

RESOLUTION NO. 2023-11-02

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SORREL RANCH METROPOLITAN DISTRICT
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Sorrel Ranch Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 6, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sorrel Ranch Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Sorrel Ranch Metropolitan District for the 2024 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 6th day of November, 2023.



Secretary

(SEAL)

EXHIBIT A
(Budget)

SORREL RANCH METROPOLITAN DISTRICT

2024 Budget Message

Introduction

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by the order and decree of the District Court for Arapahoe County on November 18, 2002, and recorded December 31, 2002. The District is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the Amended and Restated Service Plan as approved by the City of Aurora on August 30, 2004 and modified August 14, 2006. The District's service area is located entirely in Arapahoe County, Colorado in the City of Aurora. The District was established to provide financing for the design, acquisition, construction, installation and operation and maintenance of public improvements including streets and safety protection, water, sanitary sewer and storm drainage, park and recreation and mosquito control.

The 2024 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2024 fiscal year based on available revenues. This budget provides for the annual debt service on the District's outstanding debt as well as the general operation of the District and capital improvements.

The District's 2023 assessed value increased to \$31,333,247 from \$23,435,223 the prior year. The District's mill levy is 33.456 mills for taxes to be collected in the 2024 fiscal year, with 4.000 mills certified to the General Fund, 28.154 mills certified to the Debt Service Fund, and 1.302 mills certified to the South Aurora Regional Improvement Authority (SARIA). The SARIA mill levy is required pursuant to the South Aurora Regional Improvement Authority Establishment Agreement, as amended. The final assessed value was adjusted to restore the residential property reduction from Senate Bill 23B-001 for purposes of Debt Service Fund and SARIA collection, in accordance with the covenants of the District's debt obligation.

Budgetary Basis of Accounting

The District uses Funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60-days of the end of the current fiscal period. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership taxes and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government.

Debt Service Fund is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues.

Limited Tax General Obligation Refunding Bonds, Series 2020. On October 8, 2020, the District issued Limited Tax General Obligation Refunding Bonds, Series 2020 (the "Series 2020 Bonds") in the principal amount of \$13,425,000. The proceeds from the sale of the Bonds were used for the purpose of: (i) paying the costs of the Refunding Project, (ii) purchasing the Insurance Policy and the Reserve Fund Insurance Policy, and (iii) paying the costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds shall be secured by a Municipal Bond Insurance Policy and a Debt Service Reserve Fund Insurance Policy provided by Assured Guaranty Municipal Corp ("AGM") in accordance with the terms of Commitments relating to the Bonds dated September 22, 2020 between the District and AGM. Pledged Revenues consists of revenues derived from the imposition of the Required Mill Levy (see below), Specific Ownership Taxes attributable to the Required Mill Levy, and any other legally available moneys of the District credited to the Bond Fund.

The Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine, fix and certify a rate of levy, not to exceed the Required Mill Levy. The District has covenanted in the Bond Resolution to impose the Required Mill Levy on all of the taxable property of the District, in an amount sufficient to the pay the principal of, premium if any, and interest on the Bonds as they become due and payable, and to replenish the Reserve Fund in the amount of the Reserve Fund Requirement, but not in excess of 50.000 mills, as adjusted. The Reserve Fund Requirement is the least of: (i) 10% of the proceeds of the Bonds, (ii) the maximum annual principal and interest payable with respect to the Bonds, or (iii) 125% of the average annual principal and interest payable with respect to the Bonds. The Reserve Fund is funded with the issuance of the Debt Service Reserve Fund Insurance Policy, as mentioned above.

The Series 2020 Bonds were issued as serial bonds and term bonds bearing interest at 2.00% to 5.00%, payable semiannually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Serial Bonds maturing on and after December 1, 2031 are subject to redemption prior to maturity, at the option of the District, as a whole or in multiples of \$5,000, on December 1, 2030, with no redemption premium.

The principal and interest payments in 2024 are provided based on the debt amortization schedule from the Limited Tax General Obligation Refunding Bonds, Series 2020.

Series 2020 General Obligation Bonds

Year Ending December 31,	Principal	Interest	Total
2024	420,000	461,325	881,325
2025	445,000	440,325	885,325
2026-2030	2,570,000	1,845,875	4,415,875
2031-2035	3,210,000	1,201,075	4,411,075
2036-2040	3,870,000	541,675	4,411,675
2041-2042	1,695,000	63,750	1,758,750
Totals	\$ 12,210,000	\$ 4,554,025	\$ 16,764,025

Capital Projects Fund is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure.

Emergency Reserve

As required under Section 20 of Article X of the Colorado Constitution (“TABOR”), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

SORREL RANCH METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

2022	2023	2024
Actual	Adopted Budget	Adopted Budget

Assessed Valuation	\$	23,122,940	\$	23,435,223	\$	31,333,247
SB23B-001 Property Tax Credit Adjustment					\$	3,025,385

Mill Levy						
General Fund		6.000		6.000		4.000
Debt Service Fund		42.500		42.500		25.675
Incremental Debt Service Mill Adjustment						2.479
Adjusted Debt Service Mill Levy						28.154
SARIA		1.112		1.144		1.188
Incremental SARIA Debt Service Adjustment						0.114
Adjusted SARIA Debt Service Mill Levy						1.302

Total Mill Levy		49.612		49.644		33.456
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Property Taxes						
General Fund	\$	138,738	\$	140,611	\$	125,333
Debt Service Fund		982,725		995,997		882,156
SARIA		25,713		26,810		40,796

Actual/Budgeted Property Taxes	\$	1,147,176	\$	1,163,418	\$	1,048,285
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SORREL RANCH METROPOLITAN DISTRICT

GENERAL FUND

2024 Adopted Budget

with 2022 Actual, 2023 Adopted Budget and 2023 Estimated

	2022 Actual	2023 Adopted Budget	2023 Estimated	2024 Adopted Budget
BEGINNING FUND BALANCE	\$ 252,491	\$ 357,606	\$ 356,547	\$ 452,102
REVENUE				
Property Taxes	137,858	140,611	140,611	125,333
Specific ownership tax	8,792	8,437	7,500	7,520
Interest Income	6,106	10,000	18,000	10,000
Administrative Fee	-	15,000	-	3,000
Total Revenue	152,756	174,048	166,111	145,853
Total Funds Available	405,247	531,654	522,658	597,955
EXPENDITURES				
Accounting	12,242	13,000	13,000	13,800
Audit Fees	7,000	7,500	13,000	8,000
Election Expense	1,368	1,500	2,000	-
County Treasurer fees	2,070	2,109	2,109	1,880
Dues & Membership	350	350	315	350
Director's Fees	462	1,600	800	800
Payroll taxes	94	122	61	61
Insurance and Bonds	3,426	4,000	3,271	4,300
District Management	10,328	13,000	13,000	13,800
Legal Services	10,536	22,000	22,000	23,000
Miscellaneous	826	500	1,000	1,000
Contingency	-	20,000	-	20,000
Total Expenditures	48,700	85,681	70,556	86,991
Transfers and Other Sources (Uses)				
Emergency Reserve	-	5,000	-	8,751
Total Expenditures Requiring Appropriation	48,700	90,681	70,556	95,742
ENDING FUND BALANCE	\$ 356,547	\$ 440,972	\$ 452,102	\$ 502,213

SORREL RANCH METROPOLITAN DISTRICT

DEBT SERVICE FUND

2024 Adopted Budget

with 2022 Actual, 2023 Adopted Budget and 2023 Estimated

	2022 Actual		2023 Adopted Budget		2023 Estimated		2024 Adopted Budget
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BEGINNING FUND BALANCE	\$	73,127	\$	228,678	\$	226,562	\$	389,921
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REVENUE

Prpoerty Taxes		976,498		995,997		982,725		882,156
Specific Ownership Tax		62,288		59,760		55,000		40,000
Interest Income		12,436		-		27,500		15,000

Total Revenue		1,051,222		1,055,757		1,065,225		937,156
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Total Funds Available		1,124,349		1,284,435		1,291,787		1,327,077
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EXPENDITURES

Bond Principal		405,000		415,000		415,000		420,000
Interest expense - bonds		477,725		469,625		469,625		461,325
County Treasurer's fee		14,662		14,940		14,741		13,232
Paying agent / trustee fees		400		2,500		2,500		2,500
Contingency		-		5,000		-		5,000

Total Expenditures		897,787		907,065		901,866		902,057
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Total Expenditures Requiring Appropriation		897,786		907,065		901,866		902,057
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ENDING FUND BALANCE	\$	226,562	\$	377,370	\$	389,921	\$	425,020
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SORREL RANCH METROPOLITAN DISTRICT

CAPITAL PROJECTS FUND

2024 Adopted Budget

with 2022 Actual, 2023 Adopted Budget and 2023 Estimated

	2022 Actual	2023 Adopted Budget	2023 Estimated	2024 Adopted Budget
BEGINNING FUND BALANCE	\$ -	\$ 1,100	\$ 1,694	\$ 5,094
REVENUE				
Property Taxes - SARIA	25,550	26,810	26,810	40,796
Specific Ownership Tax	1,350	1,609	1,400	-
Interest Income	383	100	2,000	-
Total Revenue	27,283	28,519	30,210	40,796
Total Funds Available	27,283	29,619	31,904	45,890
EXPENDITURES				
SARIA Payment	25,205	26,408	26,408	40,184
County Treasurer's Fee	384	402	402	612
Total Expenditures	25,588	26,810	26,810	40,796
Total Expenditures Requiring Appropriation	25,588	26,810	26,810	40,796
ENDING FUND BALANCE	\$ 1,694	\$ 2,809	\$ 5,094	\$ 5,094

I, David Solin, hereby certify that I am the duly appointed Secretary of the Sorrel Ranch Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Sorrel Ranch Metropolitan District held on November 6, 2023.

By: 

Secretary

RESOLUTION NO. 2023-11-03

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SORREL RANCH METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Sorrel Ranch Metropolitan District (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on November 6, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sorrel Ranch Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 6th day of November, 2023.



Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Sorrel Ranch Metropolitan District,

the Board of Directors
(taxing entity)^A


of the Sorrel Ranch Metropolitan District
(governing body)^B
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 31,333,247 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 31,333,247 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/09/2024 for budget/fiscal year 2024
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>4.000</u> mills	\$ <u>125,333</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0.000</u> > mills	\$ < <u>0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>4.000</u> mills	\$ <u>125,333</u>
3. General Obligation Bonds and Interest ^J	<u>28.154</u> mills	\$ <u>882,156</u>
4. Contractual Obligations ^K	<u>1.302</u> mills	\$ <u>40,796</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ <u>0</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ <u>0</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ <u>0</u>
	<u>0.000</u> mills	\$ <u>0</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>33.456</u> mills	\$ <u>1,048,285</u>

Contact person: David Solin Daytime phone: (303) 987-0835
Signed:  Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	Refunding Outstanding Debt
	Series:	Limited Tax General Obligation Refunding Bonds Series 2020
	Date of Issue:	October 8, 2020
	Coupon Rate:	2.00% - 5.00%
	Maturity Date:	December 1, 2042
	Levy:	28.154
	Revenue:	\$882,156
2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^K:

3.	Purpose of Contract:	Regional Impr. with South Aurora Regional Improvement Authority (SARIA)
	Title:	IGA between SARIA and Sorrel Ranch Metropolitan District
	Date:	Approved on July 10, 2017
	Principal Amount:	n/a
	Maturity Date:	TBD
	Levy:	1.302
	Revenue:	\$40,796
4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, David Solin, hereby certify that I am the duly appointed Secretary of the Sorrel Ranch Metropolitan District, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Sorrel Ranch Metropolitan District held on November 6, 2023.



Secretary