

CORNERSTONE METROPOLITAN DISTRICT NO. 2

January 30, 2019

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

RE: Cornerstone Metropolitan District No. 2
LG ID #65391

Attached is the 2019 Budget for Cornerstone Metropolitan District No. 2 in Montrose and Ouray Counties, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on December 3, 2018. 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 and Ouray Counties is 0.00 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 40.943 mills for G.O. bonds; 69.057 mills for contractual obligations, 0.000 mills for refund/abatement; and 0.00 mills for Temporary Tax Credit/Mill Levy Reduction. Based on a total assessed valuation of \$3,354,550, the total property tax revenue is \$369,001. Copies of the certification of mill levies sent to the County Commissioners for Montrose and Ouray Counties are 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 and Ouray Counties, 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

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

CORNERSTONE METROPOLITAN DISTRICT NO. 2

2019 BUDGET MESSAGE

Cornerstone Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide funding for the financing and operations of facilities being constructed and operated by Cornerstone Metropolitan District No. 1.

The District has no employees and all operations and administrative functions are contracted.

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.

2019 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. Virtually all services needed by the District will be provided by the Cornerstone Metropolitan District No. 1 pursuant to the District Facilities and Construction Service Agreement. The District is levying a contractual obligation mill levy which will be collected and transferred to Cornerstone Metropolitan District No. 1 to be used to fund a portion of the operations associated with the facilities installed and maintained for the benefit of the constituents of the District.

The District also levies a debt service mill levy to pay for the debt service on the District's bonded indebtedness, issued in 2010. The maximum debt service mill levy of 40.000 mills (adjusted for changes in residential assessment rates up to 40.943 for the 2019 budget year) is dedicated towards payment of principal and interest on the Series 2010A Bonds. The budget shows a shortfall of funds necessary to pay the full debt service due on the Series 2010A Bonds. Unpaid debt service will be accrued for payment in future years if and when funds become available. The 2010B Developer Bonds remain subordinate to the 2010A Bonds and because there are no funds available to pay current interest on the 2010B Bonds, such unpaid amounts will be accrued for payment in future years if and when funds become available.

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2

TO ADOPT 2019 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE CORNERSTONE METROPOLITAN DISTRICT NO. 2, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2019 AND ENDING ON THE LAST DAY OF DECEMBER 2019.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No. 2 has appointed a budget committee to prepare and submit a proposed 2019 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 December 3, 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.2, Montrose and Ouray Counties, 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.2 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. 2
(CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2018, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT NO.2, MONTROSE AND OURAY COUNTIES, COLORADO, FOR THE 2019 BUDGET YEAR.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No. 2, has adopted the annual budget in accordance with the Local Government Budget Law, on December 3, 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. 2 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 contractual obligations approved at election is \$231,655.16 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 \$137,345.34 and;

WHEREAS, the 2018 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Montrose County Assessor is \$988,240 and;

WHEREAS, the 2018 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Ouray County Assessor is \$2,366,310

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CORNERSTONE METROPOLITAN DISTRICT, MONTROSE AND OURAY COUNTIES, COLORADO:

Section 1. That for the purposes of meeting all general operating expenses of the Cornerstone Metropolitan District No. 2 during the 2019 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2019 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 3. That for the purpose of meeting all capital expenditures of the Cornerstone Metropolitan District No. 2 during the 2019 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.
- Section 4. That for the purpose of meeting all payments for bonds and interest of the Cornerstone Metropolitan District No. 2 during the 2019 budget year, there is hereby levied a tax of 40.943 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.
- Section 5. That for the purpose of meeting the contractual obligations of the Cornerstone Metropolitan District No. 2 during the 2019 budget year, there is hereby levied a tax of 69.057 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.
- Section 6. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Montrose County and Ouray County, Colorado, the mill levies for the Cornerstone Metropolitan District No.2 as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Montrose County and Ouray County, Colorado, the mill levies for the Cornerstone Metropolitan District No. 2 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. 2
(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. 2, MONTROSE COUNTY AND OURAY COUNTY, COLORADO, FOR THE 2019 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on December 3, 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. 2, MONTROSE COUNTY AND OURAY COUNTY, COLORADO:

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

DEBT SERVICE FUND	
Contractual Obligations	\$ 274,184
Current Debt Service Expenditures	<u>161,585</u>
TOTAL DEBT SERVICE FUND	\$ 435,769

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO ADOPT 2019 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2019 budget, set the mill levies and to appropriate sums of money were adopted this 3rd day of December, 2018.

Attest: 

Title: President

CORNERSTONE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
September 30, 2018

Print Date: 01/30/19

	<u>IGA DEBT SVC FUND</u>	<u>BOND DEBT SVC FUND</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL</u>
ASSETS				
Csafe	-		-	-
Colotrust	95,274	56,242		151,516
Reserve Fund- 2010A		-		-
Interest Account-2010A		74		74
Revenue Fund- 2010B		-		-
Fee Account - 2010B		0		0
Interest Account-2010B		0		0
Surplus Fund- 2010B		-		-
Due from Montrose Co. Treasurer	-		-	-
Due from Ouray County Treasurer	-		-	-
Property Taxes Receivable Montrose	28,006	15,110		43,116
Property Taxes Receivable Montrose - Prior Yr	-			-
Property Taxes Receivable Ouray	9,005	1,805		10,810
Property Taxes Receivable Ouray - Prior Year	-			-
TOTAL ASSETS	132,285	73,231	-	205,515
LIABILITIES AND DEFERRED INFLOWS				
Accounts Payable	-	-		-
Due to District No. 1- Ops	94,656		-	94,656
Due to Montrose County Treasurer	-	-		-
Deferred Property Tax Revenue Montrose	28,006	15,110		43,116
Deferred Property Tax Revenue Montrose - PY	-		-	-
Deferred Property Tax Revenue Ouray	9,005	1,805		10,810
Deferred Property Tax Revenue Ouray - PY	-		-	-
Bonds Payable-2010A			5,185,000	5,185,000
Bonds Payable 2010B Developer Bonds			16,298,001	16,298,001
Accrued Interest			3,507,216	3,507,216
TOTAL LIAB & DEF INFLOWS	131,667	16,915	24,990,218	25,138,799
NET POSITION				
Invested In Bonds Payable			(24,990,218)	(24,990,218)
Invested In Delinquent Taxes			-	-
Fund Balance- Restricted For Debt Service		56,316		56,316
Fund Balance- UnAssigned	618			618
TOTAL NET POSITION	618	56,316	(24,990,218)	(24,933,283)
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	132,285	73,231	-	205,515
	=	=	=	=

**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**

CONTRACTUAL OBLIGATIONS DEBT SERVICE FUND	2017 Audited Actual	2018 Adopted Budget	Variance Favorable (Unfav)	2018 Forecast	9 Months Ended 09/30/18 Actual	9 Months Ended 09/30/18 Budget	Variance Favorable (Unfav)	2019 Adopted Budget	2019 Budget Comments
Assessed Valuation Montrose	1,017,037	988,340		988,340				988,240	Final Valuation
Assessed Valuation Ouray	2,533,560	2,326,620		2,326,620			2,366,310	Final Valuation	
Total AV For Certification	3,550,597	3,314,960		3,314,960			3,354,550		
Less AV Not Expected to Be Collected In CY	-	-		-			-	-	Assume all sold at tax lien sale
Net AV For Expected Current Yr Collection	3,550,597	3,314,960		3,314,960			3,354,550		
Mill Levy- Contractual- Operations	70.000	69.046		69.046			69.057	110 less DS Portion	
Mill Levy- Contractual - Debt Service	0.000	0.000		0.000			0.000	None available	
REVENUES									
Prop Taxes- Montrose Ops	70,881	68,241	-	68,241	41,178	35,485	5,692	68,245	Amounts Levied
Prop Taxes- Montrose Ops- Prior Year	-	-	-	-	-	-	-	-	
Prop Taxes- Ouray Ops	176,917	160,644	-	160,644	153,859	151,005	2,853	163,410	Amounts Levied
Prop Taxes- Ouray Ops- Prior Year	-	-	-	-	-	-	-	-	
Prop. Taxes- Montrose DS	-	-	-	-	-	-	-	-	
Prop. Taxes- Ouray DS	-	-	-	-	-	-	-	-	
Less Allowance for Unsold Tax Liens	-	-	-	-	-	-	-	-	Assume all sold at tax lien sale
Specific Ownership- Montrose	10,122	10,236	(682)	9,554	6,664	6,824	(160)	9,554	14% of Ppty Taxes
Specific Ownership- Ouray	20,169	19,277	(1,606)	17,671	12,065	12,852	(787)	17,975	11% of Ppty Taxes
Development Fees	-	-	-	-	-	-	-	-	
Interest Income/ Contingency	6,462	15,000	(10,000)	5,000	2,716	2,500	216	15,000	Budget high to avoid budget overage
TOTAL REVENUES	284,552	273,398	(12,289)	261,109	216,481	208,666	7,815	274,184	
EXPENSES									
Treasurer's Fees Montrose	1,481	1,365	-	1,365	853	710	(144)	1,365	2% of taxes
Treasurer's Fees Ouray	5,407	4,819	-	4,819	4,653	4,530	(122)	4,902	3% of taxes
Xfer to No. 1 Operations	277,664	257,214	2,289	254,925	210,975	203,426	(7,549)	257,917	Amt Available
Xfer to No. 1 Capital/Debt Svc	-	-	-	-	-	-	-	-	
Trfr to No. 1- Development Fees	-	-	-	-	-	-	-	-	
Contingency	-	10,000	10,000	-	-	-	-	10,000	To avoid budget overage
TOTAL EXPENDITURES	284,552	273,398	12,289	261,109	216,481	208,666	(7,815)	274,184	
REVENUE OVER (UNDER) EXPEND.	0	-	0	-	0	-	0	-	
OTHER FINANCING SOURCES/(USES)									
Inter-Fund Transfer for Senior Bond Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-	-	-	-	
FUND BALANCE - BEGINNING	618	618	1	618	618	618	1	618	
FUND BALANCE - ENDING	618	618	1	618	618	618	1	618	

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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	2017 Audited Actual	2018 Adopted Budget	Variance Favorable (Unfav)	2018 Forecast	9 Months Ended 09/30/18 Actual	9 Months Ended 09/30/18 Budget	Variance Favorable (Unfav)	2019 Adopted Budget	2019 Budget Comments
Senior Mill Levy	40,000	40,954		40,954				40,943	Maximum of 40, Gallagherized Only if Senior below 30
Subordinate Mill Levy	-	-		-				-	
Total Mill Levy- Bond Debt Service	40,000	40,954		40,954				40,943	40 Gallagherized Max
Assessed Valuation- Montrose	1,017,037	988,340		988,340				988,240	Final Valuation
Assessed Valuation- Ouray	2,533,560	2,326,620		2,326,620				2,366,310	Final Valuation
# of Lots Sold	-	-		-				-	All dev fees paid for curr platted lots
Development Fee Per Lot Sale	26,000	26,000		26,000				26,000	
REVENUES									
Prop Taxes- Montrose	40,504	40,476	-	40,476	24,424	21,048	3,376	40,462	Amounts Levied
Prop Taxes- Montrose- Prior Year	-	-	-	-	-	-	-	-	
Prop Taxes- Ouray	101,096	95,284	-	95,284	91,260	89,567	1,692	96,884	Amounts Levied
Prop Taxes- Ouray- Prior Year	-	-	-	-	-	-	-	-	
Less Allowance for Delayed Payments	-	-	-	-	-	-	-	-	Assume all sold at tax lien sale
Specific Ownership- Montrose	5,784	6,071	(405)	5,667	3,953	4,048	(95)	5,665	14% of Pty Taxes
Specific Ownership- Ouray	11,525	11,434	(953)	10,481	7,156	7,623	(467)	10,657	11% of Pty Taxes
Development Fees	-	-	-	-	-	-	-	-	Lot Sales X Dev Fee Amt
Interest Income	6,118	15,000	(10,000)	5,000	2,402	3,617	(1,215)	5,000	Budget high to avoid budget overage
TOTAL REVENUES	165,027	168,266	(11,358)	156,909	129,195	125,902	3,292	158,668	
EXPENSES									
Treasurer's Fees Montrose	846	810	-	810	506	421	(85)	809	2% of taxes
Treasurer's Fees Ouray	3,090	2,859	-	2,859	2,760	2,687	(73)	2,907	3% of taxes
Series 2010A Sr. Bonds-Principal-Current	-	15,000	15,000	-	-	-	-	20,000	Amount due
Series 2010A Sr. Bonds-Interest-Current	414,800	414,400	-	414,400	207,200	207,200	-	414,800	5.185M @ 8% Due
Series 2010A Sr. Bonds-Principal-Delinquent	-	-	-	-	-	-	-	-	
Series 2010A Sr. Bonds-Interest-Delinquent	-	-	-	-	-	-	-	-	
Less Shortfall In Funds Available	(203,069)	(265,940)	(9,929)	(256,011)	(129,594)	(127,245)	2,349	(286,930)	Funds not available to make prmts
Wire Fees	-	-	-	-	-	-	-	-	
Paying Agent Fees	-	-	-	-	-	-	-	-	
Series 2010B Sub Bonds- Principal	-	-	-	-	-	-	-	-	
Series 2010B Sub Bonds- Interest	-	-	-	-	73	-	(73)	-	
Contingency	-	10,000	10,000	-	-	-	-	10,000	To avoid budget overage
TOTAL EXPENDITURES	215,667	177,128	15,071	162,057	80,945	83,063	2,119	161,585	
REVENUE OVER (UNDER) EXPEND.	(50,640)	(8,862)	3,713	(5,149)	48,250	42,839	5,411	(2,918)	
OTHER FINANCING SOURCES/(USES)									
Bond Proceeds- 2010A	-	-	-	-	-	-	-	-	
Bond Proceeds- 2010B	-	-	-	-	-	-	-	-	
Bond Cost of Issuance	-	-	-	-	-	-	-	-	
Inter-District Contributions	-	-	-	-	-	-	-	-	
Xfer of Net Bond Proceeds to No. 1	-	-	-	-	-	-	-	-	
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-	-	-	-	
FUND BALANCE - BEGINNING	58,706	8,862	(796)	8,066	8,066	8,862	(796)	2,918	
FUND BALANCE - ENDING	8,066	-	2,918	2,918	56,316	51,701	4,615	0	

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

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Montrose, Colorado.

On behalf of the Cornerstone Metropolitan District No. 2

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Cornerstone Metropolitan District No. 2

(local government)^C

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

\$ 988,240

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:

\$ 988,240

(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: 12/13/2018
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2019.
(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>40.943</u> mills	\$ 40,461.51
4. Contractual Obligations ^K	<u>69.057</u> mills	\$ 68,244.89
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>110.000</u> mills	<u>\$ 108,706.40</u>

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6
 Signed:  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).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, 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: | <u>Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds</u> |
| | Series: | <u>2010A</u> |
| | Date of Issue: | <u>December 15, 2010</u> |
| | Coupon rate: | <u>8.00%</u> |
| | Maturity Date: | <u>December 1, 2040</u> |
| | Levy: | <u>40.943</u> |
| | Revenue: | <u>\$40,461.51</u> |
| | | |
| 2. | Purpose of Issue: | <u>Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds</u> |
| | Series: | <u>2010B</u> |
| | Date of Issue: | <u>12/15/2010 (Converted to Developer Bonds 11/24/2014)</u> |
| | Coupon rate: | <u>6.00%</u> |
| | Maturity Date: | <u>December 1, 2046</u> |
| | Levy: | <u>0.000</u> |
| | Revenue: | <u>\$0.00</u> |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | <u>To provide for the implementation of principals and objectives in the Service Plan regarding financing, construction, operation and maintenance of facilities, and administration of the District's affairs</u> |
| | Title: | <u>District Facilities Construction and Service Agreement</u> |
| | Date: | <u>December 16, 2004</u> |
| | Principal Amount: | <u>N/A</u> |
| | Maturity Date: | <u>None Stated</u> |
| | Levy: | <u>69.057</u> |
| | Revenue: | <u>\$68,244.89</u> |
| | | |
| 4. | Purpose of Contract: | <u>_____</u> |
| | Title: | <u>_____</u> |
| | Date: | <u>_____</u> |
| | Principal Amount: | <u>_____</u> |
| | Maturity Date: | <u>_____</u> |
| | Levy: | <u>_____</u> |
| | Revenue: | <u>_____</u> |

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

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Ouray County, Colorado.

On behalf of the Cornerstone Metropolitan District No. 2

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Cornerstone Metropolitan District No. 2

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 2,366,310

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: \$ 2,366,310

(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: 12/13/2018 for budget/fiscal year 2019
 (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>40.943</u> mills	\$ 96,883.83
4. Contractual Obligations ^K	<u>69.057</u> mills	\$ 163,410.27
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>110.000</u> mills	<u>\$ 260,294.10</u>

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6
 (print)
 Signed:  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).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, 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: | <u>Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds</u> |
| | Series: | <u>2010A</u> |
| | Date of Issue: | <u>December 15, 2010</u> |
| | Coupon rate: | <u>8.00%</u> |
| | Maturity Date: | <u>December 1, 2040</u> |
| | Levy: | <u>40.943</u> |
| | Revenue: | <u>\$96,883.83</u> |
| | | |
| 2. | Purpose of Issue: | <u>Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds</u> |
| | Series: | <u>2010B</u> |
| | Date of Issue: | <u>12/15/2010 (Converted to Developer Bonds 11/24/2014)</u> |
| | Coupon rate: | <u>6.00%</u> |
| | Maturity Date: | <u>December 1, 2046</u> |
| | Levy: | <u>0.000</u> |
| | Revenue: | <u>\$0.00</u> |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | <u>To provide for the implementation of principals and objectives in the Service Plan regarding financing, construction, operation and maintenance of facilities, and administration of the District's affairs</u> |
| | Title: | <u>District Facilities Construction and Service Agreement</u> |
| | Date: | <u>December 16, 2004</u> |
| | Principal Amount: | <u>N/A</u> |
| | Maturity Date: | <u>None Stated</u> |
| | Levy: | <u>69.057</u> |
| | Revenue: | <u>\$163,410.27</u> |
| | | |
| 4. | Purpose of Contract: | <u>_____</u> |
| | Title: | <u>_____</u> |
| | Date: | <u>_____</u> |
| | Principal Amount: | <u>_____</u> |
| | Maturity Date: | <u>_____</u> |
| | Levy: | <u>_____</u> |
| | Revenue: | <u>_____</u> |

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