

**SABELL METROPOLITAN DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

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

1/24/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 6,093,577
REVENUES			
Bond Proceeds - Series 2020A	-	7,395,000	-
Bond Proceeds - Series 2020A Premium	-	436,527	-
Bond Proceeds - Series 2020B(3)	-	1,816,000	-
Interest income	-	31,000	9,000
Developer advance	-	4,094,982	3,556,000
Property taxes	-	21	108,052
Specific ownership taxes	-	2	7,563
Operations fees	-	-	13,320
Transfer fees	-	-	44,400
Other revenue	-	173	-
Total revenues	-	13,773,705	3,738,335
TRANSFERS IN	-	1,704,079	6,500
Total funds available	-	15,477,784	9,838,412
EXPENDITURES			
General Fund	-	50,000	75,000
Special Revenue Fund	-	-	62,400
Debt Service Fund	-	273,204	380,000
Capital Projects Fund	-	7,356,924	8,162,602
Total expenditures	-	7,680,128	8,680,002
TRANSFERS OUT	-	1,704,079	6,500
Total expenditures and transfers out requiring appropriation	-	9,384,207	8,686,502
ENDING FUND BALANCES	\$ -	\$ 6,093,577	\$ 1,151,910
EMERGENCY RESERVE	\$ -	\$ -	\$ 800
SPECIAL REVENUE RESERVE	-	-	1,800
SURPLUS FUND	-	600,829	682,514
CAPITALIZED INTEREST FUND	-	836,046	466,296
TOTAL RESERVE	\$ -	\$ 1,436,975	\$ 1,151,410

No assurance provided. See summary of significant assumptions.

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

1/24/21

ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
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**ASSESSED VALUATION**

Vacant land	-	\$ 286	\$ 1,493,200
Certified Assessed Value	\$ -	\$ 286	\$ 1,493,200

**MILL LEVY**

General	0.000	72.363	16.699
Debt Service	0.000	0.000	55.664
Total mill levy	0.000	72.363	72.363

**PROPERTY TAXES**

General	\$ -	\$ 21	\$ 24,935
Debt Service	-	-	83,117
Budgeted property taxes	\$ -	\$ 21	\$ 108,052

**BUDGETED PROPERTY TAXES**

General	\$ -	\$ 21	\$ 24,935
Debt Service	-	-	83,117
	\$ -	\$ 21	\$ 108,052

No assurance provided. See summary of significant assumptions.

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

1/24/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 100
REVENUES			
Developer advance	-	49,904	56,000
Property taxes	-	21	24,935
Specific ownership taxes	-	2	1,745
Other revenue	-	173	-
Total revenues	<u>-</u>	<u>50,100</u>	<u>82,680</u>
Total funds available	<u>-</u>	<u>50,100</u>	<u>82,780</u>
EXPENDITURES			
General and administrative			
Accounting	-	20,000	30,000
Audit	-	-	5,000
Dues and licenses	-	500	500
Insurance and bonds	-	2,000	2,500
Legal services	-	25,000	35,000
Election expense	-	1,500	-
Contingency	-	1,000	1,626
Total expenditures	<u>-</u>	<u>50,000</u>	<u>75,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>6,500</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>50,000</u>	<u>81,500</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 1,280</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 800</u>

No assurance provided. See summary of significant assumptions.

**SABELL METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Operations fees	-	-	13,320
Transfer fees	-	-	44,400
Total revenues	<u>-</u>	<u>-</u>	<u>57,720</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>6,500</u>
Total funds available	<u>-</u>	<u>-</u>	<u>64,220</u>
EXPENDITURES			
Operations and maintenance			
Repairs and maintenance	-	-	4,500
District management	-	-	22,400
Landscaping	-	-	10,000
Trash removal	-	-	10,000
Snow removal	-	-	10,000
Utilities	-	-	5,000
Miscellaneous	-	-	500
Total expenditures	<u>-</u>	<u>-</u>	<u>62,400</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>62,400</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,820</u>
SPECIAL REVENUE RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,800</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,800</u>

No assurance provided. See summary of significant assumptions.

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

1/24/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 1,436,875
REVENUES			
Property taxes	-	-	83,117
Specific ownership taxes	-	-	5,818
Interest income	-	6,000	3,000
Total revenues	-	6,000	91,935
TRANSFERS IN			
Transfers from other funds	-	1,704,079	-
Total funds available	-	1,710,079	1,528,810
EXPENDITURES			
Debt Service			
Paying agent fees	-	-	3,000
Contingency	-	-	6,003
Bond interest - Series 2020A	-	273,204	369,750
Total expenditures	-	273,204	380,000
Total expenditures and transfers out requiring appropriation	-	273,204	380,000
ENDING FUND BALANCE	\$ -	\$ 1,436,875	\$ 1,148,810
SURPLUS FUND	\$ -	\$ 600,829	\$ 682,514
CAPITALIZED INTEREST FUND	-	836,046	466,296
TOTAL RESERVE	\$ -	\$ 1,436,875	\$ 1,148,810

No assurance provided. See summary of significant assumptions.

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

1/24/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 4,656,602
<b>REVENUES</b>			
Bond Proceeds - Series 2020A	-	7,395,000	-
Bond Proceeds - Series 2020A Premium	-	436,527	-
Bond Proceeds - Series 2020B(3)	-	1,816,000	-
Interest income	-	25,000	6,000
Developer advance	-	4,045,078	3,500,000
Other revenue	-	-	-
Total revenues	-	13,717,605	3,506,000
Total funds available	-	13,717,605	8,162,602
<b>EXPENDITURES</b>			
Bond issue costs	-	483,374	-
Regional Contribution	-	-	1,174,787
Repay developer advance	-	2,818,552	3,477,815
Engineering	-	9,920	10,000
Capital outlay	-	4,045,078	3,500,000
Total expenditures	-	7,356,924	8,162,602
<b>TRANSFERS OUT</b>			
Transfers to other fund	-	1,704,079	-
	-	1,704,079	-
Total expenditures and transfers out requiring appropriation	-	9,061,003	8,162,602
ENDING FUND BALANCE	\$ -	\$ 4,656,602	\$ -

No assurance provided. See summary of significant assumptions.

**SABELL METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Sabell Metropolitan District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by Court Order and Decree of the District Court on January 24, 2019, and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District's service area is location in Jefferson County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$30,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts' service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District has no employees and all administrative functions are contractual.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1- 105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Developer Advances**

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. The Developer is also expected to construct or cause to construct public improvements on behalf of the District. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the property tax summary information page of the budget.



**SABELL METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.25%.

**Operations fees**

The District imposes an Operations Fee on all residential units within the boundaries of the District to fund operating costs. The Operations Fee is a recurring payment of \$360 per unit per year.

**Transfer fees**

The District imposes a Transfer fee of \$600 upon on each transfer of a residential unit to an end user, including single family and multi-family dwellings and excluding apartments.

**Expenditures**

**General and Administrative Expenditures**

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

**Debt Service**

Principal and interest payments in 2021 are provided based on the debt amortization schedule from the Series 2020A Bonds (discussed under Debts and Leases). There is no debt amortization schedule provided for the Series 2019B Subordinate Bonds as the Bond is a cash flow bond and the timing of the payments are unknown.

**Capital Outlay**

The District anticipates capital outlay as outlined in the Capital Project Fund.

Pursuant to the Amended and Restated Intergovernmental Agreement between the District and the City of Arvada (the City) dated December 7<sup>th</sup>, 2020, the District will fund a Regional Contribution of \$1,174,787 that the City will use to partially fund construction of regionally significant public improvements.

**SABELL METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Series 2020 Bonds**

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A on March 5, 2020, in the par amount of \$7,395,000 (the Senior Bonds). The District also issued Subordinate Limited Tax General Obligation Bonds, Series 2020B(3) on March 5, 2020, in the par amount of \$1,816,000 (the Subordinate Bonds). Proceeds from the sale of the Senior Bonds were used to: (i) finance public improvements related to the Development; (ii) fund capitalized interest on the Senior Bonds; (iii) partially fund the Senior Surplus Fund; and (iv) pay the costs of issuance of the Senior Bonds and certain costs of issuance of the Subordinate Bonds. Proceeds from the sale of the Subordinate Bonds were used to: (i) finance additional public improvements related to the Development; and (ii) pay certain other costs of issuance of the Subordinate Bonds.

Senior Bond Details

The Senior Bonds bear interest at 5.0%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 (“Interest Payment Dates”), beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds mature on December 1, 2050. To the extent principal of any 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 Senior Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the Senior Bonds. Any amount of unpaid principal of or interest on the 2020A Senior Bonds shall be deemed discharged on December 2, 2060.

Senior Pledged Revenue

The Senior Bonds are secured by and payable from the Senior Pledged Revenue, which means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (a) the Senior Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Subordinate Bonds Details

The Subordinate Bonds bear interest at a rate of 8.25% per annum and are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the Subordinate Bonds prior to their maturity date. Instead, principal is payable on each December 15 from the available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. Interest on the Subordinate Bonds is payable on each December 15, commencing December 15, 2020, to the extent of the Subordinate Pledged Revenue and accrued unpaid interest on the Subordinate Bonds will compound annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment.

Payment of principal of and interest on the Subordinate Bonds is subordinate to the annual payment of debt service on the Senior Bonds and to the funding of the Senior Surplus Fund. In the event that any amount of principal of or interest on the Subordinate Bonds remains unpaid on December 16, 2060, the Subordinate Bonds will be deemed discharged.

**SABELL METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County, which includes: (a) the Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax resulting from the Subordinate Required Mill Levy; (c) the amounts, if any, in the Senior Surplus Fund released to the District pursuant to the Senior Indenture; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue

Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>ate of Redemption</u>	<u>edemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 28, 2028	1.00
March 1, 2028, and thereafter	0.00

Senior Required Mill Levy

Pursuant to the Senior Indenture, prior to the Conversion Date the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount sufficient pay the Senior Bonds as they come due, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017), and (ii) for so long as the Senior Surplus Fund is required to be maintained and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount.

On and after the Conversion Date, the Senior Required Mill Levy will be an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and, without limitation of rate and in amounts sufficient to make such payments and replenishments when due.

Conversion Date

Conversion Date means the date that the Debt to Assessed Ratio is 50% or less and no payments of principal or interest on the Bonds are past due and the amount on deposit in the Senior Surplus Fund is not less than the initial deposit in the Senior Surplus Fund.

**SABELL METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Debt to Assessed Ratio

The Debt to Assessed Ratio is derived by dividing the District's then-outstanding principal amount of all debt of the District to which property taxes are pledged by the assessed valuation of the taxable property of the District. For purposes of the forecast, the current year Debt to Assessed Ratio is calculated based on the outstanding debt as of December 2 of the current year and the assessed valuation for the subsequent year.

Subordinate Required Mill Levy

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy in the amount of (i) 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017) less the Senior Bond Required Mill Levy. It is the intent that if the amount of the Senior Required Mill Levy equals or exceeds 50 mills in any year, adjusted for changes, the Subordinate Required Mill Levy for that year shall be zero.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2021 as defined under TABOR.

**Debt Service Reserve (Surplus Fund)**

The District is required to maintain a Surplus Fund from funds that exceed the current year debt service requirements as outlined in the terms of the Bonds. The Surplus Fund is not to exceed \$1,479,000 and shall be drawn in the event Pledged Revenues are insufficient to cover current year debt service requirements.

**This information is an integral part of the accompanying budget.**

**SABELL METROPOLITAN DISTRICT**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**MANDATORY REDEMPTION SCHEDULE**  
**\$7,395,000 Limited Tax (Convertible to Unlimited Tax)**  
**General Obligation Bonds**

**Series 2020A, Dated March 5, 2020**  
**Principal Due December 1**  
**Interest at 5.0%**  
**Payable June 1 and December 1**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ -	\$ 369,750	\$ 369,750
2022	-	369,750	369,750
2023	-	369,750	369,750
2024	15,000	369,750	384,750
2025	85,000	369,000	454,000
2026	95,000	364,750	459,750
2027	100,000	360,000	460,000
2028	115,000	355,000	470,000
2029	120,000	349,250	469,250
2030	135,000	343,250	478,250
2031	145,000	336,500	481,500
2032	160,000	329,250	489,250
2033	170,000	321,250	491,250
2034	185,000	312,750	497,750
2035	195,000	303,500	498,500
2036	215,000	293,750	508,750
2037	225,000	283,000	508,000
2038	250,000	271,750	521,750
2039	260,000	259,250	519,250
2040	285,000	246,250	531,250
2041	300,000	232,000	532,000
2042	325,000	217,000	542,000
2043	340,000	200,750	540,750
2044	370,000	183,750	553,750
2045	385,000	165,250	550,250
2046	415,000	146,000	561,000
2047	435,000	125,250	560,250
2048	470,000	103,500	573,500
2049	495,000	80,000	575,000
2050	1,105,000	55,250	1,160,250
<b>Total</b>	<b>\$7,395,000</b>	<b>\$8,086,250</b>	<b>\$15,481,250</b>

No assurance provided. See summary of significant assumptions.