

**HUDSON HILLS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2024**

**HUDSON HILLS METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 172,728	\$ 216,727	\$ 15,980
REVENUES			
Property taxes	124,769	144,083	128,474
Specific ownership taxes	7,385	8,645	5,139
Interest income	3,655	8,000	5,000
Developer advance	15,000	-	-
Bond issuance proceeds	-	1,306,000	-
Total revenues	<u>150,809</u>	<u>1,466,728</u>	<u>138,613</u>
Total funds available	<u>323,537</u>	<u>1,683,455</u>	<u>154,593</u>
EXPENDITURES			
General Fund	32,643	30,871	37,831
Debt Service Fund	74,167	1,636,604	96,713
Total expenditures	<u>106,810</u>	<u>1,667,475</u>	<u>134,544</u>
Total expenditures and transfers out requiring appropriation	<u>106,810</u>	<u>1,667,475</u>	<u>134,544</u>
ENDING FUND BALANCES	<u><u>\$ 216,727</u></u>	<u><u>\$ 15,980</u></u>	<u><u>\$ 20,049</u></u>
EMERGENCY RESERVE	\$ 700	\$ 1,300	\$ 1,300
AVAILABLE FOR OPERATIONS	4,424	14,680	18,448
DEBT SERVICE RESERVE	87,578	-	-
DEBT SURPLUS FUND	69,779	-	-
TOTAL RESERVE	<u><u>\$ 162,481</u></u>	<u><u>\$ 15,980</u></u>	<u><u>\$ 19,748</u></u>

**HUDSON HILLS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential - Single family	\$ 1,819,960	\$ 1,778,010	\$ 2,101,990
Oil and Gas	22,470	30,410	32,040
Agricultural	50	40	40
State assessed	25,430	27,540	4,760
Personal property	-	-	19,090
 Certified Assessed Value	 <hr/>	 <hr/>	 <hr/>
	\$ 1,867,910	\$ 1,836,000	\$ 2,157,920

MILL LEVY

General	11.132	21.441	18.536
Debt Service	55.664	57.036	41.000
 Total mill levy	 <hr/>	 <hr/>	 <hr/>
	66.796	78.477	59.536

PROPERTY TAXES

General	\$ 20,794	\$ 39,366	\$ 39,999
Debt Service	103,975	104,718	88,475
 Levied property taxes	 <hr/>	 <hr/>	 <hr/>
	124,769	144,084	128,474
 Budgeted property taxes	 <hr/>	 <hr/>	 <hr/>
	\$ 124,769	\$ 144,084	\$ 128,474

BUDGETED PROPERTY TAXES

General	\$ 20,794	\$ 39,365	\$ 39,999
Debt Service	103,975	104,718	88,475
 \$ 124,769	 <hr/>	 <hr/>	 <hr/>
	\$ 124,769	\$ 144,083	\$ 128,474

**HUDSON HILLS METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 729	\$ 5,124	\$ 15,980
REVENUES			
Property taxes	20,793	39,365	39,999
Specific ownership taxes	1,231	2,362	1,600
Interest income	14	-	-
Developer advance	15,000	-	-
Total revenues	<u>37,038</u>	<u>41,727</u>	<u>41,599</u>
Total funds available	<u>37,767</u>	<u>46,851</u>	<u>57,579</u>
EXPENDITURES			
General and administrative			
Accounting	15,421	17,000	18,000
Auditing	4,650	5,200	5,200
County Treasurer's fee	312	590	600
Dues and membership	289	370	400
Insurance	2,516	2,571	2,650
Legal	9,135	5,000	8,500
Miscellaneous	320	140	2,481
Total expenditures	<u>32,643</u>	<u>30,871</u>	<u>37,831</u>
Total expenditures and transfers out requiring appropriation	<u>32,643</u>	<u>30,871</u>	<u>37,831</u>
ENDING FUND BALANCES	<u><u>\$ 5,124</u></u>	<u><u>\$ 15,980</u></u>	<u><u>\$ 19,748</u></u>
EMERGENCY RESERVE	\$ 700	\$ 1,300	\$ 1,300
AVAILABLE FOR OPERATIONS	4,424	14,680	18,448
TOTAL RESERVE	<u><u>\$ 5,124</u></u>	<u><u>\$ 15,980</u></u>	<u><u>\$ 19,748</u></u>

**HUDSON HILLS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 171,999	\$ 211,603	\$ -
REVENUES			
Property taxes	103,976	104,718	88,475
Specific ownership taxes	6,154	6,283	3,539
Interest income	3,641	8,000	5,000
Loan Issuance	-	1,306,000	-
Total revenues	113,771	1,425,001	97,014
Total funds available	285,770	1,636,604	97,014
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,561	1,571	1,327
Paying agent fees	7,000	7,000	-
Bond issue costs	-	130,300	-
Contingency	-	-	1,000
Debt Service			
Refunding Escrow	-	1,497,733	-
Loan Interest - 2023	-	-	84,386
Loan Principal - 2023	-	-	10,000
Bond Interest - Series 2019A	55,606	-	-
Bond Principal - Series 2019A	10,000	-	-
Total expenditures	74,167	1,636,604	96,713
Total expenditures and transfers out requiring appropriation	74,167	1,636,604	96,713
ENDING FUND BALANCES	\$ 211,603	\$ -	\$ 301
DEBT SERVICE RESERVE	\$ 87,578	\$ -	\$ -
DEBT SURPLUS FUND	69,779	\$ -	\$ -
TOTAL RESERVE	\$ 157,357	\$ -	\$ -

**HUDSON HILLS METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Weld County on May 17, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the Town of Hudson, Weld County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets and safety controls, water, storm and sanitary sewer, and park and recreation facilities, primarily for single family residential development within the District.

On November 7, 2017, a majority of the qualified electors of the District authorized the issuance of indebtedness of \$11,180,000 for street improvements, \$10,840,000 for parks and recreation, \$10,940,000 for water supply, \$11,040,000 for sanitary sewer, \$6,500,000 for public transportation, \$6,500,000 for safety protection, \$6,500,000 for security, \$10,600,000 for operations and maintenance, \$12,500,000 for debt refunding, and \$6,500,000 for intergovernmental agreements. Pursuant to the Service Plan the District is permitted to issue bond indebtedness of up to \$2,000,000.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**HUDSON HILLS METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (Continued)

Property Taxes – (Continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 4.00% of the property taxes collected by the General Fund.

Developer Advances

Historically, the operating and administrative expenditures were mainly funded by the Developer. Capital expenditures are also funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

As part of the Series 2023 Loan issuance, the outstanding developer reimbursement obligations were forgiven.

Interest Income

Interest earned on the District's available funds have been estimated based on current interest yields.

**HUDSON HILLS METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2023 Loan (discussed under Debt and Leases).

Debt and Leases

The District issued the 2019 Bonds on February 7, 2019, in the par amounts of \$1,095,000 for the 2019A Senior Bonds and \$208,000 for the 2019B Subordinate Bonds. Proceeds from the sale of the 2019 Bonds were used to fund and reimburse a portion of the costs of designing, constructing, and installing certain public improvements and paying other costs in connection with the 2019 Bonds, and with respect to proceeds of the 2019A Senior Bonds only, to fund the Senior Reserve Fund and fund capitalized interest on the 2019A Senior Bonds.

The 2019A Senior Bonds were issued as a term bond that bears interest at 5.125% per annum and is payable semi-annually on June 1 and December 1, beginning on June 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. To the extent principal of any 2019A Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the 2019A Senior Bond. To the extent interest on any 2019A Senior Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the 2019A Senior Bond. The 2019A Senior Bonds mature on December 1, 2048.

The 2019B Subordinate Bonds were issued as a term bond that bears interest at 7.75% per annum and is payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and matures on December 15, 2048.

The 2019B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2019B Subordinate Bonds compounds annually on each December 15. All of the 2019B Subordinate Bonds and interest thereon are to be deemed to be paid and discharged on December 16, 2058, regardless of the amount of principal and interest paid prior to that date.

**HUDSON HILLS METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The District issued the Series 2023 Loan on November 1, 2023, in the par amount of \$1,327,000. Proceeds from the sale of the 2023 Loan were used to refund the Series 2019A and Series 2019B Bonds. The 2023 Loan bears interest at 5.870% per annum and is payable semi-annually on June 1 and December 1, beginning on June 1, 2024 and matures on December 1, 2042.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending for 2024 as defined under TABOR.

This information is an integral part of the accompanying budget.

**HUDSON HILLS METROPOLITAN DISTRICT
DEBT SERVICE REQUIREMENTS TO MATURITY**

General Obligation Refunding & Improvement Loan - Series 2023

Interest Rate 5.870%

November 1, 2023

Interest Payable June 1 and December 1

Year Ending December 31,	Principal Payable December 1			Total
	Principal	Interest		
2024	\$ 10,000	\$ 84,386	\$	94,386
2025	17,000	77,308		94,308
2026	20,000	76,310		96,310
2027	21,000	75,136		96,136
2028	24,000	73,903		97,903
2029	25,000	72,495		97,495
2030	29,000	71,027		100,027
2031	30,000	69,325		99,325
2032	34,000	67,564		101,564
2033	36,000	65,568		101,568
2034	40,000	63,455		103,455
2035	42,000	61,107		103,107
2036	47,000	58,641		105,641
2037	49,000	55,882		104,882
2038	54,000	53,006		107,006
2039	57,000	49,836		106,836
2040	63,000	46,490		109,490
2041	66,000	42,792		108,792
2042	663,000	38,918		701,918
	\$ 1,327,000	\$ 1,203,149		\$ 2,530,149

No assurance provided. See summary of significant assumptions.