

CORNERSTONE METROPOLITAN DISTRICT NO. 1

January 22, 2018

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Cornerstone Metropolitan District No. 1
LG ID #65390

Attached is the 2018 Budget for Cornerstone Metropolitan District No. 1 in Montrose County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 28, 2017. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060 Ext. 6.

The mill levy certified to the County Commissioners of Montrose County is 0.00 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.00 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.00 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$700, the total property tax revenue is \$0. A copy of the certification of mill levies sent to the County Commissioners for Montrose County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Montrose County, Colorado.

Sincerely,



Eric Weaver
District Administrator

Enclosure(s)

Administrative & Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

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www.mwcpaa.com
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245 Century Circle, Suite 103
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CORNERSTONE METROPOLITAN DISTRICT NO. 1

2018 BUDGET MESSAGE

Cornerstone Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary facilities and services including but not limited to potable water delivery, internal and offsite roadway systems, sanitary sewer collection and treatment, fire protection, and emergency medical protection.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2018 BUDGET STRATEGY

The District's strategy in preparing the budget is to strive to provide the type of public-purpose facilities desired by the property owners and residents of the District in the most economic manner possible. The District has no employees and all operations and administrative functions are contracted. The District receives pass-thru funding for operations from property taxes collected by Cornerstone Metropolitan District No. 2. In addition, the District may impose a general operations fee for additional operations funding.

The District operates a water and sewer enterprise fund whereby fees are charged to the users of the systems to cover a portion of the operating costs of the system, the remainder of which is funded by a transfer from the general fund.

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 1

TO ADOPT 2018 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE CORNERSTONE METROPOLITAN DISTRICT NO. 1, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2018 AND ENDING ON THE LAST DAY OF DECEMBER 2018.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No.1 has appointed a budget committee to prepare and submit a proposed 2018 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, 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, and a public hearing was held on November 20, 2017 and continued to November 28, 2017, and re-held on January 22, 2018, interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Cornerstone Metropolitan District No.1, Montrose County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Cornerstone Metropolitan District No.1 for the year stated above.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO.1
(CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2017, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT NO. 1, MONTROSE COUNTY, COLORADO, FOR THE 2018 BUDGET YEAR.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No. 1, has adopted the annual budget in accordance with the Local Government Budget Law, on November 28, 2017, which was ratified on January 22, 2018 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses purposes from property tax revenue is \$0.00 and;

WHEREAS, the Cornerstone Metropolitan District No. 1 finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0.00, and;

WHEREAS, the 2017 valuation for assessment for the Cornerstone Metropolitan District No. 1, as certified by the County Assessor is \$700.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CORNERSTONE METROPOLITAN DISTRICT NO. 1, MONTROSE COUNTY, COLORADO:

Section 1. That for the purposes of meeting all general operating expenses of the Cornerstone Metropolitan District No.1 during the 2018 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2017.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2018 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.

Section 3. That for the purpose of meeting all capital expenditures of the Cornerstone Metropolitan District No.1 during the 2018 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2017.

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 1
(CONTINUED)

TO SET MILL LEVIES (CONTINUED)

Section 4. That for the purpose of meeting all payments for bonds and interest of the Cornerstone Metropolitan District No. 1 during the 2018 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2017.

Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Montrose County, Colorado, the mill levies for the Cornerstone Metropolitan District No.1 as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Montrose County, Colorado, the mill levies for the Cornerstone Metropolitan District No. 1 as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 1
(CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE CORNERSTONE METROPOLITAN DISTRICT NO. 1, MONTROSE COUNTY, COLORADO, FOR THE 2018 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 28, 2017 and ratified such budget on January 22, 2018, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to 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 and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORNERSTONE METROPOLITAN DISTRICT NO. 1, MONTROSE COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND

Current Operating Expenditures	\$ 241,120
Fund Transfers	<u>64,000</u>
TOTAL GENERAL FUND	\$ 305,120

WATER & SEWER ENTERPRISE FUND

Current Operating Expenditures	\$ <u>467,447</u>
TOTAL ENTERPRISE FUND	\$ 467,447

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 1
(CONTINUED)

TO ADOPT 2018 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2018 budget, set the mill levies and to appropriate sums of money were adopted this 28th day of November, 2017.

Attest: Warren Ache

Title: Warren Ache, Vice President/Treasurer/Secretary

CORNERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
September 30, 2017

Date Printed: 01/22/18

	<u>General Fund</u>	<u>Water & Sewer Fund</u>	<u>Capital Assets & LT Debt</u>	<u>Totals</u>
ASSETS				
CSAFE Checking				-
Colotrust	274,235	22,086		296,321
Alpine Checking	149,382			149,382
Alpine Money Market	-			-
Accounts Receivable	868,339	357,222		1,225,561
Allowance for Delayed Payments	(866,960)	(280,738)	23,210	(1,124,488)
Prepaid Expenses	-			-
Due From CSMD No. 2	194,311		-	194,311
Due From COA	-			-
Capital Assets			17,618,957	17,618,957
Accumulated Depreciation			(4,812,224)	(4,812,224)
TOTAL ASSETS	619,306	98,570	12,829,943	13,547,819
LIABILITIES AND DEFERRED INFLOWS				
Accounts Payable	25,031	-		25,031
Payroll Tax Payable	-	-		-
Deferred Revenues	-	-		-
Long-Term Notes Payable to Hunt			7,346,498	7,346,498
Accrued Interest - Hunt Notes			4,318,144	4,318,144
TOTAL LIABILITIES & DEFERRED INFLOWS	25,031	-	11,664,641	11,689,672
NET POSITION				
Investment in Fixed Assets, Net of Depreciation			12,806,733	12,806,733
Investment in Hunt Notes & Accrued Interest			(11,664,641)	(11,664,641)
Investment in CMD2 Delayed Receipts				-
Amount to Be Provided A/R Allowance			23,210	23,210
Fund Balance	594,275	98,570		692,845
TOTAL FUND EQUITY	594,275	98,570	1,165,302	1,858,147
TOTAL LIABILITIES AND NET POSITION	619,306	98,570	12,829,943	13,547,819
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**CORNERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED
ACCRUAL
BASIS**

GENERAL FUND	2016 Audited Actual	2017 Adopted Budget	Variance Favorable (Unfavor.)	2017 Forecast	9 Months Ended 9/30/2017 Actual	9 Months Ended 9/30/2017 Budget	Variance Favorable (Unfavor.)	2018 Adopted Budget	2018 Budget Comments
REVENUES									
Xfer From No. 2- Operations	338,459	263,642	3,794	267,436	233,874	190,803	43,071	257,214	Per District #2
General Operations Fee	119,948	-	-	-	-	-	-	-	
Late Fees, Interest Charges, & Charges Billed Ba	100,904	-	10,000	10,000	6,363	-	6,363	10,000	Billed but assumed uncollected
Allowance for Delayed Payments	(97,585)	-	(8,500)	(8,500)	(3,376)	-	(3,376)	(10,000)	Billed but assumed uncollected
Collection of Past Due Balances		500,000	(500,000)	-	-	500,000	(500,000)	-	
Interest Income	1,847	1,000	1,000	2,000	2,163	750	1,413	1,000	
Collection Legal Fee Recovery	-	-	-	-	-	-	-	12,000	Property foreclosures
Open Records Requests & Other Income	-	-	-	-	-	-	-	-	
Road Fees	-	-	-	-	-	-	-	-	
TOTAL REVENUES	463,572	764,642	(493,706)	270,936	239,024	691,553	(452,529)	270,214	
EXPENDITURES									
Operations:									
Accounting & Administration	80,919	70,000	(5,000)	75,000	57,087	53,500	(3,587)	75,000	Based on 2017
District Management	-	-	-	-	-	-	-	-	None Anticipated
Billing & Other Special Services	-	-	-	-	-	-	-	-	
Audit	11,000	11,500	-	11,500	11,500	11,500	-	12,100	Based on 2017
Board Member Compensation	7,266	9,000	-	9,000	7,589	6,750	(839)	9,000	12 meetings \$100 CMD1 ;\$50 CMD2
Payroll Fees	-	-	(25)	25	14	-	(14)	-	Quickbooks processing fees
Insurance & Bonds	11,478	22,000	6,345	15,655	15,655	16,500	845	16,500	Based on 2017
Worker's Compensation	200	200	(43)	243	243	200	(43)	250	Based on 2017
Bond Trustee Fees	6,000	6,000	-	6,000	6,000	6,000	-	6,000	10A and 10B bonds
Dues and Subscriptions	1,094	1,100	114	986	986	1,100	114	1,100	SDA
Elections	1,703	-	-	-	-	-	-	2,400	Only in even years
Legal	25,526	40,000	15,000	25,000	18,476	30,000	11,524	40,000	Based on historical amounts
Legal - Collections	-	-	-	-	-	-	-	-	
Office Expense	1,709	500	538	(38)	(38)	375	413	500	Based on historical amounts
Publication Expense	53	150	150	-	-	75	75	150	Based on 2017
Contingency	-	25,000	25,000	-	-	-	-	25,000	Unforeseen Needs
Facility Operations:									
Electricity	1,478	1,500	-	1,500	967	1,125	158	1,500	front gate and welcome center
Natural Gas	-	-	-	-	-	-	-	-	front gate and welcome center
Telephone & Internet	2,775	3,000	1,300	1,700	1,440	2,250	810	1,800	welcome center
Security & Fire Monitoring	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	-	included above
Building Maintenance	915	1,200	-	1,200	-	900	900	1,200	front gate and welcome center
Grounds Maintenance	-	1,200	530	670	670	1,200	530	1,200	front gate and welcome center
Operating Supplies	20	-	-	-	-	-	-	-	
Leased Facilities Costs									
Property Tax	-	-	-	-	-	-	-	-	
Insurance	6,200	1,550	(5,079)	6,629	6,629	1,550	(5,079)	7,000	Facilities for 12 months
Electricity	13,714	3,011	(8,989)	12,000	7,185	3,011	(4,174)	12,000	Clubhouse; Cart Barn; Flowers; Turf Care
Natural Gas	-	-	-	-	-	-	-	-	
Telephone & Internet	2,167	600	(1,200)	1,800	1,322	600	(722)	1,800	Clubhouse
Security & Fire Monitoring	540	135	(405)	540	540	135	(405)	540	Clubhouse
Building Maintenance	-	-	(175)	175	175	-	(175)	-	None Anticipated
Grounds Maintenance	400	500	(215)	715	715	375	(340)	1,800	snow removal/Brian Wallin monitoring
Less POA/Developer Reimb	-	(5,796)	(5,796)	-	-	(4,347)	(4,347)	(23,140)	All costs to be reimb by COA
Allowance for Delayed Reimb	-	5,796	5,796	-	-	4,347	4,347	-	
Less Allocations to Functions									
To Road Operations (25%)	(27,816)	(29,225)	(2,957)	(26,268)	(19,660)	(22,244)	(2,584)	(30,175)	Actg, Legal, Mgmt, & Office Operations
To Water & Swr Fund (40%)	(44,506)	(46,760)	(4,732)	(42,028)	(31,456)	(35,590)	(4,134)	(48,280)	Actg, Legal, Mgmt, & Office Operations
To Capital Fund (0%)	-	-	-	-	-	-	-	-	
TOTAL OPERATIONS EXPENDITURES	102,836	122,161	20,156	102,005	86,039	79,312	(6,727)	115,245	

**CORNERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED
ACCRUAL
BASIS**

GENERAL FUND (CONTINUED)	2016 Audited Actual	2017 Adopted Budget	Variance Favorable (Unfavor.)	2017 Forecast	9 Months Ended 09/30/17 Actual	9 Months Ended 09/30/17 Budget	Variance Favorable (Unfavor.)	2018 Adopted Budget	2018 Budget Comments
EXPENDITURES (CONTINUED)									
Road Repairs and Maintenance:									
Contracted Services- Snowplowing	42,281	50,000	(15,000)	65,000	53,351	29,167	(24,184)	50,000	Estiamted based on normal snow year
Sand and Gravel	-	-	-	-	-	-	-	-	
Misc Road Expenses	503	-	-	-	-	-	-	-	
Culvert Cleaning Repair, and Replacement	-	-	-	-	-	-	-	-	
Equipment Storage Facility & Heating	-	1,000	1,000	-	-	-	-	1,000	
Storm Water Management- BMP's	-	-	-	-	-	-	-	-	
Guardrail Maintenance	-	-	-	-	-	-	-	-	
Sign Maintenance	-	-	-	-	-	-	-	-	
Street Sweeping	-	2,000	-	2,000	-	2,000	2,000	2,000	Only most traveled streets
Trash Cleanup	-	-	-	-	-	-	-	-	
Government Springs Road Maintenance	-	-	-	-	-	-	-	-	
Shoulder and V Ditch Maintenance	-	1,200	-	1,200	-	1,200	1,200	1,200	
Crack Seal/ Pavement Repair	6,580	15,000	-	15,000	7,500	15,000	7,500	15,000	Based on 2017
Weed Control- Road Right-Of-Ways	938	2,500	-	2,500	-	2,500	2,500	2,500	
Legal- Collections	11,813	3,000	(3,340)	6,340	1,340	2,250	910	12,000	Assume non-contested foreclosure
Overhead Allocation (25%)	27,816	29,225	2,957	26,268	19,660	22,244	2,584	30,175	Actg, Legal, Mgnt, & Office Operations
Contingency	-	10,000	-	10,000	-	7,500	7,500	10,000	Contingency
TOTAL ROAD EXPENDITURES	89,931	113,925	(14,383)	128,308	81,851	81,860	9	123,875	
Public Safety- Welcome Center									
Staffing	-	-	-	-	-	-	-	-	
Operating Supplies	-	-	-	-	-	-	-	-	
TOTAL WELCOME CENTER EXPENDITURES	-	-	-	-	-	-	-	-	
Public Safety- Fire & EMS:									
Training	-	-	-	-	-	-	-	-	
Equipment	-	-	-	-	-	-	-	-	
Dispatch Fee	-	-	-	-	-	-	-	-	
HVFD Stipend	2,000	2,000	-	2,000	2,000	2,000	-	2,000	Agreed upon amount
HVFD Structural Fire Support	-	-	-	-	-	-	-	-	
Worker Compensation Insurance	-	-	-	-	-	-	-	-	
TOTAL FIRE & EMS EXPENDITURES	2,000	2,000	-	2,000	2,000	2,000	-	2,000	
TOTAL EXPENDITURES	194,767	238,086	5,774	232,312	169,890	163,173	(6,718)	241,120	
REVENUE OVER (UNDER) EXPEND.	268,805	526,556	(487,932)	38,624	69,134	528,381	(459,247)	29,094	
OTHER SOURCES & (USES)									
Transfer (to) from Other Funds	(90,000)	(44,000)	(4,000)	(48,000)	(43,000)	(60,000)	17,000	(64,000)	Amt Needed Per Enterprise Fund
Developer Advance - Operations	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES & (USES)	(90,000)	(44,000)	(4,000)	(48,000)	(43,000)	(60,000)	17,000	(64,000)	
FUND BALANCE - BEGINNING	389,335	518,889	49,252	568,141	568,141	518,889	49,252	558,765	
FUND BALANCE - ENDING	568,141	1,001,445	(442,680)	558,765	594,275	987,270	(392,995)	523,859	
		=	=	=	=	=	=	=	
Categories of Fund Balance:									
Reserved for TABOR (3% For Emergencies)	13,907	7,143	986	8,128	8,128	7,143	986	7,234	
Reserved For Infrastructure Repairs	425,000	850,000	(500,000)	350,000	350,000	850,000	(500,000)	350,000	
Reserved For Next Year's Budget Deficit	-	-	-	-	-	-	-	-	
Reserved for Operations	129,234	144,302	56,334	200,637	236,147	130,127	106,020	166,625	
Total Fund Balance- General Fund	568,141	1,001,445	(442,680)	558,765	594,275	987,270	(392,995)	523,859	
		=	=	=	=	=	=	=	

**CORNERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

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WATER & SEWER ENTERPRISE FUND	2016 Audited Actual	2017 Adopted Budget	Variance Favorable (Unfavor.)	2017 Forecast	9 Months Ended 09/30/17 Actual	9 Months Ended 09/30/17 Budget	Variance Favorable (Unfavor.)	2018 Adopted Budget	2018 Budget Comments
Water Consumption in Gallons:									
Residential	630,000	1,000,000	(350,000)	650,000	875,740	910,968	35,228	1,000,000	Based on historical usage
Golf Course & Ponds	-	40,000,000	(33,482,440)	6,517,560	4,345,040	33,309,900	(28,964,860)	40,000,000	Based on historical usage
Club Facilities	-	100,000	(100,000)	-	5,820	75,000	(69,180)	100,000	Based on historical usage
Flushing & WWTP Consumption	-	1,200,000	(1,200,000)	-	-	740,495	(740,495)	1,200,000	Based on historical usage
Non-Metered Water Loss & Tank Fluctuation	210,000	1,000,000	(750,000)	250,000	(2,182,600)	828,283	3,010,883	1,000,000	Based on historical usage
Total Gallons Purchased During Year	840,000	43,300,000	(35,882,440)	7,417,560	3,044,000	35,864,646	(26,728,424)	43,300,000	
Cost of Water Purchased:									
Tri-County Rate	3.00	3.22		3.22				3.22	Based on 2017 forecast
Tri- County Pumping Charge	0.40	0.45		0.40				0.45	Based on 2017 forecast
Booster Pump Utility Costs	20.11	2.61		5.86				2.61	Based on historical costs
Cost to Obtain Water- Per 1K Gallons	23.51	6.28		9.48				6.28	
Water Rates:									
House or Structure Charges Per Quarter:									
Base Rate Use	400.00	224.00		400.00				224.00	Based on historical rates
Rate 1 use	20.00	15.00		20.00				15.00	Based on historical rates
Rate 2 use	25.00	22.00		25.00				22.00	Based on historical rates
Golf Course Water Rate- Up to 15M Gallons	13.65	13.65		13.00				13.00	Based on historical rates
Golf Course Water Rate- After 15M Gallons	7.35	7.35		7.00				7.00	Based on historical rates
Clubhouse Ponds Water Rate	9.45	9.45		9.00				9.00	Based on historical rates
Tap Fee- Residential	7,500	7,500		7,500				7,500	Based on historical rates
Sewer Rates:									
Quarterly Sewer Charge -Residential	450.00	182.00		450.00				182.00	Based on historical rates
Quarterly Sewer Charge -Commercial	1,012.50	409.50		1,012.50				409.50	Based on historical rates
Sewer Tap Fee- Residential	7,500	7,500		7,500				7,500	Based on historical rates
Units Connected To Systems:									
Water System									
Homes Added to Domestic Water System	-	-		-				-	
Total Connected- End of Yr	15	15		15				15	does not include 6 commercial properties.
Average Quarterly Use Per Household	10,500	16,667		10,833				16,667	Based on historical usage
Average Quarterly Bill Per Household	447	250		440				250	Based on historical rates
Commercial Connections				6				6	
Golf Course & Pond Connections				3				3	
Sewer System									
Homes Added to Sewer System									
Total Homes Connected- End of Yr	13	13		13				13	
Commercial 4 Inch Connections				3				3	
Commercial 6 Inch Connections				1				1	
REVENUES									
Water User Fees Commercial	9,600	393,876	(302,791)	91,085	63,286	281,532	(218,246)	375,376	Assume watering the course again
Commercial Overhead Fees	-	-	-	-	-	-	-	-	
Water User Fees Residential	24,390	15,000	21,240	36,240	30,240	11,250	18,990	15,000	Average per quarter rate X # of units
Sewer User Fee Commercial	9,450	3,800	5,700	9,500	7,088	2,850	4,238	3,800	Assume only base fees; 4 accounts
Sewer User Fee Residential	23,850	9,500	13,900	23,400	18,000	7,125	10,875	9,500	Residences X Quarterly Rates
Interest Income	-	-	-	-	-	-	-	-	
Late Fees & Interest	22,891	-	400	400	383	-	383	-	
Backflow Testing Fee	-	-	-	-	-	-	-	-	
Title Fee	-	-	300	300	200	-	200	-	
Less Allowance For Delayed Receipts	(28,549)	-	(15,762)	(15,762)	(15,762)	-	(15,762)	-	Assume COA properties paid
Collection of Past Due Balances	-	-	-	-	-	-	-	-	
TOTAL REVENUES	61,631	422,176	(277,014)	145,162	103,433	302,757	(199,324)	403,676	

**CORNERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED
ACCRUAL
BASIS**

WATER & SEWER ENTERPRISE FUND	2016 Audited Actual	2017 Adopted Budget	Variance Favorable (Unfavor.)	2017 Forecast	9 Months Ended 09/30/17 Actual	9 Months Ended 09/30/17 Budget	Variance Favorable (Unfavor.)	2018 Adopted Budget	2018 Budget Comments
Direct Water Expenses:									
Water Utilities	16,894	110,506	67,006	43,500	14,129	94,217	80,089	110,506	Based on cost per 1,000 gallons
Water - Tri-County Water	2,504	139,966	115,781	24,185	9,382	115,931	106,549	139,966	Based on cost per 1,000 gallons
Water - Tri-County Pumping	-	19,485	16,518	2,967	1,218	16,139	14,921	19,485	Based on cost per 1,000 gallons
Annual Backflow Testing	-	-	-	-	-	-	-	-	
Total Variable Water Expenses	19,398	269,957	199,306	70,652	24,728	226,288	201,560	269,957	
Contracted System Operator Services	27,630	54,250	25,425	28,825	21,625	39,000	17,375	54,250	Assume pumping to course
Water Booster Maintenance	3,064	20,000	10,000	10,000	-	10,000	10,000	20,000	Potential needs
Distribution System Maintenance	4,153	10,000	5,000	5,000	-	5,000	5,000	10,000	Potential needs
Engineering, Surveying	1,135	1,000	-	1,000	-	750	750	1,000	If needed
Reimbursments & Misc. Other	6,926	6,000	4,800	1,200	208	4,500	4,292	6,000	Mileage, Phone, and other
Contracted Services	-	-	-	-	-	-	-	-	
Supplies, Permitting, Other	-	500	-	500	-	375	375	500	Minimal testing since non-potable
Temporary Service Connections	-	-	-	-	-	-	-	-	
Tap Connection Fee	-	-	-	-	-	-	-	-	
Testing	-	150	-	150	-	113	113	150	
Vehicles & Equipment	14	250	-	250	-	-	-	250	
Legal	-	-	-	-	-	-	-	-	
Allocated Overhead from General Fund	33,379	35,070	3,549	31,521	23,592	26,693	3,100	36,210	Actg, Legal, Mgnt, & Office Operations
Contingency	-	15,000	15,000	-	-	11,250	11,250	15,000	Unforeseen Needs
Total Non-Variable Water Expenses	76,300	142,220	63,774	78,446	45,425	97,680	52,255	143,360	
Total Water System Operating Costs	95,698	412,177	263,080	149,098	70,154	323,968	253,814	413,317	
Direct Sewer Expenses:									
Contracted System Operator Services	38,300	34,000	5,175	28,825	21,625	25,500	3,875	34,000	One contractor doing both water and sewer
Collection System Maintenance	-	2,500	-	2,500	-	1,875	1,875	2,500	Potential needs
Operating Supplies	414	500	-	500	144	375	232	500	Potential needs
Engineering	-	-	-	-	-	-	-	-	
Utilities	1,515	1,560	-	1,560	974	1,170	196	1,560	Based on 2017 forecast
Testing, Permitting, Other	840	1,000	-	1,000	840	750	(90)	1,000	Based on 2017 forecast
Allocated Overhead from General Fund	11,126	11,690	1,183	10,507	7,864	8,898	1,033	12,070	Actg, Legal, Mgnt, & Office Operations
Contingency	-	2,500	-	2,500	-	1,875	1,875	2,500	Unforeseen Needs
Total Sewer System Operating Costs	52,196	53,750	6,358	47,392	31,447	40,443	8,996	54,130	
TOTAL OPERATING EXPENDITURES	147,894	465,927	269,438	196,490	101,600	364,410	262,810	467,447	
REVENUE OVER (UNDER) EXPEND.	(86,263)	(43,751)	(7,576)	(51,327)	1,833	(61,653)	63,486	(63,771)	
OTHER SOURCES & (USES)									
Water Tap Fees- Residential	-	-	-	-	-	-	-	-	\$7,500 per unit
Water Tap Fees- Commercial	-	-	-	-	-	-	-	-	
Sewer Tap Fees- Residential	-	-	-	-	-	-	-	-	\$7,500 per unit
Sewer Tap Fees- Commercial	-	-	-	-	-	-	-	-	
Developer Advance	-	-	-	-	-	-	-	-	
Developer Repayments - Principal	-	-	-	-	-	-	-	-	
Transfer From (To) Other Funds	90,000	44,000	4,000	48,000	43,000	60,000	(17,000)	64,000	Amount to balance budget
TOTAL OTHER SOURCES & (USES)	90,000	44,000	4,000	48,000	43,000	60,000	(17,000)	64,000	
FUND BALANCE - BEGINNING	50,000	50,441	3,296	53,737	53,737	50,441	3,297	50,410	
FUND BALANCE - ENDING	53,737	50,690	(280)	50,410	98,570	48,787	49,783	50,639	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Montrose, Colorado.

On behalf of the Cornerstone Metropolitan District No. 1
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Cornerstone Metropolitan District No. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 700

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: \$ 700

(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: 12/12/2017 for budget/fiscal year 2018
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ -
SUBTOTAL FOR GENERAL OPERATING:	<u>(0.000)</u> mills	<u>\$ -</u>
3. General Obligation Bonds and Interest ^J	<u>0.000</u> mills	\$ -
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ -
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ -
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ -
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>0.000</u> mills	<u>\$ -</u>

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6
(print)
Signed: *Eric Weaver* 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, Colorado 80203. Questions? Call DLG (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).