

CORNERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
October 31, 2015

Date Printed: 01/25/16

	<u>General Fund</u>	<u>Water & Sewer Fund</u>	<u>Capital Assets & LT Debt</u>	<u>Totals</u>
ASSETS				
CSAFE Checking	91,540			91,540
Alpine Checking	74,436	40,675		115,111
Alpine Money Market	-			-
Accounts Receivable	739,065	231,721		970,786
Allowance for Delayed Payments	(736,240)	(230,471)	966,711	-
Prepaid Expenses	-			-
Due From CSMD No. 2	305,578		103,433	409,011
Due From COA	-			-
Capital Assets			16,653,497	16,653,497
Accumulated Depreciation			(3,661,014)	(3,661,014)
TOTAL ASSETS	<u>474,380</u>	<u>41,925</u>	<u>14,062,627</u>	<u>14,578,932</u>
LIABILITIES AND DEFERRED INFLOWS				
Accounts Payable & Prepaid Expenses	46,684	15,238		61,922
Payroll Tax Payable	-	-		-
Deferred Revenues	-	-		-
Long-Term Notes Payable to Hunt			7,346,498	7,346,498
Accrued Interest - Hunt Notes			3,163,215	3,163,215
TOTAL LIABILITIES & DEFERRED INFLOWS	<u>46,684</u>	<u>15,238</u>	<u>10,509,712</u>	<u>10,571,634</u>
NET POSITION				
Investment in Fixed Assets, Net of Depreciation			12,992,483	12,992,483
Investment in Hunt Notes & Accrued Interest			(10,509,712)	(10,509,712)
Investment in CMD2 Delayed Receipts			1,070,144	1,070,144
Fund Balance	427,696	26,687		454,383
TOTAL FUND EQUITY	<u>427,696</u>	<u>26,687</u>	<u>3,552,914</u>	<u>4,007,298</u>
TOTAL LIABILITIES AND NET POSITION	<u>474,380</u>	<u>41,925</u>	<u>14,062,627</u>	<u>14,578,932</u>
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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	2014 Audited Actual	2015 Adopted Budget	Variance Favorable (Unfavor.)	2015 Forecast	10 Months Ended 10/31/2015 Actual	10 Months Ended 10/31/2015 Budget	Variance Favorable (Unfavor.)	2016 Adopted Budget	2016 Budget Comments
REVENUES									
Xfer From No. 2- Operations	318,738	310,731	114,974	425,705	404,058	255,916	148,142	246,003	Per #2 Budget
General Operations Fee	299,879	224,909	-	224,909	224,902	224,909	(7)	119,952	Per Summary Page
Late Fees & Interest Charges	79,762	92,000	43,000	135,000	123,221	76,667	46,554	-	
Allowance for Delayed Payments	(251,651)	(240,403)	(50,500)	(290,903)	(271,163)	(225,069)	(46,094)	(74,752)	Thompson, Owners, & COA/Metro
Collection of Past Due Balances	-	-	-	-	-	-	-	-	Balances owed on COA/Metro Properties
Interest Income	-	-	50	50	50	-	50	-	
Open Records Requests & Other Income	-	-	2,409	2,409	2,409	-	2,409	-	
Road Fees	-	-	-	-	-	-	-	-	\$5,000 each
TOTAL REVENUES	446,727	387,238	109,933	497,171	483,477	332,423	151,054	291,203	
EXPENDITURES									
Operations:									
Accounting & Administration	61,197	55,000	(45,000)	100,000	87,266	47,000	(40,266)	70,000	Assuming reduced activity
District Management	2,750	8,000	6,000	2,000	-	6,667	6,667	2,000	Based on 2015 forecast
Billing & Other Special Services	-	-	-	-	-	-	-	612	Billing Service: 10 late letters, \$100 other
Audit	11,000	11,000	-	11,000	11,000	11,000	-	11,100	Fee quote in engagement letter
Board Member Compensation	4,091	6,000	(2,000)	8,000	6,190	5,000	(1,190)	9,300	Assuming 12 meetings
Insurance & Bonds	11,558	12,500	736	11,764	11,764	12,500	736	13,000	Based on 2015 forecast
Worker's Compensation	194	200	6	194	194	200	6	200	Based on 2015 forecast
Bond Trustee Fees	-	-	(2,500)	2,500	2,500	-	(2,500)	2,500	Not allowed to be paid from reserve fund
Dues and Subscriptions	856	1,100	170	930	930	1,100	170	1,100	Based on 2015 forecast
Elections	1,456	-	-	-	-	-	-	2,500	Assumes canceled- Only in even years
Legal	24,035	40,000	(10,000)	50,000	38,431	33,333	(5,098)	40,000	Assuming reduced activity
Legal - Collections	-	-	-	-	-	-	-	-	
Office Expense	3,147	2,250	1,250	1,000	642	1,875	1,233	2,250	Based on historical amounts
Publication Expense	114	150	100	50	41	75	34	150	election & budget publications
Contingency	-	30,000	15,000	15,000	-	25,000	25,000	15,000	Unforeseen Needs
Facility Operations:									
Electricity	1,384	2,000	600	1,400	1,071	1,667	596	1,500	front gate and welcome center
Natural Gas	-	-	-	-	-	-	-	-	front gate and welcome center
Telephone & Internet	2,788	2,760	160	2,600	1,992	2,300	308	2,700	front gate and welcome center
Security & Fire Monitoring	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	-	included above
Building Maintenance	75	250	250	-	-	208	208	250	contingency for unknown.
Grounds Maintenance	-	-	-	-	-	-	-	100	landscaping on donated properties
Leased Facilities Costs									
Property Tax	-	-	-	-	-	-	-	-	Assume we will not pay \$23,406 taxes owed
Insurance	-	-	(5,073)	5,073	5,073	-	(5,073)	12,784	Based on 2015 premiums
Electricity	-	-	(1,292)	1,292	-	-	-	3,255	Clubhouse; Cart Barn; Flowers; Turf Care
Natural Gas	-	-	-	-	-	-	-	-	Limited for donated properties
Telephone & Internet	-	-	(860)	860	681	-	(681)	2,167	Clubhouse
Security & Fire Monitoring	-	-	(400)	400	275	-	(275)	1,008	Clubhouse monitoring
Building Maintenance	-	-	(8,500)	8,500	8,479	-	(8,479)	2,500	contingency for unknown.
Grounds Maintenance	-	-	(600)	600	436	-	(436)	1,000	landscaping on donated properties
Less POA/Developer Reimb	-	-	16,725	(16,725)	-	-	-	(22,714)	All costs to be reimb by COA
Allowance for Delayed Reimb	-	-	(16,725)	16,725	-	-	-	22,714	Assume not collected until sold
Less Allocations to Functions									
To Road Operations (25%)	(23,057)	(42,803)	(3,803)	(39,000)	(32,190)	(36,981)	(4,791)	(29,291)	Actg, Legal, Mgnt, & Office Operations
To Water & Swr Fund (40%)	(36,892)	(68,484)	(6,084)	(62,400)	(51,504)	(59,170)	(7,666)	(46,865)	Actg, Legal, Mgnt, & Office Operations
To Capital Fund (0%)	-	-	-	-	-	-	-	-	
TOTAL OPERATIONS EXPENDITURES	64,696	59,924	(61,839)	121,763	93,270	51,774	(41,496)	120,821	

**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)	2014 Audited Actual	2015 Adopted Budget	Variance Favorable (Unfavor.)	2015 Forecast	10 Months Ended 10/31/15 Actual	10 Months Ended 10/31/15 Budget	Variance Favorable (Unfavor.)	2016 Adopted Budget	2016 Budget Comments
EXPENDITURES (CONTINUED)									
Road Repairs and Maintenance:									
Contracted Services- Snowplowing	40,039	55,000	20,000	35,000	14,575	35,000	20,425	50,000	Based on historical amounts
Sand and Gravel	-	-	-	-	-	-	-	-	-
Misc Road Expenses	-	-	(300)	300	300	-	(300)	-	-
Culvert Cleaning Repair, and Replacement	-	-	-	-	-	-	-	-	-
Equipment Storage Facility & Heating	-	5,500	5,500	-	-	-	-	1,000	Heating only
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
Government Springs Road Maintenance	-	-	-	-	-	-	-	-	None planned
Shoulder and V Ditch Maintenance	-	1,200	1,200	-	-	1,200	1,200	1,200	Based on 2015 forecast
Crack Seal/ Pavement Repair	5,958	15,000	2,344	12,656	12,656	15,000	2,344	15,000	Based on 2015 forecast
Weed Control- Road Right-Of-Ways	-	2,500	2,500	-	-	2,500	2,500	2,500	minimal work
Legal- Collections	27,098	30,000	(20,000)	50,000	44,402	26,000	(18,402)	10,000	Assume minimal costs
Overhead Allocation (25%)	23,057	42,803	3,803	39,000	32,190	36,981	4,791	29,291	Actg, Legal, Mgmt, & Office Operations
Contingency	-	10,000	-	10,000	-	10,000	10,000	10,000	Contingency
TOTAL ROAD EXPENDITURES	96,152	164,003	17,047	146,956	104,123	128,681	24,559	120,991	
Public Safety- Welcome Center									
Staffing	-	-	-	-	-	-	-	-	No security personnel
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	Based on 2015 forecast
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	162,847	225,926	(44,793)	270,719	199,392	182,455	(16,937)	243,812	
REVENUE OVER (UNDER) EXPEND.	283,880	161,312	65,140	226,452	284,085	149,968	134,117	47,392	
OTHER SOURCES & (USES)									
Transfer (to) from Other Funds	(135,000)	(167,000)	76,000	(91,000)	(60,000)	(143,000)	83,000	(143,000)	
Developer Advance - Operations	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES & (USES)	(135,000)	(167,000)	76,000	(91,000)	(60,000)	(143,000)	83,000	(143,000)	
FUND BALANCE - BEGINNING	54,732	147,570	56,042	203,612	203,612	147,570	56,042	339,064	
FUND BALANCE - ENDING	203,612	141,882	197,182	339,064	427,696	154,538	273,159	243,456	
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Categories of Fund Balance:									
Reserved for TABOR (3% For Emergencies)	4,885	6,778	1,344	8,122	5,982	5,474	508	7,314	
Reserved For Road Repairs	125,000	75,000	75,000	150,000	150,000	75,000	75,000	150,000	
Reserved For Next Year's Budget Deficit	5,688	-	95,608	95,608	-	-	-	-	
Reserved for Operations	68,039	60,104	25,230	85,334	271,715	74,064	197,651	86,142	
Total Fund Balance- General Fund	203,612	141,882	197,182	339,064	427,696	154,538	273,159	243,456	
	=	=	=	=	=	=	=	=	

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ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

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WATER & SEWER ENTERPRISE FUND	2014 Audited Actual	2015 Adopted Budget	Variance Favorable (Unfavor.)	2015 Forecast	10 Months Ended 10/31/15 Actual	10 Months Ended 10/31/15 Budget	Variance Favorable (Unfavor.)	2016 Adopted Budget	2016 Budget Comments
Water Consumption in Gallons:									
Residential	516,060	550,000	(50,000)	500,000	447,350	539,000	(91,650)	550,000	Based on historical usage
Golf Course & Ponds	-	-	-	-	-	-	-	-	Based on historical usage
Club Facilities	16,980	-	-	-	-	-	-	-	Based on historical usage
Flushing & WWTP Consumption	2,349,640	-	-	-	-	-	-	-	Based on historical usage
Non-Metered Water Loss	627,820	1,000,000	(775,000)	225,000	205,650	833,333	(627,683)	225,000	Based on historical usage
Total Gallons Purchased During Year	3,510,500	1,550,000	(825,000)	725,000	653,000	1,372,333	(719,333)	775,000	
Cost of Water Purchased:									
Tri-County Rate		3.15		3.00				3.15	Based on 2015 forecast
Tri- County Pumping Charge		0.42		0.42				0.45	Based on 2015 forecast
Booster Pump Utility Costs		11.35		22.07				21.68	Based on historical costs
Cost to Obtain Water- Per 1K Gallons		14.92		25.49				25.28	
Water Rates:									
House or Structure Charges Per Quarter:									
Up to 18,000 Gallons		400.00		400.00				400.00	Based on historical rates
18,000 - 50,000 Gallons		20.00		20.00				20.00	Based on historical rates
Over 50,000 Gallons		25.00		25.00				25.00	Based on historical rates
Golf Course Water Rate- Up to 15M Gallons		13.00		13.00				13.65	Based on historical rates
Golf Course Water Rate- After 15M Gallons		7.00		7.00				7.35	Based on historical rates
Clubhouse Ponds Water Rate		9.00		9.00				9.45	Based on historical rates
Tap Fee- Residential		7,500		7,500				7,500	Based on historical rates
Sewer Rates:									
Quarterly Sewer Charge -Residential		450.00		450.00				450.00	Based on historical rates
Quarterly Sewer Charge -Commercial								1,012.50	Based on historical rates
Sewer Tap Fee- Residential		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	Res only; does not include 6 comm properties.
Average Quarterly Use Per Household	8,601	12,500		8,333				9,167	Based on historical usage
Average Quarterly Bill Per Household	592	630		480				480	Based on 2015 forecast
Sewer System									
Homes Added to Sewer System	-	-		-				-	
Total Homes Connected- End of Yr	13	14		13				13	
REVENUES									
Water User Fees Commercial	12,100	9,600	-	9,600	6,800	7,200	(400)	9,600	Assume only base fees; 6 accounts
Commercial Overhead Fees	-	-	-	-	-	-	-	-	
Water User Fees Residential	35,507	37,776	(8,976)	28,800	22,797	31,776	(8,979)	28,800	Average per quarter rate X # of units
Sewer User Fee Commercial	8,550	7,650	-	7,650	6,638	5,738	900	7,650	Assume only base fees; 6 accounts
Sewer User Fee Residential	24,300	25,200	-	25,200	18,000	18,900	(900)	23,400	Residences X Quarterly Rates
Interest Income	-	-	-	-	-	-	-	-	
Late Fees & Interest	21,761	27,176	(5,176)	22,000	18,722	22,647	(3,925)	30,000	Based on 2015 forecast
Backflow Testing Fee	-	-	-	-	-	-	-	-	
Title Fee	100	-	-	-	-	-	-	-	
Less Allowance For Delayed Receipts	(43,087)	(63,226)	49,624	(13,602)	(3,306)	(49,684)	46,378	(59,250)	COA/Metro & Other properties
Collection of Past Due Balances									Balance owed on COA/Metro Properties
TOTAL REVENUES	59,231	44,176	35,472	79,648	69,650	36,576	33,074	40,200	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED
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WATER & SEWER ENTERPRISE FUND	2014 Audited Actual	2015 Adopted Budget	Variance Favorable (Unfavor.)	2015 Forecast	10 Months Ended 10/31/15 Actual	10 Months Ended 10/31/15 Budget	Variance Favorable (Unfavor.)	2016 Adopted Budget	2016 Budget Comments
Direct Water Expenses:									
Water Utilities	33,418	17,600	1,600	16,000	12,676	15,557	2,881	16,800	Based on 2015 forecast
Water - Tri-County Water	11,529	5,423	2,708	2,715	2,214	4,750	2,536	2,981	Based on usage and rates above
Water - Tri-County Pumping	1,497	651	347	305	261	570	309	349	Based on usage and rates above
Annual Backflow Testing	-	-	-	-	-	-	-	-	
Total Variable Water Expenses	46,445	23,674	4,654	19,020	15,151	20,877	5,726	20,130	
System Operator	42,750	27,000	-	27,000	22,500	22,500	-	27,000	Based on 2015 forecast
Water Booster Maintenance	5,575	20,000	20,000	-	-	16,667	16,667	20,000	Potential needs
Distribution System Maintenance	-	5,000	4,000	1,000	721	4,167	3,446	5,000	Potential needs
Engineering, Surveying	-	-	(700)	700	-	-	-	-	
Reimbursments & Misc. Other	5,281	7,800	1,800	6,000	4,744	6,500	1,756	6,000	Mileage, Phone, and other
Contracted Services	-	-	-	-	-	-	-	-	
Supplies, Permitting, Other	-	500	-	500	-	417	417	500	Minimal testing since non-potable
Temporary Service Connections	-	-	-	-	-	-	-	-	
Tap Connection Fee	-	-	-	-	-	-	-	-	
Testing	105	750	600	150	-	625	625	150	Based on 2015 forecast
Vehicles & Equipment	-	250	-	250	-	-	-	250	Based on 2015 forecast
Legal	-	-	-	-	-	-	-	-	
Allocated Overhead from General Fund	27,669	51,363	4,563	46,800	38,628	44,378	5,750	35,149	Actg, Legal, Mgnt, & Office Operations
Contingency	-	7,500	-	7,500	-	6,250	6,250	7,500	Unforeseen Needs
Total Non-Variable Water Expenses	81,380	120,163	30,263	89,900	66,593	101,503	34,909	101,549	
Total Water System Operating Costs	127,824	143,837	34,917	108,920	81,744	122,379	40,635	121,679	
Direct Sewer Expenses:									
Collection System Maintenance	306	2,500	2,500	-	-	2,083	2,083	2,500	Potential needs
Operating Supplies	(0)	500	-	500	-	417	417	500	Potential needs
Personnel/Contracted Services	38,725	41,000	-	41,000	32,041	34,167	2,125	41,000	Based on 2015 forecast
Engineering	-	-	-	-	-	-	-	-	
Utilities	2,520	3,250	2,080	1,170	975	2,625	1,650	1,560	Based on 2015 forecast
Testing, Permitting, Other	840	-	(840)	840	840	-	(840)	850	Based on 2015 forecast
Allocated Overhead from General Fund	9,223	17,121	1,521	15,600	12,876	14,793	1,917	11,716	Actg, Legal, Mgnt, & Office Operations
Contingency	-	2,500	-	2,500	-	2,083	2,083	2,500	Unforeseen Needs
Total Sewer System Operating Costs	51,614	66,871	5,261	61,610	46,732	56,168	9,435	60,626	
TOTAL OPERATING EXPENDITURES	179,438	210,708	40,178	170,530	128,476	178,547	50,070	182,305	
REVENUE OVER (UNDER) EXPEND.	(120,207)	(166,532)	75,650	(90,882)	(58,826)	(141,971)	83,145	(142,105)	
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	135,000	167,000	(76,000)	91,000	60,000	143,000	(83,000)	143,000	Amount to balance budget
TOTAL OTHER SOURCES & (USES)	135,000	167,000	(76,000)	91,000	60,000	143,000	(83,000)	143,000	
FUND BALANCE - BEGINNING	10,720	25,619	(106)	25,513	25,513	25,618	(105)	25,631	
FUND BALANCE - ENDING	25,513	26,087	(456)	25,631	26,687	26,647	40	26,527	

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