

**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	150,809	1,466,728	138,613
Total funds available	323,537	1,683,455	154,593
EXPENDITURES			
General Fund	32,643	30,871	37,831
Debt Service Fund	74,167	1,636,604	96,713
Total expenditures	106,810	1,667,475	134,544
Total expenditures and transfers out requiring appropriation	106,810	1,667,475	134,544
ENDING FUND BALANCES	\$ 216,727	\$ 15,980	\$ 20,049
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	\$ 162,481	\$ 15,980	\$ 19,748

**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	<u>\$ 1,867,910</u>	<u>\$ 1,836,000</u>	<u>\$ 2,157,920</u>

**MILL LEVY**

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

**PROPERTY TAXES**

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

**BUDGETED PROPERTY TAXES**

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

**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	37,038	41,727	41,599
Total funds available	37,767	46,851	57,579
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	32,643	30,871	37,831
Total expenditures and transfers out requiring appropriation	32,643	30,871	37,831
ENDING FUND BALANCES	\$ 5,124	\$ 15,980	\$ 19,748
EMERGENCY RESERVE	\$ 700	\$ 1,300	\$ 1,300
AVAILABLE FOR OPERATIONS	4,424	14,680	18,448
TOTAL RESERVE	\$ 5,124	\$ 15,980	\$ 19,748

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

	<div> <div>ACTUAL</div> <div>2022</div> </div>	<div> <div>ESTIMATED</div> <div>2023</div> </div>	<div> <div>BUDGET</div> <div>2024</div> </div>
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	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**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:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
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**

<b>Year Ending December 31,</b>	<b>Interest Payable June 1 and December 1 Principal Payable December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
	<u>\$ 1,327,000</u>	<u>\$ 1,203,149</u>	<u>\$ 2,530,149</u>

No assurance provided. See summary of significant assumptions.