

# CORNERSTONE METROPOLITAN DISTRICT NO. 1

January 19, 2024

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

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

Attached is the 2024 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 December 11, 2023. 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 \$770, 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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# **CORNERSTONE METROPOLITAN DISTRICT NO. 1**

## **2024 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.

## **2024 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 employee 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 2024 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 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No. 1 has appointed a budget committee to prepare and submit a proposed 2024 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 23, 2023, continued to November 17, 2023, and continued again to December 11, 2023. 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 2023, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT, MONTROSE COUNTY, COLORADO, FOR THE 2024 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 December 11, 2023 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 2023 valuation for assessment for the Cornerstone Metropolitan District No. 1, as certified by the County Assessor is \$770.

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 2024 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 2023.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2024 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 2024 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 2023.

**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 2024 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 2023.
- 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 2024 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on December 11, 2023, 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	\$ 458,485
Interfund Transfers	<u>499,000</u>
TOTAL GENERAL FUND	\$ 957,485

WATER & SEWER ENTERPRISE FUND

Current Operating & Capital Expenditures	\$ <u>1,474,499</u>
TOTAL ENTERPRISE FUND	\$ 1,474,499

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

**TO ADOPT 2024 BUDGET, SET MILL LEVIES AND**  
**APPROPRIATE SUMS OF MONEY**  
**(CONTINUED)**

The above resolutions to adopt the 2024 budget, set the mill levies and to appropriate sums of money were adopted this 11<sup>th</sup> day of December, 2023.

Attest: DocuSigned by:  
*Brian Wallin*  
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Title: President \_\_\_\_\_

**CORNERSTONE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**September 30, 2023**

Date Printed: 1/19/2024

	<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	592,371	527,963		1,120,334
Alpine Checking	512,776			512,776
Alpine Money Market	-			-
Accounts Receivable	23,593	157,237		180,831
Allowance for Delayed Payments	(23,593)	(70,216)	60,000	(33,810)
Prepaid Expenses	3,481			3,481
Due From CSMD No. 2	-		-	-
Due From COA	-			-
Due From Cornerstone Club	-			-
Capital Assets			17,076,759	17,076,759
Accumulated Depreciation			(8,288,156)	(8,288,156)
<b>TOTAL ASSETS</b>	<b>1,108,628</b>	<b>614,984</b>	<b>8,848,603</b>	<b>10,572,216</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>				
Accounts Payable	173,724	-		173,724
Accrued Liabilities	-	-		-
Payroll Tax Payable	833	-		833
Deferred Revenues	-	-		-
Lease Purchases			79,744	79,744
Long-Term Notes Payable to Hunt			7,346,498	7,346,498
Accrued Interest - Hunt Notes			7,778,191	7,778,191
Accrued Interest - Lease Purchase			314	314
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>174,558</b>	<b>-</b>	<b>15,204,748</b>	<b>15,379,305</b>
<b>NET POSITION</b>				
Investment in Fixed Assets, Net of Depreciation			8,788,603	8,788,603
Investment in Long Term Debt			(79,744)	(79,744)
Investment in Hunt Notes & Accrued Interest			(15,125,004)	(15,125,004)
Investment in CMD2 Delayed Receipts				-
Amount to Be Provided A/R Allowance			60,000	60,000
Fund Balance	934,071	614,984		1,549,055
<b>TOTAL FUND EQUITY</b>	<b>934,071</b>	<b>614,984</b>	<b>(6,356,145)</b>	<b>(4,807,090)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>1,108,628</b>	<b>614,984</b>	<b>8,848,603</b>	<b>10,572,216</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>2022 Audited Actual</b>	<b>2023 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Forecast</b>	<b>9 Months Ended 9/30/2023 Actual</b>	<b>9 Months Ended 9/30/2023 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2024 Adopted Budget</b>	<b>Budget Comments</b>
<b>REVENUES</b>									
Xfer From No. 2- Operations	417,912	432,625	(4,862)	427,763	412,370	412,899	(529)	613,570	Per District #2
General Operations Fee	-	-	-	-	-	-	-	-	
Late Fees, Interest Charges, & Charges Billed Back	6,687	-	-	-	-	-	-	-	
Allowance for Delayed Receipts	(1,687)	-	-	-	-	-	-	-	
Collection of Past Due Balances	-	-	-	-	-	-	-	-	
Interest Income	16,619	34,000	17,000	51,000	42,036	25,500	16,536	65,000	Assuming 5% Interest Rate
Collection Legal Fee Recovery	-	-	-	-	-	-	-	-	
Open Records Requests & Other Income	-	-	-	-	-	-	-	-	
Utility Reimbursements	-	-	-	-	-	-	-	-	
Sale of Assets	-	-	-	-	-	-	-	-	
Road Fees	15,000	10,000	(5,000)	5,000	5,000	10,000	(5,000)	10,000	\$5,000 per unit - Assuming two in 2024
<b>TOTAL REVENUES</b>	<b>454,531</b>	<b>476,625</b>	<b>7,138</b>	<b>483,763</b>	<b>459,406</b>	<b>448,399</b>	<b>11,006</b>	<b>688,570</b>	
<b>EXPENDITURES</b>									
<b>Operations:</b>									
Accounting & Administration	61,533	79,000	10,000	69,000	41,853	54,800	12,947	76,000	Based on PY
District Management	-	-	-	-	-	-	-	-	None Anticipated
Billing, Reserve Study & Other Special Services	-	-	-	-	-	-	-	-	None Anticipated
Audit	12,300	12,500	-	12,500	12,500	12,500	-	12,750	Per McMahan Proposals
Board Member Compensation	5,319	5,600	1,900	3,700	1,760	3,700	1,940	5,600	7 meetings \$100 for Primary; \$50 for other, Ins.
Payroll Fees	77	100	-	100	58	75	17	100	Quickbooks processing fees
Insurance & Bonds	19,849	22,800	1,740	21,060	21,060	22,800	1,740	22,200	Based on PY
Worker's Compensation	45	100	100	-	-	-	-	100	Board members only in General fund
Bond Trustee Fees	6,250	6,750	750	6,000	6,000	6,750	750	6,000	\$2500 10A and \$3500 10B bonds
Dues and Subscriptions	1,522	1,600	10	1,590	1,590	1,600	10	1,600	Based on PY
Elections	1,438	5,000	3,064	1,936	1,936	5,000	3,064	1,000	Planning for 2025 Election
Legal	32,624	45,000	20,000	25,000	13,315	33,750	20,435	35,000	Based on PY
Legal - Collections	-	-	-	-	-	-	-	-	
Office Expense	3,157	3,500	-	3,500	2,669	2,625	(44)	3,500	Based on PY
Publication Expense	416	200	-	200	175	100	(75)	200	
Contingency	-	25,000	25,000	-	-	-	-	25,000	Unforeseen Needs
<b>Facility Operations:</b>									
Electricity	3,497	5,515	-	5,515	3,541	4,136	595	5,800	Welcome Ctr, including front gate
Natural Gas	-	-	-	-	-	-	-	-	
Telephone & Internet	1,402	1,680	-	1,680	1,099	1,260	161	1,775	Welcome Ctr.
Building Maintenance	-	-	-	-	-	-	-	-	
Grounds Maintenance	-	600	600	-	-	600	600	600	Welcome Ctr.
Operating Supplies	-	-	-	-	-	-	-	-	
<b>Less Allocations to Functions</b>									
To Road Operations (25%)	(24,764)	(32,949)	(7,650)	(25,299)	(14,952)	(23,636)	(8,684)	(29,794)	Actg, Legal, Mgnt, & Office Operations
To Water & Swr Fund (40%)	(39,622)	(52,718)	(12,240)	(40,478)	(23,923)	(37,818)	(13,895)	(47,670)	Actg, Legal, Mgnt, & Office Operations
To Capital Fund (0%)	-	-	-	-	-	-	-	-	
<b>TOTAL OPERATIONS EXPENDITURES</b>	<b>85,043</b>	<b>129,278</b>	<b>43,274</b>	<b>86,004</b>	<b>68,682</b>	<b>88,241</b>	<b>19,559</b>	<b>119,761</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>2022 Audited Actual</b>	<b>2023 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Forecast</b>	<b>9 Months Ended 09/30/23 Actual</b>	<b>9 Months Ended 09/30/23 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2024 Adopted Budget</b>	<b>Budget Comments</b>
<b>EXPENDITURES (CONTINUED)</b>									
<b>Road Repairs and Maintenance:</b>									
Contracted Services- Snowplowing	27,419	35,000	(40,000)	75,000	63,861	22,750	(41,111)	112,500	Increase due to new construction & contractor
Equipment Lease	43,560	43,560	-	43,560	32,670	32,670	-	39,930	Kubota Tractor Lease \$3,630/mo (11prmts 2024)
Equipment Fuel & Maintenance	25,957	26,000	(4,000)	30,000	15,701	19,500	3,799	16,000	Fuel & Equipment maintenance
Sand and Gravel	-	-	-	-	-	-	-	-	
Misc Road Expenses	-	5,600	(26,276)	31,876	5,886	5,600	(286)	33,000	Install new gate and cattleguard at back gate in '24
Culvert Cleaning, Repair, and Replacement	3,500	5,000	5,000	-	-	5,000	5,000	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	2,400	5,000	5,000	-	-	5,000	5,000	5,000	
Shoulder and V Ditch Maintenance	1,312	5,000	(19,000)	24,000	23,712	5,000	(18,712)	5,000	Motor grader to clean out shoulder ditches, gravel
Crack Seal/ Pavement Repair	85,894	64,000	13,000	51,000	25,500	32,000	6,500	66,000	Spring and fall applications
Weed Control- Road Right-Of-Ways	1,841	2,500	2,500	-	-	2,500	2,500	2,500	Broadleaf and Noxious Weed Control
Legal- Collections	-	-	-	-	-	-	-	-	All accounts now current
Overhead Allocation (25%)	24,764	32,949	7,650	25,299	14,952	23,636	8,684	29,794	Actg, Legal, Mgmt, & Office Operations
Contingency	-	15,000	15,000	-	-	-	-	15,000	Contingency
<b>TOTAL ROAD EXPENDITURES</b>	<b>216,648</b>	<b>241,609</b>	<b>(39,126)</b>	<b>280,735</b>	<b>182,281</b>	<b>155,657</b>	<b>(26,624)</b>	<b>331,724</b>	
<b>Public Safety- Welcome Center</b>									
Staffing	-	-	-	-	-	-	-	-	
Operating Supplies & Repairs	2,666	3,000	(40,000)	43,000	42,916	2,250	(40,666)	3,000	Gate repairs
<b>TOTAL WELCOME CENTER EXPENDITURES</b>	<b>2,666</b>	<b>3,000</b>	<b>(40,000)</b>	<b>43,000</b>	<b>42,916</b>	<b>2,250</b>	<b>(40,666)</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>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>4,000</b>	<b>2,000</b>	<b>4,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>306,357</b>	<b>377,887</b>	<b>(33,852)</b>	<b>411,739</b>	<b>295,879</b>	<b>250,148</b>	<b>(45,731)</b>	<b>458,485</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>148,174</b>	<b>98,738</b>	<b>(26,714)</b>	<b>72,024</b>	<b>163,527</b>	<b>198,252</b>	<b>(34,725)</b>	<b>230,086</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	(3,000)	(172,000)	8,000	(164,000)	-	(108,000)	108,000	(499,000)	Amt Needed Per Enterprise Fund
Developer Advance - Operations	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES &amp; (USES)</b>	<b>(3,000)</b>	<b>(172,000)</b>	<b>8,000</b>	<b>(164,000)</b>	<b>-</b>	<b>(108,000)</b>	<b>108,000</b>	<b>(499,000)</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>145,174</b>	<b>(73,262)</b>	<b>(18,714)</b>	<b>(91,976)</b>	<b>163,527</b>	<b>90,252</b>	<b>73,275</b>	<b>(268,914)</b>	
FUND BALANCE - BEGINNING	625,370	623,560	146,983	770,544	770,544	623,560	146,983	678,568	
<b>FUND BALANCE - ENDING</b>	<b>770,544</b>	<b>550,298</b>	<b>128,269</b>	<b>678,568</b>	<b>934,071</b>	<b>713,812</b>	<b>220,259</b>	<b>409,653</b>	
<b>Categories of Fund Balance:</b>									
NonSpendable	30,522	27,830	(3,290)	24,540	3,481	-	-	26,994	
Reserved for TABOR (3% For Emergencies)	13,636	14,299	214	14,513	14,513	-	-	20,657	3% of Revenues
Reserved For Capital Replacement	550,000	327,000	123,000	450,000	450,000	-	-	168,000	Net Available
Reserved For Next Year Budget Deficit	73,262	-	-	-	-	-	-	-	Assume breakeven 2025 Budget
Unassigned	103,124	181,169	8,345	189,515	466,077	-	-	194,002	1/3 yr of exp & Normal Water/Sewer Subsidy
<b>Total Fund Balance- General Fund</b>	<b>770,544</b>	<b>550,298</b>	<b>128,269</b>	<b>678,568</b>	<b>934,071</b>			<b>409,653</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>2022 Audited Actual</b>	<b>2023 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Forecast</b>	<b>9 Months Ended 09/30/23 Actual</b>	<b>9 Months Ended 09/30/23 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2024 Adopted Budget</b>	<b>Budget Comments</b>
<b>Water Consumption in Gallons:</b>									
Residential	1,489,710	2,000,000	(800,000)	1,200,000	1,707,290	1,821,937	(114,647)	1,500,000	Based on PY usage
Golf Course & Ponds	44,331,340	45,000,000	(11,000,000)	34,000,000	32,149,321	45,000,000	(12,850,679)	35,000,000	Assumed minimum need
Club Facilities	698,410	550,000	(150,000)	400,000	557,640	412,500	145,140	550,000	Based on normal year usage
Flushing & WWTP Consumption		-	-	-		-	-	-	No longer flushing
Non-Metered Water Loss & Tank Fluctuation	744,961	2,000,000	-	2,000,000	1,470,259	1,500,000	(29,741)	2,000,000	Based on PY usage
<b>Total Gallons Purchased During Year</b>	<b>47,264,421</b>	<b>49,550,000</b>	<b>(11,950,000)</b>	<b>37,600,000</b>	<b>35,884,510</b>	<b>48,734,437</b>	<b>(12,849,927)</b>	<b>39,050,000</b>	
<b>Cost of Water Purchased:</b>									
Tri-County Rate	3.25	3.40		3.40				3.70	New Tri-County Rates
Tri- County Pumping Charge	0.40	0.40		0.40				0.40	Stays Same as 2023
Booster Pump Utility Costs	1.03	1.26		1.32				1.12	Based on Electrical Cost Analysis
<b>Cost to Obtain Water- Per 1K Gallons</b>	<b>4.85</b>	<b>5.06</b>		<b>5.12</b>				<b>5.22</b>	
Add Captial Reserve Charge	1.50	1.50		1.44				2.03	Increase for Chloromine Booster Cost Overrun
<b>Total Commercial Charge over 15M Gallons</b>	<b>6.35</b>	<b>6.56</b>		<b>6.56</b>				<b>7.25</b>	Equal to below
<b>Commercial Rate up to 15M Gallons Calc:</b>									
50% of Payroll Charge	<b>2.68</b>	<b>2.83</b>		<b>2.83</b>				<b>2.93</b>	Calc to cover 50% of costs
50% of Other Non-Variable Costs	<b>4.67</b>	<b>9.83</b>		<b>5.88</b>				<b>11.90</b>	Calc to cover 50% of costs
Base Electrical Costs	<b>4.17</b>	<b>4.38</b>		<b>4.38</b>				<b>3.49</b>	To cover demand charges
Cost of Water Per Above	<b>6.35</b>	<b>6.56</b>		<b>6.56</b>				<b>7.25</b>	Per Above
Adjustment For Actual Rate Charged	<b>2.75</b>	<b>(1.07)</b>		<b>2.88</b>				-	
<b>Total Golf Rate up to 15M Gallons</b>	<b>20.62</b>	<b>22.53</b>		<b>22.53</b>				<b>25.57</b>	
<b>Water Rates:</b>									
<b>House or Structure Charges Per Quarter:</b>									
Base Rate Use	270.00	284.00		284.00				300.00	5% Increase
Rate 1 use	18.75	19.70		19.70				20.70	5% Increase
Rate 2 use	26.50	27.85		27.85				29.25	5% Increase
<b>Golf Course Water Rate- Up to 15M Gallons</b>	<b>20.62</b>	<b>22.53</b>		<b>22.53</b>				<b>25.57</b>	Per Above
<b>Golf Course Water Rate- After 15M Gallons</b>	<b>6.35</b>	<b>6.56</b>		<b>6.56</b>				<b>7.25</b>	Per Above
<b>Clubhouse Ponds Water Rate</b>	<b>6.35</b>	<b>6.56</b>		<b>6.56</b>				<b>7.25</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	220.00	230.00		230.00				241.00	5% Increase
Quarterly Sewer Charge -Commercial	500.00	525.00		525.00				551.00	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	3	4		4				4	Cabins 3, 4, 7 and one home expected in 2024
Total Connected- End of Yr	21	25		25				29	does not include 6 commercial properties.
Average Quarterly Use Per Household	17,619	20,000		12,000				12,931	Based on historical usage
Average Quarterly Bill Per Household	417	380		428				388	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	9	2		2				4	Cabins 3, 4, 7 and one home expected in 2024
Total Homes Connected- End of Yr	24	26		26				30	
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  
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ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED  
ACCRUAL  
BASIS**

<b>WATER &amp; SEWER ENTERPRISE FUND</b>	<b>2022 Audited Actual</b>	<b>2023 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Forecast</b>	<b>9 Months Ended 09/30/23 Actual</b>	<b>9 Months Ended 09/30/23 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2024 Adopted Budget</b>	<b>Budget Comments</b>
<b>Revenues:</b>									
Water User Fees Commercial	495,077	540,062	(73,144)	466,918	460,898	540,062	(79,164)	534,338	Based on assumed usage and rates
Commercial Overhead Fees	-	-	-	-	-	-	-	-	
Water User Fees Residential	37,788	38,000	4,822	42,822	40,322	30,900	9,422	44,963	Based on assumed usage and rates
Sewer User Fee Commercial	3,760	4,200	-	4,200	3,185	3,150	35	4,408	Based on PY rates
Sewer User Fee Residential	17,140	22,080	-	22,080	14,960	16,560	(1,600)	25,064	Based on PY rates
Interest Income	-	-	-	-	-	-	-	-	
Late Fees & Interest	20,060	-	-	-	-	-	-	-	
Backflow Testing Fee	-	-	-	-	-	-	-	-	
Utility Reimbursements	-	-	-	-	-	-	-	-	
Title Fee	400	-	400	400	300	-	300	400	
Less Allowance For Delayed Receipts	(5,550)	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	-	
Collection of Past Due Balances	-	-	-	-	-	-	-	-	
<b>TOTAL REVENUES</b>	<b>568,675</b>	<b>604,342</b>	<b>(67,922)</b>	<b>536,420</b>	<b>519,665</b>	<b>590,672</b>	<b>(71,007)</b>	<b>609,173</b>	
<b>Water Expenses:</b>									
<b>Variable Expenses:</b>									
Water Utilities	107,731	146,668	12,688	133,979	64,365	115,598	51,233	96,012	Based on cost per 1,000 gallons
COA Utility Reimbursement-Golf Course	-	-	-	-	-	-	-	-	Paid directly by Club
Water - Tri-County Water	169,930	176,894	48,754	128,140	122,256	173,982	51,726	151,709	Based on cost per 1,000 gallons
Water - Tri-County Pumping	20,878	20,811	5,771	15,040	14,359	20,468	6,110	16,401	Based on cost per 1,000 gallons
<b>Total Variable Water Expenses</b>	<b>298,539</b>	<b>344,372</b>	<b>67,213</b>	<b>277,159</b>	<b>200,979</b>	<b>310,048</b>	<b>109,069</b>	<b>264,122</b>	
<b>Payroll Expenses:</b>									
Salaries	81,399	86,295	-	86,295	64,721	64,721	(0)	89,747	Assume 4% Raise
Payroll Taxes	1,765	1,759	34	1,725	1,262	1,319	57	1,819	Medicare & Unemployment
Retirement	4,070	4,315	-	4,315	3,236	3,236	0	4,488	Substitute Soc Security; 5% ER Contr
Health Insurance	16,724	17,257	-	17,257	11,209	12,995	1,786	17,674	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	2,283	2,500	168	2,332	2,332	2,500	168	2,340	Assume 4% rate increase
Retirement Plan Administration Fee	-	-	-	-	-	-	-	-	Negotiated to be free
Less 25% Allocation to Sewer Expenses	(26,855)	(28,332)	(51)	(28,281)	(20,936)	(21,249)	(312)	(29,317)	25% of payroll allocated to sewer
<b>Total Payroll Expenses</b>	<b>80,565</b>	<b>84,995</b>	<b>152</b>	<b>84,843</b>	<b>62,809</b>	<b>64,523</b>	<b>1,714</b>	<b>87,951</b>	
<b>Other Expenses:</b>									
Contracted System Operator Services	3,979	4,770	4,770	-	-	3,578	3,578	-	DBWW- No longer using for testing as of '23
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	1,546	25,000	(4,607)	29,607	29,607	18,750	(10,857)	25,000	Special Projects / Capital Now Below
Chlorination System Upgrade	37,967	167,000	97,000	70,000	63,840	55,667	(8,173)	950,000	Chlorination System Upgrades
Distribution System Maintenance	5,260	20,000	10,000	10,000	460	15,000	14,540	20,000	System Maintenance
Reimbursements & Misc. Other	461	1,000	(171)	1,171	1,171	750	(421)	1,000	Locates, Mileage, Phone, & other
Supplies, Permitting, Other	4,355	3,000	1,500	1,500	295	2,250	1,955	3,000	
Education & Training	900	1,200	700	500	150	900	750	1,200	
Temporary Service Connections	-	-	-	-	-	-	-	-	
Tap Connection Fee	-	-	-	-	-	-	-	-	
Testing	1,347	1,200	-	1,200	696	900	204	1,200	
Annual Backflow Testing	99	100	-	100	99	100	1	100	
Legal	-	-	-	-	-	-	-	-	
Vehicles & Equipment	3,126	8,000	-	8,000	3,666	6,000	2,334	8,240	Fuel & maintenance
Allocated Overhead from General Fund	29,717	39,538	9,180	30,358	17,942	28,364	10,421	35,752	Actg, Legal, Mgmt, & Office Operations
Contingency	-	20,000	-	20,000	-	-	-	20,000	Unforeseen Needs / State Requirements
<b>Total Other Expenses</b>	<b>88,757</b>	<b>294,808</b>	<b>118,372</b>	<b>176,436</b>	<b>117,927</b>	<b>135,258</b>	<b>17,331</b>	<b>1,069,492</b>	
<b>Total Water System Operating Costs</b>	<b>467,860</b>	<b>724,175</b>	<b>185,736</b>	<b>538,439</b>	<b>381,715</b>	<b>509,829</b>	<b>128,114</b>	<b>1,421,565</b>	

**CORNERSTONE METROPOLITAN DISTRICT NO. 1  
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**MODIFIED  
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<b>WATER &amp; SEWER ENTERPRISE FUND</b>	<b>2022 Audited Actual</b>	<b>2023 Adopted Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2023 Forecast</b>	<b>9 Months Ended 09/30/23 Actual</b>	<b>9 Months Ended 09/30/23 Budget</b>	<b>Variance Favorable (Unfavor.)</b>	<b>2024 Adopted Budget</b>	<b>Budget Comments</b>
<b>Sewer Expenses:</b>									
Contracted System Operator Services	10,733	14,310	14,310	-	-	10,733	10,733	-	DBWW- No longer using for testing as of '23
25% Allocation for Water Payroll (Per Above)	26,855	28,332	51	28,281	20,936	21,249	312	29,317	25 % of payroll, per above
Collection System Maintenance	1,617	2,500	-	2,500	27	1,875	1,848	2,500	Potential needs
Operating Supplies	2,652	2,500	(349)	2,849	2,849	1,875	(974)	2,500	Potential needs
Engineering	-	-	-	-	-	-	-	-	
Utilities	2,596	3,000	-	3,000	2,505	2,250	(255)	3,000	
Testing, Permitting, Other	1,100	1,200	-	1,200	1,100	900	(200)	1,200	
Allocated Overhead from General Fund	9,906	13,179	3,060	10,119	5,981	9,455	3,474	11,917	Actg. Legal, Mgmt, & Office Operations
Contingency		2,500	2,500	-		-	-	2,500	Unforeseen Needs
<b>Total Sewer System Operating Costs</b>	<b>55,459</b>	<b>67,521</b>	<b>19,572</b>	<b>47,949</b>	<b>33,398</b>	<b>48,336</b>	<b>14,938</b>	<b>52,934</b>	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>523,319</b>	<b>791,696</b>	<b>205,308</b>	<b>586,388</b>	<b>415,112</b>	<b>558,165</b>	<b>143,052</b>	<b>1,474,499</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>45,356</b>	<b>(187,354)</b>	<b>137,386</b>	<b>(49,968)</b>	<b>104,553</b>	<b>32,507</b>	<b>72,045</b>	<b>(865,327)</b>	
<b>OTHER SOURCES &amp; (USES)</b>									
Water Tap Fees- Residential	22,500	15,000	(7,500)	7,500	7,500	15,000	(7,500)	15,000	\$7,500 per unit-Assuming 2 pay fees in 2024
Water Tap Fees- Commercial	-	-	-	-	-	-	-	-	
Sewer Tap Fees- Residential	22,500	15,000	(7,500)	7,500	7,500	15,000	(7,500)	15,000	\$7,500 per unit-Assuming 2 pay fees in 2024
Sewer Tap Fees- Commercial	-	-	-	-	-	-	-	-	
Developer Advance	-	-	-	-	-	-	-	-	
Developer Repayments - Principal									
Transfer From (To) Other Funds	3,000	172,000	(8,000)	164,000	-	108,000	(108,000)	499,000	Balance, with capital reserve set aside
<b>TOTAL OTHER SOURCES &amp; (USES)</b>	<b>48,000</b>	<b>202,000</b>	<b>(23,000)</b>	<b>179,000</b>	<b>15,000</b>	<b>138,000</b>	<b>(123,000)</b>	<b>529,000</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>93,356</b>	<b>14,646</b>	<b>114,386</b>	<b>129,032</b>	<b>119,553</b>	<b>170,507</b>	<b>(50,955)</b>	<b>(336,327)</b>	
FUND BALANCE - BEGINNING	402,076	497,219	(1,788)	495,432	495,432	497,219	(1,788)	624,464	
<b>FUND BALANCE - ENDING</b>	<b>495,432</b>	<b>511,865</b>	<b>112,598</b>	<b>624,464</b>	<b>614,984</b>	<b>667,727</b>	<b>(52,742)</b>	<b>288,137</b>	
	=	=	=	=	=	=	=	=	
<b>Categories of Fund Balance:</b>									
Reserved For Capital Replacements	398,591	407,860	68,621	476,481	427,870			102,543	Setting aside reserve & Tap fees, Less Captial Exp
Reserved for Operations	96,840	104,005	43,978	147,983	187,114			185,594	Roughly 4 Months of Non-Capital Expenses
<b>Total Fund Balance- General Fund</b>	<b>495,432</b>	<b>511,865</b>	<b>112,598</b>	<b>624,464</b>	<b>614,984</b>			<b>288,137</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: \$ 770

**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: \$ 770  
(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:** 1/1/2024 for budget/fiscal year 2024  
(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: *Eric Weaver* 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 2024**

**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 2024: \$39,930

Term of Lease-Purchase agreement: 5 Years

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