

# CORNERSTONE METROPOLITAN DISTRICT NO. 1

January 23, 2023

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

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

Attached is the 2023 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 October 24, 2022. 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)

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*Administrative & Financial Management Provided By Marchetti & Weaver, LLC*

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28 Second Street, Suite 213  
Edwards, CO 81632  
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# **CORNERSTONE METROPOLITAN DISTRICT NO. 1**

## **2023 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.

## **2023 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 2023 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 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No. 1 has appointed a budget committee to prepare and submit a proposed 2023 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 24, 2022, 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 2022, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT, MONTROSE COUNTY, COLORADO, FOR THE 2023 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 October 24, 2022 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 2022 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 2023 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 2022.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2023 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 2023 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 2022.

**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 2023 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 2022.
- 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 2023 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 24, 2022, 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	\$ 377,887
Interfund Transfers	<u>172,000</u>
TOTAL GENERAL FUND	\$ 549,887

WATER & SEWER ENTERPRISE FUND

Current Operating Expenditures	\$ <u>791,696</u>
TOTAL ENTERPRISE FUND	\$ 791,696

**RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 1**  
**(CONTINUED)**

**TO ADOPT 2023 BUDGET, SET MILL LEVIES AND**  
**APPROPRIATE SUMS OF MONEY**  
**(CONTINUED)**

The above resolutions to adopt the 2023 budget, set the mill levies and to appropriate sums of money were adopted this 24<sup>th</sup> day of October, 2022.

DocuSigned by:  
Attest: Brian Wallin  
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Title: President

**CORNERSTONE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**September 30, 2022**

Date Printed: 01/19/23

	<u>General Fund</u>	<u>Water &amp; Sewer Fund</u>	<u>Assets &amp; LT Debt</u>	<u>Totals</u>
<b>ASSETS</b>				
CSAFE Checking				-
Colostrust	454,828	588,011		1,042,840
Alpine Checking	357,854			357,854
Alpine Money Market	-			-
Accounts Receivable	29,530	116,959		146,489
Allowance for Delayed Payments	(29,530)	(87,536)	80,000	(37,066)
Prepaid Expenses	495			495
Due From CSMD No. 2	-		-	-
Due From COA	-			-
Due From Cornerstone Club	-			-
Capital Assets			17,038,792	17,038,792
Accumulated Depreciation			(7,676,409)	(7,676,409)
<b>TOTAL ASSETS</b>	<b>813,177</b>	<b>617,434</b>	<b>9,442,383</b>	<b>10,872,994</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>				
Accounts Payable	15,253	-		15,253
Accrued Liabilities	-	-		-
Payroll Tax Payable	1,134	-		1,134
Deferred Revenues	-	-		-
Lease Purchases			118,505	118,505
Long-Term Notes Payable to Hunt			7,346,498	7,346,498
Accrued Interest - Hunt Notes			7,201,517	7,201,517
Accrued Interest - Lease Purchase			471	471
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>16,388</b>	<b>-</b>	<b>14,666,991</b>	<b>14,683,379</b>
<b>NET POSITION</b>				
Investment in Fixed Assets, Net of Depreciation			9,362,383	9,362,383
Investment in Long Term Debt			(118,505)	(118,505)
Investment in Hunt Notes & Accrued Interest			(14,548,486)	(14,548,486)
Investment in CMD2 Delayed Receipts				-
Amount to Be Provided A/R Allowance			80,000	80,000
Fund Balance	796,790	617,434		1,414,224
<b>TOTAL FUND EQUITY</b>	<b>796,790</b>	<b>617,434</b>	<b>(5,224,608)</b>	<b>(3,810,385)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>813,177</b>	<b>617,434</b>	<b>9,442,383</b>	<b>10,872,994</b>
	=	=	=	=



**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**

<b>GENERAL FUND</b>	<b>2021 Audited Actual</b>	<b>2022 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2022 Forecast</b>	<b>9 Months Ended 9/30/2022 Actual</b>	<b>9 Months Ended 9/30/2022 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Adopted Budget</b>	<b>Budget Comments</b>
<b>REVENUES</b>									
Xfer From No. 2- Operations	405,675	413,750	(2,839)	410,911	379,870	393,067	(13,196)	432,625	Per District #2
General Operations Fee	-	-	-	-	-	-	-	-	
Late Fees, Interest Charges, & Charges Billed Back	9,109	-	-	-	5,637	-	5,637	-	
Allowance for Delayed Receipts	(29,109)	-	-	-	(5,637)	-	(5,637)	-	
Collection of Past Due Balances	-	-	-	-	-	-	-	-	
Interest Income	272	250	12,250	12,500	6,555	188	6,368	34,000	Assuming 3% Interest Rate
Collection Legal Fee Recovery	-	-	-	-	-	-	-	-	
Open Records Requests & Other Income	-	-	-	-	-	-	-	-	
Utility Reimbursements	-	-	-	-	-	-	-	-	
Sale of Assets	-	-	-	-	-	-	-	-	
Road Fees	10,000	10,000	5,000	15,000	15,000	10,000	5,000	10,000	\$5,000 per unit - Assuming two in 2023
<b>TOTAL REVENUES</b>	<b>395,947</b>	<b>424,000</b>	<b>14,411</b>	<b>438,411</b>	<b>401,425</b>	<b>403,254</b>	<b>(1,829)</b>	<b>476,625</b>	
<b>EXPENDITURES</b>									
<b>Operations:</b>									
Accounting & Administration	69,892	84,000	9,000	75,000	48,695	59,850	11,155	79,000	Based on PY
District Management	-	-	-	-	-	-	-	-	None Anticipated
Billing, Reserve Study & Other Special Services	-	-	-	-	-	-	-	-	None Anticipated
Audit	12,100	12,500	200	12,300	12,300	12,500	200	12,500	Both Districts- Per CSD Engagement Letters
Board Member Compensation	7,869	10,200	4,600	5,600	3,129	7,650	4,521	5,600	7 meetings \$100 for Primary; \$50 for other, Ins.
Payroll Fees	75	100	-	100	58	75	17	100	Quickbooks processing fees
Insurance & Bonds	21,469	23,100	3,305	19,795	19,795	23,100	3,305	22,800	Based on PY
Worker's Compensation	45	300	255	45	45	-	(45)	100	Board members only in General fund
Bond Trustee Fees	6,750	6,750	-	6,750	6,250	6,750	500	6,750	\$2500 10A and \$3500 10B bonds
Dues and Subscriptions	1,304	1,500	(38)	1,538	1,538	1,500	(38)	1,600	Based on PY
Elections	-	6,000	4,750	1,250	1,239	6,000	4,761	5,000	Only in odd years, assuming cancellation
Legal	59,740	57,000	27,000	30,000	21,440	42,750	21,310	45,000	Based on PY
Legal - Collections	-	-	-	-	-	-	-	-	
Office Expense	2,489	2,750	(450)	3,200	2,651	2,063	(588)	3,500	Based on PY
Publication Expense	84	200	-	200	231	100	(131)	200	
Contingency	-	25,000	15,000	10,000	-	-	-	25,000	Unforeseen Needs
<b>Facility Operations:</b>									
Electricity	4,745	5,250	-	5,250	2,406	3,938	1,532	5,515	Welcome Ctr, including front gate
Natural Gas	-	-	-	-	-	-	-	-	
Telephone & Internet	1,622	1,600	-	1,600	1,160	1,200	40	1,680	Welcome Ctr.
Building Maintenance	-	-	-	-	-	-	-	-	
Grounds Maintenance	-	600	-	600	-	600	600	600	Welcome Ctr.
Operating Supplies	-	-	-	-	-	-	-	-	
<b>Leased Facilities Costs</b>									
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
<b>Less Allocations to Functions</b>									
To Road Operations (25%)	(34,081)	(37,113)	(9,000)	(28,113)	(18,425)	(27,084)	(8,659)	(32,949)	Actg, Legal, Mgnt, & Office Operations
To Water & Swr Fund (40%)	(54,530)	(59,380)	(14,400)	(44,980)	(29,481)	(43,335)	(13,854)	(52,718)	Actg, Legal, Mgnt, & Office Operations
To Capital Fund (0%)	-	-	-	-	-	-	-	-	
<b>TOTAL OPERATIONS EXPENDITURES</b>	<b>99,573</b>	<b>140,358</b>	<b>40,222</b>	<b>100,136</b>	<b>73,032</b>	<b>97,656</b>	<b>24,624</b>	<b>129,278</b>	

**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**

<b>GENERAL FUND (CONTINUED)</b>	<b>2021 Audited Actual</b>	<b>2022 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2022 Forecast</b>	<b>9 Months Ended 09/30/22 Actual</b>	<b>9 Months Ended 09/30/22 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Adopted Budget</b>	<b>Budget Comments</b>
<b>EXPENDITURES (CONTINUED)</b>									
<b>Road Repairs and Maintenance:</b>									
Contracted Services- Snowplowing	30,275	28,000	(2,000)	30,000	15,963	18,200	2,237	35,000	Increase in plowing due to new construction
Equipment Lease	43,560	43,560	-	43,560	32,670	32,670	-	43,560	Kubota Tractor Lease \$3,630/month
Equipment Fuel & Maintenance	13,110	14,000	(12,000)	26,000	14,016	10,500	(3,516)	26,000	Fuel & Equipment maintenance
Sand and Gravel	-	-	-	-	-	-	-	-	
Misc Road Expenses	495	5,600	-	5,600	-	5,600	5,600	5,600	Front and rear Gate R&M + \$5K Cattleguard
Culvert Cleaning Repair, and Replacement	433	2,000	(1,500)	3,500	3,500	2,000	(1,500)	5,000	Along fenceline of ranch roads, repair washouts
Equipment Storage Facility & Heating	-	-	-	-	-	-	-	-	
Storm Water Management- BMP's	-	-	-	-	-	-	-	-	
Guardrail Maintenance	-	-	-	-	-	-	-	-	
Sign Maintenance	-	2,000	2,000	-	-	2,000	2,000	2,000	Stop signs & directional signage
Street Sweeping	-	-	-	-	-	-	-	-	Included in snowplowing costs
Trash Cleanup	-	-	-	-	-	-	-	-	
Government Springs Road Maintenance	-	5,000	3,200	1,800	1,800	5,000	3,200	5,000	
Shoulder and V Ditch Maintenance	1,917	2,000	(12)	2,012	2,012	2,000	(12)	5,000	Motor grader to clean out shoulder ditches, gravel
Crack Seal/ Pavement Repair	-	25,000	(74,000)	99,000	63,921	12,500	(51,421)	64,000	Spring and fall applications
Weed Control- Road Right-Of-Ways	-	5,000	2,500	2,500	-	5,000	5,000	2,500	Broadleaf and Noxious Weed Control
Legal- Collections	-	-	-	-	-	-	-	-	All accounts now current
Overhead Allocation (25%)	34,081	37,113	9,000	28,113	18,425	27,084	8,659	32,949	Actg, Legal, Mgmt, & Office Operations
Contingency	-	15,000	15,000	-	-	-	-	15,000	Contingency
<b>TOTAL ROAD EXPENDITURES</b>	<b>123,871</b>	<b>184,273</b>	<b>(57,812)</b>	<b>242,085</b>	<b>152,308</b>	<b>122,555</b>	<b>(29,753)</b>	<b>241,609</b>	
<b>Public Safety- Welcome Center</b>									
Staffing	-	-	-	-	-	-	-	-	
Operating Supplies & Repairs	11,670	3,000	-	3,000	2,666	2,250	(416)	3,000	Gate repairs
<b>TOTAL WELCOME CENTER EXPENDITURES</b>	<b>11,670</b>	<b>3,000</b>	<b>-</b>	<b>3,000</b>	<b>2,666</b>	<b>2,250</b>	<b>(416)</b>	<b>3,000</b>	
<b>Public Safety- Fire &amp; EMS:</b>									
Training, Equipent, Dispatch Fee	-	-	-	-	-	-	-	-	
HVFD Stipend	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	-	-	-	-	-	-	-	-	
<b>TOTAL FIRE &amp; EMS EXPENDITURES</b>	<b>2,000</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>2,000</b>	<b>4,000</b>	<b>2,000</b>	<b>4,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>237,114</b>	<b>331,630</b>	<b>(17,590)</b>	<b>349,220</b>	<b>230,005</b>	<b>226,460</b>	<b>(3,545)</b>	<b>377,887</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>158,834</b>	<b>92,370</b>	<b>(3,179)</b>	<b>89,191</b>	<b>171,420</b>	<b>176,794</b>	<b>(5,374)</b>	<b>98,738</b>	
<b>OTHER SOURCES &amp; (USES)</b>									
Proceeds from Financing	-	-	-	-	-	-	-	-	Tractor Lease Proceeds- Offset by Expense
Equipment Purchases	-	-	-	-	-	-	-	-	Tractor- via lease-purchase
Transfer (to) from Other Funds	(146,000)	(146,000)	55,000	(91,000)	-	(73,000)	73,000	(172,000)	Amt Needed Per Enterprise Fund
Developer Advance - Operations	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES &amp; (USES)</b>	<b>(146,000)</b>	<b>(146,000)</b>	<b>55,000</b>	<b>(91,000)</b>	<b>-</b>	<b>(73,000)</b>	<b>73,000</b>	<b>(172,000)</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>12,834</b>	<b>(53,630)</b>	<b>51,821</b>	<b>(1,809)</b>	<b>171,420</b>	<b>103,794</b>	<b>67,626</b>	<b>(73,262)</b>	
FUND BALANCE - BEGINNING	612,536	599,983	25,387	625,370	625,370	599,983	25,387	623,560	
<b>FUND BALANCE - ENDING</b>	<b>625,370</b>	<b>546,352</b>	<b>77,208</b>	<b>623,560</b>	<b>796,790</b>	<b>703,776</b>	<b>93,013</b>	<b>550,298</b>	
<b>Categories of Fund Balance:</b>									
NonSpendable	25,186	-	25,300	25,300	495	-	-	27,830	
Reserved for TABOR (3% For Emergencies)	11,878	12,720	432	13,152	13,152	-	-	14,299	3% of Revenues
Reserved For Capital Replacement	433,000	376,000	24,000	400,000	400,000	-	-	327,000	Net Available
Reserved For Next Year Budget Deficit	28,444	-	-	-	-	-	-	-	Assume breakeven 2023 Budget
Unassigned	126,861	157,632	27,476	185,108	383,142	-	-	181,169	1/3 yr of exp & Water/Sewer subsidy
<b>Total Fund Balance- General Fund</b>	<b>625,370</b>	<b>546,352</b>	<b>77,208</b>	<b>623,560</b>	<b>796,790</b>	<b>703,776</b>	<b>93,013</b>	<b>550,298</b>	

**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**

<b>WATER &amp; SEWER ENTERPRISE FUND</b>	<b>2021 Audited Actual</b>	<b>2022 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2022 Forecast</b>	<b>9 Months Ended 09/30/22 Actual</b>	<b>9 Months Ended 09/30/22 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Adopted Budget</b>	<b>Budget Comments</b>
<b>Water Consumption in Gallons:</b>									
Residential	1,670,910	1,750,000	(270,000)	1,480,000	1,403,290	1,594,194	(190,904)	2,000,000	New Cabins online in 2023
Golf Course & Ponds	64,784,158	40,000,000	3,954,746	43,954,746	43,954,746	40,000,000	3,954,746	45,000,000	Based on PY usage
Club Facilities	482,040	500,000	12,080	512,080	512,080	375,000	137,080	550,000	Based on PY usage
Flushing & WWTP Consumption		-	-	-		-	-	-	No longer flushing
Non-Metered Water Loss & Tank Fluctuation	1,015,182	2,000,000	-	2,000,000	518,305	1,500,000	(981,695)	2,000,000	Based on PY usage
<b>Total Gallons Purchased During Year</b>	<b>67,952,290</b>	<b>44,250,000</b>	<b>3,696,826</b>	<b>47,946,826</b>	<b>46,388,421</b>	<b>43,469,194</b>	<b>2,919,227</b>	<b>49,550,000</b>	
<b>Cost of Water Purchased:</b>									
Tri-County Rate	3.00	3.25		3.25				3.40	Rate Increase Per Tri-County
Tri- County Pumping Charge	0.40	0.40		0.40				0.40	No increase to pumping rate per Tri-County
Booster Pump Utility Costs	1.15	1.20		1.20				1.26	Assume 5% Increase
<b>Cost to Obtain Water- Per 1K Gallons</b>	<b>4.55</b>	<b>4.85</b>		<b>4.85</b>				<b>5.06</b>	
Add Captial Reserve Charge	1.65	1.50		1.50				1.50	
<b>Total Commercial Charge over 15M Gallons</b>	<b>6.20</b>	<b>6.35</b>		<b>6.35</b>				<b>6.56</b>	Equal to below
<b>Commercial Rate up to 15M Gallons Calc:</b>									
50% of Payroll Charge	<b>2.56</b>	<b>2.67</b>		<b>2.68</b>				<b>2.83</b>	Calc to cover 50% of costs
50% of Other Non-Variable Costs	<b>6.03</b>	<b>7.43</b>		<b>4.67</b>				<b>9.83</b>	Calc to cover 50% of costs
Base Electrical Costs	<b>3.97</b>	<b>4.17</b>		<b>4.17</b>				<b>4.38</b>	To cover demand charges
Cost of Water Per Above	<b>6.20</b>	<b>6.35</b>		<b>6.35</b>				<b>6.56</b>	Per Above
Adjustment For Actual Rate Charged	<b>0.20</b>	-		<b>2.75</b>				<b>(1.07)</b>	Due to Timing In Chloromine Project
<b>Total Golf Rate up to 15M Gallons</b>	<b>18.96</b>	<b>20.62</b>		<b>20.62</b>				<b>22.53</b>	
<b>Water Rates:</b>									
<b>House or Structure Charges Per Quarter:</b>									
Base Rate Use	257.00	270.00		270.00				284.00	5% Increase
Rate 1 use	17.85	18.75		18.75				19.70	5% Increase
Rate 2 use	25.20	26.50		26.50				27.85	5% Increase
<b>Golf Course Water Rate- Up to 15M Gallons</b>	<b>18.96</b>	<b>20.62</b>		<b>20.62</b>				<b>22.53</b>	Per Above
<b>Golf Course Water Rate- After 15M Gallons</b>	<b>6.20</b>	<b>6.35</b>		<b>6.35</b>				<b>6.56</b>	Per Above
<b>Clubhouse Ponds Water Rate</b>	<b>6.20</b>	<b>6.35</b>		<b>6.35</b>				<b>6.56</b>	Same as over 15M Rate above
<b>Tap Fee- Residential</b>	<b>7,500</b>	<b>7,500</b>		<b>7,500</b>				<b>7,500</b>	Based on historical rates
<b>Sewer Rates:</b>									
Quarterly Sewer Charge -Residential	210.00	220.00		220.00				230.00	5% Increase
Quarterly Sewer Charge -Commercial	475.00	500.00		500.00				525.00	5% Increase
Sewer Tap Fee- Residential	7,500	7,500		7,500				7,500	Based on historical rates
<b>Units Connected To Systems:</b>									
<b>Water System</b>									
Homes Added to Domestic Water System	2	2		3				4	Cabins 3, 6, 7 and one home expected in 2023
Total Connected- End of Yr	17	21		21				25	does not include 6 commercial properties.
Average Quarterly Use Per Household	25,735	20,833		17,619				20,000	Based on historical usage
Average Quarterly Bill Per Household	588	536		417				380	Based on historical rates
Commercial Connections	6	6	-	6				6	
Golf Course & Pond Connections	3	3		3				3	
<b>Sewer System</b>									
Homes Added to Sewer System	1	5		9				2	Remaining 3 cabins and 1 home in 2023
Total Homes Connected- End of Yr	15	20		24				26	
Commercial 4 Inch Connections	2	2		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**

<b>WATER &amp; SEWER ENTERPRISE FUND</b>	<b>2021 Audited Actual</b>	<b>2022 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2022 Forecast</b>	<b>9 Months Ended 09/30/22 Actual</b>	<b>9 Months Ended 09/30/22 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Adopted Budget</b>	<b>Budget Comments</b>
<b>Revenues:</b>									
Water User Fees Commercial	596,642	472,807	25,189	497,996	492,647	469,265	23,382	540,062	Based on assumed usage and rates
Commercial Overhead Fees	-	-	-	-	-	-	-	-	
Water User Fees Residential	38,207	45,000	(10,000)	35,000	31,313	39,330	(8,017)	38,000	Based on assumed usage and rates
Sewer User Fee Commercial	3,580	4,000	-	4,000	2,820	3,000	(180)	4,200	Based on 2022 rates
Sewer User Fee Residential	12,390	13,200	3,720	16,920	12,300	9,900	2,400	22,080	Based on 2022 rates
Interest Income	-	-	-	-	-	-	-	-	
Late Fees & Interest	25,614	-	-	-	16,910	-	16,910	-	
Backflow Testing Fee	-	-	-	-	-	-	-	-	
Utility Reimbursements	-	-	-	-	-	-	-	-	
Title Fee	100	-	-	-	100	-	100	-	
Less Allowance For Delayed Receipts	(86,200)	-	-	-	(16,910)	-	(16,910)	-	
Other Income	-	-	-	-	-	-	-	-	Potential Grant of \$25k in 2022 for Chlorination system
Collection of Past Due Balances	-	-	-	-	-	-	-	-	
<b>TOTAL REVENUES</b>	<b>590,333</b>	<b>535,007</b>	<b>18,909</b>	<b>553,916</b>	<b>539,180</b>	<b>521,495</b>	<b>17,685</b>	<b>604,342</b>	
<b>Water Expenses:</b>									
<b>Variable Expenses:</b>									
Water Utilities	130,118	133,323	(4,436)	137,760	95,736	110,819	15,084	146,668	Based on cost per 1,000 gallons
COA Utility Reimbursement-Golf Course	-	-	-	-	-	-	-	-	Paid directly by Club
Water - Tri-County Water	188,955	143,813	(12,015)	155,827	113,446	141,275	27,829	176,894	Based on cost per 1,000 gallons
Water - Tri-County Pumping	25,154	17,700	(1,479)	19,179	13,938	17,388	3,450	20,811	Based on cost per 1,000 gallons
<b>Total Variable Water Expenses</b>	<b>344,227</b>	<b>294,836</b>	<b>(17,930)</b>	<b>312,766</b>	<b>223,120</b>	<b>269,482</b>	<b>46,362</b>	<b>344,372</b>	
<b>Payroll Expenses:</b>									
Salaries	76,670	79,600	(1,900)	81,500	60,655	59,700	(955)	86,295	Assume 4% Raise
Payroll Taxes	2,120	1,722	47	1,675	1,369	1,292	(77)	1,759	Medicare & Unemployment
Retirement	3,785	3,980	(95)	4,075	3,033	2,985	(48)	4,315	Substitute Soc Security; 5% ER Contr
Health Insurance	14,855	17,882	1,368	16,514	12,495	13,412	916	17,257	PPO5 Rates 80% Dist, 20% EE
Reimbursables	1,180	1,200	-	1,200	985	1,000	15	1,200	Safety Eq, Cell Phone
Workers Comp Insurance	2,217	2,380	97	2,283	2,283	2,380	97	2,500	Assume 10% rate increase
Retirement Plan Administration Fee	-	-	-	-	-	-	-	-	Negotiated to be free
Less 25% Allocation to Sewer Expens	(25,207)	(26,691)	121	(26,812)	(20,205)	(20,018)	187	(28,332)	25% of payroll allocated to sewer
<b>Total Payroll Expenses</b>	<b>75,621</b>	<b>80,073</b>	<b>(362)</b>	<b>80,435</b>	<b>60,615</b>	<b>60,750</b>	<b>135</b>	<b>84,995</b>	
<b>Other Expenses:</b>									
Contracted System Operator Services	4,864	4,770	-	4,770	3,918	3,578	(341)	4,770	DBWW- 75% sewer; 25% water
Contracted Services	-	1,000	-	1,000	-	750	750	1,000	Other Assistance
Engineering, Surveying	-	3,000	-	3,000	-	2,250	2,250	3,000	\$3K DOWL
Water Booster Maintenance	76,499	25,000	-	25,000	153	18,750	18,597	25,000	Special Projects / Capital Now Below
Chlorination System Upgrade	24,488	90,000	57,000	33,000	3,807	30,000	26,193	167,000	Chlorination System Upgrades (\$200k total, estimating \$90k)
Distribution System Maintenance	19,152	20,000	-	20,000	5,001	15,000	9,999	20,000	Based on 2022 Forecast
Reimbursements & Misc. Other	724	1,000	-	1,000	367	750	383	1,000	Locates, Mileage, Phone, & other
Supplies, Permitting, Other	1,546	3,000	-	3,000	2,246	2,250	4	3,000	
Education & Training	275	1,200	-	1,200	800	900	100	1,200	
Temporary Service Connections	-	-	-	-	-	-	-	-	
Tap Connection Fee	487	-	-	-	-	-	-	-	
Testing	1,338	1,200	-	1,200	743	900	157	1,200	
Annual Backflow Testing	99	100	-	100	99	100	1	100	
Legal	-	-	-	-	-	-	-	-	
Vehicles & Equipment	3,633	8,000	-	8,000	1,093	6,000	4,907	8,000	Fuel & maintenance
Allocated Overhead from General Fund	40,897	44,535	10,800	33,735	22,111	32,501	10,391	39,538	Actg, Legal, Mgmt, & Office Operations
Contingency	-	20,000	15,000	5,000	-	-	-	20,000	Unforeseen Needs / State Requirements
<b>Total Other Expenses</b>	<b>174,003</b>	<b>222,805</b>	<b>82,800</b>	<b>140,005</b>	<b>40,339</b>	<b>113,729</b>	<b>73,390</b>	<b>294,808</b>	
<b>Total Water System Operating Costs</b>	<b>593,851</b>	<b>597,714</b>	<b>64,508</b>	<b>533,206</b>	<b>324,074</b>	<b>443,961</b>	<b>119,887</b>	<b>724,175</b>	

**CORNERSTONE METROPOLITAN DISTRICT NO. 1  
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<b>WATER &amp; SEWER ENTERPRISE FUND</b>	<b>2021 Audited Actual</b>	<b>2022 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2022 Forecast</b>	<b>9 Months Ended 09/30/22 Actual</b>	<b>9 Months Ended 09/30/22 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Adopted Budget</b>	<b>Budget Comments</b>
<b>Sewer Expenses:</b>									
Contracted System Operator Services	14,310	14,310	-	14,310	10,733	10,733	-	14,310	DBWW- 75% sewer; 25% water
25% Allocation for Water Payroll (Per Above)	25,207	26,691	(121)	26,812	20,205	20,018	(187)	28,332	25 % of payroll, per above
Collection System Maintenance	162	2,500	1,000	1,500	357	1,875	1,518	2,500	Potential needs
Operating Supplies	2,722	2,500	(1,000)	3,500	3,046	1,875	(1,171)	2,500	Potential needs
Engineering	-	-	-	-	-	-	-	-	
Utilities	2,728	3,000	-	3,000	1,937	2,250	313	3,000	
Testing, Permitting, Other	1,026	1,200	-	1,200	1,100	900	(200)	1,200	
Allocated Overhead from General Fund	13,632	14,845	3,600	11,245	7,370	10,834	3,464	13,179	Actg, Legal, Mgmt, & Office Operations
Contingency		2,500	2,500	-		-	-	2,500	Unforeseen Needs
<b>Total Sewer System Operating Costs</b>	<b>59,787</b>	<b>67,546</b>	<b>5,979</b>	<b>61,567</b>	<b>44,748</b>	<b>48,485</b>	<b>3,737</b>	<b>67,521</b>	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>653,638</b>	<b>665,260</b>	<b>70,488</b>	<b>594,772</b>	<b>368,822</b>	<b>492,445</b>	<b>123,624</b>	<b>791,696</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>(63,306)</b>	<b>(130,253)</b>	<b>89,397</b>	<b>(40,856)</b>	<b>170,358</b>	<b>29,050</b>	<b>141,308</b>	<b>(187,354)</b>	
<b>OTHER SOURCES &amp; (USES)</b>									
Water Tap Fees- Residential	15,000	15,000	7,500	22,500	22,500	15,000	7,500	15,000	\$7,500 per unit-Assuming 2 pay fees in 2023 (cabins paid
Water Tap Fees- Commercial	-	-	-	-	-	-	-	-	
Sewer Tap Fees- Residential	15,000	15,000	7,500	22,500	22,500	15,000	7,500	15,000	\$7,500 per unit-Assuming 2 pay fees in 2023 (cabins paid
Sewer Tap Fees- Commercial	-	-	-	-	-	-	-	-	
Developer Advance	-	-	-	-	-	-	-	-	
Developer Repayments - Principal	-	-	-	-	-	-	-	-	
Transfer From (To) Other Funds	146,000	146,000	(55,000)	91,000	-	73,000	(73,000)	172,000	Balance, with capital reserve set aside
<b>TOTAL OTHER SOURCES &amp; (USES)</b>	<b>176,000</b>	<b>176,000</b>	<b>(40,000)</b>	<b>136,000</b>	<b>45,000</b>	<b>103,000</b>	<b>(58,000)</b>	<b>202,000</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>112,694</b>	<b>45,747</b>	<b>49,397</b>	<b>95,144</b>	<b>215,358</b>	<b>132,050</b>	<b>83,308</b>	<b>14,646</b>	
FUND BALANCE - BEGINNING	289,381	407,002	(4,926)	402,076	402,076	407,002	(4,926)	497,219	
<b>FUND BALANCE - ENDING</b>	<b>402,076</b>	<b>452,748</b>	<b>44,471</b>	<b>497,219</b>	<b>617,434</b>	<b>539,052</b>	<b>78,382</b>	<b>511,865</b>	
<b>Categories of Fund Balance:</b>									
Reserved For Capital Replacements	299,428	438,860	(45,000)	393,860	294,148			407,860	Setting aside reserve & Tap fees, Less Captial Exp
Reserved for Operations	102,647	13,888	89,471	103,359	323,286			104,005	
<b>Total Fund Balance- General Fund</b>	<b>402,076</b>	<b>452,748</b>	<b>44,471</b>	<b>497,219</b>	<b>617,434</b>			<b>511,865</b>	

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of Montrose County, Colorado.

On behalf of the Cornerstone Metropolitan District No. 1

(taxing entity)<sup>A</sup>

the Board of Directors

(governing body)<sup>B</sup>

of the Cornerstone Metropolitan District No. 1

(local government)<sup>C</sup>

**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<sup>F</sup> 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<sup>G</sup> 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:** 12/12/2022 for budget/fiscal year 2023  
 (not later than Dec 15) (mm/dd/yyyy) (yyyy)

<b>PURPOSE</b> (see end notes for definitions and examples)	<b>LEVY<sup>2</sup></b>	<b>REVENUE<sup>2</sup></b>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<u>(0.000)</u> mills	\$ -
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>(0.000)</u> mills</b>	<b><u>\$ -</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>0.000</u> mills	\$ -
4. Contractual Obligations <sup>K</sup>	<u>0.000</u> mills	\$ -
5. Capital Expenditures <sup>L</sup>	<u>0.000</u> mills	\$ -
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u> mills	\$ -
7. Other <sup>N</sup> (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>0.000</u> mills</b>	<b><u>\$ -</u></b>

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.

<sup>1</sup> 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.

<sup>2</sup> 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 2023**

**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 2023: \$43,560

Term of Lease-Purchase agreement: 5 Years

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