

CORNERSTONE METROPOLITAN DISTRICT NO. 1

January 15, 2022

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

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

Attached is the 2022 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 22, 2021. 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 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$800, 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
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Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

CORNERSTONE METROPOLITAN DISTRICT NO. 1

2022 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.

2022 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.

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 2022 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 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No. 1 has appointed a budget committee to prepare and submit a proposed 2022 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 October 25, 2021 and continued to November 22, 2021, and 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, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

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.

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 1
(CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2021, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT, MONTROSE COUNTY, COLORADO, FOR THE 2022 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 22, 2021 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure 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 2021 valuation for assessment for the Cornerstone Metropolitan District No. 1, as certified by the County Assessor is \$800.

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 2022 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 2021.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2022 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.

Section 3. That for the purpose of meeting all capital expenditures of the Cornerstone Metropolitan District No. 1 during the 2022 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 2021.

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 2022 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 2021.
- 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 2022 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 22, 2021, 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 Expenses	\$ 331,630
Interfund Transfers	<u>146,000</u>
TOTAL GENERAL FUND	\$ 477,630

WATER & SEWER ENTERPRISE FUND

Current Operating Expenditures	\$ <u>665,260</u>
TOTAL ENTERPRISE FUND	\$ 665,260

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 1
(CONTINUED)

TO ADOPT 2022 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2022 budget, set the mill levies and to appropriate sums of money were adopted this 22nd day of November, 2021.

DocuSigned by:
Attest: Brian Wallin
19F5C9E9B5A2443...

President
Title: _____

CORNERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
September 30, 2021

Date Printed: 12/07/21

	<u>General Fund</u>	<u>Water & Sewer Fund</u>	<u>Assets & LT Debt</u>	<u>Totals</u>
ASSETS				
CSAFE Checking				-
Colotrust	534,674	227,666		762,340
Alpine Checking	112,514			112,514
Alpine Money Market	-			-
Accounts Receivable	29,744	184,799		214,543
Allowance for Delayed Payments	(10,194)	(28,850)	-	(39,043)
Prepaid Expenses	-			-
Due From CSMD No. 2	-		38,961	38,961
Due From COA	-			-
Due From Cornerstone Club	-			-
Capital Assets			16,943,056	16,943,056
Accumulated Depreciation			(7,023,977)	(7,023,977)
TOTAL ASSETS	666,739	383,616	9,958,040	11,008,394
LIABILITIES AND DEFERRED INFLOWS				
Accounts Payable	2,620	-		2,620
Accrued Liabilities	-	-		-
Payroll Tax Payable	468	-		468
Deferred Revenues	-	-		-
Lease Purchases			155,435	155,435
Long-Term Notes Payable to Hunt			7,346,498	7,346,498
Accrued Interest - Hunt Notes			6,624,842	6,624,842
Accrued Interest - Lease Purchase			620	620
TOTAL LIABILITIES & DEFERRED INFLOWS	3,088	-	14,127,396	14,130,483
NET POSITION				
Investment in Fixed Assets, Net of Depreciation			9,919,079	9,919,079
Investment in Long Term Debt			(155,435)	(155,435)
Investment in Hunt Notes & Accrued Interest			(13,971,960)	(13,971,960)
Investment in CMD2 Delayed Receipts				-
Amount to Be Provided A/R Allowance			38,961	38,961
Fund Balance	663,651	383,616		1,047,267
TOTAL FUND EQUITY	663,651	383,616	(4,169,356)	(3,122,089)
TOTAL LIABILITIES AND NET POSITION	666,739	383,616	9,958,040	11,008,394
	=	=	=	=

**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	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	9 Months Ended 9/30/2021 Actual	9 Months Ended 9/30/2021 Budget	Variance Favorable (Unfavor.)	2022 Adopted Budget	Budget Comments
REVENUES									
Xfer From No. 2- Operations	268,952	302,264	302,264	391,697	211,660	290,438	(78,778)	413,750	Per District #2
General Operations Fee	-	-	-	-	-	-	-	-	
Late Fees, Interest Charges, & Charges Billed Back	1,747	-	-	-	7,657	-	7,657	-	
Allowance for Delayed Receipts	-	-	-	-	(7,657)	-	(7,657)	-	
Collection of Past Due Balances	28,940	-	-	-	-	-	-	-	
Interest Income	2,613	500	500	250	213	375	(162)	250	Decline in interest rates
Collection Legal Fee Recovery	-	-	-	-	-	-	-	-	Property foreclosures
Open Records Requests & Other Income	2,500	-	-	-	-	-	-	-	
Utility Reimbursements	-	-	-	-	-	-	-	-	
Sale of Assets	-	-	-	-	-	-	-	-	
Road Fees	20,000	30,000	30,000	10,000	10,000	40,000	(30,000)	10,000	\$5,000 per unit- Cabins 6, 7 in 2022
TOTAL REVENUES	324,752	332,764	332,764	401,947	221,873	330,813	(108,940)	424,000	
EXPENDITURES									
Operations:									
Accounting & Administration	81,301	80,000	80,000	80,000	54,265	57,975	3,710	84,000	Based on 2021 Forecast
District Management	-	-	-	-	-	-	-	-	None Anticipated
Billing, Reserve Study & Other Special Services	-	-	-	-	-	-	-	-	Reserve Study in 2019
Audit	12,000	12,400	12,400	12,100	12,100	12,400	300	12,500	Both Districts
Board Member Compensation	9,900	10,200	10,200	8,000	3,551	7,650	4,099	10,200	12 meetings \$100 for Primary; \$50 for other
Payroll Fees	84	100	100	100	47	75	28	100	Quickbooks processing fees
Insurance & Bonds	18,034	19,000	19,000	21,469	21,469	19,000	(2,469)	23,100	Based on 2021 Forecast
Worker's Compensation	-	300	300	45	45	-	(45)	300	Board members only in General fund
Bond Trustee Fees	6,500	6,250	6,250	6,750	6,750	6,250	(500)	6,750	\$2500 10A and \$3500 10B bonds
Dues and Subscriptions	2,937	3,600	3,600	1,304	1,304	3,600	2,296	1,500	Based on 2021 Forecast
Elections	3,472	-	-	-	-	-	-	6,000	Only in even years, assuming cancelation
Legal	56,590	55,000	55,000	65,000	41,649	41,250	(399)	57,000	Based on 2021 Budget
Legal - Collections	-	-	-	-	-	-	-	-	
Office Expense	422	2,500	2,500	2,750	2,158	1,875	(283)	2,750	Based on 2021 Forecast
Publication Expense	149	300	300	200	60	-	(60)	200	
Contingency	-	25,000	25,000	5,000	-	-	-	25,000	Unforeseen Needs
Facility Operations:									
Electricity	4,515	4,950	4,950	4,950	3,388	3,713	325	5,250	Welcome Ctr, including front gate
Natural Gas	-	-	-	-	-	-	-	-	
Telephone & Internet	1,627	1,800	1,800	1,476	1,103	1,350	247	1,600	Welcome Ctr.
Building Maintenance	-	-	-	-	-	-	-	-	
Grounds Maintenance	-	600	600	-	-	600	600	600	Welcome Ctr.
Operating Supplies	-	-	-	-	-	-	-	-	
Leased Facilities Costs									
Insurance	-	-	-	-	-	-	-	-	Now with Club
Electricity	-	-	-	-	-	-	-	-	Now with Club
Telephone & Internet	-	-	-	-	-	-	-	-	Now with Club
Security & Fire Monitoring	-	-	-	-	-	-	-	-	Now with Club
Building Maintenance	-	-	-	-	-	-	-	-	Now with Club
Grounds Maintenance	-	-	-	-	-	-	-	-	Now with Club
Less POA/Developer Reimb	-	-	-	-	-	-	-	-	Now with Club
Less Allocations to Functions									
To Road Operations (25%)	(36,008)	(35,588)	(35,588)	(37,857)	(25,101)	(26,222)	(1,121)	(37,113)	Actg, Legal, Mgmt, & Office Operations
To Water & Swr Fund (40%)	(57,613)	(56,940)	(56,940)	(60,570)	(40,162)	(41,955)	(1,793)	(59,380)	Actg, Legal, Mgmt, & Office Operations
To Capital Fund (0%)	-	-	-	-	-	-	-	-	
TOTAL OPERATIONS EXPENDITURES	103,910	129,473	129,473	110,717	82,624	87,561	4,937	140,358	

**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)	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	9 Months Ended 09/30/21 Actual	9 Months Ended 09/30/21 Budget	Variance Favorable (Unfavor.)	2022 Adopted Budget	Budget Comments
EXPENDITURES (CONTINUED)									
Road Repairs and Maintenance:									
Contracted Services- Snowplowing	14,950	15,000	25,000	25,000	18,975	9,750	(9,225)	28,000	Club- Based on 2021 Forecast w/ new sections
Equipment Lease	43,923	43,560	43,560	43,560	32,670	32,670	0	43,560	Kubota Tractor Lease \$3,630/month
Equipment Fuel & Maintenance	6,760	9,000	9,000	9,000	6,026	6,750	724	14,000	Fuel & Equipment maintenance
Sand and Gravel	-	-	-	-	-	-	-	-	-
Misc Road Expenses	6,925	600	600	600	495	600	105	5,600	Front and rear Gate R&M + \$5K Cattleguard
Culvert Cleaning Repair, and Replacement	-	2,000	2,000	-	-	2,000	2,000	2,000	Along fenceline of ranch roads
Equipment Storage Facility & Heating	-	-	-	-	-	-	-	-	-
Storm Water Management- BMP's	-	-	-	-	-	-	-	-	-
Guardrail Maintenance	-	-	-	-	-	-	-	-	-
Sign Maintenance	-	1,000	1,000	-	-	1,000	1,000	2,000	Stop signs & directional signage
Street Sweeping	-	-	-	-	-	-	-	-	Included in snowplowing costs
Trash Cleanup	-	-	-	-	-	-	-	-	-
Government Springs Road Maintenance	-	-	-	-	-	-	-	5,000	-
Shoulder and V Ditch Maintenance	-	2,000	2,000	1,917	1,917	2,000	83	2,000	Motor grader to clean out shoulder ditches, gravel
Crack Seal/ Pavement Repair	42,480	25,000	25,000	25,000	-	12,500	12,500	25,000	Spring and fall applications
Weed Control- Road Right-Of-Ways	3,116	5,000	5,000	5,000	-	5,000	5,000	5,000	Use Club's spray rig to do roadside edges
Legal- Collections	1,059	-	-	-	-	-	-	-	All accounts now current
Overhead Allocation (25%)	36,008	35,588	35,588	37,857	25,101	26,222	1,121	37,113	Actg. Legal, Mgmt, & Office Operations
Contingency	-	10,000	15,000	2,500	-	-	-	15,000	Contingency
TOTAL ROAD EXPENDITURES	155,222	148,748	163,748	150,434	85,184	98,492	13,308	184,273	
Public Safety- Welcome Center									
Staffing	-	-	-	-	-	-	-	-	-
Operating Supplies & Repairs	2,055	3,000	7,500	7,350	950	2,250	1,300	3,000	Gate repairs
TOTAL WELCOME CENTER EXPENDITURES	2,055	3,000	7,500	7,350	950	2,250	1,300	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	-	2,000	2,000	-	-	2,000	2,000	2,000	Annual brush clearing
Worker Compensation Insurance	-	-	-	-	-	-	-	-	-
TOTAL FIRE & EMS EXPENDITURES	2,000	4,000	4,000	2,000	2,000	4,000	2,000	4,000	
TOTAL EXPENDITURES	263,187	285,220	304,720	270,501	170,758	192,303	21,545	331,630	
REVENUE OVER (UNDER) EXPEND.	61,565	47,543	28,043	131,446	51,115	138,511	(87,396)	92,370	
OTHER SOURCES & (USES)									
Proceeds from Financing	-	-	-	-	-	-	-	-	Tractor Lease Proceeds- Offset by Expense
Equipment Purchases	-	-	-	-	-	-	-	-	Tractor- via lease-purchase
Transfer (to) from Other Funds	170,000	(167,000)	(167,000)	(144,000)	-	(62,000)	62,000	(146,000)	Amt Needed Per Enterprise Fund
Developer Advance - Operations	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES & (USES)	170,000	(167,000)	(167,000)	(144,000)	-	(62,000)	62,000	(146,000)	
CHANGE IN FUND BALANCE	231,565	(119,457)	(138,957)	(12,554)	51,115	76,511	(25,396)	(53,630)	
FUND BALANCE - BEGINNING	380,971	551,110	612,536	612,536	612,536	551,110	61,427	599,983	
FUND BALANCE - ENDING	612,536	431,653	473,580	599,983	663,651	627,620	36,031	546,352	
	=	=	=	=	=	=	=	=	
Categories of Fund Balance:									
Reserved for TABOR (3% For Emergencies)	10,919	9,983	9,983	12,058	12,058	9,983	2,076	12,720	3% of Revenues
Reserved For Capital Replacement	350,000	272,000	308,000	410,000	410,000	272,000	138,000	376,000	Net Available
Reserved For Next Year Budget Deficit	108,538	-	-	41,572	-	-	-	-	Assume breakeven 2023 Budget
Reserved for Operations	143,080	149,670	155,597	136,352	241,593	345,637	(104,045)	157,632	1/3 yr of exp & Water/Sewer subsidy
Total Fund Balance- General Fund	612,536	431,653	473,580	599,983	663,651	627,620	36,031	546,352	
	=	=	=	=	=	=	=	=	

**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	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	9 Months Ended 09/30/21 Actual	9 Months Ended 09/30/21 Budget	Variance Favorable (Unfavor.)	2022 Adopted Budget	Budget Comments
Water Consumption in Gallons:									
Residential	1,981,500	1,250,000	1,250,000	1,750,000	1,608,550	1,138,710	469,840	1,750,000	Based on 2021 usage
Golf Course & Ponds	66,181,648	30,000,000	60,000,000	59,794,747	59,794,747	30,000,000	29,794,747	40,000,000	Based on 2021 usage
Club Facilities	604,040	450,000	450,000	500,000	467,310	337,500	129,810	500,000	Based on 2021 usage
Flushing & WWTP Consumption		-	-	-		-	-	-	No longer flushing
Non-Metered Water Loss & Tank Fluctuation	381,812	2,000,000	2,000,000	2,000,000	778,683	1,500,000	(721,317)	2,000,000	Based on 2021 usage
Total Gallons Purchased During Year	69,149,000	33,700,000	63,700,000	64,044,747	62,649,290	32,976,210	29,673,080	44,250,000	
Cost of Water Purchased:									
Tri-County Rate	3.00	3.15	3.00	3.00				3.25	Rate Increase Per Tri-County
Tri- County Pumping Charge	0.40	0.40	0.40	0.40				0.40	No Increase Per Tri- County
Booster Pump Utility Costs	1.09	1.30	1.15	1.15				1.20	Assume 5% Increase
Cost to Obtain Water- Per 1K Gallons	4.49	4.85	4.55	4.55				4.85	
Add Captial Reserve Charge	1.58	1.50	1.65	1.65				1.50	
Total Commercial Charge over 15M Gallons	6.07	6.35	6.20	6.20				6.35	Equal to below
Commercial Rate up to 15M Gallons Calc:									
50% of Payroll Charge	2.46	2.59	2.59	2.56				2.67	Calc to cover 50% of costs
50% of Other Non-Variable Costs	4.35	6.20	7.36	6.03				7.43	Calc to cover 50% of costs
Base Electrical Costs	3.78	3.97	3.97	3.97				4.17	To cover demand charges
Cost of Water Per Above	6.07	6.35	6.20	6.20				6.35	Per Above
Adjustment For Actual Rate Charged	0.71	-	-	0.20				-	
Total Golf Rate up to 15M Gallons	17.37	19.11	20.12	18.96				20.62	Should have been 19.53 in 2021
Water Rates:									
House or Structure Charges Per Quarter:									
Base Rate Use	245.00	257.00	257.00	257.00				270.00	5% Increase
Rate 1 use	17.00	17.85	17.85	17.85				18.75	5% Increase
Rate 2 use	24.00	25.20	25.20	25.20				26.50	5% Increase
Golf Course Water Rate- Up to 15M Gallons	17.37	19.11	20.12	18.96				20.62	Per Above
Golf Course Water Rate- After 15M Gallons	6.07	6.35	6.20	6.20				6.35	Per Above
Clubhouse Ponds Water Rate	6.07	6.35	6.20	6.20				6.35	Same as over 15M Rate above
Tap Fee- Residential	7,500	7,500	7,500	7,500				7,500	Based on historical rates
Sewer Rates:									
Quarterly Sewer Charge -Residential	200.00	210.00	210.00	210.00				220.00	5% Increase
Quarterly Sewer Charge -Commercial	450.00	475.00	475.00	475.00				500.00	5% Increase
Sewer Tap Fee- Residential	7,500	7,500	7,500	7,500				7,500	Based on historical rates
Units Connected To Systems:									
Water System									
Homes Added to Domestic Water System	4	10	10	2				2	Cabins 6, 7 expected in 2022
Total Connected- End of Yr	15	25	25	17				19	does not include 6 commercial properties.
Average Quarterly Use Per Household	33,025	12,500	12,500	25,735				23,026	Based on historical usage
Average Quarterly Bill Per Household	583	250	250	588				592	Based on historical rates
Commercial Connections	9	6	6	6				6	
Golf Course & Pond Connections	3	3	3	3				3	
Sewer System									
Homes Added to Sewer System		9	9	1				5	Remaining 4 cabins & 1 home startd in 2021
Total Homes Connected- End of Yr	14	23	23	15				20	
Commercial 4 Inch Connections	2	2	2	2				2	Comfort Station 5 and Cart Barn
Commercial 6 Inch Connections	1	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	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	9 Months Ended 09/30/21 Actual	9 Months Ended 09/30/21 Budget	Variance Favorable (Unfavor.)	2022 Adopted Budget	Budget Comments
Revenues:									
Water User Fees Commercial	586,817	386,285	585,117	566,769	565,338	371,740	193,598	472,807	Based on assumed usage and rates
Commercial Overhead Fees	-	-	-	-	-	-	-	-	
Water User Fees Residential	39,330	25,000	25,000	40,000	33,469	18,575	14,894	45,000	Based on assumed usage and rates
Sewer User Fee Commercial	3,200	3,800	3,800	3,800	2,685	2,850	(165)	4,000	Based on 2022 rates
Sewer User Fee Residential	11,200	19,320	19,320	11,760	9,030	14,490	(5,460)	13,200	Based on 2022 rates
Interest Income	-	-	-	-	-	-	-	-	
Late Fees & Interest	8,749	-	-	-	21,240	-	21,240	-	
Backflow Testing Fee	-	-	-	-	-	-	-	-	
Utility Reimbursements	-	-	-	-	-	-	-	-	
Title Fee	100	-	-	-	-	-	-	-	
Less Allowance For Delayed Receipts	317,794	-	-	-	(21,240)	-	(21,240)	-	
Other Income	-	-	-	-	-	-	-	-	Potential Grant of \$25k in 2022 for Chlorination system
Collection of Past Due Balances	-	-	-	-	-	-	-	-	
TOTAL REVENUES	967,190	434,405	633,237	622,329	610,522	407,655	202,867	535,007	
Water Expenses:									
Variable Expenses:									
Water Utilities	132,077	106,810	136,255	139,801	107,175	88,500	(18,675)	133,323	Based on cost per 1,000 gallons
COA Utility Reimbursement-Golf Course	-	-	-	-	-	-	-	-	Paid directly by Club
Water - Tri-County Water	209,586	106,155	191,100	192,134	188,197	103,875	(84,322)	143,813	Based on cost per 1,000 gallons
Water - Tri-County Pumping	27,361	13,480	25,480	25,618	25,060	13,190	(11,869)	17,700	Based on cost per 1,000 gallons
Total Variable Water Expenses	369,024	226,445	352,835	357,554	320,432	205,566	(114,866)	294,836	
Payroll Expenses:									
Salaries	73,500	77,200	77,200	77,200	57,744	57,900	156	79,600	Assume 3% Raise
Payroll Taxes	1,969	1,680	1,680	1,641	1,124	1,260	136	1,722	Medicare & Unemployment
Retirement	3,675	3,900	3,900	3,860	2,839	2,925	86	3,980	Substitute Soc Security; 5% ER Contr
Health Insurance	15,468	16,140	16,140	16,197	10,479	10,760	281	17,882	PPO5 Rates 80% Dist, 20% EE
Reimbursables	1,180	1,200	1,200	1,200	985	1,000	15	1,200	Safety Eq, Cell Phone
Workers Comp Insurance	2,285	2,400	2,400	2,217	2,217	2,400	183	2,380	Assume 5% rate increase
Retirement Plan Administration Fee	500	1,000	1,000	-	-	750	750	-	Negotiated to be free
Less 25% Allocation to Sewer Expenses	(24,644)	(25,880)	(25,880)	(25,579)	(18,847)	(19,410)	(563)	(26,691)	25% of payroll allocated to sewer
Total Payroll Expenses	73,932	77,640	77,640	76,736	56,541	57,585	1,044	80,073	
Other Expenses:									
Contracted System Operator Services	4,770	4,770	4,770	4,770	3,776	3,578	(198)	4,770	DBWW- 75% sewer; 25% water
Contracted Services	-	1,000	1,000	1,000	-	750	750	1,000	Other Assistance
Engineering, Surveying	-	3,000	3,000	1,000	-	2,250	2,250	3,000	\$3K DOWL
Water Booster Maintenance	42,253	80,000	92,000	68,240	72,669	80,000	7,331	25,000	Special Projects / Capital Now Below
Capital Upgrades & Replacements	-	-	23,000	23,000	2,637	-	(2,637)	90,000	Chlorination System Upgrades
Distribution System Maintenance	26,495	20,000	20,000	20,000	11,401	15,000	3,599	20,000	Based on 2021 Forecast
Reimbursements & Misc. Other	924	1,000	1,000	1,000	585	750	165	1,000	Locates, Mileage, Phone, & other
Supplies, Permitting, Other	6,936	3,000	3,000	3,000	870	2,250	1,380	3,000	\$6,500 BLM in 2020
Education & Training	750	1,200	1,200	1,200	-	900	900	1,200	
Temporary Service Connections	-	-	-	-	-	-	-	-	
Tap Connection Fee	-	-	-	-	-	-	-	-	
Testing	1,071	1,200	1,200	1,200	763	900	137	1,200	
Annual Backflow Testing	99	-	-	100	99	-	(99)	100	
Legal	-	-	-	-	-	-	-	-	
Vehicles & Equipment	4,007	8,000	8,000	6,000	3,341	6,000	2,659	8,000	Fuel & maintenance
Allocated Overhead from General Fund	43,210	42,705	42,705	45,428	30,121	31,466	1,345	44,535	Actg, Legal, Mgmt, & Office Operations
Contingency	-	20,000	20,000	5,000	-	-	-	20,000	Unforeseen Needs / State Requirements
Total Other Expenses	130,514	185,875	220,875	180,938	126,261	143,844	17,583	222,805	
Total Water System Operating Costs	573,470	489,960	651,350	615,228	503,234	406,995	(96,239)	597,714	

**CORNERSTONE METROPOLITAN DISTRICT NO. 1
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WATER & SEWER ENTERPRISE FUND	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	9 Months Ended 09/30/21 Actual	9 Months Ended 09/30/21 Budget	Variance Favorable (Unfavor.)	2022 Adopted Budget	Budget Comments
Sewer Expenses:									
Contracted System Operator Services	14,310	14,310	14,310	14,310	10,733	10,733	-	14,310	DBWW- 75% sewer; 25% water
25% Allocation for Water Payroll (Per Above)	24,644	25,880	25,880	25,579	18,847	19,410	563	26,691	25 % of payroll, per above
Collection System Maintenance	2,747	2,500	2,500	1,000	-	1,875	1,875	2,500	Potential needs
Operating Supplies	2,818	2,500	2,500	2,500	1,556	1,875	319	2,500	Potential needs
Engineering	-	-	-	-	-	-	-	-	
Utilities	2,427	3,200	3,200	2,750	1,878	2,400	522	3,000	
Testing, Permitting, Other	1,100	1,200	1,200	1,200	-	900	900	1,200	
Allocated Overhead from General Fund	14,403	14,235	14,235	15,143	10,040	10,489	448	14,845	Actg, Legal, Mgnt, & Office Operations
Contingency		2,500	2,500	1,000		-	-	2,500	Unforeseen Needs
Total Sewer System Operating Costs	62,450	66,325	66,325	63,481	43,054	47,681	4,627	67,546	
TOTAL OPERATING EXPENDITURES	635,920	556,285	717,675	678,709	546,288	454,676	(91,612)	665,260	
REVENUE OVER (UNDER) EXPEND.	331,270	(121,881)	(84,438)	(56,380)	64,234	(47,021)	111,255	(130,253)	
OTHER SOURCES & (USES)									
Water Tap Fees- Residential	30,000	45,000	15,000	15,000	15,000	45,000	(30,000)	15,000	\$7,500 per unit- Cabins 6, 7 in 2022
Water Tap Fees- Commercial	-	-	-	-	-	-	-	-	
Sewer Tap Fees- Residential	30,000	37,500	15,000	15,000	15,000	37,500	(22,500)	15,000	\$7,500 per unit- Cabins 6, 7 in 2022
Sewer Tap Fees- Commercial	-	-	-	-	-	-	-	-	
Developer Advance	-	-	-	-	-	-	-	-	
Developer Repayments - Principal	-	-	-	-	-	-	-	-	
Transfer From (To) Other Funds	(170,000)	167,000	167,000	144,000	-	62,000	(62,000)	146,000	Balance, with capital reserve set aside
TOTAL OTHER SOURCES & (USES)	(110,000)	249,500	197,000	174,000	30,000	144,500	(114,500)	176,000	
CHANGE IN FUND BALANCE	221,270	127,620	112,562	117,620	94,234	97,479	(3,245)	45,747	
FUND BALANCE - BEGINNING	68,112	238,650	238,650	289,381	289,381	238,650	50,732	407,002	
FUND BALANCE - ENDING	289,381	366,269	351,212	407,002	383,616	336,128	47,487	452,748	
=	=	=	=	=	=	=	=	=	
Categories of Fund Balance:									
Reserved For Capital Replacements	187,023	317,210	293,023	304,184	315,684			349,184	Setting aside reserve & Tap fees, Less Captial Exp
Reserved for Operations	102,359	49,059	58,189	102,818	67,932			103,564	
Total Fund Balance- General Fund	289,381	366,269	351,212	407,002	383,616	-	-	452,748	

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: \$ 800

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: \$ 800
(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: 12/8/2021 for budget/fiscal year 2022
(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 2022

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 2022: \$43,560

Term of Lease-Purchase agreement: 5 Years

Total maximum payment liability over the entire term \$217,802