

RESOLUTION NO. 2022 - 11 - 02
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIESTAR METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the PrairieStar Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 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, 2022, 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 16, 2022, 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 interfund 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 PrairieStar Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the PrairieStar Metropolitan District No. 2 for the 2023 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 16th day of November, 2022.

scott sarbaugh

Secretary

EXHIBIT A
(Budget)

PRAIRIESTAR METROPOLITAN DISTRICT NO. 2
2023
BUDGET MESSAGE

Attached please find a copy of the adopted 2023 budget for the PrairieStar Metropolitan District No. 2.

The PrairieStar Metropolitan District No. 2 has adopted budgets for two funds, a General Fund to provide for general operating expenditures; and a Debt Service Fund to provide for payment on the outstanding general obligation debt.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district in 2023 will be property taxes and specific ownership taxes. In 2023, the district intends to impose a mill levy on all property within the district totaling 51.424 mills, of which 11.427 mills will be dedicated to the General Fund and the balance of 39.997 mills will be allocated to the Debt Service Fund.

PrairieStar Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 4,351	\$ -	\$ -	\$ -	\$ 12,154
Revenues:					
Property taxes	140,891	164,952	163,939	164,950	195,649
Specific ownership taxes	10,718	10,557	5,703	11,500	12,822
Transfer Service Fee	-	8,000	4,950	8,000	8,000
Landscape Review Fees	-	7,500	13,106	13,106	7,500
Developer contribution	39,040	-	30,000	30,000	-
Developer advance	-	39,040	-	-	-
Interest income	76	-	498	498	-
Miscellaneous Income	4,654	500	-	-	1,500
Total revenues	<u>195,379</u>	<u>230,549</u>	<u>218,196</u>	<u>228,054</u>	<u>225,471</u>
Total funds available	<u>199,730</u>	<u>230,549</u>	<u>218,196</u>	<u>228,054</u>	<u>237,625</u>
Expenditures:					
Audit	-	4,200	-	4,200	4,700
Accounting	-	11,600	9,666	12,000	11,600
Elections	-	3,000	1,868	1,868	3,000
Insurance	-	8,200	7,358	7,358	8,200
Legal	286	20,000	12,010	22,000	20,000
Common area landscaping	-	60,000	33,180	60,000	63,000
Social activities	-	3,000	-	3,000	3,000
Utilities	-	16,000	7,409	16,000	16,000
Management fees	4,475	30,000	20,763	30,000	32,550
Miscellaneous	-	-	5,107	6,000	-
Covenant Control Enforcement	-	44,000	24,754	44,000	47,740
Community repairs	-	5,000	-	-	5,000
Snow removal	-	7,000	2,666	7,000	7,000
Treasurer fees	2,819	2,472	3,279	2,474	2,950
Transfer to District No. 1	190,803	-	-	-	-
Miscellaneous	1,347	-	-	-	-
Contingency	-	9,643	-	-	6,143
Emergency reserve (3%)	-	6,434	-	-	6,742
Total expenditures	<u>199,730</u>	<u>230,549</u>	<u>128,060</u>	<u>215,900</u>	<u>237,625</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,136</u>	<u>\$ 12,154</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 14,817,787</u>			<u>\$ 17,121,634</u>
Mill Levy		<u>11.132</u>			<u>11.427</u>

PrairieStar Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>06/30/22</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ -	\$ 1,505,897	\$ -	\$ -	\$ -
Revenues:					
Transfer from other funds	<u>4,152,522</u>	<u>1,866,625</u>	-	-	-
Total revenues	<u>4,152,522</u>	<u>1,866,625</u>	-	-	-
Total funds available	<u>4,152,522</u>	<u>3,372,522</u>	-	-	-
Expenditures:					
Transfer to District No. 1	4,152,522	-	-	-	-
Capital outlay	<u>-</u>	<u>3,372,522</u>	-	-	-
Total expenditures	<u>4,152,522</u>	<u>3,372,522</u>	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PrairieStar Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>06/30/22</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 1,402,154	\$ 903,353	\$ 455,924	\$ 455,924	\$ 459,784
Revenues:					
Property taxes	493,147	577,360	573,816	577,360	684,814
Specific ownership taxes	37,516	37,528	19,963	38,000	45,417
Interest income	618	2,000	982	2,000	5,000
Bond proceeds 2021A	8,195,000	-	-	-	-
Bond proceeds 2021B	13,645,000	-	-	-	-
Bond proceeds 2021C	<u>1,932,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>24,303,672</u>	<u>616,888</u>	<u>594,761</u>	<u>617,360</u>	<u>735,231</u>
Total funds available	<u>25,705,826</u>	<u>1,520,241</u>	<u>1,050,685</u>	<u>1,073,284</u>	<u>1,195,015</u>
Expenditures:					
2016 Bond Interest	341,579	-	-	-	-
2016 Bond principal	534,000	-	-	-	-
Debt Service 2021A	-	490,000	194,631	490,000	585,250
Debt Service 2021B	-	105,000	-	105,000	105,000
Payment to refunding escrow	5,838,968	-	-	-	-
Cost of issuance	721,965	-	-	-	-
Trasfer to District 1	13,645,000	-	-	-	-
Transfer to Capital Projects Fund	4,152,522	-	-	-	-
Treasurer's fees	9,868	11,547	11,477	11,500	13,770
Trustee / paying agent fees	<u>6,000</u>	<u>7,000</u>	<u>748</u>	<u>7,000</u>	<u>7,000</u>
Total expenditures	<u>25,249,902</u>	<u>613,547</u>	<u>206,856</u>	<u>613,500</u>	<u>711,020</u>
Ending fund balance	<u>\$ 455,924</u>	<u>\$ 906,694</u>	<u>\$ 843,829</u>	<u>\$ 459,784</u>	<u>\$ 483,995</u>
2021 Reserve fund (50% funded by an Insurance policy) (1)		<u>\$ 295,125</u>	<u>\$ 295,125</u>	<u>\$ 295,125</u>	<u>\$ 295,125</u>
Assessed valuation		<u>\$ 14,817,787</u>			<u>\$ 17,121,634</u>
Mill Levy		<u>38.964</u>			<u>39.997</u>
Total Mill Levy		<u>50.096</u>			<u>51.424</u>

(1) Total reserve requirement is \$591,250, 50% of this is in funds held by the trustee and a Municipal Bond Debt Service Reserve Insurance Policy issued by the Bond Insurer provides 50% of the Reserve Requirement.

I, Scott Sarbaugh, hereby certify that I am the duly appointed Secretary of the PrairieStar Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the PrairieStar Metropolitan District No. 2 held on November 16, 2022.

By: scott sarbaugh
Secretary

RESOLUTION NO. 2022 - 11 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIESTAR METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the PrairieStar Metropolitan District No. 2 (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on November 16, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 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 PrairieStar Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 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 2023 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 Larimer 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 16th day of November, 2022.

scott sarbaugh

Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the PrairieStar Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the PrairieStar Metropolitan District No. 2,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 17,121,634 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: \$ 17,121,634 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/09/22 for budget/fiscal year 2023.
(not 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>11.427</u> mills	\$ <u>195,649</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>11.427</u> mills	<u>\$ 195,649</u>
3. General Obligation Bonds and Interest ^J	<u>39.997</u> mills	\$ <u>684,814</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>51.424</u> mills	<u>\$ 880,463</u>

Contact person: Diane K Wheler Daytime phone: (303) 689-0833
(print)
Signed: Diane K Wheler Title: District Accountant

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) 866-2156.

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: | \$8,195,000 Limited Tax General Obligation Refunding and Improvement Bonds |
| | Series: | 2021A |
| | Date of Issue: | December 10, 2021 |
| | Coupon Rate: | 5.000% |
| | Maturity Date: | December 1, 2046 |
| | Levy: | 33.913 |
| | Revenue: | \$580,646 |
| <hr/> | | |
| 2. | Purpose of Issue: | \$13,645,000 Subordinate Limited Tax General Obligation Bonds |
| | Series: | 2021B(3) |
| | Date of Issue: | December 10, 2021 |
| | Coupon Rate: | 1.730% |
| | Maturity Date: | December 15, 2050 |
| | Levy: | 6.084 |
| | Revenue: | \$104.168 |

CONTRACTS^K:

- | | | |
|-------|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| <hr/> | | |
| 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.