

**ERMD INTERIM FINANCIAL REPORT
SEPTEMBER 30, 2023**

BALANCE SHEET

Current assets are \$2.95M consisting of \$2.8M cash and \$117K receivables and other. We have moved \$2,000,000 to a public deposit Money Market through Alpine Bank and have received \$52,625 in interest as of 9/30/23.

Property, Plant and Equipment is \$18M, which primarily represents the water and sewer infrastructure. The final amount capitalized for the new Waste Water Plant was \$8.6M.

Other Assets are \$6.6M, made up primarily of all the roads for which the District has responsibility and buildings. Total assets is currently \$27.7M.

Total Liabilities are \$7.5M. Current liabilities are \$25K. The District received its final draw on the Sewer loan in 2022, bringing the total to \$7.5 M. We began making payments on the loan in February. Notes Payable reflects the balances of the road bond and water reservoir loans.

Deferred Property Tax Revenue reflects the amount of \$2,811 yet to be collected in the current year. The total 2023 mill levy is \$335,614

Total Net Position is \$20M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$1.7M, a positive variance of \$75K. The District has had 10 new housing starts as of 9/30/23, compared to 31 new starts the same time last year. Those numbers represent builders who pay their fees for road surcharge, meter equipment and inspections. After transferring \$558K to Reserves, Net Operating Cash Inflow is \$1.18M, a positive variance of \$87K.

Total Operating Cash Outflow was \$968K, a positive variance of \$28.6K. The Cash Flow before Reserves was \$214K, a positive variance of \$116K. Total cash flow including reserve activity is \$305K, a positive variance of \$115K.

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$558K, a negative variance from the budget of \$12K. We budgeted for Meadows 3 to come on line earlier than it has and building has slowed significantly.

Total Reserve Cash Outflow was \$467K, which is \$12K less than budget. The largest negative variance is WWTP debt /interest payments. We missed budgeting an extra month of interest in January. R&M roads has a positive variance due to timing on projects. Snow removal/equipment have negative variances due to cost of fuel and equipment repair.

CURRENT INFRASTRUCTURE STATUS

9/30/2023	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>	-
	UNIMPROVED	11	65	44	120	
	RESIDENTIAL	219	412	92	723	
	PONDS	3	0	0	3	
	LANDSCAPING	3	2	1	6	
	TOTAL	236	479	137	852	
	Miles of Road (estimate)	3.4	5.4	1.1	9.9	

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
SEPTEMBER 30, 2023

ASSETS

Current Assets

Cash	\$504,514
Water System Reserve + Unrestricted	321,893
Sewer System Reserve + Unrestricted	1,406,918
Road Maintenance Reserve	418,219
Snow Removal Reserve	180,303
Property Taxes Receivable	2,811
Water/Sewer Base Fees Receivable	48,505
Infrastructure Maintenance Fees Receivable	68,252
Other Current Assets	0
Bad Debt Reserve	-2,930
Total Current Assets	2,948,485

Property, Plant and Equipment

Water Source and Distribution Infrastructure	6,993,617
Water Treatment Infrastructure	783,264
Water Plant Equipment	172,780
Sewer Transmission Infrastructure	4,555,057
Sewer Treatment Infrastructure	9,007,161
Sewer Plant Equipment	158,285
Transportation Equipment	206,491
Office Building	87,822
Accumulated Depreciation	-3,828,034
Total Property, Plant and Equipment	18,136,443

Other Assets

Roads Infrastructure	8,377,264
Security Infrastructure	307,757
Office Building & Equipment	359,073
Building Improvements	87,536
Land	62,609
Accumulated Depreciation	-2,562,461
Total Other Assets	6,631,778

TOTAL ASSETS \$27,716,706

LIABILITIES

Current Liabilities

Accounts Payable	3,479
Accrued Compensated Absences	21,094
Total Current Liabilities	24,573

Long-term Debt

Sewer Loan Payable	7,382,106
Notes Payable	125,652
Total Long-term Debt	7,507,758

TOTAL LIABILITIES 7,532,331

DEFERRED INFLOWS OF RESOURCES

Deferred Property Tax Revenue	2,811
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NET POSITION

Retained Earnings	13,141,139
Contributed Capital	4,090,641
Investment in General Fixed Assets	2,155,763
Restricted for Roads	288,968
Balancing Entry	199,921
Net Cash Flow	305,132
TOTAL NET POSITION	20,181,564

TOTAL LIABILITIES AND NET POSITION \$27,716,706

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
SEPTEMBER 30, 2023 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$242,098	\$159,506			\$401,604	\$368,975	32,629	9%
Infrastructure Maintenance Fees	192,801	197,877			390,678	397,700	(7,022)	-2%
Property Tax Income			\$289,077	\$66,697	355,774	348,817	6,957	2%
Snow Removal Fees			47,529		47,529	48,380	(851)	-2%
Water / Sewer Reserves	80,333	356,181			436,514	444,600	(8,086)	-2%
Inspection/Equipment/Impact Fees	5,213	250	5,251		10,714	16,336	(5,622)	-34%
Lease Income	230	230	33,234		33,694	33,358	336	1%
EPOA Reimbursement			5,416		5,416	6,728	(1,312)	-20%
Other	2,374	4,737	1,028		8,139	225	7,914	3517%
Interest Income	5,981	27,306	19,795		53,082	0	53,082	0%
Bad Debt Reserve	-1,106	-1,680	-144		-2,930	0	(2,930)	
TOTAL CASH INFLOW	527,924	744,407	401,186	66,697	1,740,214	1,665,119	75,095	5%
Transfers to Reserves	-80,333	-356,181	-121,545	0	-558,059	-569,960		
NET OPERATING CASH INFLOW	447,591	388,226	279,641	66,697	1,182,155	1,095,159	86,996	8%
OPERATING CASH OUTFLOW								
Professional Fees	14,674	35,125	11,526	1,862	63,187	80,813	17,626	22%
Office Expenses	5,852	11,234	3,271		20,357	13,740	(6,617)	-48%
Employee Expenses - Personnel	132,379	132,379	66,189		330,947	318,900	(12,047)	-4%
Employee Exp - Taxes, Insurance, etc.	44,977	45,125	22,316		112,418	133,925	21,507	16%
Insurance	11,350	11,350	5,675		28,375	23,000	(5,375)	-23%
Vehicle Expenses	16,127	16,126	8,064		40,317	29,700	(10,617)	-36%
Operations Expenses	61,693	56,567	9,741		128,001	138,228	10,227	7%
Maintenance/Repair Equipment	1,908	13,468	0		15,376	22,185	6,809	31%
Maintenance/Repair Infrastructure	12,643	3,963	10,695		27,301	30,675	3,374	11%
Distribution / Collections	31,393	6,846	0		38,239	48,030	9,791	20%
Capital Expenditures	53,665	22,536	36,261		112,462	83,000	(29,462)	-35%
Debt & Interest Payments				46,045	46,045	46,046	1	0%
Other	3,562	1,413	471		5,446	28,875	23,429	81%
TOTAL OPERATING CASH OUTFLOW	390,223	356,132	174,209	47,907	968,471	997,117	28,646	3%
CASH FLOW BEFORE RESERVES	\$57,368	\$32,094	\$105,432	\$18,790	\$213,684	\$98,042	\$115,642	118%
NET RESERVE ACTIVITY	-11,329	50,926	51,851	0	91,448	91,567	-119	
TOTAL CASH FLOW	\$46,039	\$83,020	\$157,283	\$18,790	\$305,132	\$189,609	\$115,523	61%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
SEPTEMBER 30, 2023 YTD

	Water System Reserve	Waste Water System Reserve	Road Maintenance Reserve	Snow Removal Reserve	Total	Budget	Variance	%
CURRENT RESERVE CASH INFLOW								
Spring Valley Reservoir Reserve Fees	80,333				\$80,333	\$81,720	(1,387)	-2%
WWTP Reserve		356,181			\$356,181	362,880	(6,699)	-2%
Road Maintenance Tax Levy			\$68,765		\$68,765	68,580	185	0%
Snow Removal Fee				\$47,529	\$47,529	48,380	(851)	-2%
Road Impact Fees			5,251		\$5,251	8,400	(3,149)	-37%
TOTAL CASH INFLOW	80,333	356,181	74,016	47,529	558,059	569,960	-11,901	-2%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	91,662				91,662	91,663	1	0%
WWTP Loan/Interest Payments		305,255			305,255	285,880	(19,375)	-7%
WWTP Development / Construction		0			0	0	0	#DIV/0!
R&M Roads			23,595		23,595	70,750	47,155	67%
Snow Removal Expense				38,958	38,958	23,100	(15,858)	-69%
Snow Equipment R&M				7,141	7,141	7,000	(141)	-2%
TOTAL RESERVE CASH OUTFLOW	91,662	305,255	23,595	46,099	466,611	478,393	11,782	2%
NET RESERVE CASH FLOW	-\$11,329	\$50,926	\$50,421	\$1,430	\$91,448	\$91,567	\$119	0%
PREVIOUS RESERVE BALANCE (12/31/22)	36,721	794,836	367,798	178,873	1,378,228			
TOTAL RESERVE BALANCE 6/30/23	\$25,392	\$845,762	\$418,219	\$180,303	\$1,469,676			