

CORNERSTONE METROPOLITAN DISTRICT NO. 1

January 27, 2020

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

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

Attached is the 2020 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 18, 2019. 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

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. 1

2020 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.

2020 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 employs one person to manage the operations of the water and sewer system, all other 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 2020 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 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No.1 has appointed a budget committee to prepare and submit a proposed 2020 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 4, 2019 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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO.1
(CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2019, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT NO. 1, MONTROSE COUNTY, COLORADO, FOR THE 2020 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 18, 2019 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 2019 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 2020 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 2019.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2020 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 2020 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 2019.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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 2020 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 2019.

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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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 2020 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 18, 2019 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	\$ 318,446
Fund Transfers	<u>159,000</u>
TOTAL GENERAL FUND	\$ 477,446

WATER & SEWER ENTERPRISE FUND

Current Operating Expenditures	<u>\$ 506,435</u>
TOTAL ENTERPRISE FUND	\$ 506,435

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 1
(CONTINUED)

TO ADOPT 2020 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2020 budget, set the mill levies and to appropriate sums of money were adopted this 18th day of November, 2019.

Attest: Bill Fugazzi

Title: President

CORNERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
September 30, 2019

Date Printed: 01/25/20

	<u>General Fund</u>	<u>Water & Sewer Fund</u>	<u>Assets & LT Debt</u>	<u>Totals</u>
ASSETS				
CSAFE Checking				-
Colotrust	523,954	(225,009)		298,945
Alpine Checking	150,752			150,752
Alpine Money Market	-			-
Accounts Receivable	33,652	284,179		317,831
Allowance for Delayed Payments	(33,652)	-	48,593	14,941
Prepaid Expenses	-			-
Due From CSMD No. 2	156,647		-	156,647
Due From COA	-			-
Due From Cornerstone Club	72			72
Capital Assets			16,872,649	16,872,649
Accumulated Depreciation			(5,882,433)	(5,882,433)
TOTAL ASSETS	831,426	59,170	11,038,809	11,929,405
LIABILITIES AND DEFERRED INFLOWS				
Accounts Payable	37,108	-		37,108
Accrued Liabilities	1,000	2,393		3,393
Payroll Tax Payable	1,784	-		1,784
Deferred Revenues	-	-		-
Long-Term Notes Payable to Hunt			7,346,498	7,346,498
Accrued Interest - Hunt Notes			5,471,493	5,471,493
TOTAL LIABILITIES & DEFERRED INFLOWS	39,891	2,393	12,817,991	12,860,275
NET POSITION				
Investment in Fixed Assets, Net of Depreciation			10,990,216	10,990,216
Investment in Hunt Notes & Accrued Interest			(12,817,991)	(12,817,991)
Investment in CMD2 Delayed Receipts				-
Amount to Be Provided A/R Allowance			48,593	48,593
Fund Balance	791,534	56,777		848,311
TOTAL FUND EQUITY	791,534	56,777	(1,779,182)	(930,870)
TOTAL LIABILITIES AND NET POSITION	831,426	59,170	11,038,809	11,929,405
	=	=	=	=

**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	2018 Audited Actual	2019 Adopted Budget	2019 Amended Budget	2019 Forecast	9 Months Ended 9/30/2019 Actual	9 Months Ended 9/30/2019 Budget	Variance Favorable (Unfavor.)	2020 Adopted Budget	2020 Budget Comments
REVENUES									
Xfer From No. 2- Operations	255,316	257,917	257,917	256,917	238,647	204,628	34,019	348,145	Per District #2
General Operations Fee	-	-	-	-	-	-	-	-	
Late Fees, Interest Charges, & Charges Billed Ba	25,496	-	5,000	5,000	4,443	-	4,443	-	Billed but assumed uncollected
Allowance for Delayed Receipts	(24,346)	-	-	-	-	-	-	-	Billed but assumed uncollected
Collection of Past Due Balances	-	5,000	5,000	7,356	7,356	6,000	1,356	-	
Interest Income	9,228	6,000	6,000	6,000	5,626	4,500	1,126	6,000	
Collection Legal Fee Recovery	-	-	-	-	-	-	-	-	Property foreclosures
Open Records Requests & Other Income	-	-	-	-	-	-	-	-	
Utility Reimbursements	-	-	-	-	-	-	-	-	
Sale of Assets	5,000	30,000	230,000	230,000	230,000	-	230,000	30,000	Sale of 2 lots, Metro Balance Only
Road Fees	-	-	-	-	-	-	-	-	
TOTAL REVENUES	270,694	298,917	503,917	505,273	486,071	215,128	270,943	384,145	
EXPENDITURES									
Operations:									
Accounting & Administration	77,507	75,000	75,000	75,000	60,058	55,900	(4,158)	77,300	3% Increase
District Management	-	-	-	-	-	-	-	-	None Anticipated
Billing & Other Special Services	-	10,000	10,000	5,500	-	10,000	10,000	-	Reserve Study in 2019
Audit	11,800	12,100	12,100	12,100	12,000	12,100	100	12,400	Both Districts
Board Member Compensation	7,611	9,700	9,700	9,700	4,081	7,275	3,193	10,200	12 meetings \$100 for Primary; \$50 for other
Payroll Fees	40	50	50	89	60	38	(22)	100	Quickbooks processing fees
Insurance & Bonds	17,163	19,000	19,000	17,993	17,993	19,000	1,007	18,900	Added truck & Ranger
Worker's Compensation	243	300	300	300	45	-	(45)	300	Board members only in General fund
Bond Trustee Fees	6,250	6,000	6,000	6,000	6,000	6,000	-	6,000	\$2500 10A and \$3500 10B bonds
Dues and Subscriptions	1,035	1,100	1,100	3,406	3,406	1,100	(2,306)	3,500	Includes COA Dues on 2 lots
Elections	2,813	-	-	-	-	-	-	3,500	Only in even years, assuming cancelation
Legal	29,154	40,000	55,000	55,000	44,611	30,000	(14,611)	55,000	Based on 2019 Forecast
Legal - Collections	-	-	-	-	-	-	-	-	
Office Expense	-	500	500	1,323	1,323	375	(948)	500	
Publication Expense	714	300	300	300	-	-	-	300	
Contingency	-	25,000	25,000	10,000	-	-	-	25,000	Unforeseen Needs
Facility Operations:									
Electricity	1,744	-	4,000	3,818	2,618	-	(2,618)	4,000	Welcome Ctr, including front gate
Natural Gas	-	-	-	-	-	-	-	-	
Telephone & Internet	1,568	-	1,200	1,188	837	-	(837)	1,200	Welcome Ctr.
Security & Fire Monitoring	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	-	
Building Maintenance	-	-	-	-	-	-	-	-	
Grounds Maintenance	890	-	325	325	325	-	(325)	600	Welcome Ctr.
Operating Supplies	-	-	-	-	-	-	-	-	
Leased Facilities Costs									
Insurance	5,544	-	-	-	-	-	-	-	Assume leased to Club
Electricity	52,422	-	-	7,469	7,469	-	(7,469)	-	Assume leased to Club
Telephone & Internet	1,191	-	-	-	-	-	-	-	Assume leased to Club
Security & Fire Monitoring	571	-	-	-	-	-	-	-	Assume leased to Club
Building Maintenance	-	-	-	-	-	-	-	-	Assume leased to Club
Grounds Maintenance	-	-	-	-	-	-	-	-	Assume leased to Club
Less POA/Developer Reimb	(51,511)	-	-	(7,469)	(7,585)	-	7,585	-	Assume leased to Club
Less Allocations to Functions									
To Road Operations (25%)	(27,716)	(31,250)	(36,381)	(35,208)	(27,112)	(23,975)	3,137	(34,525)	Actg, Legal, Mgnt, & Office Operations
To Water & Swr Fund (40%)	(44,345)	(50,000)	(58,210)	(56,332)	(43,380)	(38,360)	5,020	(55,240)	Actg, Legal, Mgnt, & Office Operations
To Capital Fund (0%)	-	-	-	-	-	-	-	-	
TOTAL OPERATIONS EXPENDITURES	94,688	117,800	124,984	110,502	82,749	79,452	(3,296)	129,035	

**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)	2018 Audited Actual	2019 Adopted Budget	2019 Amended Budget	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor.)	2020 Adopted Budget	2020 Budget Comments
EXPENDITURES (CONTINUED)									
Road Repairs and Maintenance:									
Contracted Services- Snowplowing	13,096	25,000	25,000	25,000	19,134	14,583	(4,551)	25,000	From \$25 to \$50 /hr, but half the hours
Equipment Lease		20,000	25,570	25,570	21,588	-	(21,588)	47,786	Kubota Tractor Lease \$3,982/month
Equipment Fuel & Maintenance		5,000	7,500	7,500	5,586	-	(5,586)	9,000	Fuel & Equipment maintenance
Sand and Gravel	1,095	-	-	-	-	-	-	-	
Misc Road Expenses	-	-	-	550	509	-	(509)	600	Front and rear Gate R&M
Culvert Cleaning Repair, and Replacement	-	10,000	10,000	5,000	-	10,000	10,000	5,000	Along fenceline of ranch roads
Equipment Storage Facility & Heating	-	-	-	-	-	-	-	-	
Storm Water Management- BMP's	-	-	-	-	-	-	-	-	
Guardrail Maintenance	-	-	-	-	-	-	-	-	
Sign Maintenance	-	5,000	5,000	2,947	2,947	5,000	2,053	2,500	Stop signs & directional signage
Street Sweeping	-	-	-	-	-	-	-	-	Included in snowplowing costs
Trash Cleanup	-	-	-	-	-	-	-	-	
Government Springs Road Maintenance	-	-	-	-	-	-	-	-	
Shoulder and V Ditch Maintenance	-	3,000	3,000	4,600	4,600	3,000	(1,600)	8,000	Motor grader to clean out shoulder ditches
Crack Seal/ Pavement Repair	14,600	25,000	25,000	17,600	17,600	25,000	7,400	25,000	Spring and fall applications
Weed Control- Road Right-Of-Ways	-	5,000	5,000	5,000	360	5,000	4,640	5,000	Use Club's spray rig to do roadside edges
Legal- Collections	27,523	5,000	5,000	8,000	7,090	3,750	(3,340)	10,000	
Overhead Allocation (25%)	27,716	31,250	36,381	35,208	27,112	23,975	(3,137)	34,525	Actg, Legal, Mgnt, & Office Operations
Contingency	-	10,000	10,000	5,000	-	-	-	10,000	Contingency
TOTAL ROAD EXPENDITURES	84,030	144,250	157,451	141,975	106,527	90,308	(16,218)	182,411	
Public Safety- Welcome Center									
Staffing	-	-	-	-	-	-	-	-	
Operating Supplies	-	-	5,000	5,000	5,000	-	(5,000)	3,000	For unforeseen needs
TOTAL WELCOME CENTER EXPENDITURES	-	-	5,000	5,000	5,000	-	(5,000)	3,000	
Public Safety- Fire & EMS:									
Training	-	-	-	-	-	-	-	-	
Equipment	-	-	-	-	-	-	-	-	
Dispatch Fee	-	-	-	-	-	-	-	-	
HVFD Stipend	2,000	2,000	2,000	2,000	2,000	2,000	-	2,000	Agreed upon amount
Fire Mitigation	-	10,000	10,000	3,000	-	10,000	10,000	2,000	Annual brush clearing
Worker Compensation Insurance	-	-	-	-	-	-	-	-	
TOTAL FIRE & EMS EXPENDITURES	2,000	12,000	12,000	5,000	2,000	12,000	10,000	4,000	
TOTAL EXPENDITURES	180,719	274,050	299,435	262,477	196,275	181,761	(14,515)	318,446	
REVENUE OVER (UNDER) EXPEND.	89,975	24,867	204,482	242,796	289,796	33,367	256,429	65,700	
OTHER SOURCES & (USES)									
Transfer (to) from Other Funds	(136,000)	(62,000)	(223,000)	(188,000)	(54,000)	33,000	(87,000)	(159,000)	Amt Needed Per Enterprise Fund
Developer Advance - Operations	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES & (USES)	(136,000)	(62,000)	(223,000)	(188,000)	(54,000)	33,000	(87,000)	(159,000)	
FUND BALANCE - BEGINNING	601,763	703,932	555,739	555,739	555,739	703,932	(148,193)	610,534	
FUND BALANCE - ENDING	555,739	666,799	537,220	610,534	791,534	770,299	21,235	517,234	
Categories of Fund Balance:									
Reserved for TABOR (3% For Emergencies)	9,666	8,968	15,118	15,382	15,382	8,968	6,415	11,524	3% of Revenues
Reserved For Capital Replacement	385,000	490,000	350,000	446,000	490,000	490,000	-	348,000	Net Available
Reserved for Operations	161,073	167,831	172,103	149,152	286,152	271,332	14,821	157,710	1/3 yr of exp & Water/Sewer subsidy
Total Fund Balance- General Fund	555,739	666,799	537,220	610,534	791,534	770,299	21,235	517,234	

**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	2018 Audited Actual	2019 Adopted Budget	2019 Amended Budget	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor.)	2020 Adopted Budget	2020 Budget Comments
Water Consumption in Gallons:									
Residential	1,665,325	1,000,000	1,150,000	1,150,000	1,043,630	910,968	132,662	1,150,000	Based on 2019 usage
Golf Course & Ponds	74,465,658	36,000,000	26,500,000	26,500,000	19,485,376	33,000,000	(13,514,624)	30,000,000	Per Jason & Ryan
Club Facilities	448,300	100,000	355,800	355,800	339,490	75,000	264,490	350,000	Based on 2019 usage
Flushing & WWTP Consumption	100,000	1,200,000	-	-	-	740,495	(740,495)	-	No longer flushing
Non-Metered Water Loss & Tank Fluctuation	2,187,717	2,000,000	2,000,000	2,000,000	1,493,504	1,500,000	(6,496)	2,000,000	Based on 2019 usage
Total Gallons Purchased During Year	78,867,000	40,300,000	30,005,800	30,005,800	22,362,000	36,226,463	(13,864,463)	33,500,000	
Cost of Water Purchased:									
Tri-County Rate	3.00	3.15	3.00	3.00	3.00			3.00	Told no change by Tri-County
Tri- County Pumping Charge	0.40	0.42	0.40	0.40	0.40			0.40	Told no change by Tri-County
Booster Pump Utility Costs	2.19	2.35	2.90	2.90	2.74			1.17	Dropped since base costs covered in first 15M
Cost to Obtain Water- Per 1K Gallons	5.59	5.92	6.30	6.30	6.14			4.57	
Add Captial Reserve Charge		1.45	1.07	1.07	1.23			1.50	
Total Commercial Charge over 15M Gallons		7.37	7.37	7.37	7.37			6.07	Equal to below
Commercial Rate up to 15M Gallons Calc:									
50% of Payroll Charge		2.33						2.48	Calc to cover 50% of costs
50% of Other Non-Variable Costs		4.70						5.04	Calc to cover 50% of costs
Base Electrical Costs								3.78	To cover demand charges
Cost of Water Per Above		7.37						6.07	Per Above
Total Golf Rate up to 15M Gallons		14.40						17.37	
Water Rates:									
House or Structure Charges Per Quarter:									
Base Rate Use	224.00	235.00	235.00	235.00				245.00	4% Increase
Rate 1 use	15.00	16.00	16.00	16.00				17.00	4% Increase
Rate 2 use	22.00	23.00	23.00	23.00				24.00	4% Increase
Golf Course Water Rate- Up to 15M Gallons	13.00	14.40	14.40	14.40				17.37	Per Above
Golf Course Water Rate- After 15M Gallons	7.00	7.37	7.37	7.37				6.07	Per Above
Clubhouse Ponds Water Rate	9.00	7.37	7.37	7.37				6.07	Same as over 15M Rate above
Tap Fee- Residential	7,500	7,500		7,500				7,500	Based on historical rates
Sewer Rates:									
Quarterly Sewer Charge -Residential	182.00	191.00		191.00				200.00	4% Increase
Quarterly Sewer Charge -Commercial	409.50	430.00		430.00				450.00	4% Increase
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				15	does not include 6 commercial properties.
Average Quarterly Use Per Household	27,755	16,667		19,167				19,167	Based on 2019 usage
Average Quarterly Bill Per Household	320	260	260	500				397	Based on historical rates
Commercial Connections	6	6		6				6	
Golf Course & Pond Connections	3	3		3				3	
Sewer System									
Homes Added to Sewer System									
Total Homes Connected- End of Yr	13	13		13				14	
Commercial 4 Inch Connections	3	3		2				2	Comfort Station 5 and Cart Barn
Commercial 6 Inch Connections	1	1		1				1	Clubhouse

**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	2018 Audited Actual	2019 Adopted Budget	2019 Amended Budget	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor.)	2020 Adopted Budget	2020 Budget Comments
Revenues:									
Water User Fees Commercial	615,472	471,675	304,787	304,787	254,209	448,091	(193,882)	355,195	Based on assumed usage and rates
Commercial Overhead Fees	-	-	-	-	-	-	-	-	
Water User Fees Residential	9,592	15,600	15,600	15,000	12,367	15,600	(3,233)	23,800	Based on assumed usage and rates
Sewer User Fee Commercial	3,276	4,000	4,000	3,200	2,436	3,000	(564)	3,200	Based on 2019 rates
Sewer User Fee Residential	9,646	9,900	9,900	10,505	7,831	7,425	406	10,600	Based on 2019 rates
Interest Income	-	-	-	-	-	-	-	-	
Late Fees & Interest	131	-	-	-	2	-	2	-	
Backflow Testing Fee	-	-	-	-	-	-	-	-	
Utility Reimbursements	-	-	-	-	-	-	-	-	
Title Fee	200	-	-	-	-	-	-	-	
Less Allowance For Delayed Receipts	(858)	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	-	
Collection of Past Due Balances	-	-	-	-	-	-	-	-	
TOTAL REVENUES	637,460	501,175	334,287	333,492	276,845	474,116	(197,271)	392,795	
Water Expenses:									
Variable Expenses:									
Water Utilities	172,567	94,705	87,017	87,017	61,340	80,745	19,405	102,195	Based on cost per 1,000 gallons
COA Utility Reimbursement-Golf Course	(31,438)	-	-	-	-	-	-	-	Paid directly by Club
Water - Tri-County Water	236,851	127,485	90,557	90,557	60,930	114,599	53,669	100,500	Based on cost per 1,000 gallons
Water - Tri-County Pumping	31,547	16,926	12,002	12,002	5,061	15,215	10,154	13,400	Based on cost per 1,000 gallons
Total Variable Water Expenses	409,527	239,116	189,577	189,577	127,331	210,559	83,228	216,095	
Payroll Expenses:									
Salaries	30,667	70,000	70,000	70,000	52,500	52,500	(0)	73,500	75% water; 25% sewer
Payroll Taxes	871	1,300	1,300	1,300	823	975	152	1,300	Medicare & Unemployment
Retirement	1,533	3,500	3,500	3,500	2,625	2,625	0	3,700	Substitute Soc Security; 5% ER Contr
Health Insurance	4,388	14,477	14,477	14,477	11,219	12,064	845	16,000	PPOS Rates 80% Dist, 20% EE
Reimbursables	2,174	1,200	1,200	1,200	985	1,000	15	1,200	Safety Eq, Cell Phone
Workers Comp Insurance	1,032	2,600	2,600	2,344	2,344	2,600	256	2,500	Full year + 5% rate increase
Retirement Plan Administration Fee	-	-	-	1,000	500	-	(500)	1,000	
Less 25% Allocation to Sewer Expens	(10,495)	(23,269)	(23,269)	(23,455)	(17,749)	(17,452)	297	(24,800)	25% of payroll allocated to sewer
Total Payroll Expenses	30,170	69,808	69,808	70,366	53,247	54,312	1,065	74,400	
Other Expenses:									
Contracted System Operator Services	18,326	5,700	5,700	5,700	3,578	4,275	698	4,800	DBWW- 75% sewer; 25% water
Contracted Services	2,275	5,000	5,000	5,000	-	3,750	3,750	5,000	Lynn White- Water Assistance
Engineering, Surveying	2,594	4,500	4,500	4,500	3,541	3,375	(166)	3,000	\$3K DOWL, (\$1500 Pond 4 now CAG)
Water Booster Maintenance	44,711	30,000	60,000	60,000	44,170	15,000	(29,170)	36,000	Replace 1 pump & 2 shells
Distribution System Maintenance	134,655	30,000	30,000	30,000	9,966	22,500	12,534	30,000	SCADA, R&M, leaks, tank inspection, etc
Reimbursements & Misc. Other	1,678	-	600	600	542	-	(542)	600	Locates, Mileage, Phone, & other
Supplies, Permitting, Other	2,669	5,000	5,000	5,000	1,225	3,750	2,525	5,000	
Education & Training	-	-	-	1,075	1,075	-	(1,075)	1,200	
Temporary Service Connections	-	-	-	-	-	-	-	-	
Tap Connection Fee	-	-	-	-	-	-	-	-	
Testing	-	150	150	1,000	930	113	(818)	1,100	
Annual Backflow Testing	461	-	-	-	-	-	-	-	
Insurance - Enterprise Fund	-	-	-	-	-	-	-	-	
Legal	-	-	-	-	-	-	-	-	
Vehicles & Equipment	42,226	8,000	8,000	8,000	2,969	8,000	5,031	8,000	Fuel & maintenance
Allocated Overhead from General Fund	33,259	37,500	43,658	42,249	32,535	28,770	(3,765)	41,430	Actg, Legal, Mgmt, & Office Operations
Contingency	-	15,000	35,000	5,000	-	-	-	15,000	Unforeseen Needs
Total Other Expenses	282,852	140,850	197,608	168,124	100,530	89,533	(10,998)	151,130	
Total Water System Operating Costs	722,549	449,774	456,992	428,067	281,108	354,404	73,296	441,625	

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	2018 Audited Actual	2019 Adopted Budget	2019 Amended Budget	2019 Forecast	9 Months Ended 09/30/19 Actual	9 Months Ended 09/30/19 Budget	Variance Favorable (Unfavor.)	2020 Adopted Budget	2020 Budget Comments
Sewer Expenses:									
Contracted System Operator Services	24,342	17,100	17,100	17,100	10,733	12,825	2,093	14,300	DBWW- 75% sewer; 25% water
25% Allocation for Water Payroll (Per Above)	10,495	23,269	23,269	23,455	17,749	17,452	(297)	24,800	25 % of payroll, per above
Collection System Maintenance	-	2,500	2,500	2,500	-	1,875	1,875	2,500	Potential needs
Operating Supplies	785	500	2,500	2,500	2,098	375	(1,723)	2,500	Potential needs
Engineering	-	-	-	-	-	-	-	-	
Utilities	1,468	1,560	3,000	3,000	2,441	1,170	(1,271)	3,200	
Testing, Permitting, Other	1,025	1,200	1,200	1,200	1,025	900	(125)	1,200	
Allocated Overhead from General Fund	11,086	12,500	14,553	14,083	10,845	9,590	(1,255)	13,810	Actg, Legal, Mgnt, & Office Operations
Contingency	-	2,500	7,500	1,000	-	-	-	2,500	Unforeseen Needs
Total Sewer System Operating Costs	49,201	61,129	71,622	64,838	44,890	44,187	(703)	64,810	
TOTAL OPERATING EXPENDITURES	771,750	510,903	528,613	492,905	325,998	398,591	72,593	506,435	
REVENUE OVER (UNDER) EXPEND.	(134,290)	(9,728)	(194,326)	(159,413)	(49,153)	75,526	(124,678)	(113,641)	
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	136,000	62,000	223,000	188,000	54,000	(33,000)	87,000	159,000	Balance, with golf capital reserve set aside
TOTAL OTHER SOURCES & (USES)	136,000	62,000	223,000	188,000	54,000	(33,000)	87,000	159,000	
FUND BALANCE - BEGINNING	50,220	50,472	51,930	51,930	51,930	50,472	1,458	80,517	
FUND BALANCE - ENDING	51,930	102,744	80,604	80,517	56,777	92,998	(36,221)	125,876	
	=	=	=		=	=	=	=	
Categories of Fund Balance:									
Reserved For Capital Replacements	-	52,200	28,355	28,355	23,908	-	-	73,355	Setting aside reserve portion of golf rates
Reserved for Operations	51,930	50,544	52,249	52,162	32,870	-	-	52,521	
Total Fund Balance- General Fund	51,930	102,744	80,604	80,517	56,777	-	-	125,876	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Montrose County, 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: 12/11/2019 for budget/fiscal year 2020
(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:  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).

LEASE-PURCHASE SUPPLEMENTAL SCHEDULE
(29-1-103(3)(d), C.R.S)
Budget Year 2020

2019 Kubota Equipment Lease

Date of lease-purchase: November 4, 2019

Items being leased: Tractor & Related Attachments

Total amount to be expended for budget year 2020: \$47,786

Term of Lease-Purchase agreement: 5 Years

Total maximum payment liability over the entire term \$238,928