

**CORNERSTONE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**October 31, 2015**

Print Date: 01/25/16

	IGA DEBT SVC FUND	BOND DEBT SVC FUND	LONG-TERM DEBT	TOTAL
<b>ASSETS</b>				
Csafe	306,196	238,509	-	544,705
Reserve Fund- 2010A		221,767		221,767
Interest Account-2010A		1		1
Revenue Fund- 2010B		-		-
Fee Account - 2010B		14		14
Interest Account-2010B		57		57
Surplus Fund- 2010B		0		0
Due from Montrose Co. Treasurer	-	-	-	-
Due from Ouray County Treasurer	-	-	-	-
Property Taxes Receivable Montrose	8,959	5,120		14,079
Property Taxes Receivable Montrose - Prior Yr	19	15		33
Property Taxes Receivable Ouray	23,351	13,344		36,695
Property Taxes Receivable Ouray - Prior Year	39,995	45,176		85,170
<b>TOTAL ASSETS</b>	<b>378,520</b>	<b>524,001</b>	<b>-</b>	<b>902,521</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>				
Accounts Payable	-	-		-
Due to District No. 1- Ops	305,578		103,433	409,011
Due to Montrose County Treasurer	-	-		-
Deferred Property Tax Revenue Montrose	8,959	5,120		14,079
Deferred Property Tax Revenue Montrose - PY	19	15	(127,864)	(127,831)
Deferred Property Tax Revenue Ouray	23,351	13,344		36,695
Deferred Property Tax Revenue Ouray - PY	39,995	45,176	(91,980)	(6,810)
Bonds Payable-2010A			5,200,000	5,200,000
Bonds Payable 2010B Developer Bonds			16,298,001	16,298,001
Accrued Interest			924,893	924,893
<b>TOTAL LIAB &amp; DEF INFLOWS</b>	<b>377,902</b>	<b>63,654</b>	<b>22,306,483</b>	<b>22,748,038</b>
<b>NET POSITION</b>				
Invested In Bonds Payable			(22,422,894)	(22,422,894)
Invested In Delinquent Taxes			116,411	116,411
Fund Balance- Restricted For Debt Service		460,347		460,347
Fund Balance- UnAssigned	618			618
<b>TOTAL NET POSITION</b>	<b>618</b>	<b>460,347</b>	<b>(22,306,483)</b>	<b>(21,845,517)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>378,520</b>	<b>524,001</b>	<b>-</b>	<b>902,521</b>
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**CORNERSTONE METROPOLITAN DISTRICT NO. 2  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED**

**Modified  
Accrual  
Basis**

<b>CONTRACTUAL OBLIGATIONS DEBT SERVICE FUND</b>	<b>2014 Audited Actual</b>	<b>2015 Adopted Budget</b>	<b>Variance Favorable (Unfav)</b>	<b>2015 Forecast</b>	<b>10 Months Ended 10/31/15 Actual</b>	<b>10 Months Ended 10/31/15 Budget</b>	<b>Variance Favorable (Unfav)</b>	<b>2016 Adopted Budget</b>	<b>2016 Budget Comments</b>
Assessed Valuation Montrose	1,049,944	1,050,622		1,050,622				1,012,760	Final AV
Assessed Valuation Ouray	3,741,910	3,729,930		3,729,930				2,671,340	Final AV
<b>Total AV For Certification</b>		<b>4,780,552</b>						<b>3,684,100</b>	
Less AV Not Expected to Be Collected In CY		(614,440)						(391,253)	Properties not sold at tax lien sale
<b>Net AV For Expected Current Yr Collection</b>		<b>4,166,112</b>						<b>3,292,847</b>	
<b>Mill Levy- Contractual- Operations</b>	<b>70.000</b>	<b>70.000</b>		<b>70.000</b>				<b>70.000</b>	
<b>Mill Levy- Contractual - Debt Service</b>	<b>0.000</b>	<b>0.000</b>		<b>0.000</b>				<b>0.000</b>	
<b>REVENUES</b>									
Prop Taxes- Montrose Ops	44,938	73,544	(15)	73,529	64,584	63,247	1,337	70,893	Amounts Levied
Prop Taxes- Montrose Ops- Prior Year			60,457	60,457	60,457	-	60,457		Paid up in 2015
Prop Taxes- Ouray Ops	242,968	261,095	(17,553)	243,542	237,744	224,542	13,202	186,994	Amounts Levied
Prop Taxes- Ouray Ops- Prior Year			2,962	2,962	2,962	-	2,962		Properties not sold at tax lien sale
Prop. Taxes- Montrose DS	-	-	-	-	-	-	-	-	
Prop. Taxes- Ouray DS	-	-	-	-	-	-	-	-	
Less Allowance for Unsold Tax Liens		(43,011)	43,011	-		(43,011)	43,011	(27,388)	Properties not sold at tax lien sale
Specific Ownership- Montrose	9,235	8,825	-	8,825	7,023	6,619	404	8,507	12% of Ppty Taxes
Specific Ownership- Ouray	21,924	19,582	2,611	22,193	17,650	14,687	2,963	14,025	7.5% of Ppty Taxes
Development Fees			-	-			-		
Interest Income/ Contingency	8,143	6,500	17,971	24,471	23,919	3,250	20,669	10,000	fewer delinquencies
<b>TOTAL REVENUES</b>	<b>327,208</b>	<b>326,535</b>	<b>109,445</b>	<b>435,980</b>	<b>414,339</b>	<b>269,334</b>	<b>145,005</b>	<b>263,031</b>	
<b>EXPENSES</b>									
Treasurer's Fees Montrose	936	1,471	(1,409)	2,880	2,846	1,265	(1,581)	1,418	2% of taxes
Treasurer's Fees Ouray	7,474	7,833	438	7,395	7,434	6,736	(698)	5,610	3% of taxes
Xfer to No. 1 Operations	318,737	310,731	(114,974)	425,705	404,058	255,916	(148,142)	246,003	Amt Available
Xfer to No. 1 Capital/Debt Svc	-	-	-	-	-	-	-	-	
Trfr to No. 1- Development Fees									
Contingency		6,500	6,500	-		5,417	5,417	10,000	Equal to interest income
<b>TOTAL EXPENDITURES</b>	<b>327,147</b>	<b>326,535</b>	<b>(109,445)</b>	<b>435,980</b>	<b>414,338</b>	<b>269,334</b>	<b>(145,004)</b>	<b>263,031</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	
<b>OTHER FINANCING SOURCES/(USES)</b>									
Inter-Fund Transfer for Senior Bond Fund	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
FUND BALANCE - BEGINNING	557	557	61	618	618	557	61	618	
<b>FUND BALANCE - ENDING</b>	<b>618</b>	<b>557</b>	<b>61</b>	<b>618</b>	<b>618</b>	<b>557</b>	<b>62</b>	<b>618</b>	

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

CORNERSTONE METROPOLITAN DISTRICT NO. 2  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

Modified  
 Accrual  
 Basis

SENIOR & SUBORDINATE BOND DEBT SERVICE FUND	2014 Audited Actual	2015 Adopted Budget	Variance Favorable (Unfav)	2015 Forecast	10 Months	10 Months	Variance Favorable (Unfav)	2016 Adopted Budget	Comments
					Ended 10/31/15 Actual	Ended 10/31/15 Budget			
Senior Mill Levy	40,000	40,000		40,000				40,000	Maximum of 40
Subordinate Mill Levy	-	-		-				-	Only if Senior below 30
<b>Total Mill Levy- Bond Debt Service</b>	<b>40,000</b>	<b>40,000</b>		<b>40,000</b>				<b>40,000</b>	<b>40 Max</b>
Assessed Valuation- Montrose	1,049,944	1,050,622		1,050,622				1,012,760	Final AV
Assessed Valuation- Ouray	3,741,910	3,729,930		3,729,930				2,671,340	Final AV
# of Lots Sold	-	-		-				-	All paid for current plattings
Development Fee Per Lot Sale	26,000	26,000		26,000				26,000	
<b>REVENUES</b>									
Prop Taxes- Montrose	25,679	42,025	(8)	42,016	36,905	36,141	764	40,510	Amounts Levied
Prop Taxes- Montrose- Prior Year			67,373	67,373	67,373	-	67,373		Paid up in 2015
Prop Taxes- Ouray	138,839	149,197	(9,875)	139,322	135,854	128,310	7,544	106,854	Amounts Levied
Prop Taxes- Ouray- Prior Year			3,847	3,847	3,847	-	3,847		Properties not sold at tax lien sale
Less Allowance for Delayed Payments		(24,578)	24,578	-				(15,650)	Properties not sold at tax lien sale
Specific Ownership- Montrose	5,277	5,043	-	5,043	4,013	3,782	231	4,861	12% of Pty Taxes
Specific Ownership- Ouray	12,528	11,190	1,492	12,682	10,086	8,392	1,693	8,014	7.5% of Pty Taxes
Development Fees	-	-	-	-	-	-	-	-	Lot Sales X Dev Fee Amt
Interest Income	6,535	390	22,310	22,700	22,601	325	22,276	10,000	
<b>TOTAL REVENUES</b>	<b>188,858</b>	<b>183,267</b>	<b>109,716</b>	<b>292,983</b>	<b>280,679</b>	<b>176,950</b>	<b>103,729</b>	<b>154,589</b>	
<b>EXPENSES</b>									
Treasurer's Fees Montrose	535	840	(1,622)	2,463	2,447	723	(1,724)	810	2% of taxes
Treasurer's Fees Ouray	4,271	4,476	81	4,395	4,311	3,849	(462)	3,206	3% of taxes
Series 2010A Senior Bonds- Principal	-	5,000	-	5,000	-	-	-	10,000	Required payment due
Series 2010A Senior Bonds- Interest	416,000	416,000	-	416,000	208,000	208,000	-	415,600	\$5.2M at 8%
Less Shortfall In Funds Available								(15,475)	Unavailable amounts
Wire Fees	2,655	-	-	-	-	-	-	-	B Bonds paid off in 2014
Paying Agent Fees	3,500	3,500	3,500	-	-	-	-	-	Flat Fee
Rating Agent Fees	4,000	-	-	-	-	-	-	-	B Bonds paid off in 2014
Remarketing Fees	41,744	-	-	-	-	-	-	-	B Bonds paid off in 2014
Letter of Credit Fee	549,234	-	-	-	-	-	-	-	B Bonds paid off in 2014
Series 2010B Sub Bonds- Principal	701,999	-	-	-	-	-	-	-	No funds available
Series 2010B Sub Bonds- Interest	11,621	-	-	-	-	-	-	-	\$16.3M @ 6%- No Funds Available
Contingency									
<b>TOTAL EXPENDITURES</b>	<b>1,735,559</b>	<b>429,816</b>	<b>1,959</b>	<b>427,858</b>	<b>214,758</b>	<b>212,572</b>	<b>(2,186)</b>	<b>414,141</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>(1,546,701)</b>	<b>(246,550)</b>	<b>111,675</b>	<b>(134,875)</b>	<b>65,921</b>	<b>(35,622)</b>	<b>101,543</b>	<b>(259,552)</b>	
<b>OTHER FINANCING SOURCES/(USES)</b>									
Bond Proceeds- 2010A	-	-	-	-	-	-	-	-	
Bond Proceeds- 2010B	-	-	-	-	-	-	-	-	
Bond Cost of Issuance	-	-	-	-	-	-	-	-	
Inter-District Contributions	-	-	-	-	-	-	-	-	
Xfer of Net Bond Proceeds to No. 1	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER FINANCING SOURCES</b>									
FUND BALANCE - BEGINNING	1,941,127	389,643	4,783	394,427	394,427	389,643	4,783	259,552	
<b>FUND BALANCE - ENDING</b>	<b>394,427</b>	<b>143,094</b>	<b>116,458</b>	<b>259,552</b>	<b>460,347</b>	<b>354,022</b>	<b>106,326</b>	<b>-</b>	
<b>FUND BALANCE DETAIL</b>									
2010-A Reserve Fund	383,974	143,094	116,458	259,552	221,767			-	\$520K required balance
Assigned For 2010-A Future Debt Service	10,382	-	-	-	238,510			-	Remaining Amount
Assigned For 2010-B Future Debt Service	14	-	-	-	14			-	Remaining Amount
<b>TOTAL FUND BALANCE</b>	<b>394,370</b>	<b>143,094</b>	<b>116,458</b>	<b>259,552</b>	<b>460,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	