

SORREL RANCH METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

<https://sorrelranchmd.colorado.gov>

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Mark Selden	President	2025/May 2025
Rebecca Stricker	Treasurer	2027/May 2027
David Bourne	Assistant Secretary	2027/May 2027
<i>VACANT</i>		2025/May 2025
<i>VACANT</i>		2025/May 2025
David Solin	Secretary (Non-Elected Position)	

DATE: March 25, 2024

TIME: 6:30 p.m.

PLACE: **THIS MEETING WILL BE HELD VIA ZOOM**

Join Zoom Meeting

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

Meeting ID: 546 911 9353

Passcode: 912873

Dial: 1-719-359-4580

I. ADMINISTRATIVE MATTERS

A. Present disclosures of potential conflicts of interest.

B. Confirm quorum, location of meeting and posting of meeting notice, and designate 24-hour posting location. Approve agenda.

C. Review and consider approval of Minutes from the November 6, 2023 Special Board Meeting, and the November 6, 2023 Statutory Annual Meeting (enclosure).

D. Discuss vacancies on the Board

II. PUBLIC COMMENTS

A. Public Comment.

Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

III. FINANCIAL MATTERS

A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period Ending Nov. 30, 2023	Period Ending Dec. 31, 2023	Period Ending January 31, 2024	Period Ending February 29, 2024
General	\$ 3,050.85	\$ 6,057.58	\$ 3,978.17	\$ 3,906.94
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 3,050.85	\$ 6,057.58	\$ 3,978.17	\$ 3,906.94

B. Review and accept the unaudited financial statements through December 31, 2023 (enclosure).

C. Discuss statutory requirements for an Audit. Consider ratification of engagement of Tatton and Company, LLC to perform the 2023 Audit, in an amount not to exceed \$7,400 (enclosure).

D. Discuss infrastructure improvements/construction project with Sorrel Ranch Homeowner's Association and possible District funding for same (enclosure).

IV. LEGAL MATTERS

A. _____

VI. OTHER MATTERS

A. _____

VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 4, 2024.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SORREL RANCH METROPOLITAN DISTRICT HELD NOVEMBER 6, 2023

A Special Meeting of the Board of Directors (the “Board”) of the Sorrel Ranch Metropolitan District (referred to hereafter as the “District”) was convened on Monday, November 6, 2023 at 6:30 p.m. via video/telephone conference on Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Mark Selden
David Bourne
Rebecca Stricker

Also In Attendance Were:

David Solin; Special District Management Services, Inc.
Megan Becher, Esq.; McGeady Becher P.C.
Tom George, Esq. and Danielle Kaiser, Esq.; Spencer Fane LLP (for a portion of the meeting)
Laci Knowles; D.A. Davidson & Co. (for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

A quorum of the Board was confirmed.

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. It was noted that all members of the Board are residents of the District.

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin distributed for the Board’s review and approval, a proposed Agenda for the District’s Special Meeting.

Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote unanimously carried, the Agenda was approved.

Meeting Location: The Board entered into discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District’s Board meeting. Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote unanimously carried, the Board

RECORD OF PROCEEDINGS

determined to conduct the meeting via Zoom. The Board further noted that notice of the time, date, location and Zoom information was duly posted and that they have not received any objections, or any requests that the means of hosting the meeting be changed by taxpaying electors within the boundaries of the District.

24-Hour Posting Location: Following discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted at least 24-hours prior to each meeting on the District's website at: <https://sorrelranchmd.colorado.gov/>. If posting on the website is unavailable, notice will be posted at the corner of East Alexander Drive and South Buchanan Street, Aurora, Colorado.

Resignation and Appointment of Secretary to the Board: Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote unanimously carried, the Board acknowledged the resignation of James Ruthven as Secretary to the Board and appointed David Solin as Secretary to the Board.

May 2, 2023 Election: Mr. Solin advised the Board that the May 2, 2023 election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were not more candidates than positions available on the Board of Directors. It was noted that Directors Bourne and Stricker were each deemed elected to 4-year terms ending in May, 2027.

Board Vacancy: The Board discussed the vacancies on the Board of Directors. It was noted that there are no known qualified, interested candidates at this time.

Appointment of Officers: Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote unanimously carried, the following slate of officers were appointed:

President	Mark Selden
Treasurer	Rebecca Stricker
Secretary	David Solin (non-elected)
Assistant Secretary	David Bourne

Minutes of November 1, 2022 Special Meeting: The Board reviewed the Minutes of the November 1, 2022 Special Meeting.

Following review and discussion, upon motion duly made by Director Selden, seconded by Director Bourne and, upon vote unanimously carried, the Board approved the Minutes of the November 1, 2022 Special Meeting.

RECORD OF PROCEEDINGS

Resolution Establishing 2024 Regular Meeting Dates, Time, and Location, and Designating Location for Posting of 24-Hour Notices: The Board discussed the business to be conducted in 2024. Following discussion, upon motion duly made by Director Selden, seconded by Director Stricker, and upon vote unanimously carried, the Board adopted Resolution Establishing Regular Meeting Dates, Time, and Location, and Designating Location for Posting of 24-Hour Notices and determined to hold the 2024 meeting on November 4, 2024 at 6:30 p.m. via video/teleconference.

Section 32-1-809, C.R.S. Requirements (Transparency Notice): The Board discussed the special district transparency requirements of Section 32-1-809, C.R.S. Following discussion, the Board directed District Management to post the special district transparency notice on the Special District Association website and the District website.

Insurance Matters:

Cyber Security and Increased Crime Coverage: Attorney Becher discussed cyber security issues and increased crime coverage options with the Board.

Following discussion, upon motion duly made by Director Selden, seconded by Director Stricker and, upon vote unanimously carried, the Board approved an increase in Crime Coverage to \$250,000.

Insurance Committee: The Board discussed establishing an Insurance Committee to make final determinations regarding insurance. The Board determined this was not necessary.

District's Insurance and Special District Association Membership: The Board discussed the renewal of the District's Insurance and Special District Association ("SDA") membership for 2024.

Following discussion, upon motion duly made by Director Selden, seconded by Director Stricker and, upon vote unanimously carried, the Board authorized the renewal of the District's insurance and SDA membership for 2024.

PUBLIC COMMENT

There were no public comments.

**SARIA
PRESENTATION**

Request from South Aurora Regional Improvement Authority: Attorney George presented to the Board a request from the South Aurora Regional Improvement Authority to revise the District's Service Plan relative to the ARI Mill Levy to facilitate a future bond issuance.

RECORD OF PROCEEDINGS

Resolution Approving Service Plan Amendment: The Board reviewed the proposed Amendment to the District’s Service Plan and Resolution Approving Service Plan Amendment.

Following discussion, upon motion duly made by Director Selden, seconded by Director Stricker and, upon vote unanimously carried, the Board adopted Resolution Approving Service Plan Amendment.

Necessary Actions to Amend the Service Plan: The Board discussed and authorized the consultants to proceed with all necessary actions to amend the Service Plan.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending Nov. 30, 2022	Period Ending Dec. 31, 2022	Period Ending January 31, 2023	Period Ending February 28, 2023
General	\$ 8,530.15	\$ 6,131.85	\$ 2,077.17	\$ 1,842.50
Debt Service	\$ 400.00	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 8,930.15	\$ 6,131.85	\$ 2,077.17	\$ 1,842.50

Fund	Period Ending March 31, 2023	Period Ending April 30, 2023	Period Ending May 31, 2023	Period Ending June 30, 2023
General	\$ 3,417.48	\$ 1,426.15	\$ 2,070.29	\$ 2,860.51
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 3,417.48	\$ 1,426.15	\$ 2,070.29	\$ 2,860.51

Fund	Period Ending July 31, 2023	Period Ending Aug. 30, 2023	Period Ending Sept. 30, 2023	Period Ending Oct. 31, 2023
General	\$ 1,219.51	\$ 3,042.03	\$ 3,309.63	\$ 24,363.74
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ 13,109.51	\$ -0-
Total Claims	\$ 1,219.51	\$ 3,042.03	\$ 16,419.14	\$ 24,363.74

Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote unanimously carried, the Board ratified approval of the payment of claims.

Financial Statements: Mr. Solin reviewed with the Board the unaudited financial statements through September 30, 2023.

Following discussion, upon motion duly made by Director Bourne, seconded by Director Stricker and, upon vote unanimously carried, the Board accepted the unaudited financial statements through September 30, 2023.

2022 Audit: Mr. Solin reviewed the 2022 Audited Financial Statements with the Board.

RECORD OF PROCEEDINGS

Following review and discussion, upon motion duly made by Director Bourne, seconded by Director Stricker and, upon vote unanimously carried, the Board ratified approval of the 2022 Audited Financial Statements and authorization of execution of the Representations Letter.

2023 Audit: Mr. Solin reported to the Board that the accounting team has requested proposals from several auditors. The Board deferred this matter.

Infrastructure Improvements/Construction Project with Sorrel Ranch Homeowner's Association: The Board discussed potential District contributions to the Sorrel Ranch Homeowner's Association (the "Association"). The Board directed Director Selden to reach out to the Association for proposals for use of funds for the proposed work. Attorney Becher noted that an agreement will be needed for the District to provide said contributions.

2023 Budget Amendment Hearing: The President opened the Public Hearing to consider an Amendment to the 2023 Budget.

It was noted that publication of a Notice stating that the Board would consider amending the 2023 Budget and the date, time and location of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this Public Hearing. No public comments were received and the Public Hearing was closed.

The Board determined that an amendment to the 2023 Budget was not necessary.

2024 Budget Hearing: The President opened the Public Hearing to consider the proposed 2024 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2024 Budget and the date, time and location of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this Public Hearing. No public comments were received and the Public Hearing was closed.

Mr. Solin reviewed the estimated 2023 expenditures and the proposed 2024 expenditures.

Upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote unanimously carried, the Board approved the 2024 Budget, as discussed, and considered adoption of Resolution to Adopt the 2024 Budget and Appropriate Sums of Money and Resolution to Set Mill Levies (4.000 mills in the General Fund, 28.154 mills in the Debt Service Fund, and 1.302 mills for contractual obligations, for a total mill levy of 33.456 mills.) Following discussion, upon vote unanimously carried, the Board adopted the Resolutions and

RECORD OF PROCEEDINGS

authorized execution of the Certification of Budget. The District Accountant was directed to transmit the Certification of Tax Levies to the Board of County Commissioners of Arapahoe County not later than January 10, 2024. District Counsel was directed to transmit the Certification of Budget to the Division of Local Government no later than January 31, 2024. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: Following review and discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote unanimously carried, the Board adopted Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

2025 Budget Preparation: Following discussion, upon motion duly made by Director Bourne, seconded by Director Selden and, upon vote unanimously carried, the Board appointed the District Accountant to prepare the 2025 Budget and set the Budget Hearing to consider adoption of the 2025 Budget for November 4, 2024 at 6:30 p.m. via Zoom.

LEGAL MATTERS

Resolution Amending Policy on Colorado Open Records Act Requests: Following review and discussion, upon motion duly made by Director Stricker, seconded by Director Bourne and, upon vote unanimously carried, the Board adopted the Resolution Amending Policy on Colorado Open Records Act Requests.

OTHER MATTERS

There were no other matters to discuss.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Bourne, seconded by Director Stricker and, upon vote unanimously carried, the meeting was adjourned.

RECORD OF PROCEEDINGS

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF THE STATUTORY ANNUAL MEETING OF THE SORREL RANCH METROPOLITAN DISTRICT (THE “DISTRICT”) HELD NOVEMBER 6, 2023

Pursuant to Section 32-1-903(6), C.R.S., a statutory annual meeting of the Sorrel Ranch Metropolitan District was convened on November 6, 2023, at 6:15 p.m., via Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Mark Selden
David Bourne
Rebecca Stricker

Also In Attendance Were:

David Solin; Special District Management Services, Inc.
Megan Becher Esq.; McGeady Becher P.C.

ANNUAL MEETING ITEMS

Confirmation of Posting of Annual Meeting Notice: It was noted for the record that notice of the time, date and location of the annual meeting was duly posted on the District’s website and that no objections to the means of hosting the meeting by taxpaying electors within the District’s boundaries have been received.

Presentation Regarding the Status of the Public Infrastructure Projects Within the District and Outstanding Bonds: The District consultants presented information regarding the status of public infrastructure projects within the District, including the status of outstanding bonds.

Unaudited Financial Statements, Including Year-to-Date Revenue and Expenditures of the District in Relation to its Adopted Budget, for the Calendar Year: The District Manager presented the District’s Unaudited Financial Statements, including year-to-date revenue and expenditures of the District in relation to the District’s adopted budget, for the calendar year.

Public Questions: There were no public questions.

CONCLUSION

There being no further business, the statutory annual meeting was concluded.

Respectfully submitted,

By _____
Secretary for the Annual Meeting

Sorrel Ranch Metropolitan District
Nov. 2023

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Aurora Media Group	106643	10/23/2023	11/7/2023	\$ 120.85	Miscellaneous	17480
Special District Management Services, Inc	10.2023	10/31/2023	10/31/2023	\$ 1,589.00	Accounting	17000
Special District Management Services, Inc	10.2023	10/31/2023	10/31/2023	\$ 941.00	District Management	17440
UMB Bank N.A.	959871	10/16/2023	10/16/2023	\$ 400.00	Paying agent / trustee fees	27560
				\$ 3,050.85		

Sorrel Ranch Metropolitan District
November-23

	General	Debt	Capital	Totals
Disbursements	\$ 3,050.85			\$ 3,050.85
Payroll				\$ -
<u>Total Disbursements from Checking</u>	<u>\$ 3,050.85</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,050.85</u>

Sorrel Ranch Metropolitan District
December-23

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
McGeady Becher PC	659B 10.2023	10/31/2023	10/31/2023	\$ 3,748.93	Legal Services	17460
Special District Management Services, Inc	11.2023	11/30/2023	11/30/2023	\$ 695.00	Accounting	17000
Special District Management Services, Inc	11.2023	11/30/2023	11/30/2023	\$ 1,336.60	District Management	17440
				\$ 5,780.53		

Funds Available
12.8.23
Jim Rutledge

Released
1.3.24
Chu

Report Criteria:
Includes the following check types:
Manual, Payroll, Supplemental, Termination, Void
Includes unprinted checks

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	Description	GL Account	Amount	D	
12/08/2023	PC <i>m</i>	12/08/2023	91041	Selden, Mark A	4		1-1010	92.35-		
12/08/2023	PC <i>m</i>	12/08/2023	91042	Bourne, David	7		1-1010	92.35-		
12/08/2023	PC <i>m</i>	12/08/2023	91043	Stricker, Rebecca	10		1-1010	92.35-		
Grand Totals:								<u>277.05-</u>		
			<u>3</u>							

Report Criteria:

Includes the following check types:

Manual, Payroll, Supplemental, Termination, Void

Includes unprinted checks

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	Description	GL Account	Amount	D
12/08/2023	PC	12/08/2023	91041	Selden, Mark A	4		1-1010	92.35-	
12/08/2023	PC	12/08/2023	91042	Bourne, David	7		1-1010	92.35-	
12/08/2023	PC	12/08/2023	91043	Stricker, Rebecca	10		1-1010	92.35-	
Grand Totals:								277.05-	
			3						

Sorrel Ranch Metropolitan District
December-23

	General	Debt	Capital	Totals
Disbursements	\$ 5,780.53			\$ 5,780.53
Payroll	\$ 277.05			\$ 277.05
Total Disbursements from Checking	\$ 6,057.58	\$ -	\$ -	\$ 6,057.58

Sorrel Ranch Metropolitan District
January-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
McGeady Becher PC	6598 11-2023	11/30/2023	11/30/2023	\$ 2,875.97	Legal Services	17460
Special District Management Services, Inc	Dec-23	12/31/2023	12/31/2023	\$ 649.20	Accounting	17000
Special District Management Services, Inc	Dec-23	12/31/2023	12/31/2023	\$ 453.00	District Management	17440
				\$ 3,978.17		

Sorrel Ranch Metropolitan District
January-24

	General	Debt	Capital	Totals
Disbursements	\$ 3,978.17			\$ 3,978.17
Payroll				\$ -
<u>Total Disbursements from Checking</u>	<u>\$ 3,978.17</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,978.17</u>

Sorrel Ranch Metropolitan District
February-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
McGeady Becher PC	659B 12.2023	12/31/2023	12/31/2023	\$ 931.70	Legal Services	17460
Special District Management Services, Inc	1.2024	1/31/2024	1/31/2024	\$ 2,201.70	Accounting	17000
Special District Management Services, Inc	1.2024	1/31/2024	1/31/2024	\$ 773.54	District Management	17440
				\$ 3,906.94		

Sorrel Ranch Metropolitan District
February-24

	General	Debt	Capital	Totals
Disbursements	\$ 3,906.94			\$ 3,906.94
Payroll				\$ -
<u>Total Disbursements from Checking</u>	<u>\$ 3,906.94</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,906.94</u>

SORREL RANCH METROPOLITAN DISTRICT
Schedule of Cash Position
December 31, 2023

	Rate	Operating	Debt Service	Capital Projects	Total
Checking:					
FirstBank - Checking		\$ 8,478.73	\$ 1,744.71	\$ -	\$ 10,223.44
Investments:					
Csafe	5.4900%	472,594.28	420,602.39	57,236.07	950,432.74
TOTAL FUNDS:		\$ 481,073.01	\$ 422,347.10	\$ 57,236.07	\$ 960,656.18

2023 Mill Levy Information

General Fund	6.000
Debt Service Fund	42.500
SARIA	1.144
Total	49.644

Board of Directors

* Mark Selden
* David Bourne
Rebecca Stricker

David Solin

*authorized signer on checking account

SORREL RANCH METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

December 31, 2023

SORREL RANCH METROPOLITAN DISTRICT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2023

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL MEMO ONLY</u>
Assets					
FirstBank - Checking	\$ 8,479	\$ 1,745	\$ -	\$ -	\$ 10,223
Csafe	472,594	420,602	57,236	-	950,433
Property Taxes Receivable	125,333	882,156	40,796	-	1,048,285
Cash with County Treasurer	597	4,226	114	-	4,937
Prepaid Insurance	3,121	-	-	-	3,121
Total Current Assets	<u>610,124</u>	<u>1,308,729</u>	<u>98,146</u>	<u>-</u>	<u>2,016,999</u>
Other Debits					
Amount in Debt Service Fund	-	-	-	426,572	426,572
Amount to be Provided for Debt	-	-	-	15,620,010	15,620,010
Total Other Debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,046,582</u>	<u>16,046,582</u>
Total Assets	<u>\$ 610,124</u>	<u>\$ 1,308,729</u>	<u>\$ 98,146</u>	<u>\$ 16,046,582</u>	<u>\$ 18,063,581</u>
Liabilities					
Accounts Payable	\$ 14,910	\$ -	\$ -	\$ -	\$ 14,910
Payroll Payable	138	-	-	-	138
FICA Payable	(199)	-	-	-	(199)
Due to TOUSA	47,300	-	-	-	47,300
Series 2020 Bonds	-	-	-	12,210,000	12,210,000
Series 2020 Bond Premium	-	-	-	1,258,346	1,258,346
Developer Adv - Operating	-	-	-	289,574	289,574
Developer Adv - Capital	-	-	-	1,001,287	1,001,287
Accrued Interest - Op Advance	-	-	-	289,811	289,811
Accrued Interest - Capital Adv	-	-	-	997,564	997,564
Total Liabilities	<u>62,149</u>	<u>-</u>	<u>-</u>	<u>16,046,582</u>	<u>16,108,731</u>
Deferred Inflows of Resources					
Deferred Property Taxes	125,333	882,156	40,796	-	1,048,285
Total Deferred Inflows of Resources	<u>125,333</u>	<u>882,156</u>	<u>40,796</u>	<u>-</u>	<u>1,048,285</u>
Fund Balance					
Fund Balance	356,547	226,562	1,694	-	584,803
Current Year Earnings	66,095	200,011	55,656	-	321,761
Total Fund Balances	<u>422,642</u>	<u>426,572</u>	<u>57,350</u>	<u>-</u>	<u>906,565</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 610,124</u>	<u>\$ 1,308,729</u>	<u>\$ 98,146</u>	<u>\$ 16,046,582</u>	<u>\$ 18,063,581</u>

SORREL RANCH METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 12 Months Ending
December 31, 2023
General Fund

Account Description	Period Actual	YTD Actual	Budget	Favorable (Unfavorable) Variance	% of Budget
Revenues					
Property Taxes	\$ 388	\$ 140,611	\$ 140,611	\$ 0	100.0%
Specific ownership tax	2,951	9,214	8,437	777	109.2%
Interest Income	3,082	20,653	10,000	10,653	206.5%
Administrative Fee	-	-	15,000	(15,000)	0.0%
Total Revenues	<u>6,421</u>	<u>170,478</u>	<u>174,048</u>	<u>(3,570)</u>	<u>97.9%</u>
Expenditures					
Accounting	4,702	12,355	13,000	645	95.0%
Audit Fees	10,000	10,000	7,500	(2,500)	133.3%
County Treasurer fees	6	2,110	2,109	(1)	100.1%
Director's Fees	100	100	1,600	1,500	6.3%
Dues & Membership	200	515	350	(165)	147.1%
Election Expense	16	1,676	1,500	(176)	111.7%
Insurance and Bonds	-	3,271	4,000	729	81.8%
District Management	2,994	6,660	13,000	6,340	51.2%
Legal Services	9,081	14,793	22,000	7,207	67.2%
Payroll taxes	22	22	122	101	17.6%
Miscellaneous	404	1,189	500	(689)	237.8%
Contingency	-	-	20,000	20,000	0.0%
Total Expenditures	<u>27,524</u>	<u>52,690</u>	<u>85,681</u>	<u>32,991</u>	<u>61.5%</u>
Excess (Deficiency) of Revenues Over Expenditures	(21,104)	117,787	88,367	29,421	
Transfers and Other Sources (Uses)					
Emergency Reserve	-	-	(5,000)	5,000	
Transfer to other fund	(51,692)	(51,692)	-	(51,692)	
Total Transfers and Other Sources (Uses)	<u>(51,692)</u>	<u>(51,692)</u>	<u>(5,000)</u>	<u>(46,692)</u>	
Change in Fund Balance	(72,796)	66,095	83,367	(17,271)	
Beginning Fund Balance	495,438	356,547	357,606	(1,059)	
Ending Fund Balance	<u>\$ 422,642</u>	<u>\$ 422,642</u>	<u>\$ 440,972</u>	<u>\$ (18,330)</u>	

SORREL RANCH METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 12 Months Ending
December 31, 2023
Debt Service Fund

<u>Account Description</u>	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Prpoerty Taxes	\$ 2,752	\$ 995,998	\$ 995,997	\$ 1	100.0%
Specific Ownership Tax	20,900	65,263	59,760	5,503	109.2%
Interest Income	14,179	38,724	-	38,724	-
Total Revenues	<u>37,830</u>	<u>1,099,984</u>	<u>1,055,757</u>	<u>44,227</u>	<u>104.2%</u>
Expenditures					
County Treasurer's fee	44	14,948	14,940	(8)	100.1%
Paying agent / trustee fees	400	400	2,500	2,100	16.0%
Interest expense - bonds	234,813	469,625	469,625	-	100.0%
Bond Principal	415,000	415,000	415,000	-	100.0%
Contingency	-	-	5,000	5,000	0.0%
Total Expenditures	<u>650,256</u>	<u>899,973</u>	<u>907,065</u>	<u>7,092</u>	<u>99.2%</u>
Excess (Deficiency) of Revenues Over Expenditures	(612,426)	200,011	148,692	51,319	
Beginning Fund Balance	1,038,999	226,562	228,678	(2,116)	
Ending Fund Balance	<u>\$ 426,573</u>	<u>\$ 426,573</u>	<u>\$ 377,370</u>	<u>\$ 49,203</u>	

SORREL RANCH METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 12 Months Ending
December 31, 2023
Capital Projects Fund

<u>Account Description</u>	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Taxes - SARIA	\$ 74	\$ 26,810	\$ 26,810	\$ (0)	100.0%
Specific Ownership Tax	563	1,757	1,609	148	109.2%
Interest Income	363	2,026	100	1,926	2025.6%
Total Revenues	<u>1,000</u>	<u>30,592</u>	<u>28,519</u>	<u>2,073</u>	<u>107.3%</u>
Expenditures					
County Treasurer's Fee	1	402	402	(0)	100.1%
SARIA Payment	-	26,227	26,408	181	99.3%
Total Expenditures	<u>1</u>	<u>26,629</u>	<u>26,810</u>	<u>181</u>	<u>99.3%</u>
Excess (Deficiency) of Revenues Over Expenditures	999	3,963	1,709	2,254	
Transfers and Other Sources (Uses)					
Transfer from General Fund	51,692	51,692	-	51,692	
Total Transfers and Other Sources	<u>51,692</u>	<u>51,692</u>	<u>-</u>	<u>51,692</u>	
Change in Fund Balance	52,691	55,656	1,709	53,947	
Beginning Fund Balance	4,659	1,694	1,100	594	
Ending Fund Balance	<u>\$ 57,350</u>	<u>\$ 57,350</u>	<u>\$ 2,809</u>	<u>\$ 54,541</u>	

February 16, 2024

Sorrel Ranch Metropolitan District
Board of Directors
c/o Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898

Dear Board of Directors,

We are pleased to provide Sorrel Ranch Metropolitan District with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

We will audit the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2023.

If applicable, we have also been engaged to report on supplementary information other than RSI that accompanies the financial statements. Such information, which is the responsibility of management, will be subjected to auditing procedures applied in our audit of the financial statements, 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 procedures in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our auditor's report on the financial statements will provide an opinion on the supplementary information in relation to the financial statements as a whole.

The objectives of an audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling us to express an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles ("GAAP"), and to report on the financial statements and communicate as required by auditing standards generally accepted in the United States of America ("GAAS"), in accordance with our findings.

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. Misstatements can arise from fraud or error and 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.

Engagement Deliverable

We will issue a written report upon completion of our audit of your financial statements. Our report will be addressed to the Board of Directors of Sorrel Ranch Metropolitan District. We cannot provide assurance that an unmodified opinion will be rendered. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of the circumstances, it may be necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or, if necessary, withdraw from the engagement without expressing an opinion. We will discuss the reasons with you in advance should such circumstances arise.

You agree to include our audit report in any document containing financial statements that indicate that such financial statements have been audited by us and, prior to inclusion of our audit report, to ask our permission to do so.

CPA Firm Responsibilities

We will conduct our audit in accordance with GAAS. As part of an audit in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit.

We will identify and assess the risks of material misstatement of your financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control.

Our audit procedures may include test of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, financial institutions, and other third parties. We also may request written representations from your attorneys on litigation, claims, and assessments as part of the engagement, and they may bill you for responding to our inquiries. At the conclusion of our audit, we also will require certain written representations from management made during the audit about the financial statements and related matters.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall financial statement presentation, including disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We may advise management about appropriate accounting principles and their application, and we may assist in the assembly of your financial statements. However, management has the final responsibility for the selection and application of accounting principles and the fair presentation of financial statements that reflect the nature and operation of Sorrel Ranch Metropolitan District.

Our audit includes obtaining an understanding of Sorrel Ranch Metropolitan District and its environment, including internal control relevant to preventing and detecting material misstatements in order to design audit procedures that are appropriate for the circumstances. Our audit procedures may include tests of operating effectiveness of internal control. However, our audit is not designed to express an opinion or provide any form of assurance on the effectiveness of your internal control or to identify deficiencies in internal control. Accordingly, we will not express any opinion on internal control.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sorrel Ranch Metropolitan District's ability to continue as a going concern for a reasonable period of time.

Our engagement is not designed to detect immaterial misstatements, including those caused by error, fraud, theft, illegal acts, any wrongdoing within the entity, or noncompliance with laws and regulations. However, we will inform the appropriate level of management and those charged with governance, as AICPA professional standards require, of material errors, evidence of fraud, or information that comes to our attention that indicates fraud may have occurred. In addition, we will discuss with you and, when appropriate, those charged with governance, matters involving noncompliance or suspected noncompliance with laws and regulations that come to our attention during the course of the audit, or through information provided by other parties, unless they are clearly inconsequential.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We also are responsible for communicating with the Audit Committee or those charged with governance our audit responsibility under GAAS, an overview of the planned scope and timing of the audit including significant risks identified by us, significant issues or findings from the audit, including our views about the qualitative aspects of Sorrel Ranch Metropolitan District's significant accounting practices, significant unusual transactions, significant difficulties encountered during the audit, disagreements with management, difficult or contentious matters for which we consulted outside the engagement team and that are, in our professional judgment, relevant to those charged with governance, uncorrected and corrected misstatements, and other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance.

Our responsibility under this engagement is limited to the period covered by our services and does not extend to matters that may arise during any periods for which we are not engaged.

This engagement is limited to the professional services outlined above.

Client Responsibilities

Our audit will be conducted on the basis that your management acknowledges and understands that it is responsible for:

- the selection of the financial reporting framework to be applied in the preparation of the financial statements;
- the preparation and fair presentation of the financial statements in accordance with the financial reporting framework;
- 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;
- providing us with:
 - access to all information of which your management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - additional information that we may request from your management for the purpose of the audit; and
 - unrestricted access to persons within the entity of whom we determine it necessary to obtain audit evidence;
- the prevention and detection of fraud, including the design and implementation of programs and controls to prevent and detect fraud;
- identifying and ensuring that you comply with the laws and regulations applicable to your activities, and for informing us of any violations of such laws and regulations that may have a material effect on the financial statements;
- ensuring that the records, documentation, explanations and other information, including significant judgements, you provide to us are complete and accurate;
- safeguarding your records and documentation;
- adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole;
- informing us about all actual, suspected, or alleged fraud affecting Sorrel Ranch Metropolitan District that involve your management, employees or former employees who have or had significant roles in internal control, or others where the actual, suspected, or alleged fraud could have an effect on the financial statements;

- informing us of your knowledge of any allegations of fraud or suspected fraud affecting Sorrel Ranch Metropolitan District received in communications from employees, former employees, regulators, or others;
- informing us of any events encountered subsequent to the period under audit that may require adjustment to or note disclosure in the financial statements; and
- providing us, at the conclusion of the engagement, written confirmation concerning representations made to us during the audit.

Sorrel Ranch Metropolitan District may wish to include or incorporate by reference our audit report on the financial statements in private and public offerings. You agree not to include our audit report or make any reference to our firm without obtaining our prior written consent. Additional services may be required prior to providing such consent related to a private or public offering of securities. Such services will be undertaken as a separate engagement at an additional fee. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information. Therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

To ensure our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Timing of the Engagement

We expect to begin our services, as described in the *Engagement Objective and Scope*, on a date mutually agreed to you by your accountants and our firm, and to issue our report no later than July 31, 2024, or September 30, 2024, if the District requests an extension of time from the state auditor. The timing of our work is dependent upon the timely receipt of the information we request from you. Our services will conclude at the earlier of:

- delivery of our report to you;
- as of the date of our closure letter
- written termination of the engagement by either party; or
- one year from the execution of this Agreement.

Professional Fee

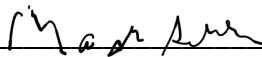
Our professional fee for the services outlined above is estimated to be \$7,400.00. This fee is based upon the complexity of the expected work to be performed, our professional time and out-of-pocket expenses. Circumstances may arise that impact our estimated fee such as, but not limited to, issues encountered with the timely delivery, availability, quality or completeness of the information you provide to us, changes in your personnel or operations that impact our services or other unanticipated items that arise during our engagement and that require additional time in order to complete the agreed-upon services. You agree to pay all fees and expenses we incur whether or not we complete the engagement.

We appreciate the opportunity to be of service to Sorrel Ranch Metropolitan District. Please date and execute this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement.

Sincerely,

Tatton and Company, LLC

Tatton and Company



Sorrel Ranch Metropolitan District

02 / 23 / 2024

Date



LMI COLORADO

Proposal #10460

Date: 2/22/2024

Customer:
 Angela Patton
 WestStar Management
 6795 E Tennessee Ave
 #601
 Denver, CO 80024

Property:
 Sorrel Ranch HOA
 15151 E Alameda Pkwy
 Aurora, CO 80012

Install Cobblestone

This Proposal will cover the removal of mulch on the beds next to the sidewalk on the trail north of Garden Dr.

Proposal will include the removal of the dead shrubs and mulch and install new shrubs with cobble to prevent any mulch wash out of the bed and to avoid any people from driving into the beds.

The total of beds will be 4 beds.

Default Group

EN - Enhancement

Items	Quantity	Unit	Price/Unit	Price
Labor to remove mulch and repair the bed	30.00	Hr	\$65.00	\$1,950.00
Top Soil	10.00	cuyd	\$125.00	\$1,250.00
2-4 Multi Cobble	35.00	Ton	\$208.34	\$7,291.90
3x300 Fabric	1.00	ea	\$184.97	\$184.97
POTENTILLA GOLD DROP #5	15.00	ea	\$61.05	\$915.72
SALVIA MAY NIGHT #1	20.00	ea	\$27.36	\$547.16
SPIREA MELLOW YELLOW #5	20.00	ea	\$66.07	\$1,321.35
BUTTERFLY BUSH EMPIRE BLUE-#5	20.00	ea	\$89.65	\$1,792.96
GRASS FEATHER REED #5	10.00	ea	\$80.21	\$802.08
Labor - Irrigation Tech	10.00	Hr	\$85.00	\$850.00
Irrigation Misc Fittings	1.00	Dollars	\$350.00	\$350.00
Dump Fee	10.00	cuyd	\$50.00	\$500.00
DAYLILY STELLA DE ORO #1	20.00	ea	\$29.32	\$586.36
EN - Enhancement:				\$18,342.50

Subtotal	\$18,342.50
Estimated Tax	\$0.00
Total	\$18,342.50



LMI COLORADO

Proposal #8489

Date: 2/27/2024

Customer:
[Empty box]

Property:
Sorrel Ranch HOA
15151 E Alameda Pkwy
Aurora, CO 80012

Job Description

Remove and replace 115 dead and/or damaged shade trees.

Section 1 (Clubhouse) - 20 trees - 8 Chokecherry, 7 Autumn Blaze Maple, 5 Washington Hawthorne

Section 2 (North trail) - 9 trees - 1 Ponderosa Pine, 4 Autumn Blaze Maple, 2 Cottonwood, 2 Kentucky Coffee Tree

Section 3 (Hill behind houses) - 76 trees - 16 Autumn Blaze Maple, 1 Colorado Blue Spruce, 4 Single Stem Autumn Brilliance Serviceberry, 25 Pinion Pine, 10 Austrian Pine, 15 Ponderosa Pine, 3 Cottonwood (around pool), 2 royal raindrop Crabapple

Section 4 (construction damage on Alexander Dr) 4 Autumn Blaze Maple, 3 Imperial Honeylocust, 3 Kentucky Coffee Tree - *P/O For - 15, 9/6/22*

Tree replacements

EN - Enhancement

EN - Enhancement: \$100,615.56

PROJECT TOTAL: \$100,615.56



Proposal #8490
Date:

Customer:
 Angela Patton
 WestStar Management
 6795 E Tennessee Ave
 #601
 Denver, CO 80024

Property:
 Sorrel Ranch HOA
 15151 E Alameda Pkwy
 Aurora, CO 80012

Job Description

Detention pond cleaning of 2 ponds. One located on E Brandt Ave and another located on S Grand Baker Ct. Includes clearing of inlet and outlet structures, dead tree removal and creating a channel to allow water to continuous flow to outlet.

Cleaning of retention ponds

EN - Enhancement

Items	Quantity	Unit	
Labor	550.00	Hr	
Labor	1.00	ea	
EN - Enhancement:			\$34,450.00
PROJECT TOTAL:			\$34,450.00



LMI COLORADO

Proposal #10132

Date: 2/19/2024

Customer:

Angela Patton
WestStar Management
6795 E Tennessee Ave
#601
Denver, CO 80024

Property:

Sorrel Ranch HOA
15151 E Alameda Pkwy
Aurora, CO 80012

Install Edging

This Proposal will include the removal of the old edger and replace with the new edger with rolltop. Old edging its being sticking up and has sharp top that could be a hazard to pets and children's. will focus on the areas along S ~~Gun Club Rd~~ and entrance on Alexander Dr.

SECTION 1, CLUBHOUSE TRAIL

Default Group

EN - Enhancement

Items	Quantity	Unit	Price/Unit	Price
Labor - Enhancements Laborer	80.00	Hr	\$65.00	\$5,200.00
Med Duty Edge	120.00	ea	\$34.20	\$4,104.13
EN - Enhancement:				\$9,304.13
Subtotal				\$9,304.13
Estimated Tax				\$0.00
Total				\$9,304.13

Terms & Conditions

INSTRUCTIONS TO CONTRACTOR OR OWNER: THIS WORK ORDER PROPERLY SIGNED BY YOUR AGENT HAS BEEN ACCEPTED AS AUTHORIZATION TO PERFORM THE WORK. AN INVOICE WILL BE FORWARDED TO YOUR OFFICE FOR PAYMENT WHEN THE WORK IS COMPLETED.

****Price guaranteed for 45 days from date of proposal**



LMI COLORADO

Proposal #10443

Date: 2/20/2024

Customer:

Angela Patton
WestStar Management
6795 E Tennessee Ave
#601
Denver, CO 80024

Property:

Sorrel Ranch HOA
15151 E Alameda Pkwy
Aurora, CO 80012

Shrub Rejuvenation

Renovation pruning applies principles to promote an aesthetic appearance of shrubs and groundcovers on a designed urban landscape. This method of pruning permits plants to grow back into the space thought out the following growing season. The purpose Rejuvenation pruning will be cutting all the shrubs down to 3 to 5 ft of the ground removing all the unhealthy branches preventing of using energy from the healthy branches. After all the shrubs are being cut down its going to allow us grow back to a shape with healthy leaves and it's easy to come back.

Default Group

EN - Enhancement

Items	Quantity	Unit	Price/Unit	Price
Labor - Enhancements Laborer	100.00	Hr	\$65.00	\$6,500.00
Dump Fee	20.00	cuyd	\$50.00	\$1,000.00
EN - Enhancement:				\$7,500.00
Subtotal				\$7,500.00
Estimated Tax				\$0.00
Total				\$7,500.00

Terms & Conditions

INSTRUCTIONS TO CONTRACTOR OR OWNER: THIS WORK ORDER PROPERLY SIGNED BY YOUR AGENT HAS BEEN ACCEPTED AS AUTHORIZATION TO PERFORM THE WORK. AN INVOICE WILL BE FORWARDED TO YOUR OFFICE FOR PAYMENT WHEN THE WORK IS COMPLETED.

**Price guaranteed for 45 days from date of proposal



LMI COLORADO

Proposal #10442

Date: 2/20/2024

Customer:

Angela Patton
WestStar Management
6795 E Tennessee Ave
#601
Denver, CO 80024

Property:

Sorrel Ranch HOA
15151 E Alameda Pkwy
Aurora, CO 80012

Install Much

This proposal will cover that installation of mulch along the trail by the pool mulch will be install at 3" .

Default Group

EN - Enhancement

Items	Quantity	Unit	Price/Unit	Price
Labor - Enhancements Laborer	0.00	Hr	\$0.00	\$0.00
Harvest Dye Mulch	120.00	cuyd	\$130.00	\$15,600.00
EN - Enhancement:				\$15,600.00
Subtotal				\$15,600.00
Estimated Tax				\$0.00
Total				\$15,600.00

Terms & Conditions

INSTRUCTIONS TO CONTRACTOR OR OWNER: THIS WORK ORDER PROPERLY SIGNED BY YOUR AGENT HAS BEEN ACCEPTED AS AUTHORIZATION TO PERFORM THE WORK. AN INVOICE WILL BE FORWARDED TO YOUR OFFICE FOR PAYMENT WHEN THE WORK IS COMPLETED.

****Price guaranteed for 45 days from date of proposal**

****Payment is due within 30 days after the invoice date**

Terms and Conditions