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Cash	1,670,728	A200	2,706,213
Petty Cash	1,975	A210	1,975
TOTAL Cash	1,672,703		2,708,188
Taxes Receivable, Current	475,056	A250	427,563
Taxes Receivable, Overdue	620,650	A260	773,277
City School Taxes Receivable	1,285,707	A290	1,294,332
Property Acquired For Taxes	453,822	A330	453,822
Allowance For Uncollectible Taxes	-925,878	A342	-1,062,205
TOTAL Taxes Receivable (net)	1,909,357		1,886,789
Accounts Receivable	1,213,543	A380	942,193
TOTAL Other Receivables (net)	1,213,543		942,193
Due From Other Funds	3,777,376	A391	3,091,236
TOTAL Due From Other Funds	3,777,376		3,091,236
Due From Other Governments	5,357	A440	1,050
TOTAL Due From Other Governments	5,357		1,050
Prepaid Expenses	10,400	A480	40,853
TOTAL Prepaid Expenses	10,400		40,853
Cash Special Reserves	550,456	A230	472,149
Service Award Program Assets	204,276	A461	177,923
TOTAL Restricted Assets	754,732		650,072
Miscellaneous Current Assets	3,410	A489	3,400
TOTAL Other	3,410		3,400
TOTAL Assets and Deferred Outflows of Resources	9,346,878		9,323,781

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(A) GENERAL

Balance Sheet

Code Description	2021	EdpCode	2022
Accounts Payable	1,895,996	A600	442,047
TOTAL Accounts Payable	1,895,996		442,047
Accrued Liabilities	122,738	A601	134,664
TOTAL Accrued Liabilities	122,738		134,664
Guaranty & Bid Deposits	19,776	A730	46,417
TOTAL Other Deposits	19,776		46,417
Other Liabilities	428,587	A688	361,198
Overpayments & Clearing Account	26,347	A690	10,464
Group Insurance		A720	51,682
TOTAL Other Liabilities	454,934		423,344
Due To Other Funds	308,050	A630	417,371
TOTAL Due To Other Funds	308,050		417,371
Due To Other Governments		A631	
Due To Employees' Retirement System	686,946	A637	616,174
Due To City School Districts	880,723	A661	1,013,736
TOTAL Due To Other Governments	1,567,669		1,629,910
TOTAL Liabilities	4,369,163		3,093,753
Deferred Inflows of Resources			
Deferred Taxes	891,211	A694	733,436
TOTAL Deferred Inflows of Resources	891,211		733,436
TOTAL Deferred Inflows of Resources	891,211		733,436
Fund Balance			
Not in Spendable Form	10,400	A806	40,853
TOTAL Nonspendable Fund Balance	10,400		40,853
Capital Reserve	435,000	A878	387,617
Restricted for Service Award Program	204,276	A895	177,923
Other Restricted Fund Balance	115,457	A899	94,394
TOTAL Restricted Fund Balance	754,733		659,934
Assigned Appropriated Fund Balance		A914	130,399
Assigned Unappropriated Fund Balance	556,004	A915	520,613
TOTAL Assigned Fund Balance	556,004		651,012
Unassigned Fund Balance	2,765,368	A917	4,144,793
TOTAL Unassigned Fund Balance	2,765,368		4,144,793
TOTAL Fund Balance	4,086,505		5,496,592
TOTAL Liabilities, Deferred Inflows And Fund Balance	9,346,879		9,323,781

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(A) GENERAL

Results of Operation

Code Description	2021	EdpCode	2022
Revenues			
Real Property Taxes	5,305,866	A1001	5,472,149
TOTAL Real Property Taxes	5,305,866		5,472,149
Other Payments In Lieu of Taxes	148,691	A1081	155,001
Other Tax Items	2,185	A1089	1,161
Interest & Penalties On Real Prop Taxes	159,730	A1090	121,758
TOTAL Real Property Tax Items	310,606		277,920
Tax On Hotel Room Occupancy	494,846	A1113	569,249
Non Prop Tax Dist By County	2,252,425	A1120	2,403,069
Utilities Gross Receipts Tax	107,659	A1130	139,018
Franchises	27,610	A1170	26,716
Interest & Penalties On Non-Property Taxes	5,661	A1190	6,220
TOTAL Non Property Tax Items	2,888,201		3,144,272
Treasurer Fees	68,185	A1230	63,339
Tax Collector Fees	24,210	A1232	23,579
Safety Inspection Fees	14,560	A1560	26,615
Other Public Safety Departmental Income	1,000	A1589	928
Parking Lots And Garages-No Tax	146,550	A1721	160,000
Parking Meter Fees Non-Taxable	208,230	A1741	342,925
Other Culture & Recreation Income	102,707	A2089	121,239
Zoning Fees	11,425	A2110	4,850
Planning Board Fees	3,300	A2115	3,750
Refuse & Garbage Charges	138,931	A2130	110,201
TOTAL Departmental Income	719,098		857,426
Interest And Earnings	57,212	A2401	-17,475
Rental of Real Property	19,630	A2410	29,556
Rental of Real Property, Other Govts	5,053	A2412	9,923
Commissions	27,606	A2450	34,870
TOTAL Use of Money And Property	109,501		56,874
Business & Occupational License	3,775	A2501	2,435
Bingo Licenses	30	A2540	50
Dog Licenses	3,484	A2544	3,600
Licenses, Other	4,137	A2545	5,310
Building And Alteration Permits	182,020	A2555	194,378
Permits, Other	58,934	A2590	84,691
TOTAL Licenses And Permits	252,380		290,464
Fines And Forfeited Bail	463,883	A2610	387,554
TOTAL Fines And Forfeitures	463,883		387,554
Sales of Scrap & Excess Materials	2,208	A2650	9,826
Sales of Real Property		A2660	77,933
Sales of Equipment	14,756	A2665	
Other Compensation For Loss	29,718	A2690	42,735
TOTAL Sale of Property And Compensation For Loss	46,682		130,494
Refunds of Prior Year's Expenditures	157,510	A2701	29,072
Gifts And Donations	128,250	A2705	28,104
Vlt/tribal-State Compact Moneys		A2725	

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(A) GENERAL

Results of Operation

Code Description	2021	EdpCode	2022
Revenues			
Unclassified (specify)	26,308	A2770	12,210
TOTAL Miscellaneous Local Sources	312,068		69,386
Interfund Revenues		A2801	93,562
TOTAL Interfund Revenues	0		93,562
St Aid, Revenue Sharing	1,456,991	A3001	1,456,991
St Aid, Mortgage Tax	321,947	A3005	263,467
State Aid Court Facilities	70,514	A3021	90,785
St Aid - Other (specify)		A3089	135,143
St Aid, Other Public Safety	12,391	A3389	45,979
St Aid, Consolidated Highway Aid		A3501	69,517
St Aid-Economic Assistance	38,759	A3789	
TOTAL State Aid	1,900,602		2,061,882
Federal Aid - Other	2,475	A4089	272,355
Fed Aid Other Public Safety		A4389	20,701
TOTAL Federal Aid	2,475		293,056
TOTAL Revenues	12,311,362		13,135,039
TOTAL Detail Revenues And Other Sources	12,311,362		13,135,039

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(A) GENERAL

Results of Operation

Code Description	2021	EdpCode	2022
Expenditures			
Legislative Board, Pers Serv	80,815	A10101	102,731
Legislative Board, Equip & Cap Outlay	7,053	A10102	1,495
Legislative Board, Contr Expend	29,587	A10104	35,199
TOTAL Legislative Board	117,455		139,425
Mayor, Pers Serv	148,885	A12101	217,174
Mayor, Contr Expend	61,208	A12104	26,764
TOTAL Mayor	210,093		243,938
Treasurer, Pers Serv	174,806	A13251	170,600
Treasurer, Equip & Cap Outlay	4,852	A13252	3,892
Treasurer, Contr Expend	75,807	A13254	85,115
TOTAL Treasurer	255,465		259,607
Assessment, Pers Serv	25,107	A13551	25,000
Assessment, Equip & Cap Outlay	1,333	A13552	
Assessment, Contr Expend	818	A13554	1,646
TOTAL Assessment	27,258		26,646
Exp On Prop Acq For Taxes, Contr Expend	672	A13644	3,069
TOTAL Exp On Prop Acq For Taxes	672		3,069
Clerk,pers Serv	179,104	A14101	159,679
Clerk,equip & Cap Outlay	800	A14102	2,203
Clerk,contr Expend	8,913	A14104	10,298
TOTAL Clerk	188,817		172,180
Law, Pers Serv	41,293	A14201	46,802
Law, Contr Expend	101,987	A14204	154,957
TOTAL Law	143,280		201,759
Records Mgmt, Contr Expend	86	A14604	165
TOTAL Records Mgmt	86		165
Public Inform & Services, Contr Expend	480	A14804	1,760
TOTAL Public Inform & Services	480		1,760
Public Works Admin, Pers Serv	74,133	A14901	79,414
Public Works Admin, Equip & Cap Outlay	2,066	A14902	15,050
Public Works Admin, Contr Expend	8,091	A14904	10,754
TOTAL Public Works Admin	84,290		105,218
Operation of Plant, Pers Serv	76,810	A16201	77,886
Operation of Plant, Equip & Cap Outlay	370	A16202	500
Operation of Plant, Contr Expend	90,698	A16204	97,960
TOTAL Operation of Plant	167,878		176,346
Unallocated Insurance, Contr Expend	110,001	A19104	105,322
TOTAL Unallocated Insurance	110,001		105,322
Municipal Assn Dues, Contr Expend	3,882	A19204	3,882
TOTAL Municipal Assn Dues	3,882		3,882
Judgements And Claims, Contr Expend	5,000	A19304	
TOTAL Judgements And Claims	5,000		0
Other General Govt Support, Contract Exp	5,145	A19894	4,687
TOTAL Other General Govt Support	5,145		4,687
TOTAL General Government Support	1,319,802		1,444,004

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(A) GENERAL

Results of Operation

Code Description	2021	EdpCode	2022
Expenditures			
Public Safety Comm Sys, Equip & Cap Outlay		A30202	
Public Safety Comm Sys, Contr Expend	5,294	A30204	3,511
TOTAL Public Safety Comm Sys	5,294		3,511
Police, Pers Serv	2,698,557	A31201	3,042,042
Police, Equip & Cap Outlay	19,361	A31202	154,878
Police, Contr Expend	178,264	A31204	210,721
TOTAL Police	2,896,182		3,407,641
On-Street Parking, Pers Serv	110,954	A33201	103,311
On-Street Parking, Equipment & Cap Outlay	4,549	A33202	5,194
On-Street Parking, Contr Expend	72,007	A33204	60,191
TOTAL On-Street Parking	187,510		168,696
Fire, Pers Serv	13,353	A34101	15,995
Fire, Equip & Cap Outlay	71,042	A34102	70,498
Fire, Contr Expend	241,150	A34104	185,977
TOTAL Fire	325,545		272,470
Control of Animals, Contr Expend	9,420	A35104	8,952
TOTAL Control of Animals	9,420		8,952
Safety Inspection, Pers Serv	119,098	A36201	115,906
Safety Inspection, Equip & Cap Outlay	520	A36202	33,513
Safety Inspection, Contr Expend	23,806	A36204	35,302
TOTAL Safety Inspection	143,424		184,721
Misc Public Safety, Contr Expend	67,716	A39894	89,500
TOTAL Misc Public Safety	67,716		89,500
TOTAL Public Safety	3,635,091		4,135,491
Registrar of Vital Statistics, Pers Serv	8,047	A40201	7,499
Registrar of Vital Stat Contr Expend	1,442	A40204	1,401
TOTAL Registrar of Vital Stat Contr Expend	9,489		8,900
TOTAL Health	9,489		8,900
Maint of Streets, Pers Serv	603,092	A51101	578,004
Maint of Streets, Equip & Cap Outlay		A51102	6,175
Maint of Streets, Contr Expend	250,681	A51104	247,503
TOTAL Maint of Streets	853,773		831,682
Perm Improve Highway, Equip & Cap Outlay	616,092	A51122	69,517
TOTAL Perm Improve Highway	616,092		69,517
Snow Removal, Pers Serv	23,795	A51421	35,118
Snow Removal, Contr Expend	56,546	A51424	66,766
TOTAL Snow Removal	80,341		101,884
Street Lighting, Contr Expend	215,640	A51824	228,728
TOTAL Street Lighting	215,640		228,728
TOTAL Transportation	1,765,846		1,231,811
Publicity, Contr Expend	162,544	A64104	53,400
TOTAL Publicity	162,544		53,400
Veterans Service, Contr Expend	3,847	A65104	4,296
TOTAL Veterans Service	3,847		4,296
TOTAL Economic Assistance And Opportunity	166,391		57,696

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(A) GENERAL

Results of Operation

Code Description	2021	EdpCode	2022
Expenditures			
Parks, Pers Serv	81,604	A71101	101,404
Parks, Equip & Cap Outlay		A71102	4,202
Parks, Contr Expend	13,515	A71104	25,487
TOTAL Parks	95,119		131,093
Youth Prog, Pers Serv	449,166	A73101	405,663
Youth Prog, Equip & Cap Outlay	14,112	A73102	53,481
Youth Prog, Contr Expend	100,386	A73104	113,073
TOTAL Youth Prog	563,664		572,217
Library, Contr Expend	250,000	A74104	250,000
TOTAL Library	250,000		250,000
Adult Recreation, Pers Serv	15,281	A76201	39,913
Adult Recreation, Contr Expend	41,672	A76204	36,293
TOTAL Adult Recreation	56,953		76,206
TOTAL Culture And Recreation	965,736		1,029,516
Zoning, Pers Serv	39	A80101	15
Zoning, Contr Expend	764	A80104	375
TOTAL Zoning	803		390
Planning, Pers Serv	1,250	A80201	158
Planning, Contr Expend	9,115	A80204	5,919
TOTAL Planning	10,365		6,077
Refuse & Garbage, Pers Serv	160,724	A81601	151,703
Refuse & Garbage, Contr Expend	126,562	A81604	119,177
TOTAL Refuse & Garbage	287,286		270,880
Street Cleaning, Pers Serv	16,700	A81701	12,513
Street Cleaning, Contr Expend	19,101	A81704	30,998
TOTAL Street Cleaning	35,801		43,511
Other Agencies	35,188	A86894	24,847
TOTAL Other Agencies	35,188		24,847
Conservation, Pers Serv		A87101	71
Conservation, Contr Expend	11,061	A87104	8,804
TOTAL Conservation	11,061		8,875
Misc Home & Comm Serv, Contr Expend	1,974	A89894	22,242
TOTAL Misc Home & Comm Serv	1,974		22,242
TOTAL Home And Community Services	382,478		376,822
State Retirement System	283,763	A90108	236,014
Police & Firemen Retirement, Empl Bnfts	612,623	A90158	609,143
Local Pension Fund, Empl Bnfts	32,452	A90258	16,895
Social Security, Employer Cont	373,799	A90308	391,277
Worker's Compensation, Empl Bnfts	157,554	A90408	165,404
Hospital & Medical (dental) Ins, Empl Bnft	1,435,546	A90608	1,491,505
TOTAL Employee Benefits	2,895,737		2,910,238
Debt Principal, Serial Bonds	265,614	A97106	269,355
Debt Principal, Bond Anticipation Notes		A97306	

CITY OF Hudson
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(A) GENERAL

Results of Operation

Code Description	2021	EdpCode	2022
Expenditures			
Other Debt, Principal	130,000	A97896	130,000
TOTAL Debt Principal	395,614		399,355
Debt Interest, Serial Bonds	137,998	A97107	137,252
Debt Interest, Bond Anticipation Notes		A97307	
TOTAL Debt Interest	137,998		137,252
TOTAL Expenditures	11,674,182		11,731,085
Transfers, Other Funds	320,000	A99019	345,000
Transfers, Capital Projects Fund	517,416	A99509	279,425
TOTAL Operating Transfers	837,416		624,425
TOTAL Other Uses	837,416		624,425
TOTAL Detail Expenditures And Other Uses	12,511,598		12,355,510

CITY OF Hudson
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(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2021	EdpCode	2022
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	4,235,797	A8021	4,086,505
Prior Period Adj -Increase In Fund Balance	50,944	A8012	630,558
Restated Fund Balance - Beg of Year	4,286,741	A8022	4,717,063
ADD - REVENUES AND OTHER SOURCES	12,311,362		13,135,039
DEDUCT - EXPENDITURES AND OTHER USES	12,511,598		12,355,510
Fund Balance - End of Year	4,086,505	A8029	5,496,592

CITY OF Hudson
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(A) GENERAL

Budget Summary

Code Description	2022	EdpCode	2023
Estimated Revenues			
Est Rev - Real Property Taxes	5,452,273	A1049N	5,452,273
Est Rev - Real Property Tax Items	504,758	A1099N	502,010
Est Rev - Non Property Tax Items	2,720,000	A1199N	2,984,000
Est Rev - Departmental Income	495,500	A1299N	390,500
Est Rev - Use of Money And Property	59,200	A2499N	47,700
Est Rev - Licenses And Permits	231,650	A2599N	634,550
Est Rev - Fines And Forfeitures	440,000	A2649N	415,000
Est Rev - Sale of Prop And Comp For Loss	271,000	A2699N	359,000
Est Rev - Miscellaneous Local Sources	157,407	A2799N	31,750
Est Rev - Interfund Revenues	1,500	A2801N	
Est Rev - State Aid	2,093,194	A3099N	2,107,782
Est Rev - Federal Aid	150,962	A4099N	367,777
TOTAL Estimated Revenues	12,577,444		13,292,342
Appropriated Fund Balance		A599N	130,399
TOTAL Estimated Other Sources	0		130,399
TOTAL Estimated Revenues And Other Sources	12,577,444		13,422,741

CITY OF Hudson
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(A) GENERAL

Budget Summary

Code Description	2022	EdpCode	2023
Appropriations			
App - General Government Support	1,705,846	A1999N	2,083,558
App - Public Safety	4,054,648	A3999N	4,248,803
App - Health	8,662	A4999N	7,474
App - Transportation	1,305,563	A5999N	1,373,128
App - Economic Assistance And Opportunity	34,000	A6999N	4,400
App - Culture And Recreation	1,231,941	A7999N	1,126,908
App - Home And Community Services	360,537	A8999N	387,780
App - Employee Benefits	3,001,754	A9199N	3,126,904
App - Debt Service	536,279	A9899N	698,170
TOTAL Appropriations	12,239,230		13,057,125
App - Interfund Transfer	338,214	A9999N	365,616
TOTAL Other Uses	338,214		365,616
TOTAL Appropriations And Other Uses	12,577,444		13,422,741

CITY OF Hudson
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(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Cash	43,470	CM200	9,934
Petty Cash	50	CM210	50
TOTAL Cash	43,520		9,984
Due From Other Funds	44,000	CM391	36,770
TOTAL Due From Other Funds	44,000		36,770
Prepaid Expenses	577	CM480	4,819
TOTAL Prepaid Expenses	577		4,819
TOTAL Assets and Deferred Outflows of Resources	88,097		51,573

CITY OF Hudson
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(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2021	EdpCode	2022
Accounts Payable	2,943	CM600	17,401
TOTAL Accounts Payable	2,943		17,401
Accrued Liabilities	7,242	CM601	7,521
TOTAL Accrued Liabilities	7,242		7,521
Due To Other Funds	33,161	CM630	12,228
TOTAL Due To Other Funds	33,161		12,228
Due To Employees' Retirement System	19,118	CM637	14,332
TOTAL Due To Other Governments	19,118		14,332
TOTAL Liabilities	62,464		51,482
Fund Balance			
Not in Spendable Form	577	CM806	4,819
TOTAL Nonspendable Fund Balance	577		4,819
Assigned Unappropriated Fund Balance	25,056	CM915	796
TOTAL Assigned Fund Balance	25,056		796
Unassigned Fund Balance		CM917	-5,524
TOTAL Unassigned Fund Balance	0		-5,524
TOTAL Fund Balance	25,633		91
TOTAL Liabilities, Deferred Inflows And Fund Balance	88,097		51,573

CITY OF Hudson
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(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2021	EdpCode	2022
Revenues			
Other Home & Community Service Income	161,985	CM2189	105,624
TOTAL Departmental Income	161,985		105,624
Interest And Earnings	55	CM2401	5
Rental of Real Property	16,700	CM2410	11,700
TOTAL Use of Money And Property	16,755		11,705
Unclassified (specify)	4,050	CM2770	4,645
TOTAL Miscellaneous Local Sources	4,050		4,645
TOTAL Revenues	182,790		121,974
Interfund Transfers	320,784	CM5031	345,790
TOTAL Interfund Transfers	320,784		345,790
TOTAL Other Sources	320,784		345,790
TOTAL Detail Revenues And Other Sources	503,574		467,764

CITY OF Hudson
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(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2021	EdpCode	2022
Expenditures			
Unallocated Insurance-Contractual	21,511	CM19104	20,871
TOTAL Unallocated Insurance-Contractual	21,511		20,871
TOTAL General Government Support	21,511		20,871
Other Home And Community Service-Pers Serv	234,405	CM89891	241,304
Other Home & Comm-Equip & Cap Outlay	8,055	CM89892	37,478
Other Home And Community Service-Contr Exp	46,413	CM89894	57,924
TOTAL Other Home And Community Service-Contr Exp	288,873		336,706
TOTAL Home And Community Services	288,873		336,706
State Retirement Empl Bnfts	25,539	CM90108	20,704
Social Security Empl Bnfts	17,455	CM90308	17,969
Worker's Compensation, Empl Bnfts	10,504	CM90408	11,027
Hospital & Medical (dental) Ins, Empl Bnft	85,533	CM90608	86,028
TOTAL Employee Benefits	139,031		135,728
TOTAL Expenditures	449,415		493,305
TOTAL Detail Expenditures And Other Uses	449,415		493,305

CITY OF Hudson
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(CM) MISCELLANEOUS SPECIAL REV

Analysis of Changes in Fund Balance

Code Description	2021	EdpCode	2022
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	-28,529	CM8021	25,633
Prior Period Adj -Decrease In Fund Balance	-3	CM8015	1
Restated Fund Balance - Beg of Year	-28,526	CM8022	25,632
ADD - REVENUES AND OTHER SOURCES	503,574		467,764
DEDUCT - EXPENDITURES AND OTHER USES	449,415		493,305
Fund Balance - End of Year	25,633	CM8029	91

CITY OF Hudson
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(FX) WATER

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Cash	311,945	FX200	83,570
TOTAL Cash	311,945		83,570
Water Rents Receivable	312,083	FX350	322,062
TOTAL Other Receivables (net)	312,083		322,062
Due From Other Funds	78,388	FX391	82,957
TOTAL Due From Other Funds	78,388		82,957
Prepaid Expenses		FX480	3
TOTAL Prepaid Expenses	0		3
TOTAL Assets and Deferred Outflows of Resources	702,416		488,592

CITY OF Hudson
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(FX) WATER

Balance Sheet

Code Description	2021	EdpCode	2022
Accounts Payable	21,445	FX600	74,348
TOTAL Accounts Payable	21,445		74,348
Accrued Liabilities	11,821	FX601	13,449
TOTAL Accrued Liabilities	11,821		13,449
Overpayments & Clearing Account	47	FX690	47
TOTAL Other Liabilities	47		47
Due To Other Funds	235,218	FX630	84,495
TOTAL Due To Other Funds	235,218		84,495
Due To Employees' Retirement System	31,573	FX637	23,005
TOTAL Due To Other Governments	31,573		23,005
TOTAL Liabilities	300,104		195,344
Fund Balance			
Not in Spendable Form		FX806	3
TOTAL Nonspendable Fund Balance	0		3
Assigned Unappropriated Fund Balance	402,312	FX915	293,245
TOTAL Assigned Fund Balance	402,312		293,245
TOTAL Fund Balance	402,312		293,248
TOTAL Liabilities, Deferred Inflows And Fund Balance	702,416		488,592

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(FX) WATER

Results of Operation

Code Description	2021	EdpCode	2022
Revenues			
Metered Water Sales	173,843	FX2140	190,255
Unmetered Water Sales	902,948	FX2142	907,298
Water Service Charges	100	FX2144	350
Interest & Penalties On Water Rents	17,706	FX2148	19,538
TOTAL Departmental Income	1,094,597		1,117,441
Interest And Earnings	495	FX2401	391
Rental of Real Property, Individuals	200,000	FX2410	200,000
TOTAL Use of Money And Property	200,495		200,391
TOTAL Revenues	1,295,092		1,317,832
TOTAL Detail Revenues And Other Sources	1,295,092		1,317,832

CITY OF Hudson
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(FX) WATER

Results of Operation

Code Description	2021	EdpCode	2022
Expenditures			
Unallocated Insurance, Contr Expend	43,021	FX19104	42,278
TOTAL Unallocated Insurance	43,021		42,278
Taxes & Assess On Munic Prop, Contr Expend	57,057	FX19504	51,596
TOTAL Taxes & Assess On Munic Prop	57,057		51,596
TOTAL General Government Support	100,078		93,874
Water Administration, Pers Serv	59,804	FX83101	65,974
Water Administration, Equip & Cap Outlay		FX83102	300
Water Administration, Contr Expend	22,685	FX83104	45,396
TOTAL Water Administration	82,489		111,670
Source Supply Pwr & Pump, Equip & Cap Out	5,884	FX83202	13,633
Source Supply Pwr & Pump, Contr Expend	27,984	FX83204	44,208
TOTAL Source Supply Pwr & Pump	33,868		57,841
Water Purification, Pers Serv	264,046	FX83301	307,555
Water Purification, Equip & Cap Outlay	20,863	FX83302	41,429
Water Purification, Contr Expend	206,999	FX83304	260,765
TOTAL Water Purification	491,908		609,749
Water Trans & Distrib, Equip & Cap Outlay	3,000	FX83402	
Water Trans & Distrib, Contr Expend	64,576	FX83404	84,111
TOTAL Water Trans & Distrib	67,576		84,111
TOTAL Home And Community Services	675,841		863,371
State Retirement, Empl Bnfts	41,881	FX90108	33,530
Social Security, Empl Bnfts	23,239	FX90308	26,961
Workers Compensation, Empl Bnfts	21,007	FX90408	22,054
Hospital & Medical (dental) Ins, Empl Bnft	99,505	FX90608	104,782
TOTAL Employee Benefits	185,632		187,327
Debt Principal, Serial Bonds	277,636	FX97106	281,444
TOTAL Debt Principal	277,636		281,444
Debt Interest, Serial Bonds		FX97107	880
TOTAL Debt Interest	0		880
TOTAL Expenditures	1,239,187		1,426,896
TOTAL Detail Expenditures And Other Uses	1,239,187		1,426,896

CITY OF Hudson
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(FX) WATER

Analysis of Changes in Fund Balance

Code Description	2021	EdpCode	2022
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	346,410	FX8021	402,312
Prior Period Adj -Decrease In Fund Balance	3	FX8015	
Restated Fund Balance - Beg of Year	346,407	FX8022	402,312
ADD - REVENUES AND OTHER SOURCES	1,295,092		1,317,832
DEDUCT - EXPENDITURES AND OTHER USES	1,239,187		1,426,896
Fund Balance - End of Year	402,312	FX8029	293,248

CITY OF Hudson
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(FX) WATER

Budget Summary

Code Description	2022	EdpCode	2023
Estimated Revenues			
Est Rev - Departmental Income	1,089,250	FX1299N	1,123,114
Est Rev - Use of Money And Property	200,400	FX2499N	200,400
Est Rev - Miscellaneous Local Sources	0	FX2799N	0
TOTAL Estimated Revenues	1,289,650		1,323,514
Appropriated Fund Balance		FX599N	
TOTAL Estimated Other Sources	0		0
TOTAL Estimated Revenues And Other Sources	1,289,650		1,323,514

CITY OF Hudson
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(FX) WATER

Budget Summary

Code Description	2022	EdpCode	2023
Appropriations			
App - General Government Support	104,173	FX1999N	98,420
App - Home And Community Services	713,643	FX8999N	730,035
App - Employee Benefits	189,560	FX9199N	200,560
App - Debt Service	282,274	FX9899N	294,499
TOTAL Appropriations	1,289,650		1,323,514
TOTAL Appropriations And Other Uses	1,289,650		1,323,514

CITY OF Hudson
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(G) SEWER

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Cash	492,556	G200	203,851
TOTAL Cash	492,556		203,851
Sewer Rents Receivable	222,848	G360	229,517
Accounts Receivable	79,977	G380	42,884
TOTAL Other Receivables (net)	302,825		272,401
Due From Other Funds	56,048	G391	57,393
TOTAL Due From Other Funds	56,048		57,393
Prepaid Expenses	1,787	G480	6,034
TOTAL Prepaid Expenses	1,787		6,034
TOTAL Assets and Deferred Outflows of Resources	853,216		539,679

CITY OF Hudson
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(G) SEWER

Balance Sheet

Code Description	2021	EdpCode	2022
Accounts Payable	71,164	G600	96,180
TOTAL Accounts Payable	71,164		96,180
Accrued Liabilities	7,046	G601	9,090
TOTAL Accrued Liabilities	7,046		9,090
Overpayments & Clearing Account	48	G690	48
TOTAL Other Liabilities	48		48
Due To Other Funds	448,453	G630	171,957
TOTAL Due To Other Funds	448,453		171,957
Due To Employees' Retirement System		G637	13,939
TOTAL Due To Other Governments	0		13,939
TOTAL Liabilities	526,711		291,214
Fund Balance			
Not in Spendable Form	1,787	G806	6,034
TOTAL Nonspendable Fund Balance	1,787		6,034
Assigned Unappropriated Fund Balance	324,719	G915	242,431
TOTAL Assigned Fund Balance	324,719		242,431
TOTAL Fund Balance	326,506		248,465
TOTAL Liabilities, Deferred Inflows And Fund Balance	853,217		539,679

CITY OF Hudson
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(G) SEWER

Results of Operation

Code Description	2021	EdpCode	2022
Revenues			
Sewer Rents	769,188	G2120	784,643
Interest & Penalties On Sewer Accts	13,332	G2128	13,730
TOTAL Departmental Income	782,520		798,373
Interest And Earnings	554	G2401	319
TOTAL Use of Money And Property	554		319
Unclassified (specify)	493,323	G2770	407,359
TOTAL Miscellaneous Local Sources	493,323		407,359
TOTAL Revenues	1,276,397		1,206,051
TOTAL Detail Revenues And Other Sources	1,276,397		1,206,051

CITY OF Hudson
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(G) SEWER

Results of Operation

Code Description	2021	EdpCode	2022
Expenditures			
Unallocated Insurance, Contr Expend	43,021	G19104	41,743
TOTAL Unallocated Insurance	43,021		41,743
TOTAL General Government Support	43,021		41,743
Sewer Administration, Pers Serv	59,804	G81101	65,974
Sewer Administration, Equip & Cap Outlay		G81102	500
Sewer Administration, Contr Expend	69,007	G81104	32,154
TOTAL Sewer Administration	128,811		98,628
Sanitary Sewers, Contr Expend	75,005	G81204	54,613
TOTAL Sanitary Sewers	75,005		54,613
Sewage Treat Disp, Pers Serv	136,535	G81301	153,438
Sewage Treat Disp, Equip & Cap Outlay	10,634	G81302	54,981
Sewage Treat Disp, Contr Expend	613,819	G81304	594,505
TOTAL Sewage Treat Disp	760,988		802,924
TOTAL Home And Community Services	964,804		956,165
State Retirement, Empl Bnfts	22,968	G90108	20,215
Social Security , Empl Bnfts	14,646	G90308	15,910
Worker's Compensation, Empl Bnfts	21,007	G90408	22,054
Hospital & Medical (dental) Ins, Empl Bnft	66,043	G90608	61,010
TOTAL Employee Benefits	124,664		119,189
Debt Principal, Serial Bonds	165,700	G97106	165,700
TOTAL Debt Principal	165,700		165,700
Debt Interest, Serial Bonds		G97107	1,295
TOTAL Debt Interest	0		1,295
TOTAL Expenditures	1,298,189		1,284,092
Transfers, Capital Projects Fund	20,000	G99509	
TOTAL Operating Transfers	20,000		0
TOTAL Other Uses	20,000		0
TOTAL Detail Expenditures And Other Uses	1,318,189		1,284,092

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(G) SEWER

Analysis of Changes in Fund Balance

Code Description	2021	EdpCode	2022
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	368,300	G8021	326,506
Prior Period Adj -Decrease In Fund Balance	2	G8015	
Restated Fund Balance - Beg of Year	368,298	G8022	326,506
ADD - REVENUES AND OTHER SOURCES	1,276,397		1,206,051
DEDUCT - EXPENDITURES AND OTHER USES	1,318,189		1,284,092
Fund Balance - End of Year	326,506	G8029	248,465

CITY OF Hudson
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(G) SEWER

Budget Summary

Code Description	2022	EdpCode	2023
Estimated Revenues			
Est Rev - Departmental Income	780,000	G1299N	1,013,409
Est Rev - Use of Money And Property	500	G2499N	400
Est Rev - Miscellaneous Local Sources	420,000	G2799N	460,000
TOTAL Estimated Revenues	1,200,500		1,473,809
TOTAL Estimated Revenues And Other Sources	1,200,500		1,473,809

CITY OF Hudson
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(G) SEWER

Budget Summary

Code Description	2022	EdpCode	2023
Appropriations			
App - General Government Support	45,173	G1999N	106,606
App - Home And Community Services	856,186	G8999N	984,456
App - Employee Benefits	132,146	G9199N	133,036
App - Debt Service	166,995	G9899N	249,711
TOTAL Appropriations	1,200,500		1,473,809
TOTAL Appropriations And Other Uses	1,200,500		1,473,809

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Cash	4,269,948	H200	6,259,306
TOTAL Cash	4,269,948		6,259,306
Due From Other Funds	245,828	H391	427,754
TOTAL Due From Other Funds	245,828		427,754
TOTAL Assets and Deferred Outflows of Resources	4,515,776		6,687,060

CITY OF Hudson
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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2021	EdpCode	2022
Accounts Payable	288,395	H600	17,908
TOTAL Accounts Payable	288,395		17,908
Bond Anticipation Notes Payable	3,050,425	H626	8,467,856
TOTAL Notes Payable	3,050,425		8,467,856
Due To Other Funds	3,175,779	H630	3,018,289
TOTAL Due To Other Funds	3,175,779		3,018,289
TOTAL Liabilities	6,514,599		11,504,053
Fund Balance			
Assigned Unappropriated Fund Balance		H915	
TOTAL Assigned Fund Balance	0		0
Unassigned Fund Balance	-1,998,823	H917	-4,816,993
TOTAL Unassigned Fund Balance	-1,998,823		-4,816,993
TOTAL Fund Balance	-1,998,823		-4,816,993
TOTAL Liabilities, Deferred Inflows And Fund Balance	4,515,776		6,687,060

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2021	EdpCode	2022
Revenues			
Sales And Use Tax		H1110	
TOTAL Non Property Tax Items	0		0
Interest And Earnings	1,638	H2401	3,415
TOTAL Use of Money And Property	1,638		3,415
Grants From Local Governments		H2706	1,412,336
TOTAL Miscellaneous Local Sources	0		1,412,336
St Aid, Other	796,281	H3297	
TOTAL State Aid	796,281		0
TOTAL Revenues	797,919		1,415,751
Interfund Transfers	537,416	H5031	279,425
TOTAL Interfund Transfers	537,416		279,425
TOTAL Other Sources	537,416		279,425
TOTAL Detail Revenues And Other Sources	1,335,335		1,695,176

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2021	EdpCode	2022
Expenditures			
Fire, Equip & Cap Outlay		H34102	2,968
TOTAL Fire	0		2,968
Other Public Safety, Equip & Cap Outlay	1,596,131	H39972	2,500
TOTAL Other Public Safety	1,596,131		2,500
TOTAL Public Safety	1,596,131		5,468
Maint of Streets, Equip & Cap Outlay	123,612	H51102	2,893,930
TOTAL Maint of Streets	123,612		2,893,930
TOTAL Transportation	123,612		2,893,930
Planning & Surveys, Equip & Cap Outlay	318,105	H80972	1,119,420
TOTAL Planning & Surveys	318,105		1,119,420
Storm Sewers, Equip & Cap Outlay	1,482,889	H81402	
TOTAL Storm Sewers	1,482,889		0
Water Trans & Distrib, Equip & Cap Outlay	10,026	H83402	494,528
TOTAL Water Trans & Distrib	10,026		494,528
TOTAL Home And Community Services	1,811,020		1,613,948
TOTAL Expenditures	3,530,763		4,513,346
TOTAL Detail Expenditures And Other Uses	3,530,763		4,513,346

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2021	EdpCode	2022
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	196,605	H8021	-1,998,823
Restated Fund Balance - Beg of Year	196,605	H8022	-1,998,823
ADD - REVENUES AND OTHER SOURCES	1,335,335		1,695,176
DEDUCT - EXPENDITURES AND OTHER USES	3,530,763		4,513,346
Fund Balance - End of Year	-1,998,823	H8029	-4,816,993

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Land	440,153	K101	440,153
Buildings	3,013,315	K102	3,013,315
Machinery And Equipment	2,261,046	K104	2,261,046
TOTAL Fixed Assets (net)	5,714,514		5,714,514
TOTAL Assets and Deferred Outflows of Resources	5,714,514		5,714,514

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2021	EdpCode	2022
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	5,714,514	K159	5,714,514
TOTAL Investments in Non-Current Government Assets	5,714,514		5,714,514
TOTAL Fund Balance	5,714,514		5,714,514
TOTAL	5,714,514		5,714,514

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(PN) PERMANENT

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Cash Special Reserves	787,423	PN230	792,078
TOTAL Restricted Assets	787,423		792,078
TOTAL Assets and Deferred Outflows of Resources	787,423		792,078

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(PN) PERMANENT

Balance Sheet

Code Description	2021	EdpCode	2022
Due To Other Funds	980	PN630	1,770
TOTAL Due To Other Funds	980		1,770
TOTAL Liabilities	980		1,770
Fund Balance			
Must Remain Intact	786,443	PN807	790,308
TOTAL Nonspendable Fund Balance	786,443		790,308
TOTAL Fund Balance	786,443		790,308
TOTAL Liabilities, Deferred Inflows And Fund Balance	787,423		792,078

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(PN) PERMANENT

Results of Operation

Code Description	2021	EdpCode	2022
Revenues			
Interest And Earnings	784	PN2401	790
TOTAL Use of Money And Property	784		790
Unclassified (specify)	6,407	PN2770	3,865
TOTAL Miscellaneous Local Sources	6,407		3,865
TOTAL Revenues	7,191		4,655
TOTAL Detail Revenues And Other Sources	7,191		4,655

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(PN) PERMANENT

Results of Operation

Code Description	2021	EdpCode	2022
Other Uses			
Transfers, Other Funds	784	PN99019	790
TOTAL Operating Transfers	784		790
TOTAL Other Uses	784		790
TOTAL Detail Expenditures And Other Uses	784		790

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(PN) PERMANENT

Analysis of Changes in Fund Balance

Code Description	2021	EdpCode	2022
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	780,036	PN8021	786,443
Restated Fund Balance - Beg of Year	780,036	PN8022	786,443
ADD - REVENUES AND OTHER SOURCES	7,191		4,655
DEDUCT - EXPENDITURES AND OTHER USES	784		790
Fund Balance - End of Year	786,443	PN8029	790,308

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(TC) CUSTODIAL

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Cash	133,253	TC200	144,887
TOTAL Cash	133,253		144,887
Due From Other Funds		TC391	10,000
TOTAL Due From Other Funds	0		10,000
TOTAL Assets and Deferred Outflows of Resources	133,253		154,887

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(TC) CUSTODIAL

Balance Sheet

Code Description	2021	EdpCode	2022
Bail Deposits	133,253	TC735	154,887
TOTAL Other Deposits	133,253		154,887
TOTAL Liabilities	133,253		154,887
TOTAL Liabilities, Deferred Inflows And Fund Balance	133,253		154,887

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

Results of Operation

Code Description	2021	EdpCode	2022
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CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

Results of Operation

Code Description	2021	EdpCode	2022
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CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(TC) CUSTODIAL

Analysis of Changes in Net Position

Code Description	2021	EdpCode	2022
Analysis of Changes in Net Position			
Fund Balance - Beginning of Year	35,322	TC8021	
Prior Period Adjustments,dec Fnd Eqty	35,322	TC8015	
Restated Fund Balance - Beg of Year		TC8022	
Fund Balance - End of Year		TC8029	

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2021	EdpCode	2022
Assets			
Total Non-Current Govt Liabilities	13,797,222	W129	11,460,197
TOTAL Provision To Be Made In Future Budgets	13,797,222		11,460,197
TOTAL Assets and Deferred Outflows of Resources	13,797,222		11,460,197

CITY OF Hudson
Annual Update Document
For the Fiscal Year Ending 2022

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2021	EdpCode	2022
Net Pension Liability -Proportionate Share	1,040,566	W638	-492,348
Compensated Absences	915,680	W687	958,068
Other Long Term Debt	900,000	W689	770,000
TOTAL Other Liabilities	2,856,246		1,235,720
Bonds Payable	10,940,976	W628	10,224,477
TOTAL Bond And Long Term Liabilities	10,940,976		10,224,477
TOTAL Liabilities	13,797,222		11,460,197
TOTAL Liabilities	13,797,222		11,460,197

CITY OF Hudson
Statement of Indebtedness
For the Fiscal Year Ending 2022

5/1/2023

County of: Columbia

Municipal Code: 100220000000

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2013	BOND E	EFC SEWER UPGRADE BOND			12/19/2013	08/01/2043	0.00%		\$4,968,647	\$3,645,400	\$165,700	\$0	\$0		\$3,479,700
2017	BOND E	NYS-EFC water			07/17/2003	12/15/2032	0.00%			\$2,910,931	\$247,881	\$0	\$0		\$2,663,050
2006	BOND E	water filtration-efc		Y	12/01/2006	12/15/2036	0.00%		\$1,000,000	\$551,717	\$33,563	\$0	\$0		\$518,154
Total for Type/Exempt Status - Sums Issued Amt only made in AFR Year									\$0	\$7,108,048	\$447,144	\$0	\$0	\$0	\$6,660,904
2021	BAN N	BAN NEW			06/15/2021	06/26/2022	1.00%		\$3,050,425	\$3,050,425		\$0	\$0		\$3,050,425
2022	BAN N	2022 BAN		Y	06/23/2022	06/23/2023	4.00%		\$5,417,431	\$0			\$0		\$5,417,431
Total for Type/Exempt Status - Sums Issued Amt only made in AFR Year									\$5,417,431	\$3,050,425	\$0	\$0	\$0	\$0	\$8,467,856
2013	BOND N	FIRE TRUCK			10/15/2013	10/15/2023	3.21%		\$506,000	\$114,376	\$56,285	\$0	\$0		\$58,091
2014	BOND N	Police-Court Bond			04/24/2014	04/15/2040	3.00%	Y	\$2,572,175	\$2,145,000	\$75,000	\$0	\$0		\$2,070,000
2016	BOND N	Police Court Building #2			06/23/2016	06/15/2038	2.25%		\$1,727,825	\$1,425,000	\$65,000	\$0	\$0		\$1,360,000
2018	BOND N	Airpacks			11/08/2018	11/08/2023	3.19%		\$356,866	\$148,552	\$73,070	\$0	\$0		\$75,482
Total for Type/Exempt Status - Sums Issued Amt only made in AFR Year									\$0	\$3,832,928	\$269,355	\$0	\$0	\$0	\$3,563,573
2005	OTHR N	Long-term Lease Firehouse			08/01/2005	08/01/2035	0.00%		\$7,500,000	\$900,000	\$130,000	\$0	\$0		\$770,000
Total for Type/Exempt Status - Sums Issued Amt only made in AFR Year									\$0	\$900,000	\$130,000	\$0	\$0	\$0	\$770,000
AFR Year Total for All Debt Types - Sums Issued Amt only made in AFR Year									\$5,417,431	\$14,891,401	\$846,499	\$0	\$0	\$0	\$19,462,333

CITY OF Hudson
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2022

	<u>EDP Code</u>	<u>Amount</u>
CASH:		
On Hand	9Z2001	\$11,850,627.00
Demand Deposits	9Z2011	
Time Deposits	9Z2021	
Total		\$11,850,627.00
COLLATERAL:		
- FDIC Insurance	9Z2014	\$250,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$12,025,651.00
Total		\$12,275,651.00
INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

CITY OF Hudson
Bank Reconciliation
For the Fiscal Year Ending 2022

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-1163	\$41,160	\$0	\$0	\$41,160
*****-1171	\$792,078	\$0	\$0	\$792,078
*****-1226	\$44,248	\$0	\$0	\$44,248
*****-1234	\$154,083	\$0	\$650	\$153,433
*****-1598	\$499,927	\$0	\$0	\$499,927
*****-1744	\$0	\$0	\$0	\$0
*****-3025	\$2,100,334	\$56,199	\$349,842	\$1,806,691
*****-3041	\$83,570	\$0	\$0	\$83,570
*****-3057	\$211,993	\$0	\$0	\$211,993
*****-3075	\$203,851	\$0	\$0	\$203,851
*****-3108	\$12	\$0	\$12	\$0
*****-3168	\$3,034,082	\$0	\$0	\$3,034,082
*****-3322	\$18,292	\$0	\$0	\$18,292
*****-3359	\$12,041	\$0	\$2,107	\$9,934
*****-3510	\$33,771	\$0	\$0	\$33,771
*****-3633	\$113,379	\$0	\$4	\$113,375
*****-3944	\$33,083	\$0	\$0	\$33,083
*****-4824	\$13,261	\$0	\$0	\$13,261
*****-5799	\$28,532	\$0	\$0	\$28,532
*****-5970	\$845,794	\$0	\$0	\$845,794
*****-6306	\$272,673	\$0	\$0	\$272,673
*****-6579	\$43,539	\$0	\$0	\$43,539
*****-6698	\$48,228	\$0	\$0	\$48,228
*****-7246	\$387,617	\$0	\$0	\$387,617
*****-766	\$66,879	\$0	\$16,813	\$50,066
*****-8156	\$2,235,208	\$0	\$865,413	\$1,369,795
*****-8342	\$4,793	\$0	\$0	\$4,793
*****-9027	\$8,427	\$0	\$0	\$8,427
*****-9355	\$19,776	\$0	\$0	\$19,776

CITY OF Hudson
Bank Reconciliation
For the Fiscal Year Ending 2022

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-9562	\$500,000	\$0	\$0	\$500,000
	Total Adjusted Bank Balance			\$10,671,989
	Petty Cash			\$2,025.00
	Adjustments			\$-1.00
	Total Cash			9ZCASH * \$10,674,013
	Total Cash Balance All Funds			9ZCASHB * \$10,674,013
	* Must be equal			

CITY OF Hudson
Local Government Questionnaire
For the Fiscal Year Ending 2022

	Response
1) Does your municipality have a written procurement policy?	Yes
2) Have the financial statements for your municipality been independently audited?	No
If not, are you planning on having an audit conducted?	Yes
3) Does your local government participate in an insurance pool with other local governments?	Yes
4) Does your local government participate in an investment pool with other local governments?	Yes
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	Yes
6) Does your municipality have a Capital Plan?	Yes
7) Has your municipality prepared and documented a risk assessment plan?	Yes
If yes, has your municipality used the results to design the system of internal controls?	Yes
8) Have you had a change in chief executive or chief fiscal officer during the last year?	No
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	Yes

CITY OF Hudson
Employee and Retiree Benefits
For the Fiscal Year Ending 2022

Total Full Time Employees:		75			
Total Part Time Employees:		56			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$310,463.00	53	6	
90158	Police and Fire Retirement	\$609,143.00	23		
90258	Local Pension Fund	\$16,895.00			
90308	Social Security	\$452,117.00	75	56	
90408	Worker's Compensation Insurance	\$220,539.00	75	56	
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance				
90608	Hospital and Medical (Dental) Insurance	\$1,743,325.00	57		58
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$3,352,482.00			
Computed Total From Financial Section (comparative purposes only)		\$3,352,482.00			

CITY OF Hudson
Energy Costs and Consumption
For the Fiscal Year Ending 2022

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$63,280	19,322	gallons	
Diesel Fuel	\$57,563	14,060	gallons	
Fuel Oil	\$1,531	440	gallons	
Natural Gas	\$52,392	51,371	cubic feet	
Electricity	\$448,023	2,464,705	kilowatt-hours	
Coal			tons	
Propane	\$479	59	gallons	

CITY OF Hudson
Financial Comments
For the Fiscal Year Ending 2022

(A) GENERAL

Adjustment Reason

Account Code A8012 chips adj -ppa

(CM) MISCELLANEOUS SPECIAL REV

Adjustment Reason

Account Code CM8015 rounding

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies:

The annual financial report update document (AUD) of the City of Hudson, New York (the "City") has been presented in conformity with the format prescribed by the State of New York, Office of the State Comptroller Division of Municipal Affairs. This regulatory basis differs from the presentation required by accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. If the City applied GAAP in its entirety, presentation of the government wide financial statements would be different and additional disclosures would be required. New York State does not require the City to apply the provisions of GASB No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for AUD reporting purposes.

Based on requirements of GASB Statement No. 34, the AUD and related notes require that capital assets include infrastructure reporting in the Schedule of Non-Current Governmental Assets and adequate disclosures are provided. This should include capitalizing and depreciating a government's infrastructure assets (e.g., roads, bridges, dams, water and sewer systems, etc.). The City's AUD does not include these items.

The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity:

The City of Hudson, New York, which was incorporated in 1785, is governed by its Charter, the City law and other general laws of the State of New York and various local laws. The Common Council, which is the legislative body responsible for the overall operation of the City, consists of ten aldermen representing the five City wards and the President of the Common Council who presides over them. In the proceedings of the Common Council, each member, including the President, is entitled to cast the number of votes established per the Charter for his respective ward or title as it applies to each voting situation (simple majority, two-thirds majority, or three-fourths majority decisions). Apportionment of voting strength is based upon the most recent federal census. The Mayor serves as chief executive officer and the City Treasurer as chief fiscal officer of the City.

The following basic services are provided: highway and streets, social services, culture and recreation, public improvements, planning and zoning, courts, fire, building and safety inspection, and general administrative services.

All governmental activities and functions performed for City of Hudson, New York are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is City of Hudson, New York (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 14, 39 and 61.

The decision to include a potential component unit in the City's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining City of Hudson, New York's reporting entity.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies (Continued):

A. Financial Reporting Entity (Continued):

1. Included in the Reporting Entity:

Hudson Community Development and Planning Agency:

Hudson Community Development and Planning Agency was established by the City pursuant to Article 15B of the General Municipal Law. The governing board consists of five members, all of which are either elected City officials or their appointees. Other reasons for its inclusion in the entity are:

- a. Title to properties acquired by the Agency during the course of its operations vest in the name of the City.
- b. Performance of financial transactions in the name of the City (e.g., Section 8 Housing Assistance Payments Annual Contributions Contracts, administered by the Agency, bear the authorizing signatures of the Mayor of Hudson and the appropriate HUD official).
- c. Applications for federal grants must be approved by the Common Council.

Hudson Housing Authority:

Hudson Housing Authority is a municipal housing authority established pursuant to Title 81 of the Public Housing Law. The governing board consists of seven members, five of whom are appointed by the Mayor. The Mayor may remove these appointed members for inefficiency, neglect or misconduct in office; therefore, Hudson Housing Authority is reported under the Governmental Fund Type as a component unit. The Housing Authority has a June 30 year end.

Hudson Industrial Development Agency:

Hudson Industrial Development Agency is a Public Benefit Corporation created by state legislation to promote the economic welfare, recreational opportunities, and prosperity of the City's inhabitants.

Members of the Agency are appointed by the municipal governing body which also may remove the appointed member for inefficiency, neglect or misconduct in office. The Agency is reported under the Governmental Fund Type as a component unit.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies (Continued):

A. Financial Reporting Entity (Continued):

1. Included in the Reporting Entity (Continued):

Complete financial statements of individual component units can be obtained from their respective administrative offices:

Hudson Community Development and Planning Agency
P.O. Box 56
Hudson, New York 12534

Hudson Housing Authority
Corner 2nd & State Streets
Hudson, New York 12534

Hudson Industrial Development Agency
520 Warren Street
Hudson, New York 12534

The Annual Update Document for 2022 does not contain component unit reporting, in accordance with NYS requirements.

2. Excluded from the Reporting Agency:

Although the following organizations, functions or activities are related to the City's, they are not included in the City's reporting entity because of the reasons noted:

Hudson City School District:

The School District was created by state legislation which designates the school board as the governing authority. School board members are elected by the qualified voters of the district. The board designates management and exercises complete responsibility for all fiscal matters. The City Common Council exercises no oversight over school operations.

Not-For-Profit Corporations:

The Hudson Housing Development Corporation, the Hudson Housing Services Corporation, and the Hudson Development Corporation are not-for-profit corporations created pursuant to New York State statute.

Members of the governing boards of these corporations may include municipal officials or their appointees; however, municipal subsidies and/or debt guarantees are lacking. Thus, financial control or inter-dependence is nonexistent.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. **Summary of Significant Accounting Policies (Continued):**

B. **Fund Accounting:**

The City uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The City records its transactions in the fund types described below.

1. **Governmental Funds** - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the City's governmental fund types:

- a. *General Fund* - the principal operating fund and includes all operations not required to be recorded in other funds.
- b. *Special Revenue Funds* - used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:

Cemetery Fund - used to account for cemetery operations not required to be accounted for on an enterprise basis.

Permanent Fund (former Nonexpendable Trust) - used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for cemetery purposes.

Sewer Fund - used to account for sewer operations not required to be accounted for on an enterprise basis.

Urban Renewal Fund - used to account for HUD section 108 loans guaranteed and canal corridor grants received not required to be accounted for on an enterprise basis.

Water Fund - used to account for water operations not required to be accounted for on an enterprise basis.

- c. *Capital Project Funds* - are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies (Continued):

B. Fund Accounting (Continued):

2. **Fiduciary Funds** - used to account for assets held by the local government in a trustee or custodial capacity:

Custodial Fund – used to account for fiduciary activities that are not required to be reported in a private-purpose trust fund.

3. **Supplemental Schedules** are used to establish accounting control and accountability for non-current governmental assets and non-current governmental liabilities. The two account groups are non “funds”. They are concerned with measurement of financial position and not results of operations.

Non-Current governmental Assets – used to account for capital assets; land, buildings, improvements other than buildings, and equipment utilized for general governmental purposes.

Non-Current Governmental Liabilities – accounts established to account for the unmatured long-term debt and liabilities of government funds.

C. Basis of Accounting/Measurement Focus:

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures.

Modified Accrual Basis - All Governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period (60 days) or soon enough thereafter to be used to pay liabilities of the current period.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as an expenditure when paid.
- d. Other post-employment benefits are charged as an expenditure when payment is due.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies (Continued):**C. Basis of Accounting/Measurement Focus (Continued):**

Capital assets are recorded at the fair market value at the time received as an expenditure. In addition, reporting requirements of the New York State Accounting and Reporting Manual require fixed assets to be recorded at actual or estimated cost, or in the case of gifts and contributions, at the fair market value at the time received in the non-Current Governmental Assets Group. See I. J. below for departure from reporting from this requirement.

D. Fund Balances:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), breaks fund balance out into five different classifications: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The City Council is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.

Assigned consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. The City Council, by resolution, has authorized the Mayor to assign fund balance.

Unassigned represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the City spends funds in the following order: restricted, committed, assigned, unassigned. Unrestricted fund balance below the minimum should be replenished within the succeeding fiscal year.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies (Continued):**E. Encumbrances:**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the General and Special Revenue Funds. Encumbrances are reported as reservations of the fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred. See Note III D (2) for a listing of encumbrances by fund type.

F. Prepaid Items

Payments to vendors for costs, such as rent, insurance and other related employee benefits that apply to future accounting periods are recorded as prepaid assets in the fund financial statements.

G. Investments:

An investment is a security or other asset (a) that a government holds primarily for the purpose of income or profit and (b) with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value. There are, however, two exceptions: certificates of deposit, which are reported at cost; and external investment pools, which may elect to measure all investments at amortized cost if certain criteria (as outlined in GASB Statement No. 79) is met.

H. Deferred Outflows/Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time.

A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

I. Insurance:

The City assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies (Continued):

J. Capital Assets:

Capital Assets, which include property, plant, equipment, and infrastructure assets, are reported in the Schedule Non-Current Governmental Assets. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects as they are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets lives are not capitalized.

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures in special revenue funds. Capital assets are not shown on governmental fund balance sheets.

K. Interfund Transactions:

The operations of the City include transactions between funds. These transactions may be temporary in nature, such as interfund borrowings. The City typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid in one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

The governmental funds report all interfund transactions as originally recorded.

Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the City's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note III C for a detailed disclosure by individual fund for interfund receivables and payables.

L. Use of Estimates:

The preparation of financial statements in conformity with the regulatory basis, prescribed by the NYS Office of Comptroller in conformity with the NYS Accounting and Reporting Manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Compensated Absences:

City employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment from accumulated sick and unused compensatory absences at various rates subject to certain maximum limitations.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies (Continued):

M. Compensated Absences (Continued):

Estimated sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the schedule of non-current government liabilities. The liability for compensated absences in governmental funds is recorded as a fund liability and expenditure if payable from current resources. Accordingly, no accrual of compensated absences has been recorded for any fund type in these financial statements.

Payment of sick leave recorded in the schedule of non-current government liabilities is dependent upon many factors; therefore, timing of future payments is not readily determinable; however, management believes that sufficient resources will be made available for the payments of sick leave and compensatory absences when such payment becomes due.

Pursuant to contractual agreements, City employees are entitled to accumulate sick leave. Vacation is not cumulative from year to year. Employees covered by the CSEA agreement, upon leaving City employment, are entitled to be paid for the following:

All unused vacation up to a maximum of 5 days.

Fifty percent of their accumulated sick leave, which can be accumulated up to a maximum of 250 days or 2,000 hours for employees hired before May 1, 1995, and up to a maximum of 200 days or 1,600 hours for employees hired after May 1, 1995.

Police officers who leave City employment are paid for the following:

One-half of their accumulated sick leave, which can be accumulated up to a maximum of 300 days or a maximum of 2,400 hours.

Estimated sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in non-current government liabilities.

Payment of vacation and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that enough resources will be made available for the payments of sick leave and compensatory absences when such payments become due.

In governmental funds, the cost of sick and vacation leave is recognized when payments are made to employees. The estimated value of earned and unused sick and vacation leave credits in the amount of \$958,068 has been recorded in the schedule of non-current government liabilities, representing the City's commitment to fund such costs from future operations.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

I. Summary of Significant Accounting Policies (Continued):**N. Deferred Revenue:**

Deferred revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

The City enforces uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the City School District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected with 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenue. Otherwise, deferred revenues offset real property taxes receivable.

O. Newly Adopted Accounting Standards:

The City has adopted all current Statements of the GASB that are applicable. At December 31, 2022, the City implemented the following new standard issued by GASB: *GASB Statement No. 87, Leases*, effective for the year ending December 31, 2022.

II. Stewardship, Compliance, Accountability:**A. Budgetary Data:****1. Budget Policies** - The City employs the following budgetary procedures:

- a. No later than the tenth day of November, the Board of Estimate and Apportionment (consisting of the Mayor, City Treasurer, and President of the Common Council) submits a tentative budget to the Common Council for the fiscal year commencing the subsequent calendar year. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the City except for the following:

Special Grant Funds
Component Units

Capital Projects Funds

- b. After public hearings are conducted to obtain taxpayer comments, no later than the thirtieth day of November, the Common Council adopts the proposed budget. Should the Common Council fail to adopt such a budget before November 30 the proposed budget as submitted by the Board of Estimate and Apportionment shall be deemed adopted.
- b. The City Treasurer is authorized to transfer any budgeted amounts not prohibited by law up to \$500 upon departmental request; he or she may transfer any amounts not prohibited by law between \$500 and \$1,000 with approval of the Board of Estimate and Apportionment; he or she may transfer any amounts not prohibited by law in excess of \$1,000 with the approval of both the Board of Estimate and Apportionment and the Common Council.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

II. Stewardship, Compliance, Accountability (Continued):

A. Budgetary Data (Continued):

- d. Budgetary controls are established for the Capital Projects Fund through Common Council resolutions authorizing individual projects which remain in effect for the life of the project.
- e. Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.
- f. Budgets are adopted annually on a basis consistent with accounting principles in accordance with the New York State Accounting and Reporting Manual.

B. Property Taxes:

City real property taxes are levied annually on January 1st and are payable in four equal installments due January 1, April 1, July 1 and September 1. Taxes are collected without penalty or interest for a period of 30 business days for the first installment and for 15 business days for each of the remaining installments. Taxes for county purposes apportioned to the area within the City are levied together with taxes for the City and payable per the City Charter in two equal installments due January 1 and July 1. The City assumes enforcement responsibility for all taxes levied in the City.

Unpaid city school district taxes are turned over to the City for collection. The City receives payment on these unpaid school taxes until foreclosure. See Note III-A (2) for further disclosure on taxes receivable.

The City is permitted by the Constitution of New York State to levy taxes up to 2% of the five-year average full assessed valuation for general governmental services other than the payment of debt service and capital expenditures. For the year ended December 31, 2022, the City had a legal margin of \$285,572.

General Municipal Law Section 3-c established a tax levy limit for local governments in New York State effective June 24, 2011. This law generally limits the amount by which local governments can increase property tax levies to 2 percent or the rate of inflation, whichever is less. The law does provide exclusions for certain specific costs and allows the governing board to override the tax levy limit with a supermajority vote.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds:A. Assets:1. Cash:

The City of Hudson, New York's investment policies are governed by state statutes. In addition, the City has its own written investment policy. The City's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The City Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit as provided by law of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least a percentage provided for by law of the cost of the repurchase agreement.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Deposits at year-end were covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name in the amounts below.

	<u>Book Balance</u>	<u>Bank Balance</u>	<u>FDIC</u>	<u>Collateral</u>
Bank of Greene County	\$ 10,671,988	\$ 11,850,627	\$ 250,000	\$ 12,025,651
Petty Cash	2,025	-	-	-
Total	<u>\$ 10,674,013</u>	<u>\$ 11,850,627</u>	<u>\$ 250,000</u>	<u>\$ 12,025,651</u>

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):A. Assets (Continued):2. Taxes Receivable and Deferred Revenue (Inflows):

The total real property tax assets of \$ 2,948,994 are offset by an allowance for uncollectible taxes of \$1,062,205. Total net real property tax receivable of \$1,886,789 at December 31, 2022, consisted of the following:

City taxes receivable, 2022	\$ 427,563
City taxes receivable, 2021	240,208
City taxes receivable, 2020	141,911
City taxes receivable, 2019	66,314
City taxes receivable, 2018	53,466
City taxes receivable, 2017	49,250
City taxes receivable, 2016	29,701
City taxes receivable, 2015	25,324
City taxes receivable, 2014	7,910
City taxes receivable, 2013	3,431
City taxes receivable, 2012	3,498
City taxes receivable, 2011	2,284
City taxes receivable, 2010	2,730
City taxes receivable, 2009	2,670
City taxes receivable, 2008	2,633
City taxes receivable, 2007	2,329
City taxes receivable relievis	139,618
School taxes receivable	1,294,332
Property acquired for taxes	453,822
Allowance for uncollectible taxes	(1,062,205)
Total taxes receivable, net	<u>\$ 1,886,789</u>

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**A. Assets (Continued):****2. Taxes Receivable and Deferred Revenue (Inflows) (Continued):**

Returned school taxes of approximately \$1,013,736 are offset by liabilities to the school district. A portion of tax receivable is offset by deferred tax revenue as outlined below.

Total deferred revenue of \$733,436 at December 31, 2022 consists of the following all of which were uncollected at February 28, 2023:

City taxes receivable, 2022	\$	427,563
City taxes receivable, 2021		240,208
City taxes receivable, 2020		141,911
City taxes receivable, 2019		66,314
City taxes receivable, 2018		53,466
City taxes receivable, 2017		49,250
City taxes receivable, 2016		29,701
City taxes receivable, 2015		25,324
City taxes receivable, 2014		7,910
City taxes receivable, 2013		3,431
City taxes receivable, 2012		3,498
City taxes receivable, 2011		2,284
City taxes receivable, 2010		2,730
City taxes receivable, 2009		2,670
City taxes receivable, 2008		2,633
City taxes receivable, 2007		2,329
School taxes receivable		280,597
Property acquired for taxes		453,822
Allowance for uncollectible taxes		(1,062,205)
Total deferred revenue	\$	<u>733,436</u>

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**A. Liabilities:****1. Pension Plans:**Plan Description

The City of Hudson participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System.

The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City of Hudson also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****1. Pension Plans (Continued):**

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3- and 4-members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):

B. Liabilities (Continued):

1. Pension Plans (Continued):

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental death benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefits available.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****1. Pension Plans (Continued):***Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

Contributions

Tier 1 and 2 members do not have to contribute any of their salary to the System. Generally, however, tier 3, 4, and 5 members contribute 3 percent of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS	PFRS
2022	\$ 310,463	\$ 609,143
2021	374,152	612,623
2020	303,500	510,270

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):

B. Liabilities (Continued):

1. Pension Plans (Continued):

Chapter 57 of the Laws of 2010 of the State of New York, part TT, amending the Retirement and Social Security Law, was enacted that allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually, and will be comparable to taxable fixed income investments of a similar duration.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

The City of Hudson has no unpaid amounts at December 31, 2022.

Chapter 57 of the Laws of 2013 of the State of New York, Part BB, amending several sections of the Retirement and Social Security Law, was enacted to allow local employers to amortize a portion of their retirement bill for up to 12 years in accordance with the following stipulations:

- The maximum amount an employer can amortize is the difference between the normal annual contribution (total bill, excluding payments for deficiency, group life, previous amortizations, incentive costs, and prior year adjustments) and the graded contribution.
- For subsequent State fiscal years (SFYs), the graded rate will increase or decrease by up to one-half of one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually, and will be comparable to a 12-year US Treasury Bond plus 1 percent.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):

B. Liabilities (Continued):

1. Pension Plans (Continued):

- For subsequent SFYs in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

The City of Hudson has no unpaid amounts at December 31, 2022.

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

At December 31, 2022, the City of Hudson reported a liability of (\$492,348) for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2022, the City's ERS proportion was .0098731 percent, which was an increase of .0009011 from its proportion measured at December 31, 2021.

December 31, 2022, the City's PFRS proportion was .0554073 percent, which was a decrease of .004009 from its proportion measured at December 31, 2021.

Actuarial Assumptions

The total pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions:

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****1. Pension Plans (Continued):**

	ERS	PFRS
Inflation	2.7%	2.7%
Salary increases	4.4%	6.2%
Investment rate of return (net of investment expense, including inflation)	5.9%	5.9%
Cost of living adjustments	1.4%	1.4%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2020 used the same assumptions for the measure of total pension liability.

The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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 return, net of investment expenses 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.

Best estimates of arithmetic real rates of return for each major asset class included in the asset allocation as of March 31, 2022 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.00%	3.30%
International equity	15.00	5.85
Private equity	10.00	6.50
Real estate	9.00	5.00
Opportunistic/ARS portfolio	3.00	4.10
Credit	4.00	3.78
Real assets	3.00	5.58
Fixed Income	23.00	0.00
Cash	1.00	(1.00)

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****1. Pension Plans (Continued):**

The real rate of return is net of the long-term inflation assumption of 2.50%.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
City's proportionate share of the net pension liability	\$ 2,077,431	\$ (807,086)	\$ (3,219,846)
PFRS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
City's proportionate share of the net pension liability	\$ 3,500,978	\$ 314,738	\$ (2,322,622)

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****1. Pension Plans (Continued):**Pension plan fiduciary net position

The components of the current-year net pension liability of the employers participating in the system as of March 31, 2022, were as follows:

(Dollars in
Thousands)

	Employees' Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 223,874,888	\$42,237,292	\$266,112,180
Plan net position	232,049,473	41,669,250	273,718,723
Employers' net pension liability	<u>(\$8,174,585)</u>	<u>\$568,042</u>	<u>(\$7,606,543)</u>
Ratio of Plan net position to the employers' total pension liability	<u>103.65%</u>	<u>98.66%</u>	<u>102.86%</u>

2. Length of Service Awards Program - LOSAP

The City financial statements are for the year ended December 31, 2022. The information contained in this note is based on asset and service credit information for the City of Hudson Service Award Programs as of December 31, 2021, which is the most recent information available.

Length of Service Awards Program – LOSAP

The City of Hudson established a defined contribution Service Award Program (referred to as a "LOSAP" - Length Of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 2017 for the active volunteer firefighter members of City of Hudson Department of Fire. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The City of Hudson is the Sponsor of the Program. The program is administered by the Office of the New York State Comptroller (OSC). The OSC has contracted with Penflex Actuarial Services, LLC located in Latham, New York to be the Program Administrator.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****2. Length of Service Awards Program – LOSAP (continued)**Program Description*Participation, vesting and service credit*

In a defined contribution LOSAP, each Participant has an individual Program account. An eligible Program Participant is an active volunteer firefighter who has earned one (1) year of Service Award Program service credit who has not waived participation in the Program. Each Participant's individual Program account is credited with a service award contribution as of the end of each calendar year during which the volunteer met the requirements to earn a year Service Award Program service credit. The Participant is paid his or her account balance upon attainment of the Entitlement Age. The Program's Entitlement Age is 62. The amount paid will vary depending upon the number of years of service credit earned by the Participant and the investment income (less administrative and/or investment expenses not paid by the Program Sponsor) earned by the Program assets and allocated to the Participant's Program account.

Participants acquire a non-forfeitable right to be paid their Program account balance after earning credit for five (5) years of service, attaining the Program's Entitlement Age while an active volunteer firefighter, upon death after having earned at least five (5) years of service credit or after becoming totally and permanently disabled. An active volunteer firefighter earns a year of Service Award Program service credit for each calendar year ending after the effective date of the establishment of the Program in which he or she accumulates fifty (50) or more points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the Sponsor on the basis of a statutory list of activities and point values. A Participant may also receive Service Award Program credit for five (5) years of active volunteer firefighting service rendered immediately prior to the establishment of the Program as an active volunteer firefighter member of the City of Hudson Department of Fire.

Benefits

A Participant's benefit under the Program is his or her Program account balance paid upon application to the Program Administrator on or after the attainment of the Entitlement Age in the form of a lump sum. The participant may elect to be paid in annual installments over a 2, 3, 4, or 5-year period, in lieu of one lump sum. The annual contribution paid by the City of Hudson and credited to the account of a participant who earned at least fifty points during a calendar year is currently \$700.00. The maximum number of years of service credit a participant may earn is 40 years under the program. Except in the case of Pre-Entitlement Age death or total and permanent disablement, a Participant's account balance will not be paid until a Participant applies for payment and attains the Entitlement Age.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):

B. Liabilities (Continued):

2. Length of Service Awards Program – LOSAP (continued)

Volunteers who are active after attaining the Entitlement Age continue to have the opportunity to earn Program credit and to thereby be paid additional service awards. The Pre-Entitlement Age death and disability benefit is equal to the Participant's Program account balance as of the calendar year quarterly valuation date preceding the date of death or disablement. The Program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the Program trust fund.

For a complete explanation of the program, see the Program Document a copy of which is available from the City of Hudson Treasurer.

Fiduciary Investment and Control

After the end of each calendar year, the fire company prepares and certifies a list of names of all persons who were active volunteer members of the fire company during the year indicating which volunteers earned fifty or more points. The certified list is delivered to the City of Hudson for review and approval by the City of Hudson Common Council. The fire company must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Common Council.

The OSC has retained Penflex Actuarial Services, LLC to assist in the administration of the program. The services provided by Penflex Actuarial Services, LLC are described in the contract between Penflex Actuarial Services, LLC and the OSC. The OSC has retained Glens Falls National Bank to be the Program Trustee.

Based on the certified calendar year volunteer firefighter listings, Penflex determines and certifies in writing to the Common Council and the Program Trustee the amount of the service award to be paid to a participant or to a participant's designated beneficiary. Penflex then authorizes in writing the Program Trustee to pay the service award (i.e. the participant's Program account balance). No service award benefit payment is made without the written certification from Penflex and the written directive from Penflex to the Program Trustee.

Penflex bills the OSC for the services it provides. Upon approval and authorization by the OSC, Penflex invoices are paid from the Sponsors program assets within the program trust fund maintained by the Program Trustee.

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Common Council and the OSC created a Service Award Program Trust Fund through the adoption of a Trust Document issued by the Program Trustee, a copy of which is available from the City of Hudson Treasurer.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****2. Length of Service Awards Program – LOSAP (continued)**

Authority to invest the Program assets is vested in the Program trustee. Program assets are invested in accordance with a statutory prudent person rule and an investment policy selected by the OSC.

Program Financial Condition**Assets and Liabilities**

Assets Available for Benefits	\$204,276.41
Sponsor Contributions Receivable	\$0.00
Glens Falls National Bank & Trust Pooled Account	204,276.41
Less: Liabilities	0.00
Total Net Assets Available for Benefits	\$204,276.41
Unfunded Liability for Prior Service	\$0

Prior Service Costs

Prior service costs are being amortized over a five year period.

Receipts and Disbursements

Plan Net Assets, beginning of year	\$156,067.35
Changes during the year:	
Plan contributions	\$ 29,400.00
Change in contribution receivable	0.00
Changes in fair market value of investments	20,131.88
Investment income earned	3,043.30
Change in investment fee reimbursement receivable	0.00
Administrative/Investment fees	(3,052.12)
Benefits paid/payable	(1,314.00)
Plan Net Assets, end of year	\$204,276.41

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****2. Length of Service Awards Program – LOSAP (continued)****Contributions**

Contribution recommended by Program Administrator	\$13,722.36
Actual contribution made by the Sponsor:	\$13,722.36

Administration Fees

Fees Paid to Program Administrator:	\$2,322.00
Fees paid to Program Trustee:	\$730.12

3. Other Post-Employment Benefits:

In addition to providing pension benefits, the City provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the City's full-time employees may become eligible for these benefits if they reach normal retirement age while working for the City. Health care benefits and survivor benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The City recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

During the year, \$1,743,325 was expensed on behalf of 58 retirees and 57 active employees and is recorded as an expenditure in the General and Special Revenue Funds. The cost of providing benefits for 55 retirees is not separate from the cost of providing benefits for the 57 active employees. The City has not implemented GASB #45 for recording the liability for post-employment benefits as government-wide financial statements are not presented.

4. Short-Term Debt

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects funds and the enterprise fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):****4. Short-Term Debt (Continued)**

Summary of BANs

	Principal	Premium Payable
Water Distribution	\$ 300,000	\$ 2,387
Stormwater Separation	2,225,925	17,707
DRI-Connectivity	3,146,000	25,027
Fire Ladder Truck	1,087,500	8,651
Wastewater	441,600	3,513
Promenade Park	1,200,000	9,546
	<u>\$ 8,401,025</u>	<u>\$ 66,831</u>

	Principal	Interest Rate
2022 BAN payable	\$ 1,000,000	2.97%
2022 BAN payable	7,401,025	4.00%

5. Long-Term Debt:

- a. At December 31, 2022, the total outstanding indebtedness of the City aggregated \$11,460,197.

b. Serial Bonds:

The City borrows money in order to acquire land or equipment or construct buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of these capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Schedule of Non-Current Government Liabilities. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

c. Other Long-Term Debt

In addition to the above long-term debt, the City had the following non-current liabilities:

1. Compensated Absences:

Represents the value of earned and unused portion of the liability for the compensated absences.

2. Leases: Represents amount due on leased equipment and real property.**3. Net Pension Liability** - Represents proportionate share of employer's net pension liability.

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):B. Liabilities (Continued):5. Long-Term Debt (Continued):

- d. The following is a summary of changes in long-term liabilities for the period ended December 31, 2022:

	Payable at 12/31/2021	Additions	Deletions	Payable at 12/31/2022
Serial Bonds	\$ 10,940,976	\$ -	\$ 716,499	\$ 10,224,477
Compensated Absences	915,680	42,388	-	958,068
Net Pension Liability	1,040,566	-	1,532,914	(492,348)
Leases	900,000	-	130,000	770,000
Total	<u>\$ 13,797,222</u>	<u>\$ 42,388</u>	<u>\$ 2,379,413</u>	<u>\$ 11,460,197</u>

Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.

- e. Long-Term Debt Maturity Schedule - The following is a summary of the serial bond issues and statutory installment bonds with corresponding maturity schedules.

	Amount	Issue	Rate	12/31/2022	Date
Police Court Building	\$ 2,572,175	2014	Var	\$ 2,070,000	2040
Water filtration	6,800,000	2003	0.00%	2,663,050	2032
Water filtration	1,000,000	2006	0.00%	518,154	2036
Fire Truck	506,000	2013	3.21%	58,091	2023
Sewer Upgrade	4,968,647	2013	0.00%	3,479,700	2043
Police Court Building 2	1,727,825	2016	2.25%	1,360,000	2038
Airpacks	356,866	2018	3.19%	75,482	2023
Total				<u>\$ 10,224,477</u>	

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):**B. Liabilities (Continued):**5. Long-Term Debt (Continued):

f. The following summarizes future debt service requirements as of December 31, 2022:

Year ending	Principal	Interest	Principal	Interest
2023	\$ 729,526	\$ 122,139	\$ 130,000	\$ 64,125
2024	604,763	112,688	130,000	54,863
2025	613,573	107,813	130,000	45,600
2026	627,382	102,681	130,000	36,338
2027	636,192	97,294	130,000	27,075
2028-2032	3,333,101	330,500	120,000	27,813
2033-2037	2,115,740	252,250	-	-
2038-2042	1,398,500	55,925	-	-
2043	165,700	-	-	-
	<u>\$ 10,224,477</u>	<u>\$ 1,181,290</u>	<u>\$ 770,000</u>	<u>\$ 255,814</u>

C. Interfund Receivables and Payables:

Interfund receivables and payables at December 31, 2022 are as follows:

Fund	Receivables	Payables
General Fund	\$ 3,091,236	\$ 417,371
Water Fund	82,957	84,495
Sewer	57,393	171,957
Cemetery	36,770	12,228
Custodial	10,000	-
Permanent	-	1,770
Capital	427,754	3,018,289
Total	<u>\$ 3,706,110</u>	<u>\$ 3,706,110</u>

CITY OF HUDSON, NEW YORK

NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):

D. Fund Equity:

1. Allocation of Fund Balance:

Allocations of fund balance type at balance sheet date are as follows:

	Unassigned	Assigned Unappropriated	Assigned Appropriated	Restricted	Non- Spendable	Total
General Fund	\$ 4,144,793	\$ 520,613	\$ 130,399	\$ 659,934	\$ 40,853	\$ 5,496,592
Cemetery Fund	(5,524)	796	-	-	4,819	91
Water Fund	-	293,245	-	-	3	293,248
Sewer Fund	-	242,431	-	-	6,034	248,465
Capital Fund	(4,816,993)	-	-	-	-	(4,816,993)
Total	<u>\$ (677,724)</u>	<u>\$ 1,057,085</u>	<u>\$ 130,399</u>	<u>\$ 659,934</u>	<u>\$ 51,709</u>	<u>\$ 1,221,403</u>

2. Fund Balance Reserves:

The City has established the following reserves which represent a portion of fund balance segregated for specific purposes:

Fund Reserves:	Purpose	Amount
General	Codebook	\$ 9,862
	Schroeder Loan	8,232
	Capital Building Improvements	387,617
	Service Award Program	177,923
	Firehouse Escrow	76,300
		<u>\$ 659,934</u>

Special Revenue Funds

Permanent Fund	Perpetual Care	790,308
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Encumbrances

General	Encumbrances	\$ 520,613
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NOTES TO ANNUAL FINANCIAL REPORT UPDATE DOCUMENT

III. Detail Notes on all Funds (Continued):

E. Deferred Compensation Plan:

The Governmental Accounting Standards Board issued Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This statement established accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governments.

As a result, Statement No. 32 became effective for the New York State Deferred Compensation Plan as of October 1, 1997. Since the plan no longer meets the criteria for inclusion in New York State's financial statements, municipalities which participate in New York State's Deferred Compensation Plan are no longer required to report the value of the plan assets.

IV. Contingency:

The City is subject to several lawsuits. In the opinion of the City Attorney, the City is adequately insured for the claims currently pending or threatened against it. The ultimate outcome of the claims cannot be determined at this time. Accordingly, no provision for any liability that may result has been made in these financial statements.

V. Subsequent Events:

Subsequent events have been evaluated through May 2, 2023, which is the date the financial statements were available to be issued.

**FORM OF BOND COUNSEL OPINION IN CONNECTION WITH
\$2,066,943 PUBLIC IMPROVEMENT (SERIAL) BONDS, SERIES 2023**

Upon delivery of the Bonds at the Closing Date, Rodenhausen Chale & Polidoro LLP, Rhinebeck, NY, Bond Counsel to the City, proposes to issue its approving opinion as to the Bonds in substantially the following form:

June __, 2023

City of Hudson
520 Warren Street
Hudson, New York 12534

Re: City of Hudson
Columbia County, New York
\$2,066,943 Public Improvement (Serial) Bonds, Series 2023

Ladies and Gentlemen:

We have acted as bond counsel to the City of Hudson, Columbia County, New York (the "Issuer") in connection with the issuance of its Public Improvement (Serial) Bonds, Series 2023, dated June __, 2023, in the aggregate principal amount of \$2,066,943 (the "Bonds").

We have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the transcript of proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. In our examination, we have assumed the genuineness of all signatures, the authenticity and completeness of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies.

Based upon our examination of the foregoing and subject to the limitations contained herein, we are of the opinion that, under existing law,

(1) The Bonds have been duly authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute the valid and legally binding general obligations of the Issuer, for the payment of which the Issuer has validly pledged its faith and credit, and all the taxable real property within the boundaries of the Issuer is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to certain statutory limitations which may be imposed by Chapter 97 of the Laws of 2011, as amended.

(2) Interest on the Bonds is not includable in gross income for federal income tax purposes pursuant to Section 103 of the Code and is not treated as an "item of tax preference" for the purposes of the federal alternative minimum tax imposed on individuals under the Code; however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remains excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code. These requirements include, but are not limited to, restrictions on the investment and use of proceeds of the Bonds and the rebate of certain earnings in respect of such investments to the United States. Noncompliance may cause interest on the Bonds to become subject to Federal income taxes retroactive to the date of issue of the Bonds, irrespective of the date on which such noncompliance occurs or is ascertained. On the date of issuance of the Bonds, the Issuer will execute and deliver an Arbitrage and Use of Proceeds Certificate with respect to the Bonds which will contain provisions and procedures relating to compliance with applicable requirements of the Code. The Arbitrage and Use of Proceeds Certificate will include the Issuer's certification to the effect that the Issuer will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Bonds is not included in gross income.

In rendering the opinion set forth in this paragraph 2, we have relied upon and assumed the material accuracy of the Issuer's certifications, statements of intention and reasonable expectation, and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the status of interest on the Bonds and compliance by the Issuer with the procedures and certifications set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

(3) Interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as set forth in paragraphs 2 and 3 above, we express no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors' rights generally heretofore or hereafter enacted, and by equitable principles, whether considered at law or in equity.

The scope of our engagement as bond counsel in relation to the issuance of the Bonds has extended solely to rendering the opinions expressed herein, and the opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Issuer, together with other legally available sources of revenue, if any, will be sufficient to enable the Issuer to pay the principal of or interest on the Bonds as the same respectively become due and payable. We have not been asked to and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement, or any other offering materials which may have been furnished to the purchasers of the Bonds, and we express no opinion with respect thereto.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. We express no opinion as to the Bonds or the interest thereon if any change occurs or action is taken upon the advice or approval of counsel other than Rodenhausen Chale & Polidoro LLP.

**FORM OF BOND COUNSEL OPINION IN CONNECTION WITH
\$4,995,543 BOND ANTICIPATION NOTES, SERIES 2023**

Upon delivery of the Notes at the Closing Date, Rodenhausen Chale & Polidoro LLP, Rhinebeck, NY, Bond Counsel to the City, proposes to issue its approving opinion as to the Notes in substantially the following form:

June __, 2023

City of Hudson
520 Warren Street
Hudson, New York 12534

Re: City of Hudson
Columbia County, New York
\$4,995,543 Bond Anticipation Notes, Series 2023

Ladies and Gentlemen:

We have acted as bond counsel to the City of Hudson, Columbia County, New York (the “Issuer”) in connection with the issuance of its Bond Anticipation Notes, Series 2023 in the aggregate principal amount of \$4,995,543 (the “Notes”).

The Notes are dated June 22, 2023 bear interest at the rate of ____% per annum, are payable at maturity and mature June 21, 2024.

We have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the transcript of proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. In our examination, we have assumed the genuineness of all signatures, the authenticity and completeness of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies.

Based upon our examination of the foregoing and subject to the limitations contained herein, we are of the opinion that, under existing law,

(1) The Notes have been duly authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute the valid and legally binding general obligations of the Issuer, for the payment of which the Issuer has validly pledged its faith and credit, and all the taxable real property within the boundaries of the Issuer is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain statutory limitations which may be imposed by Chapter 97 of the Laws of 2011, as amended.

(2) Interest on the Notes is not includable in gross income for federal income tax purposes pursuant to Section 103 of the Code and is not treated as an “item of tax preference” for the purposes of the federal alternative minimum tax under the Code; however, for tax years beginning after December 31, 2022, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remains excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code. These requirements include, but are not limited to, restrictions on the investment and use of proceeds of the Notes and the rebate of certain earnings in respect of such investments to the United States. Noncompliance may cause interest on the Notes to become subject to Federal income taxes retroactive to the date of issue of the Notes, irrespective of the date on which such noncompliance occurs or is ascertained. On the date of issuance of the Notes, the Issuer will execute and deliver an Arbitrage and Use of Proceeds Certificate with respect to the Notes which will contain provisions and procedures relating to compliance with applicable requirements of the Code. The Arbitrage and Use of Proceeds Certificate will include the Issuer's certification to the effect that the Issuer will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is not included in gross income.

In rendering the opinion set forth in this paragraph 2, we have relied upon and assumed the material accuracy of the Issuer's certifications, statements of intention and reasonable expectation, and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the status of interest on the Notes and compliance by the Issuer with the procedures and certifications set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

(3) Interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as set forth in paragraphs 2 and 3 above, we express no opinion regarding other federal, state or local tax consequences arising with respect to the Notes or the ownership or disposition thereof.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors' rights generally heretofore or hereafter enacted, and by equitable principles, whether considered at law or in equity.

The scope of our engagement as bond counsel in relation to the issuance of the Notes has extended solely to rendering the opinions expressed herein, and the opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Issuer, together with other legally available sources of revenue, if any, will be sufficient to enable the Issuer to pay the principal of or interest on the Notes as the same respectively become due and payable. We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering materials which may have been furnished to the purchasers of the Notes and we express no opinion with respect thereto.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. We express no opinion as to the Notes or the interest thereon if any change occurs or action is taken upon the advice or approval of counsel other than Rodenhausen Chale & Polidoro LLP.

BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$476.6 million, \$196.7 million and \$279.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under "APPENDIX F - BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

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