

**HUDSON HILLS METROPOLITAN DISTRICT
WELD COUNTY, COLORADO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**HUDSON HILLS METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

| | |
|---|-----------|
| INDEPENDENT AUDITOR’S REPORT | I |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| STATEMENT OF NET POSITION | 1 |
| STATEMENT OF ACTIVITIES | 2 |
| FUND FINANCIAL STATEMENTS | |
| BALANCE SHEET – GOVERNMENTAL FUNDS | 3 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS | 4 |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES | 5 |
| GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 6 |
| NOTES TO BASIC FINANCIAL STATEMENTS | 7 |
| SUPPLEMENTARY INFORMATION | |
| DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 20 |
| OTHER INFORMATION | |
| SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED | 21 |
| SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY | 22 |



Board of Directors
Hudson Hills Metropolitan District
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Hudson Hills Metropolitan District (the "District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Hudson Hills Metropolitan District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and, accordingly, we do not express an opinion or provide any assurance on them.

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

Wipfli LLP

Wipfli LLP
Denver, Colorado

September 30, 2024

BASIC FINANCIAL STATEMENTS

**HUDSON HILLS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

| | <u>Governmental Activities</u> |
|---------------------------------------|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 13,848 |
| Cash and Investments - Restricted | 53,033 |
| Accounts Receivable | 6,151 |
| Receivable - County Treasurer | 439 |
| Property Taxes Receivable | 128,474 |
| Prepaid Insurance | 2,671 |
| Total Assets | <u>204,616</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Cost of Refunding, Net | <u>7,860</u> |
| Total Deferred Outflows of Resources | 7,860 |
| LIABILITIES | |
| Accounts Payable | 10,585 |
| Accrued Interest Payable | 14,064 |
| Noncurrent Liabilities: | |
| Due Within One Year | 10,000 |
| Due in More Than One Year | 1,828,239 |
| Total Liabilities | <u>1,862,888</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Tax Revenue | <u>128,474</u> |
| Total Deferred Inflows of Resources | <u>128,474</u> |
| NET POSITION | |
| Restricted for: | |
| Emergency Reserves | 1,300 |
| Debt Service | 44,139 |
| Unrestricted | <u>(1,824,325)</u> |
| Total Net Position | <u><u>\$ (1,778,886)</u></u> |

See accompanying Notes to Basic Financial Statements.

**HUDSON HILLS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

| | Program Revenues | | | | Net Revenues (Expenses) and Change in Net Position |
|--|--|--|--|--|---|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | Governmental Activities |
| FUNCTIONS/PROGRAMS Primary Government: Governmental Activities: General Government Interest and Related Costs on Long-Term Debt Total Governmental Activities | \$ 41,371 257,600 \$ 298,971 | \$ - - \$ - | \$ - - \$ - | | \$ (41,371) (257,600) (298,971) |
| GENERAL REVENUES | | | | | |
| Property Taxes | | | | | 144,084 |
| Specific Ownership Taxes | | | | | 6,127 |
| Interest Income | | | | | 9,248 |
| Total General Revenues | | | | | 159,459 |
| CHANGE IN NET POSITION | | | | | |
| Net Position - Beginning of Year | | | | | (1,639,374) |
| NET POSITION - END OF YEAR | | | | | |
| | | | | | \$ (1,778,886) |

See accompanying Notes to Basic Financial Statements.

**HUDSON HILLS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

| | General | Debt Service | Total Governmental Funds |
|--|------------------|-------------------|--------------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 13,848 | \$ - | \$ 13,848 |
| Cash and Investments - Restricted | 1,300 | 51,733 | 53,033 |
| Accounts Receivable | - | 6,151 | 6,151 |
| Receivable - County Treasurer | 120 | 319 | 439 |
| Property Taxes Receivable | 39,999 | 88,475 | 128,474 |
| Prepaid Expense | 2,671 | - | 2,671 |
| | <u>\$ 57,938</u> | <u>\$ 146,678</u> | <u>\$ 204,616</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 10,585 | \$ - | 10,585 |
| Total Liabilities | <u>10,585</u> | <u>-</u> | <u>10,585</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Tax Revenue | 39,999 | 88,475 | 128,474 |
| Total Deferred Inflows of Resources | <u>39,999</u> | <u>88,475</u> | <u>128,474</u> |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid Expenses | 2,671 | - | 2,671 |
| Restricted: | | | |
| Emergency Reserve | 1,300 | - | 1,300 |
| Debt Service | - | 58,203 | 58,203 |
| Assigned | | | |
| Unassigned | 3,383 | - | 3,383 |
| Total Fund Balances | <u>7,354</u> | <u>58,203</u> | <u>65,557</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 57,938</u> | <u>\$ 146,678</u> | |

Amounts reported for governmental activities in the statement of net position are different because:

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

| | |
|------------------------|-------|
| Cost of Refunding, Net | 7,860 |
|------------------------|-------|

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not in the funds.

| | |
|---------------------------------------|-------------|
| Loan Payable | (1,327,000) |
| Developer Advance Payable | (151,435) |
| Interest Payable on Developer Advance | (359,804) |
| Interest Payable on Loans | (14,064) |

| | |
|---|-----------------------|
| Net Position of Governmental Activities | <u>\$ (1,778,886)</u> |
|---|-----------------------|

See accompanying Notes to Basic Financial Statements.

**HUDSON HILLS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

| | General | Debt Service | Total Governmental Funds |
|---|-----------------|------------------|--------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 39,365 | \$ 104,719 | \$ 144,084 |
| Specific Ownership Taxes | 1,674 | 4,453 | 6,127 |
| Interest income | 37 | 9,211 | 9,248 |
| Total Revenues | <u>41,076</u> | <u>118,383</u> | <u>159,459</u> |
| EXPENDITURES | | | |
| Accounting | 21,347 | - | 21,347 |
| Auditing | 5,200 | - | 5,200 |
| County Treasurer's Fee | 591 | 1,574 | 2,165 |
| Dues and membership | 370 | - | 370 |
| Insurance | 2,571 | - | 2,571 |
| Legal | 11,102 | - | 11,102 |
| Miscellaneous | 190 | - | 190 |
| Paying Agent Fees | - | 7,000 | 7,000 |
| Bond Interest - Series 2019A | - | 27,547 | 27,547 |
| Loan Issue Costs | - | 130,300 | 130,300 |
| Total Expenditures | <u>41,371</u> | <u>166,421</u> | <u>207,792</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (295) | (48,038) | (48,333) |
| OTHER FINANCING SOURCES (USED) | | | |
| Proceeds from Loan | - | 1,327,000 | 1,327,000 |
| Refunding Escrow | - | (1,432,363) | (1,432,363) |
| Developer Advances | 2,525 | - | 2,525 |
| Total Other Financing Sources (USED) | <u>2,525</u> | <u>(105,363)</u> | <u>(102,838)</u> |
| NET CHANGE IN FUND BALANCES | 2,230 | (153,401) | (151,171) |
| Fund Balances - Beginning of Year | <u>5,124</u> | <u>211,604</u> | <u>216,728</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 7,354</u> | <u>\$ 58,203</u> | <u>\$ 65,557</u> |

See accompanying Notes to Basic Financial Statements.

**HUDSON HILLS METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds \$ (151,171)

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

| | |
|-----------------------------------|-------------|
| Loan Issuance | (1,327,000) |
| Payment to Refunding Escrow Agent | 1,432,363 |
| Current Year Developer Advances | (2,525) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|---|----------|
| Accrued Interest on General Loan - Change in Liability | 14,064 |
| Accrued Interest on Refunded Bonds | (94,617) |
| Accrued Interest on Developer Advance - Change in Liability | (10,557) |
| Amortization of Cost of Bond Refunding | (69) |
| | (69) |

Change in Net Position of Governmental Activities \$ (139,512)

**HUDSON HILLS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

| | Budget | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 39,365 | \$ 39,365 | \$ 39,365 | \$ - |
| Specific Ownership Taxes | 2,362 | 1,674 | 1,674 | - |
| Interest Income | 20 | 37 | 37 | - |
| Total Revenues | <u>41,747</u> | <u>41,076</u> | <u>41,076</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Accounting | 17,000 | 21,347 | 21,347 | - |
| Auditing | 5,200 | 5,200 | 5,200 | - |
| County Treasurer's Fee | 590 | 591 | 591 | - |
| Dues and membership | 325 | 370 | 370 | - |
| Insurance | 2,642 | 2,571 | 2,571 | - |
| Legal | 8,500 | 11,102 | 11,102 | - |
| Miscellaneous | 68 | 190 | 190 | - |
| Election | 350 | - | - | - |
| Website | 325 | - | - | - |
| Contingency | - | 3,629 | - | 3,629 |
| Total Expenditures | <u>35,000</u> | <u>45,000</u> | <u>41,371</u> | <u>3,629</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 6,747 | (3,924) | (295) | 3,629 |
| OTHER FINANCING SOURCES | | | | |
| Developer Advances | 5,000 | 2,525 | 2,525 | - |
| Total Other Financing Sources | <u>5,000</u> | <u>2,525</u> | <u>2,525</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 11,747 | (1,399) | 2,230 | 3,629 |
| Fund Balances - Beginning of Year | <u>15,108</u> | <u>5,124</u> | <u>5,124</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 26,855</u> | <u>\$ 3,725</u> | <u>\$ 7,354</u> | <u>\$ 3,629</u> |

See accompanying Notes to Basic Financial Statements.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Hudson Hills Metropolitan District (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 14, 2004 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Hudson on March 5, 2004. 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.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of the governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2023

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Outflows of Resources

In addition to assets, the statement on net position reports a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Amortization

Cost of Refunding

In the government-wide financial statements, the deferred cost of refunding is being amortized using the interest method over the life of the refunding loan. The amortization amount is a component of interest expense, and the unamortized deferred cost is reflected as a deferred outflow of resources.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

| | |
|-----------------------------------|------------------|
| Statement of Net Position: | |
| Cash and Investments | \$ 13,848 |
| Cash and Investments - Restricted | 53,033 |
| Total Cash and Investments | <u>\$ 66,881</u> |

Cash and investments as of December 31, 2023, consist of the following:

| | |
|--------------------------------------|------------------|
| Deposits with Financial Institutions | \$ 66,846 |
| Investments | 35 |
| Total Cash and Investments | <u>\$ 66,881</u> |

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District’s cash deposits had a bank balance of \$74,792 and a carrying balance of \$66,846.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2023, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|---|-----------------------------------|---------------|
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted-Average Under 60 Days | \$ 35 |

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

| | Balance - December 31, 2022 | Additions | Retirements | Balance - December 31, 2023 | Due Within One Year |
|---------------------------------------|-----------------------------------|-------------------------|-------------------------|-----------------------------------|------------------------|
| Governmental Activities | | | | | |
| General Obligation Bonds Payable | | | | | |
| Series 2019A Refunding Bonds | \$ 1,075,000 | \$ - | \$ 1,075,000 | \$ - | \$ - |
| Series 2019B Refunding Bonds | 208,000 | - | 208,000 | - | - |
| Series 2023 Refunding Loan | - | 1,327,000 | - | 1,327,000 | 10,000 |
| Accrued Interest - Series 2019B | 70,354 | 17,919 | 88,273 | - | - |
| Subtotal of Bonds Payable | <u>1,353,354</u> | <u>1,344,919</u> | <u>1,371,273</u> | <u>1,327,000</u> | <u>10,000</u> |
| Other Debts | | | | | |
| Developer Advances | 148,910 | 2,525 | - | 151,435 | - |
| Accrued Interest - Developer Advances | 349,247 | 10,557 | - | 359,804 | - |
| Subtotal of Other Debts | <u>498,157</u> | <u>13,082</u> | <u>-</u> | <u>511,239</u> | <u>-</u> |
| Total Long-Term Obligations | <u>\$ 1,851,511</u> | <u>\$ 1,358,001</u> | <u>\$ 1,371,273</u> | <u>\$ 1,838,239</u> | <u>\$ 10,000</u> |

The details of the District's general obligation bonds outstanding are as follows:

General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A (the 2019A Senior Bonds) and **Subordinate General Obligation Limited Tax Bonds, Series 2019B** (the 2019B Subordinate Bonds, and, with the 2019A Senior Bonds, the 2019 Bonds)

2019 Bonds Detail

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.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG TERM OBLIGATIONS (CONTINUED)

2019 Bonds Detail (Continued)

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.

On November 1, 2023, the District advance refunded and defeased (debt legally satisfied) the Series 2019A and Series 2019B Bonds, by the issuance of \$1,327,000 of Series 2023 Loan. The defeased bonds are not considered a liability of the District since sufficient funds in the amount of \$1,432,363 were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds. In the government-wide statements, the District incurred a cost of bond refunding in the amount of \$7,929, which has been deferred and is being amortized over the life of the new debt.

2023 Loan Detail

The District entered into a Loan Agreement, with NBH Bank (the Lender) dated November 1, 2023, in the amount of \$1,327,000 (the 2023 Loan). The District issued a Promissory Note to the Lender evidencing the 2023 Loan. Proceeds of the 2023 Loan were used for the purpose of refunding the 2019 Bonds and paying the costs of issuance of the 2023 Loan.

2023 Loan Details

The 2023 Loan bears interest at the Tax-Exempt Fixed Rate of 5.87% per annum payable semi-annually on June 1 and December 1, beginning on June 1, 2024. Principal payments on the 2023 Loan are due annually on each December 1, beginning on December 1, 2024. The 2023 Loan matures on December 1, 2042. Interest not paid when due shall not compound or bear additional interest.

The 2023 Loan is not subject to early termination or acceleration and does not have any unused lines of credit. No assets have been pledged as collateral on the 2023 Loan. Collateral is defined in the 2023 Loan as the Pledged Revenue and all amounts from time to time credited to the Revenue Fund.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the 2023 Loan and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the 2023 Loan. Acceleration of the 2023 Loan shall not be an available remedy for an Event of Default.

Optional Prepayment of the 2023 Loan

The District may, at its option, prepay the 2023 Loan in whole or in part, in minimum increments of \$100,000, on any Interest Payment Date, at a redemption price equal to 100% of the principal amount of the redeemed loan, plus accrued interest thereon to the redemption date, plus administrative fees, if any, plus a make-whole fee (the "Premium"), if any, equal to the present value of the difference between (i) the total amount of interest based on the Original Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred and (ii) the amount of interest based on the Current Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred, both (i) and (ii) discounted at the then "Current Interest Rate Swap Rate", as determined by the Lender. The Premium shall not exceed 3.00% of the outstanding principal amount of the 2023 loan in accordance with State Law.

Pledged Revenue

The 2023 Loan is secured by and payable solely from and to the extent of Pledged Revenue derived by the District from the following sources, after payment of any costs of collections: (a) the Required Mill Levy; (b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue.

Required Mill Levy

Prior to the time when the Debt to Assessed Ratio is 50% or less, the Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the Debt Requirements for the next Fiscal Year, but not in excess of 50.000 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2004). Once the Debt to Assessed Ratio is 50% or less, the Required Mill Levy is a mill levy that will generate property tax revenues of not less than the Debt Requirements for the next Fiscal Year, but not in excess of 99.000 mills.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The outstanding principal and interest of the 2023 Series Loan are due as follows:

| | Principal | Interest | Total |
|-----------|---------------------|---------------------|---------------------|
| 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 |
| 2029-2033 | 154,000 | 345,979 | 499,979 |
| 2034-2038 | 232,000 | 292,091 | 524,091 |
| 2039-2042 | 849,000 | 178,036 | 1,027,036 |
| Total | <u>\$ 1,327,000</u> | <u>\$ 1,203,149</u> | <u>\$ 2,530,149</u> |

Authorized Debt

On November 7, 2017, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$93,100,000 at an interest rate not to exceed 18.00% per annum. At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Amount Authorized on November 7, 2017 | Authorization Used for 2019 Bonds | Authorization Used for 2023 Loan | Authorized But Unissued |
|-----------------------|---|--|---|-------------------------------|
| Water | \$ 10,940,000 | \$ 403,930 | \$ - | \$ 10,536,070 |
| Street | 11,180,000 | 52,120 | - | 11,127,880 |
| Safety Protection | 6,500,000 | - | - | 6,500,000 |
| Security | 6,500,000 | - | - | 6,500,000 |
| Park and Recreation | 10,840,000 | 39,090 | - | 10,800,910 |
| Sanitation | 11,040,000 | 807,590 | - | 10,232,410 |
| O&M Debt | 10,600,000 | - | - | 10,600,000 |
| Public Transportation | 6,500,000 | - | - | 6,500,000 |
| IGA Debt | 6,500,000 | - | - | 6,500,000 |
| Debt Refunding | 12,500,000 | - | 1,327,000 | 11,173,000 |
| Total | <u>\$ 93,100,000</u> | <u>\$ 1,302,730</u> | <u>\$ 1,327,000</u> | <u>\$ 90,470,270</u> |

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$2,000,000.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 AGREEMENTS

Advance and Reimbursement Agreement

On June 23, 2004 and as amended on May 20, 2020, the District entered into an Advance and Reimbursement Agreement to repay advances made by the Developer for operations and maintenance (O&M) and capital infrastructure costs. The District agreed to repay the Developer for such O&M and capital advances plus accrued interest at the rate of 7.00%. As of December 31, 2023, outstanding O&M advances and accrued O&M interest totaled \$151,435 and \$74,600, respectively. As of December 31, 2023, outstanding capital advances and accrued interest under the agreement totaled \$-0- and \$285,204, respectively. The agreement shall continue until fully performed or terminated by the mutual agreement of the District and the Developer.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023, as follows:

| | Governmental Activities |
|-------------------------------|----------------------------|
| Restricted Net Position: | |
| Emergency Reserves | \$ 1,300 |
| Debt Service | 44,139 |
| Total Restricted Net Position | <u>\$ 45,439</u> |

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds and loan issued for public improvements conveyed to other governmental entities.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Carlson Associates. The majority of the members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**HUDSON HILLS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On May 4, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**HUDSON HILLS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

| | Budget | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 104,718 | \$ 104,719 | \$ 104,719 | \$ - |
| Specific Ownership Taxes | 6,283 | 4,453 | 4,453 | - |
| Interest Income | 2,500 | 9,211 | 9,211 | - |
| Total Revenues | <u>113,501</u> | <u>118,383</u> | <u>118,383</u> | <u>-</u> |
| EXPENDITURES | | | | |
| County Treasurer's Fee | 1,571 | 1,574 | 1,574 | - |
| Paying Agent Fees | 7,000 | 7,000 | 7,000 | - |
| Bond Interest - Series 2019A | 55,094 | 27,547 | 27,547 | - |
| Bond Principal - Series 2019A | 10,000 | - | - | - |
| Bond Issue Costs | - | 130,300 | 130,300 | - |
| Contingency | 1,328 | 51,216 | - | 51,216 |
| Total Expenditures | <u>74,993</u> | <u>217,637</u> | <u>166,421</u> | <u>51,216</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 38,508 | (99,254) | (48,038) | 51,216 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Loan | - | 1,327,000 | 1,327,000 | - |
| Refunding Escrow | - | (1,432,363) | (1,432,363) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(105,363)</u> | <u>(105,363)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 38,508 | (204,617) | (153,401) | (51,216) |
| Fund Balance - Beginning of Year | <u>208,808</u> | <u>211,604</u> | <u>211,604</u> | <u>(2,796)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 247,316</u> | <u>\$ 6,987</u> | <u>\$ 58,203</u> | <u>\$ (54,012)</u> |

OTHER INFORMATION

**HUDSON HILLS METROPOLITAN DISTRICT
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2023**

| Year Ended December 31, | Prior Year Assessed Valuation for Current Year Property Tax Levy | Mills Levied | | Total Property Taxes | | Percent Collected to Levied |
|--|--|--------------|-----------------|----------------------|-----------|-----------------------------------|
| | | General | Debt Service | Levied | Collected | |
| 2019 | \$ 642,040 | 11.055 | 55.277 | \$ 42,587 | \$ 42,588 | 100.00 % |
| 2020 | 1,440,570 | 11.132 | 55.663 | 96,222 | 96,223 | 100.00 |
| 2021 | 1,683,590 | 11.132 | 55.664 | 112,456 | 112,304 | 99.86 |
| 2022 | 1,867,910 | 11.132 | 55.664 | 124,768 | 124,769 | 100.00 |
| 2023 | 1,836,000 | 21.441 | 57.036 | 144,083 | 144,084 | 100.00 |
| Estimated for Year Ending December 31, 2024 | \$ 2,157,920 | 18.536 | 41.000 | \$ 128,474 | | |

**HUDSON HILLS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

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 | | |
|-----------------------------|------------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 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> |