

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

**BALANCE SHEET**

Current assets are \$3M consisting of \$2.8M cash and \$211K receivables and other. We have moved \$2,000,000 to a public deposit Money Market through Alpine Bank and are currently receiving 5.26% interest. This account has earned \$34K in interest as of 7/31/23.

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 Liabilities are \$7.7M. Current liabilities are \$92K. 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 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 \$1.2M, over budget by \$33K. The District has had 5 new housing starts as of 6/30/23, compared to 25 new starts the same time last year. Those numbers represent builders who pay their fees for road surcharge, meter equipment and inspections. After transferring \$411K to Reserves, Net Operating Cash Inflow is \$818K, a positive variance of \$41K.

Total Operating Cash Outflow was \$680K, a positive variance of \$25.5K. The Cash Flow before Reserves was \$137K, a positive variance of \$67K. Total cash flow including reserve activity is \$235K, a positive variance of \$51K.

**ANALYSIS OF RESERVE ACTIVITY:**

Total Reserve Cash Inflow was \$411K, a negative variance from the budget of \$8K.

Total Reserve Cash Outflow was \$313K, exceeding the budget by close to \$8K. 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**

6/30/2023	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	11	71	53	135
	RESIDENTIAL	219	406	83	708
	PONDS	3	0	0	3
	LANDSCAPING	3	2	1	6
	<b>TOTAL</b>	<b>236</b>	<b>479</b>	<b>137</b>	<b>852</b>
	Miles of Road (estimate)	3.4	5.4	1.1	9.9

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**JUNE 30, 2023**

**ASSETS**

Current Assets

Cash	\$538,291
Water System Reserve + Unrestricted	301,712
Sewer System Reserve + Unrestricted	1,396,993
Road Maintenance Reserve	410,224
Snow Removal Reserve	171,920
Property Taxes Receivable	84,502
Water/Sewer Base Fees Receivable	51,345
Infrastructure Maintenance Fees Receivable	75,632
Other Current Assets	563
Bad Debt Reserve	-2,851
<b>Total Current Assets</b>	<b>3,028,331</b>

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
<b>Total Property, Plant and Equipment</b>	<b>18,136,443</b>

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
<b>Total Other Assets</b>	<b>6,631,778</b>

**TOTAL ASSETS** **\$27,796,552**

**LIABILITIES**

Current Liabilities

Accounts Payable	71,274
Accrued Compensated Absences	21,094
<b>Total Current Liabilities</b>	<b>92,368</b>

Long-term Debt

Sewer Loan Payable	7,416,003
Notes Payable	165,147
<b>Total Long-term Debt</b>	<b>7,581,150</b>

**TOTAL LIABILITIES** **7,673,518**

DEFERRED INFLOWS OF RESOURCES

Deferred Property Tax Revenue	84,502
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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	283,723
Balancing Entry	131,774
Net Cash Flow	235,492
<b>TOTAL NET POSITION</b>	<b>20,038,532</b>

**TOTAL LIABILITIES AND NET POSITION** **\$27,796,552**

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

<b>CASH INFLOW</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>General Fund</b>	<b>Long Term Debt</b>	<b>Total</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>
Water / Sewer Base Fees	\$140,247	\$105,663			\$245,910	\$241,925	3,985	2%
Infrastructure Maintenance Fees	142,014	145,962			287,976	295,100	(7,124)	-2%
Property Tax Income			\$214,704	\$49,544	264,248	245,162	19,086	8%
Snow Removal Fees			35,061		35,061	35,925	(864)	-2%
Water / Sewer Reserves	59,172	262,733			321,905	330,060	(8,155)	-2%
Inspection/Equipment/Impact Fees	2,355	125	2,626		5,106	10,210	(5,104)	-50%
Lease Income	225	225	32,794		33,244	33,019	225	1%
EPOA Reimbursement			4,511		4,511	4,485	26	1%
Other	2,056	4,395	1,022		7,473	150	7,323	4882%
Interest Income	2,938	13,680	9,847		26,465	0	26,465	#DIV/0!
Bad Debt Reserve	-1,027	-1,680	-144		-2,851	0	(2,851)	
<b>TOTAL CASH INFLOW</b>	<b>347,980</b>	<b>531,103</b>	<b>300,421</b>	<b>49,544</b>	<b>1,229,048</b>	<b>1,196,036</b>	<b>33,012</b>	<b>3%</b>
Transfers to Reserves	-59,172	-262,733	-89,391	0	-411,296	-419,725		
<b>NET OPERATING CASH INFLOW</b>	<b>288,808</b>	<b>268,370</b>	<b>211,030</b>	<b>49,544</b>	<b>817,752</b>	<b>776,311</b>	<b>41,441</b>	<b>5%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	4,185	16,778	8,020	1,399	30,382	54,540	24,158	44%
Office Expenses	3,607	5,041	2,190		10,838	9,160	(1,678)	-18%
Employee Expenses - Personnel	86,058	86,058	43,029		215,145	212,600	(2,545)	-1%
Employee Exp - Taxes, Insurance, etc.	33,614	33,434	16,717		83,765	93,250	9,485	10%
Insurance	11,350	11,350	5,675		28,375	23,000	(5,375)	-23%
Vehicle Expenses	24,536	3,165	6,563		34,264	19,800	(14,464)	-73%
Operations Expenses	39,187	44,825	5,718		89,730	92,245	2,515	3%
Maintenance/Repair Equipment	1,703	9,767	0		11,470	14,790	3,320	22%
Maintenance/Repair Infrastructure	10,672	3,538	6,242		20,452	21,525	1,073	5%
Distribution / Collections	27,950	4,210			32,160	32,125	(35)	0%
Capital Expenditures	39,411	26,112	22,536		88,059	83,000	(5,059)	-6%
Debt & Interest Payments				30,697	30,697	30,698	1	0%
Other	3,275	1,413	455		5,143	19,250	14,107	73%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>285,548</b>	<b>245,691</b>	<b>117,145</b>	<b>32,096</b>	<b>680,480</b>	<b>705,983</b>	<b>25,503</b>	<b>4%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$3,260</b>	<b>\$22,679</b>	<b>\$93,885</b>	<b>\$17,448</b>	<b>\$137,272</b>	<b>\$70,328</b>	<b>\$66,944</b>	<b>95%</b>
<b>NET RESERVE ACTIVITY</b>	<b>-1,936</b>	<b>64,683</b>	<b>35,473</b>	<b>0</b>	<b>98,220</b>	<b>114,466</b>	<b>-16,246</b>	
<b>TOTAL CASH FLOW</b>	<b>\$1,324</b>	<b>\$87,362</b>	<b>\$129,358</b>	<b>\$17,448</b>	<b>\$235,492</b>	<b>\$184,794</b>	<b>\$50,698</b>	<b>27%</b>

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

	Water System Reserve	Waste Water System Reserve	Road Maintenance Reserve	Snow Removal Reserve	Total	Budget	Variance	%
<b>CURRENT RESERVE CASH INFLOW</b>								
Spring Valley Reservoir Reserve Fees	59,172				\$59,172	\$60,600	(1,428)	-2%
WWTP Reserve		262,733			\$262,733	269,460	(6,727)	-2%
Road Maintenance Tax Levy			\$51,829		\$51,829	48,490	3,339	7%
Snow Removal Fee				\$35,061	\$35,061	35,925	(864)	-2%
Road Impact Fees			2,501		\$2,501	5,250	(2,749)	-52%
<b>TOTAL CASH INFLOW</b>	<b>59,172</b>	<b>262,733</b>	<b>54,330</b>	<b>35,061</b>	<b>411,296</b>	<b>419,725</b>	<b>-8,429</b>	<b>-2%</b>
<b>CURRENT RESERVE CASH OUTFLOW</b>								
Spring Valley Reservoir Loan Payments	61,108				61,108	61,109	1	0%
WWTP Loan/Interest Payments		198,050			198,050	178,675	(19,375)	-11%
WWTP Development / Construction		0			0	0	0	#DIV/0!
R&M Roads			11,904		11,904	35,375	23,471	66%
Snow Removal Expense				25,560	25,560	23,100	(2,460)	-11%
Snow Equipment R&M				16,454	16,454	7,000	(9,454)	-135%
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b>61,108</b>	<b>198,050</b>	<b>11,904</b>	<b>42,014</b>	<b>313,076</b>	<b>305,259</b>	<b>-7,817</b>	<b>-3%</b>
<b>NET RESERVE CASH FLOW</b>	<b>-\$1,936</b>	<b>\$64,683</b>	<b>\$42,426</b>	<b>-\$6,953</b>	<b>\$98,220</b>	<b>\$114,466</b>	<b>\$16,246</b>	<b>14%</b>
<b>PREVIOUS RESERVE BALANCE (12/31/22)</b>	<b>36,721</b>	<b>794,836</b>	<b>367,798</b>	<b>178,873</b>	<b>1,378,228</b>			
<b>TOTAL RESERVE BALANCE 6/30/23</b>	<b>\$34,785</b>	<b>\$859,519</b>	<b>\$410,224</b>	<b>\$171,920</b>	<b>\$1,476,448</b>			