

SILVERSTONE METROPOLITAN DISTRICT NOS. 1, 2 AND 3

2019 ANNUAL REPORT

TO

THE TOWN OF FREDERICK

Pursuant to the Consolidated Service Plan for the SilverStone Metropolitan District Nos. 1, 2 and 3, (the “**Districts**”) are required to provide an annual report to the Town of Frederick. This joint report is filed with regard to the following matters:

A. A narrative summary of the progress of the Districts in implementing the service plan for the report year.

Demands for new housing development continue to influence timing of projects. As a result, construction of public infrastructure and the financing thereof by the Districts is expected once homebuilders seek lots/acquire land within the Districts.

B. Except when exemption from audit has been granted for the report year under the local government audit law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e. balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the report year. If exemption from audit, the Districts shall provide a copy of the Request for Exemption and the approval from the exemption.

The approved 2019 Audits for District Nos. 1-2 and Audit Exemption for District No. 3 are attached as Exhibit A.

C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.

No significant capital expenditures occurred in 2019. Starting in 2020, and over the next five (5) years, a majority of the public improvement construction is expected.

D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable property within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year.

The Districts did not incur any new financial obligations in 2019; District No. 2 has outstanding indebtedness per its Series 2018 Bonds (as shown in the 2019 Audit attached)

2019 Assessed Value District No. 1: \$2,370.00 with 0 debt service mills imposed for 2019, collection 2020.

2019 Assessed Value District No. 2: \$535,100.00 with 0 debt service mills imposed for 2019, collection 2020.

2019 Assessed Value District No. 3: \$136,950.00 with 0 debt service mills imposed for 2019, collection 2020.

E. The Districts' budgets for the calendar year in which the annual report is submitted.

The 2019 budgets for each District are attached as Exhibit B.

F. A summary of residential and commercial development in the Districts for the report year.

None as explained in Part A above.

G. A summary of all fees, charges, taxes and assessments imposed by the Districts as of January 1 of the report year.

District No. 1 imposed 55.663 mills in 2019 for collection in 2020, District No. 2 imposed 55.663 mills in 2019 for collection in 2020, while District No. 3 imposed 55.663 mills in 2019 for collection in 2020 as reflected on the attached budgets. No fees, charges or assessments were imposed in 2019.

H. Certification of the Boards that no action, event or condition enumerated in Section 14.4 (Material Modification) has occurred in the report year.

See Attached Certificate

I. The name, business address and telephone number of each member of the Boards and the chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards.

Board telephone numbers: (303) 442-2299

<i>Jon R. Lee</i>	<i>President</i>	<i>2500 Arapahoe Ave., #220, Boulder, CO</i>
<i>Michael Strear</i>	<i>Vice Pres.</i>	<i>525 Castle Pines Drive South, Castle Rock, CO</i>
<i>Edward Pluss</i>	<i>Treasurer</i>	<i>608 Locust Street, Denver, Colorado</i>
<i>Steve Rane</i>	<i>Secretary</i>	<i>2500 Arapahoe Ave., #220, Boulder, CO</i>

Regular meetings are scheduled for the 4th Thursday of April and October, 11:00 a.m., 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado.

Chief Administrative Officer – Mr. Steve Rane.

General Legal Counsel – White Bear Ankele Tanaka & Waldron, 2154 E. Commons Avenue, Suite 2000, Centennial, CO 80122; 303-858-1800

Certification

STATE OF COLORADO
COUNTY OF WELD
SILVER STONE METROPOLITAN DISTRICTS NOS. 1, 2 AND 3

White Bear Ankele Tanaka & Waldron, P.C., acting general counsel and authorized representative for the Boards of Directors of the above Districts for the annual report, hereby certifies, on the Boards' behalf, that during the year 2019, no action, event or condition enumerated in Section 14.4 of the Town of Frederick Code took place within the Districts' boundaries or for which the Districts were made aware, which would have required a service plan amendment.

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

White Bear Ankele Tanaka & Waldron

EXHIBIT A
2019 AUDIT EXEMPTION APPLICATIONS

CERTIFICATION OF VALUATION BY WELD COUNTY ASSESSOR

Name of Jurisdiction: 1462 - SILVERSTONE METRO DISTRICT #1

IN WELD COUNTY ON 11/20/2019

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019 IN WELD COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$5,610
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$2,370
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$2,370
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019 IN WELD COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$17
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2019

Data Date: 11/20/2019

CERTIFICATION OF VALUATION BY WELD COUNTY ASSESSOR

Name of Jurisdiction: 1463 - SILVERSTONE METRO DISTRICT #2

IN WELD COUNTY ON 11/20/2019

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019 IN WELD COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$571,670
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$535,100
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$535,100
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019 IN WELD COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$301,040
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$1,988

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->
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\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2019
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Data Date: 11/20/2019

CERTIFICATION OF VALUATION BY WELD COUNTY ASSESSOR

Name of Jurisdiction: 1464 - SILVERSTONE METRO DISTRICT #3

IN WELD COUNTY ON 11/20/2019

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019 IN WELD COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$124,570
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$136,950
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$136,950
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TAVOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019 IN WELD COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$99,141
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: <small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small>	\$0
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2019

Data Date: 11/20/2019

**EXHIBIT B
2019 BUDGETS**

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.

**SILVERSTONE METROPOLITAN DISTRICT NO. 1
GOVERNMENTAL FUND**

	2017	2018		2019 FINAL BUDGET		
	Actual Final	Original Budget	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
REVENUES						
Property taxes	\$ 8,043	\$ 2,636	\$ 2,636	\$ 310	\$ -	\$ 310
Specific ownership taxes	537	132	169	16	-	16
Transfers from Silverstone MD No. 2	505,674	450,000	450,000	9,000,000	-	9,000,000
Transfers from Silverstone MD No. 3	50,000	50,000	-	-	-	-
City reimbursement income	52,122	-	-	-	-	-
Net investment income	620	-	36	-	-	-
Miscellaneous income	-	-	-	-	-	-
Total revenues	\$ 616,996	\$ 502,767	\$ 452,840	\$ 9,000,326	\$ -	\$ 9,000,326
EXPENDITURES						
Current						
Accounting	12,135	25,000	24,622	40,000	-	40,000
Audit	1,300	7,600	7,600	10,000	-	10,000
Director fees	-	100	80	80	-	80
Insurance	2,773	3,005	2,888	2,500	-	2,500
Legal	15,656	25,000	16,442	35,000	-	35,000
Letter of credit fees	-	57,000	-	10,000	-	10,000
Treasurer fees	121	40	40	5	-	5
Other	934	5,000	637	10,350	-	10,350
Transfers to Silverstone MD No. 2	5,095	4,400	1,800	105,000	-	105,000
Transfers to Silverstone MD No. 3	5,091	4,400	1,800	4,400	-	4,400
Subtotal current expenses	\$ 43,105	\$ 131,545	\$ 55,909	\$ 217,335	\$ -	\$ 217,335
Capital outlay	132,050	3,800,000	329,950	8,500,000	-	8,500,000
Total expenditures	\$ 175,155	\$ 3,931,545	\$ 385,859	\$ 8,717,335	\$ -	\$ 8,717,335
(DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 441,841	\$ (3,428,777)	\$ 66,980	\$ 282,991	\$ -	\$ 282,991
OTHER FINANCING SOURCES						
Developer advances	-	3,425,000	-	-	-	-
Change in working capital (AR & AP)	5,627	-	(4,998)	-	-	-
Total other financing sources	\$ 5,627	\$ 3,425,000	\$ (4,998)	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	447,468	(3,777)	61,982	282,991	-	282,991
FUND BALANCE - BEGINNING OF YEAR	311,148	20,737	20,737	82,719	-	82,719
FUND BALANCE - END OF CURRENT PERIOD	\$ 758,616	\$ 16,960	\$ 82,719	\$ 365,710	\$ -	\$ 365,710

SILVERSTONE MD NO. 1 2019 REVENUE PROJECTION	2018 AV, Collected in 2019		
	Certified Assessed Value	Total Mill Levy	Ad Valorem Revenue
Vacant Land	-	55.275	-
Residential	-	55.275	-
Commercial	-	55.275	-
Agricultural	10	55.275	0.55
Oil & Gas	5,600	55.275	309.54
State Assessed	-	55.275	-
	\$ 5,610	55.275	\$ 310.09

2019 MILL LEVY APPROPRIATION	Levy Appropriation	Ad Valorem Revenue	S.O. Revenue	Treasurer's Fees
		\$	5.00%	1.50%
General Fund	55.275	310.09	15.50	4.65
Debt Service	0.000	-	-	-
	55.275	\$ 310.09	\$ 15.50	\$ 4.65

SILVERSTONE METROPOLITAN DISTRICT NO. 2

2019 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, SilverStone Metropolitan District No. 2, 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.

In 2019, the District expects to issue \$5,500,000 in Limited Tax Revenue General Obligation Municipal Bonds ("2019 Bonds") for the purpose of funding capital improvements. A portion of the proceeds from the Bonds will be held by the District in order to fund debt service on the Bonds for a period of 3 years. The remainder of the Bond proceeds will be transferred to District No. 1 in order to defray the cost of all or a portion of the public improvements within the Districts. The Bonds are payable solely from ad valorem property tax revenues and specific ownership tax revenues collected by the Districts.

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

Developer Advances

The District expects to receive \$4,407,500 in advances from Silverstone Development Company, Inc. (the "Developer") in 2019, which the District will transfer to District No. 1 for capital improvements, operations, maintenance and administrative costs.

2019 Municipal Bond Proceeds

The District anticipates receiving the entire \$5,500,000 in proceeds from the 2019 Municipal Bond issuance in 2019.

Ad Valorem Property Taxes

The primary 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 for required debt service, if any, capital purchases and 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 \$571,670, a decrease of \$464,320 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

Transfers to District No. 1

The District will transfer approximately \$4,592,500 from the proceeds of the 2019 Bond issuance and \$4,407,500 from the anticipated Developer advances to District No. 1 in 2019 to pay for costs associated with capital improvements.

Debt Service

In 2019, the District anticipates that it will pay \$302,500 in interest on the 2019 Bonds.

Administrative

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

Reserve Funds

The District has provided for an emergency reserve equal to \$686,590 for 2019. Of this reserve amount, \$605,000 is a required interest reserve on the 2019 Bonds and the remaining \$81,590 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.

**SILVERSTONE METROPOLITAN DISTRICT NO. 2
GOVERNMENTAL FUND**

	2017	2018		2019 FINAL BUDGET		
	Actual Final	Original Budget	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
REVENUES						
Property taxes	\$ 131,123	\$ 57,264	\$ 58,241	\$ 31,599	\$ -	\$ 31,599
Specific ownership taxes	7,716	2,863	2,863	1,580	-	1,580
Transfers from Silverstone MD No. 1	3,528	4,400	4,400	105,000	-	105,000
Transfers from Silverstone MD No. 2	-	-	-	-	-	-
Net investment income	2,972	-	5,349	-	-	-
Miscellaneous income	-	-	-	-	-	-
Total revenues	\$ 145,339	\$ 64,528	\$ 70,853	\$ 138,179	\$ -	\$ 138,179
EXPENDITURES						
Current						
Audit	1,350	1,500	1,500	1,650	-	1,650
Insurance	2,152	2,400	2,130	2,000	-	2,000
Loan origination fees / bond counsel	-	-	-	100,000	-	100,000
Other	26	500	500	1,350	-	1,350
Treasurer fees	1,977	859	884	474	-	474
Transfers to Silverstone MD No. 1	-	450,000	450,000	9,000,000	-	9,000,000
Subtotal current expenses	5,505	455,259	455,013	9,105,474	-	9,105,474
Debt service						
Series 2018A Municipal Bonds						
Principal	-	-	-	-	-	-
Interest	-	-	-	302,500	-	302,500
Developer advances						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Subtotal debt service	-	-	-	302,500	-	302,500
Total expenditures	\$ 5,505	\$ 455,259	\$ 455,013	\$ 9,407,974	\$ -	\$ 9,407,974
(DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 139,834	\$ (390,731)	\$ (384,160)	\$ (9,269,795)	\$ -	\$ (9,269,795)
OTHER FINANCING SOURCES						
Proceeds from bond issuance	-	-	-	5,500,000	-	5,500,000
Proceeds from Developer advances	-	-	-	4,407,500	-	4,407,500
Change in working capital (AR & AP)	(2,131)	-	182	-	-	-
Total other financing sources	\$ (2,131)	\$ -	\$ 182	\$ 9,907,500	\$ -	\$ 9,907,500
NET CHANGE IN FUND BALANCE	137,703	(390,731)	(383,978)	637,705	-	637,705
FUND BALANCE - BEGINNING OF YEAR	332,774	432,863	432,863	48,885	-	48,885
FUND BALANCE - END OF CURRENT PERIOD	\$ 470,478	\$ 42,132	\$ 48,885	\$ 686,590	\$ -	\$ 686,590
	-	-	-			

SILVERSTONE MD NO. 2 2019 REVENUE PROJECTION	2018 AV, Collected in 2019		
	Certified Assessed Value	Total Mill Levy	Ad Valorem Revenue
Vacant Land	-	55.275	-
Residential	-	55.275	-
Commercial	-	55.275	-
Agricultural	21,850	55.275	1,207.76
Oil & Gas	380,770	55.275	21,047.06
State Assessed	169,050	55.275	9,344.24
	\$ 571,670	55.275	\$ 31,599.06

2019 MILL LEVY APPROPRIATION				
	Levy Appropriation	Ad Valorem Revenue	S.O. Revenue	Treasurer's Fees
		\$ 31,599.06	5.00%	1.50%
General Fund	55.275	\$ 31,599.06	\$ 1,579.95	\$ 473.99
Debt Service	0.000	\$ -	\$ -	\$ -
	55.275	\$ 31,599.06	\$ 1,579.95	\$ 473.99

SILVERSTONE METROPOLITAN DISTRICT NO. 3

2019 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, SilverStone Metropolitan District No. 3, 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

Ad Valorem Property Taxes

The primary 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 for required debt service, if any, capital purchases and 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 \$124,570, a decrease of \$98,610 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.

Reserve Funds

The District has provided for an emergency reserve equal to \$65,228, 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.

**SILVERSTONE METROPOLITAN DISTRICT NO. 3
GOVERNMENTAL FUND**

	2017	2018		2019 FINAL BUDGET		
	Actual Final	Original Budget	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
REVENUES						
Property taxes	\$ 27,108	\$ 12,336	\$ 12,336	\$ 6,886	\$ -	\$ 6,886
Specific ownership taxes	1,525	617	524	344	-	344
Transfers from Silverstone MD No. 1	3,527	4,400	4,400	4,400	-	4,400
Net investment income	208	-	836	-	-	-
Miscellaneous income	-	-	-	-	-	-
Total revenues	\$ 32,367	\$ 17,353	\$ 18,096	\$ 11,630	\$ -	\$ 11,630
EXPENDITURES						
Current						
Audit	1,350	1,500	1,500	1,650	-	1,650
Insurance	2,150	2,400	2,130	2,000	-	2,000
Treasurer fees	408	185	188	103	-	103
Other	26	500	500	750	-	750
Transfers to Silverstone MD No. 1	-	50,000	-	-	-	-
Transfers to Silverstone MD No. 2	-	-	-	-	-	-
Total expenditures	\$ 3,934	\$ 54,585	\$ 4,318	\$ 4,503	\$ -	\$ 4,503
(DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 28,433	\$ (37,232)	\$ 13,778	\$ 7,127	\$ -	\$ 7,127
OTHER FINANCING SOURCES						
Developer advances	-	-	-	-	-	-
Change in working capital (AR & AP)	(2,115)	-	1,928	-	-	-
Total other financing sources	\$ (2,115)	\$ -	\$ 1,928	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	26,318	(37,232)	15,706	7,127	-	7,127
FUND BALANCE - BEGINNING OF YEAR	5,381	42,395	42,395	58,101	-	58,101
FUND BALANCE - END OF CURRENT PERIOD	\$ 31,699	\$ 5,163	\$ 58,101	\$ 65,228	\$ -	\$ 65,228

SILVERSTONE MD NO. 3 2019 REVENUE PROJECTION	2018 AV, Collected in 2019		
	Certified Assessed Value	Total Mill Levy	Ad Valorem Revenue
Vacant Land	-	55.275	-
Residential	-	55.275	-
Commercial	-	55.275	-
Agricultural	4,230	55.275	233.81
Oil & Gas	77,040	55.275	4,258.39
State Assessed	43,300	55.275	2,393.41
Total	\$ 124,570	55.275	\$ 6,885.61

2019 MILL LEVY APPROPRIATION	Levy Appropriation	Ad Valorem Revenue	S.O. Revenue	Treasurer's Fees
		\$		
General Fund	55.275	6,885.61	344.28	103.28
Debt Service	0.000	-	-	-
Total	55.275	\$ 6,885.61	\$ 344.28	\$ 103.28