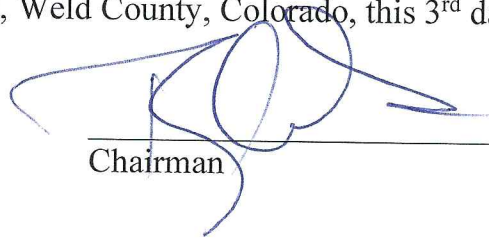


CERTIFICATION OF BUDGET

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Hudson Hills Metropolitan District, for the budget year ending December 31, 2021, as adopted on November 3, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Hudson Hills Metropolitan District, Weld County, Colorado, this 3rd day of November, 2020.



Chairman

(SEAL)

HUDSON HILLS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2021

**HUDSON HILLS METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ (2,821)	\$ 146,618	\$ 152,789
REVENUES			
Property Taxes	42,588	96,222	112,456
Specific Ownership Tax	2,876	5,773	5,623
Interest Income	2,237	752	350
Developer Advance	35,000	20,000	25,000
Bond Proceeds - Series 2019A	1,095,000	-	-
Bond Proceeds - Series 2019B	208,000	-	-
Total revenues	1,385,701	122,747	143,429
TRANSFERS IN	137,250	1,035	-
Total funds available	1,520,130	270,400	296,218
EXPENDITURES			
General Fund	29,978	51,576	45,000
Debt Service Fund	46,363	65,000	76,000
Capital Projects Fund	1,159,921	-	-
Total expenditures	1,236,262	116,576	121,000
TRANSFERS OUT	137,250	1,035	-
Total expenditures and transfers out requiring appropriation	1,373,512	117,611	121,000
ENDING FUND BALANCES	\$ 146,618	\$ 152,789	\$ 175,218
EMERGENCY RESERVE	\$ 300	\$ 500	\$ 600
DEBT SERVICE RESERVE	87,420	87,400	87,500
TOTAL RESERVE	\$ 87,720	\$ 87,900	\$ 88,100

No assurance provided. See summary of significant assumptions.

**HUDSON HILLS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/20

ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
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ASSESSED VALUATION

Residential	\$ 561,600	\$ 1,313,000	\$ 1,617,160
Agricultural	3,200	50	50
Oil and Gas	5,080	-	30,420
State assessed	3,660	27,440	35,960
Vacant land	68,500	100,080	-
Certified Assessed Value	<u>\$ 642,040</u>	<u>\$ 1,440,570</u>	<u>\$ 1,683,590</u>

MILL LEVY

General	11.055	11.132	11.132
Debt Service	55.277	55.663	55.664
Total mill levy	<u>66.332</u>	<u>66.795</u>	<u>66.796</u>

Other Revenue

PROPERTY TAXES

General	\$ 7,097	\$ 16,036	\$ 18,741
Debt Service	35,490	80,186	93,715
Levied property taxes	<u>42,587</u>	<u>96,222</u>	<u>112,456</u>
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	<u>\$ 42,588</u>	<u>\$ 96,222</u>	<u>\$ 112,456</u>

BUDGETED PROPERTY TAXES

General	\$ 7,097	\$ 16,036	\$ 18,741
Debt Service	35,491	80,186	93,715
	<u>\$ 42,588</u>	<u>\$ 96,222</u>	<u>\$ 112,456</u>

No assurance provided. See summary of significant assumptions.

**HUDSON HILLS METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 8,892	\$ 18,742	\$ 4,164
REVENUES			
Property taxes	7,097	16,036	18,741
Specific ownership tax	479	962	937
Developer advance	35,000	20,000	25,000
Interest income	8	-	-
Total revenues	42,584	36,998	44,678
TRANSFERS IN			
Transfers from other funds	682	-	-
Total funds available	52,158	55,740	48,842
EXPE Other Revenue			
General and administrative			
Accounting	15,495	22,000	18,000
Auditing	-	4,300	-
County Treasurer's fee	106	241	281
Dues and licenses	371	341	500
Electricity	1,200	1,500	2,000
Insurance and bonds	2,508	2,510	2,850
Legal services	10,298	12,500	15,000
Miscellaneous	-	25	100
Contingency	-	8,159	6,269
Total expenditures	29,978	51,576	45,000
TRANSFERS OUT			
Transfers to other fund	3,438	-	-
Total expenditures and transfers out requiring appropriation	33,416	51,576	45,000
ENDING FUND BALANCE	\$ 18,742	\$ 4,164	\$ 3,842
EMERGENCY RESERVE	\$ 300	\$ 500	\$ 600
TOTAL RESERVE	\$ 300	\$ 500	\$ 600

No assurance provided. See summary of significant assumptions.

**HUDSON HILLS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 126,843	\$ 148,625
REVENUES			
Property taxes	35,491	80,186	93,715
Specific Ownership Tax	2,397	4,811	4,686
Interest income	2,188	750	350
Total revenues	40,076	85,747	98,751
TRANSFERS IN			
Transfers from other funds	133,130	1,035	-
Total funds available	173,206	213,625	247,376
EXPENDITURES			
General and administrative			
Contingency	-	678	1,475
County Treasurer's fee	533	1,203	1,406
Paying agent fees	-	7,000	7,000
Debt Service			
Bond interest - Series 2019A	45,830	56,119	56,119
Bond principal - Series 2019A	-	-	10,000
Total expenditures	46,363	65,000	76,000
Total expenditures and transfers out requiring appropriation	46,363	65,000	76,000
ENDING FUND BALANCE	\$ 126,843	\$ 148,625	\$ 171,376
DEBT SERVICE RESERVE	\$ 87,420	\$ 87,400	\$ 87,500
TOTAL RESERVE	\$ 87,420	\$ 87,400	\$ 87,500

No assurance provided. See summary of significant assumptions.

**HUDSON HILLS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (11,713)	\$ 1,033	\$ -
REVENUES			
Bond Proceeds - Series 2019A	1,095,000	-	-
Bond Proceeds - Series 2019B	208,000	-	-
Developer Advance	-	-	-
Interest income	41	2	-
Total revenues	1,303,041	2	-
TRANSFERS IN			
Transfers from other funds	3,438	-	-
Total funds available	1,294,766	1,035	-
EXPENDITURES			
Capital Projects			
Bond Issue Costs	196,531	-	-
Engineering	3,438	-	-
Repay developer advance	959,952	-	-
Total expenditures	1,159,921	-	-
TRANSFERS OUT			
Transfers to other fund	133,812	1,035	-
Total expenditures and transfers out requiring appropriation	1,293,733	1,035	-
ENDING FUND BALANCE	\$ 1,033	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HUDSON HILLS METROPOLITAN DISTRICT
2021 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.

At its formation election held on May 4, 2004, the District's voters authorized general obligation indebtedness of \$680,000 for street improvements, \$340,000 for parks and recreation, \$440,000 for water supply system, \$540,000 for sanitary sewer system, and \$2,000,000 for refinancing of District debt. The election also approved an annual increase in taxes of \$100,000 for general operations and maintenance.

A special election was held on November 4, 2014, wherein the District's voters approved separate increases in general obligation indebtedness of \$4,000,000 for each the following: streets, sanitary sewer, water, parks and recreation, operations and maintenance, and refunding of District debt. The election also approved an annual increase in taxes of \$1,000,000 for District operations and maintenance.

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
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (Continued)

The District's maximum Required Mill Levy is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund. As of December 31, 2021, the adjusted maximum mill levy for debt service is 55.664 mills.

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 5.0% of the property taxes collected by the General Fund.

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. Capital expenditures are also expected to be 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.

The estimated balance of Developer advances as of December 31, 2020 are:

	Balance				Est. Balance
	December 31,				December 31,
	2019	Additions	Retirements		2020
Developer Advances					
Principal	\$ 123,910	\$ 20,000	\$ -		\$ 143,910
Interest	320,961	8,936	-		329,897
	<u>\$ 444,871</u>	<u>\$ 28,936</u>	<u>\$ -</u>		<u>\$ 473,807</u>

Interest Income

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

**HUDSON HILLS METROPOLITAN DISTRICT
2021 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 1.5% of property tax collections.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2019A Bonds and Series 2019B Bonds (discussed under Debt and Leases).

Debt and Leases

The District issued the Senior Bonds and the Subordinate Bonds on February 7, 2019, in the respective amounts of \$1,095,000 and \$208,000.

Proceeds from the sale of the Bonds will be 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 Bonds, and with respect to proceeds of the Senior Bonds only: (a) fund the Senior Reserve Fund and (b) fund capitalized interest on the Senior Bonds.

The Senior Bonds are assumed to bear interest at 5.125% and are 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 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 bond. To the extent interest on any bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the bond. The Senior Bonds mature on December 1, 2048.

The Subordinate Bonds are assumed to be issued at the rate of 7.75% per annum and are payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The 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 Subordinate Bonds compounds annually on each December 15. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2058 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

**HUDSON HILLS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

The estimated balance of the Subordinate Bonds as of December 31, 2020 are:

	Balance				Est. Balance
	December 31,				December 31,
	2019	Additions	Retirements		2020
Limited G.O. Refunding Bonds, Series 2019B					
Principal	\$ 208,000	\$ -	\$ -		\$ 208,000
Interest	14,508	15,600	-		30,108
	<u>\$ 222,508</u>	<u>\$ 15,600</u>	<u>\$ -</u>		<u>\$ 238,108</u>

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% of fiscal year spending for 2021 as defined under TABOR.

Debt Service Reserve

The District maintains a Debt Service Reserve as required with the issuance of the Series 2019A Bonds in the amount of \$87,300.

This information is an integral part of the accompanying budget.

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

\$1,095,000 General Obligation Bonds - Series 2019A

Interest Rate 5.125%

February 7, 2019

Interest Payable June 1 and December 1

Year Ending December 31,	Principal Payable December 1		Interest		Total	
	Principal		Interest		Total	
2021	\$ 10,000		\$ 56,119		\$ 66,119	
2022	10,000		55,606		65,606	
2023	10,000		55,094		65,094	
2024	15,000		54,581		69,581	
2025	15,000		53,813		68,813	
2026	15,000		53,044		68,044	
2027	15,000		52,275		67,275	
2028	20,000		51,506		71,506	
2029	20,000		50,481		70,481	
2030	25,000		49,456		74,456	
2031	25,000		48,175		73,175	
2032	25,000		46,894		71,894	
2033	30,000		45,613		75,613	
2034	30,000		44,075		74,075	
2035	30,000		42,538		72,538	
2036	35,000		41,000		76,000	
2037	40,000		39,206		79,206	
2038	40,000		37,156		77,156	
2039	45,000		35,106		80,106	
2040	45,000		32,800		77,800	
2041	50,000		30,494		80,494	
2042	55,000		27,931		82,931	
2043	55,000		25,113		80,113	
2044	60,000		22,294		82,294	
2045	65,000		19,219		84,219	
2046	70,000		15,888		85,888	
2047	75,000		12,300		87,300	
2048	165,000		8,456		173,456	
	<u>\$ 1,095,000</u>		<u>\$ 1,106,233</u>		<u>\$ 2,201,233</u>	

No assurance provided. See summary of significant assumptions.

HUDSON HILLS METROPOLITAN DISTRICT

RESOLUTION TO ADOPT BUDGET

WHEREAS, the Board of Directors (the “Board”) of Hudson Hills Metropolitan District (the “District”) has appointed a budget committee to prepare and submit a proposed 2021 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 3, 2020, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Hudson Hills Metropolitan District:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	45,000
Debt Service Fund:	\$	76,000
Capital Projects Fund:	\$	0
Total	\$	121,000

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	\$4,164
From fund transfers	\$0
From sources other than general property tax	\$25,937
From general property tax	\$18,741
Total	<hr/> \$48,842

Debt Service Fund:

From unappropriated surpluses	\$148,625
From fund transfers	\$0
From sources other than general property tax	\$6,923
From general property tax	\$93,715
Total	<hr/> \$247,376

Capital Projects Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$0
From general property tax	\$0
Total	<hr/> \$0

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2021 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$18,741; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for debt service expenses is \$93,715; and

WHEREAS, the 2020 valuation for assessment of the District, as certified by the County Assessor, is \$1,683,590.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Hudson Hills Metropolitan District:

1. That for the purpose of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 11.132 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$18,741.

2. That for the purpose of meeting all debt service expenses of the District during the 2021 budget year, there is hereby levied a property tax of 55.664 mills upon

each dollar of the total valuation for assessment of all taxable property within the District to raise \$93,715.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Weld County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Hudson Hills Metropolitan District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$45,000
Debt Service Fund:	\$76,000
Capital Projects Fund:	\$0
Total	<hr/> \$121,000

Adopted this 3rd day of November, 2020.

HUDSON HILLS
METROPOLITAN DISTRICT

By: 

Chair

Attest:


Secretary