

# SILVERSTONE METROPOLITAN DISTRICT NO. 1

## 2019 BUDGET

### SUMMARY OF SIGNIFICANT ASSUMPTIONS

#### **Services Provided**

In accordance with its Service Plan, SilverStone Metropolitan District No. 1, formerly known as Miner's Village Metropolitan District, (the "District") was formed to finance the necessary public improvements to be constructed on the property known as "Miner's Village," which is located in Frederick, Colorado. Such public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides a combined new money revenue and general obligation debt limit of \$50,000,000 for SilverStone Metropolitan District Nos. 1, 2 and 3, exclusive of surety requirements, but inclusive of organizational costs, financing costs and costs of construction and operation of public infrastructure. To date, the District has not issued any general obligation debt and does not anticipate issuing such debt in 2019.

The District prepares its budget on the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

#### **Revenue**

##### **Transfers from District No. 2**

The District expects to receive revenues from District No. 2 of approximately \$4,592,500 from the proceeds of District No. 2's 2019 Municipal Bond issuance and an additional \$4,407,500 from Developer advances that are expected to be received by District No. 2 in 2019.

##### **Ad Valorem Property Taxes**

Another source of revenue for the District is property taxes. Property taxes are assessed and collected based upon the assessed value of all of the non-exempt property located within the District. The District adopts mill levies for debt service and for operations which, when combined with the District's other sources of revenue, provide sufficient resources to pay the required debt service (if any), capital purchases and the estimated costs of operations for the calendar year.

Commencing on January 1, 2018, the residential assessment ratio was reduced from 7.96% to 7.20%. Pursuant to the Service Plan and the Gallagher Amendment, the maximum mill levy limit was automatically adjusted by the same ratio, to a maximum of 55.275 mills. The District adopted a mill levy of 55.275 mills for general fund expenditures in 2019.

The total taxable assessed valuation within the District in 2018 was \$5,610, a decrease of \$42,070 from the 2017 valuation.

##### **Specific Ownership Tax**

Specific ownership tax revenue is collected on annual motor vehicle registrations within Weld County and is distributed based upon the proportion of property taxes levied within the County during the preceding calendar year. The specific ownership tax revenue is estimated to be 5% of the ad valorem property taxes collected in 2019.

## **Expenditures**

### **Administrative**

Administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

### **Capital Outlay**

The District anticipates expenditures of \$8,500,000 for capital improvements in 2019.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$365,710, which is intended for use on any unanticipated expenditures in 2019. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.