

**ERMD INTERIM FINANCIAL REPORT
DECEMBER 31, 2025**

BALANCE SHEET

Current assets are \$3.8M consisting of \$3.4M cash and \$408K receivables and other. Bad Debt Reserve reflects utility accounts that are at least 90 days overdue. One account is for Annual Maintenance fees that have not been paid for three years. A lien was placed on their property in December 2024. We are either in communication with or have issued shut-off notices to the customers who are receiving monthly bills.

Total assets are currently \$28.3M.

Current liabilities are \$277K and Sewer Loan Payable is \$6.67M.

Total Net Position is \$21.2M.

FINANCIAL OVERVIEW

The District's YTD Total Cash Inflow is \$2.37M, a positive variance of \$16.6K. The District had 5 new housing starts in Q1. Most variances relate to timing between cash flow and budget. After transferring \$307K to Reserves, Net Operating Cash Inflow totals \$489K, showing a negative variance of \$2K.

Total Operating Cash Outflow was \$343K, leaving operating cash flow of \$146K. This is a positive variance of \$36K. Total cash flow including reserve activity is \$289K, a positive variance of \$36K. The negative variance in Office Expenses is in part due to the expenses for setting up the office for Zoom meetings and Employee expenses is due to extra expenses and timing. The negative variance in R&M Infrastructure is due to replacements of a Mega flange.

ANALYSIS OF RESERVE ACTIVITY

Total Reserve Cash Inflow was \$307K, a negative variance from the budget of -\$6,658.

Total Reserve Cash Outflow was \$164K, leaving Net Reserve cash flow of \$143K and a negative variance of \$53.

CURRENT INFRASTRUCTURE STATUS

12/31/2025	Water/Sewer Customers	Ranch	Highlands	Meadows	Total
	Unimproved	11	52	37	100
	Residential	219	425	121	765
	Ponds	3	0	0	3
	Landscaping	3	2	1	6
	Total	236	479	159	874
	Miles of Road (estimate)	3.0	8.7	1.7	13.4

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
MARCH 31, 2026

ASSETS		
Current Assets		
Cash	\$750,090	
Water System Reserve + Unrestricted	357,063	
Sewer System Reserve + Unrestricted	1,643,621	
Road Maintenance Reserve	338,585	
Snow Removal Reserve	333,665	
Property Taxes Receivable	252,989	
Water/Sewer Base Fees Receivable	55,484	
Infrastructure Maintenance Fees Receivable	106,998	
Other Current Assets	0	
Bad Debt Reserve	<u>-7,348</u>	
Total Current Assets		3,831,147
Property, Plant and Equipment		
Water Source and Distribution Infrastructure	7,654,887	
Water Treatment Infrastructure	796,938	
Water Plant Equipment	156,562	
Sewer Transmission Infrastructure	4,789,541	
Sewer Treatment Infrastructure	8,674,671	
Sewer Plant Equipment	157,263	
Transportation Equipment	302,565	
Office Building	101,747	
Accumulated Depreciation	<u>-4,963,857</u>	
Total Property, Plant and Equipment		17,670,317
Other Assets		
Roads Infrastructure	9,023,040	
Security Infrastructure	306,843	
Office Building & Equipment	502,110	
Building Improvements	87,536	
Land	62,609	
Accumulated Depreciation	<u>-3,155,185</u>	
Total Other Assets		6,826,953
TOTAL ASSETS		<u>\$28,328,417</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	23,001	
Accrued Compensated Absences	31,760	
Current Portion of long-term debt	<u>222,248</u>	
Total Current Liabilities		277,009
Long-term Debt		
Sewer Loan Payable	6,666,810	
Notes Payable	<u>0</u>	
Total Long-term Debt		6,666,810
TOTAL LIABILITIES		6,943,819
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	252,989	
NET POSITION		
Retained Earnings	15,711,234	
Contributed Capital	2,788,524	
Investment in General Fixed Assets	2,155,763	
Restricted for Roads	186,709	
Net Cash Flow	<u>289,379</u>	
TOTAL NET POSITION		<u>21,131,609</u>
TOTAL LIABILITIES AND NET POSITION		<u>\$28,328,417</u>

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
MARCH 31, 2026 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Total	Budget	Variance	%
Water / Sewer Base Fees	\$56,986	\$57,474		\$114,460	\$112,140	2,320	2%
Water Usage Fees	\$26,939			\$26,939	\$24,000	2,939	12%
Infrastructure Maintenance Fees	83,135	85,567		168,702	173,883	(5,181)	-3%
Property Tax Income			\$177,150	177,150	173,980	3,170	2%
Snow Removal Fees			30,827	30,827	31,779	(952)	-3%
Water / Sewer Reserves	62,352	167,710		230,062	237,219	(7,157)	-3%
Inspection/Equipment/Impact Fees	2,355	125	2,625	5,105	3,063	2,042	67%
Lease Income			29,000	29,000	29,000	0	0%
Other	0	1,313	0	1,313	75	1,238	1651%
Interest Income	1,979	9,677	8,086	19,742	19,500	242	0%
Bad Debt Reserve	-2,468	-4,350	-530	-7,348	0	(7,348)	
TOTAL CASH INFLOW	231,278	317,516	247,158	795,952	804,639	-8,687	-1%
Transfers to Reserves	-62,352	-167,710	-76,958	-307,020	-313,678		
NET OPERATING CASH INFLOW	168,926	149,806	170,200	488,932	490,961	-2,029	0%
OPERATING CASH OUTFLOW							
Professional Fees	658	1,556	6,516	8,730	13,395	4,665	35%
Office Expenses	4,628	7,897	5,302	17,827	8,775	(9,052)	-103%
Employee Expenses - Personnel	45,210	45,210	22,183	112,603	148,800	36,197	24%
Employee Exp - Taxes, Insurance, etc.	28,018	31,018	16,161	75,197	69,231	(5,966)	-9%
Insurance	14,042	14,042	7,021	35,105	36,500	1,395	4%
Vehicle Expenses	2,519	1,330	4,247	8,096	9,900	1,804	18%
Operations Expenses	15,037	20,668	3,770	39,475	48,269	8,794	18%
Maintenance/Repair Equipment	389	5,871	0	6,260	11,215	4,955	44%
Maintenance/Repair Infrastructure	16,983	735	7,495	25,213	13,235	(11,978)	-91%
Distribution / Collections	12,372	1,316	0	13,688	13,654	(34)	0%
Capital Expenditures	0	0	0	0	0	0	#DIV/0!
Debt & Interest Payments				0	0	0	0%
Other	269	269	241	779	8,250	7,471	91%
TOTAL OPERATING CASH OUTFLOW	140,125	129,912	72,936	342,973	381,224	38,251	10%
CASH FLOW BEFORE RESERVES	\$28,801	\$19,894	\$97,264	\$145,959	\$109,737	\$36,222	33%
NET RESERVE ACTIVITY	62,352	60,505	20,563	143,420	143,473	-53	
TOTAL CASH FLOW	\$91,153	\$80,399	\$117,827	\$289,379	\$253,210	\$36,169	14%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
MARCH 31, 2026 YTD

	Water System Reserve	Waste Water System Reserve	Road Maintenance Reserve	Snow Removal Reserve	Total	Budget	Variance	%
CURRENT RESERVE CASH INFLOW								
Water Reserve Fees	62,352				\$62,352	\$64,200	(1,848)	-3%
WWTP Reserve		167,710			\$167,710	173,019	(5,309)	-3%
Road Maintenance Tax Levy			\$43,506		\$43,506	43,105	401	1%
Snow Removal Fee				\$30,827	\$30,827	31,779	(952)	-3%
Road Impact Fees			2,625		\$2,625	1,575	1,050	67%
TOTAL CASH INFLOW	62,352	167,710	46,131	30,827	307,020	313,678	-6,658	-2%
CURRENT RESERVE CASH OUTFLOW								
WWTP Loan/Interest Payments		107,205			107,205	107,205	0	0%
R&M Roads			50,781		50,781	40,000	(10,781)	-27%
Snow Removal Expense				670	670	11,000	10,330	94%
Snow Equipment R&M				4,944	4,944	12,000	7,056	59%
TOTAL RESERVE CASH OUTFLOW	0	107,205	50,781	5,614	163,600	170,205	6,605	4%
NET RESERVE CASH FLOW	\$62,352	\$60,505	-\$4,650	\$25,213	\$143,420	\$143,473	-\$53	0%
PREVIOUS RESERVE BALANCE (12/31/25)	188,469	923,232	343,235	308,452	1,763,388			
TOTAL RESERVE BALANCE 12/31/25	\$250,821	\$983,737	\$338,585	\$333,665	\$1,906,808			