

**ERMD INTERIM FINANCIAL REPORT  
JUNE 30, 2025**

**BALANCE SHEET**

Current assets are \$3.2M consisting of \$2.97M cash and \$244K 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. A lien was placed on their property in December 2024. We also set up a payment plan with two property owners who have been facing financial difficulties.

Total assets are currently \$28M.

Current liabilities are \$42K and Sewer Loan Payable is \$7M. Notes Payable now has a zero balance, as the road bond and water reservoir loans were both paid off in May 2024.

Total Net Position is \$21M.

**FINANCIAL OVERVIEW**

The District's YTD Total Cash Inflow is \$1.3M, a positive variance of \$2,500. The variances in revenue are timing issues. The District had 8 new housing starts as of June 30. After transferring \$510K to Reserves, Net Operating Cash Inflow is \$838K, a positive variance of \$12K.

Total Operating Cash Outflow was \$654K, a positive variance of \$76K. The Cash Flow before Reserves is \$184K, a positive variance of \$88K. Total cash flow including reserve activity is \$452K, a positive variance of \$106K. The negative variance in R&M Equipment is due to replacements of a Booster Station switch and a Filter PLC and CL 17 in the WTP, and water truck repairs. The negative variance in Cap Ex is a new air compressor for the WTP, new inline pump for the raw water pump station, and a new bucket including welding new brackets on the loader.

**ANALYSIS OF RESERVE ACTIVITY**

Total Reserve Cash Inflow was \$510K, a negative variance from the budget of \$9K.

Total Reserve Cash Outflow was \$243K, leaving Net Reserve cash flow of \$268K and a positive variance of \$18K. The Water Fund Reserve Balance is now \$105K, up from zero at the end of 2024.

**UPDATE ON SOLAR PROJECT ELECTRIC COSTS**

	WTP	WWTP	
Jan 1 - June 30, 2024	\$14,227	\$13,933	LPEA only
Jan 1 - June 30, 2025	<u>\$14,412</u>	<u>\$23,713</u>	LPEA + Sun Powered
\$ Increase	\$185	\$9,780	
% Increase	1.3%	70.2%	

**CURRENT INFRASTRUCTURE STATUS**

6/30/2025	Water/Sewer Customers	Ranch	Highlands	Meadows	Total
	Unimproved Residential	11	56	43	110
	Ponds	219	421	115	755
	Landscaping	3	0	0	3
	Total	3	2	1	6
		<b>236</b>	<b>479</b>	<b>159</b>	<b>874</b>
	Miles of Road (estimate)	3.0	8.7	1.7	13.4

FINANCIAL STATEMENT REPORT  
 MONTHLY STATEMENT

BALANCE SHEET

Current assets are \$2.5M consisting of \$2.5M cash and \$2.5M receivables and other. Total Reserve reflects utility account that has at least 90 days of utility. Our account is for Annual Maintenance fees that do not have a term. A term was placed on it for a period in December 2024. We also set up a payment plan with two payments per month to have been facing financial difficulties.

Total assets are currently \$2.5M.

Current liabilities are \$2.5M and \$2.5M. Notes payable now has a zero balance as the term bond and other accounts were paid off in May 2024.

Total Net Worth is \$2.5M.

ANALYSIS OF FINANCIAL ACTIVITY

The District's (TD) Cash Flow is \$2.5M a positive variance of \$2.5M. The variances in revenue is mainly from the District had a new funding source of \$2.5M. After deducting \$2.5M in Reserves, Net Operating Cash inflow is \$2.5M a positive variance of \$2.5M.

Total Operating Cash Inflow was \$2.5M a positive variance of \$2.5M. The Cash Flow before Reserves is \$2.5M a positive variance of \$2.5M. Total cash flow including reserve activity is \$4.5M a positive variance of \$4.5M. The negative variance in R&M equipment is due to replacement of a Tractor loader backhoe and a Loader B and C in the WTP and water truck repairs. The negative variance in CapEx is a new air compressor for the WTP and info pump for the new water pump, installed a new bucket loading new tracks on the loader.

ANALYSIS OF RESERVE ACTIVITY

Total Reserve Cash Inflow was \$2.5M a negative variance from the budget of \$2.5M.

Total Reserve Cash Outflow was \$2.5M leaving Net Reserve cash flow of \$2.5M and a positive variance of \$2.5M. The Water Fund Reserve balance is now \$2.5M up from zero at the end of 2024.

DETAILS ON NON-CAP RESERVE ALLOCATION COSTS

	WTP	WWT/TP
Jan 1 - June 30, 2024	\$1,000,000	\$1,000,000
Jan 1 - June 30, 2025	\$1,000,000	\$1,000,000
Reserve	\$2,000,000	\$2,000,000
Balance	0	0

EXHIBIT INFORMATIONAL TABLE

Category	Water/WTP Assessment	Reserve	Highlands	Mountain	Total
Equipment	100	100	0	0	200
Residential	100	100	0	0	200
Trucks	0	0	0	0	0
Landscaping	0	0	0	0	0
Total	200	200	0	0	400
Water of (Reserve, Assessment)	100	100	0	0	200

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**JUNE 30, 2025**

<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$654,929	
Water System Reserve + Unrestricted	137,564	
Sewer System Reserve + Unrestricted	1,562,838	
Road Maintenance Reserve	344,322	
Snow Removal Reserve	272,040	
Property Taxes Receivable	100,944	
Water/Sewer Base Fees Receivable	55,808	
Infrastructure Maintenance Fees Receivable	91,223	
Other Current Assets	0	
Bad Debt Reserve	-4,460	
	Total Current Assets	3,215,208
<b>Property, Plant and Equipment</b>		
Water Source and Distribution Infrastructure	7,200,592	
Water Treatment Infrastructure	797,518	
Water Plant Equipment	172,780	
Sewer Transmission Infrastructure	4,789,541	
Sewer Treatment Infrastructure	9,007,161	
Sewer Plant Equipment	158,285	
Transportation Equipment	251,563	
Office Building	87,822	
Accumulated Depreciation	-4,289,750	
	Total Property, Plant and Equipment	18,175,512
<b>Other Assets</b>		
Roads Infrastructure	8,880,162	
Security Infrastructure	307,757	
Office Building & Equipment	507,434	
Building Improvements	87,536	
Land	62,609	
Accumulated Depreciation	-2,762,883	
	Total Other Assets	7,082,615
	<b>TOTAL ASSETS</b>	<b>\$28,473,335</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	9,851	
Accrued Compensated Absences	31,760	
	Total Current Liabilities	41,611
<b>Long-term Debt</b>		
Sewer Loan Payable	6,997,383	
Notes Payable	0	
	Total Long-term Debt	6,997,383
	<b>TOTAL LIABILITIES</b>	<b>7,038,994</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Tax Revenue	100,944	
<b>NET POSITION</b>		
Retained Earnings	11,671,105	
Contributed Capital	6,389,937	
Investment in General Fixed Assets	2,155,763	
Restricted for Roads	198,721	
Balancing Entry	466,204	
Net Cash Flow	451,667	
	TOTAL NET POSITION	21,333,397
	<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$28,473,335</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Statement of Cash Flows**  
**JUNE 30, 2025 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	\$151,956	\$113,106			\$265,062	\$260,750	4,312	2%
Infrastructure Maintenance Fees	140,170	143,973			284,143	291,900	(7,757)	-3%
Property Tax Income			\$277,345	\$244	277,589	257,955	19,634	8%
Snow Removal Fees			51,897		51,897	53,296	(1,399)	-3%
Water / Sewer Reserves	105,128	282,187			387,315	398,070	(10,755)	-3%
Inspection/Equipment/Impact Fees	3,768	200	4,225		8,193	10,210	(2,017)	-20%
Lease Income			29,000		29,000	29,000	0	0%
Other	1,218	3,021	372		4,611	150	4,461	2974%
Interest Income	1,489	24,862	19,179		45,530	45,000	530	0%
Bad Debt Reserve	-1,520	-2,640	-300		-4,460	0	(4,460)	
<b>TOTAL CASH INFLOW</b>	<b>402,209</b>	<b>564,709</b>	<b>381,718</b>	<b>244</b>	<b>1,348,880</b>	<b>1,346,331</b>	<b>2,549</b>	<b>0%</b>
Transfers to Reserves	-105,128	-282,187	-123,166	0	-510,481	-519,716		
<b>NET OPERATING CASH INFLOW</b>	<b>297,081</b>	<b>282,522</b>	<b>258,552</b>	<b>244</b>	<b>838,399</b>	<b>826,615</b>	<b>11,784</b>	<b>1%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	5,107	3,864	11,042	0	20,013	35,130	15,117	43%
Office Expenses	6,442	6,370	3,659		16,471	16,820	349	2%
Employee Expenses - Personnel	98,261	98,261	49,131		245,653	281,300	35,647	13%
Employee Exp - Taxes, Insurance, etc.	40,546	37,805	19,243		97,594	102,280	4,686	5%
Insurance	13,046	13,046	6,523		32,615	35,000	2,385	7%
Vehicle Expenses	7,463	7,608	3,715		18,786	22,300	3,514	16%
Operations Expenses	37,660	38,184	7,052		82,896	94,100	11,204	12%
Maintenance/Repair Equipment	23,934	22,191	0		46,125	20,830	(25,295)	-121%
Maintenance/Repair Infrastructure	10,095	819	7,804		18,718	21,670	2,952	14%
Distribution / Collections	12,511	3,287	0		15,798	27,070	11,272	42%
Capital Expenditures	28,467	8,857	22,076		59,400	57,000	(2,400)	-4%
Debt & Interest Payments				0	0	0	0	0%
Other	56	45	149		250	17,100	16,850	99%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>283,588</b>	<b>240,337</b>	<b>130,394</b>	<b>0</b>	<b>654,319</b>	<b>730,600</b>	<b>76,281</b>	<b>10%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$13,493</b>	<b>\$42,185</b>	<b>\$128,158</b>	<b>\$244</b>	<b>\$184,080</b>	<b>\$96,015</b>	<b>\$88,065</b>	<b>92%</b>
<b>NET RESERVE ACTIVITY</b>	<b>105,128</b>	<b>67,777</b>	<b>94,682</b>	<b>0</b>	<b>267,587</b>	<b>249,305</b>	<b>18,282</b>	
<b>TOTAL CASH FLOW</b>	<b>\$118,621</b>	<b>\$109,962</b>	<b>\$222,840</b>	<b>\$244</b>	<b>\$451,667</b>	<b>\$345,320</b>	<b>\$106,347</b>	<b>31%</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Analysis of Reserve Activity**  
**JUNE 30, 2025 YTD**

	<u>Water System Reserve</u>	<u>Waste Water System Reserve</u>	<u>Road Maintenance Reserve</u>	<u>Snow Removal Reserve</u>	<u>Total</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
<b>CURRENT RESERVE CASH INFLOW</b>								
Water Reserve Fees	105,128				\$105,128	\$107,890	(2,762)	-3%
WWTP Reserve		282,187			\$282,187	290,180	(7,993)	-3%
Road Maintenance Tax Levy			\$67,044		\$67,044	63,100	3,944	6%
Snow Removal Fee				\$51,897	\$51,897	53,296	(1,399)	-3%
Road Impact Fees			4,225		\$4,225	5,250	(1,025)	-20%
<b>TOTAL CASH INFLOW</b>	<b>105,128</b>	<b>282,187</b>	<b>71,269</b>	<b>51,897</b>	<b>510,481</b>	<b>519,716</b>	<b>-9,235</b>	<b>-2%</b>
<b>CURRENT RESERVE CASH OUTFLOW</b>								
WWTP Loan/Interest Payments		214,410			214,410	214,411	1	0%
R&M Roads			18,283		18,283	33,000	14,717	45%
Snow Removal Expense				60	60	11,000	10,940	99%
Snow Equipment R&M				10,141	10,141	12,000	1,859	15%
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b>0</b>	<b>214,410</b>	<b>18,283</b>	<b>10,201</b>	<b>242,894</b>	<b>270,411</b>	<b>27,517</b>	<b>10%</b>
<b>NET RESERVE CASH FLOW</b>	<b>\$105,128</b>	<b>\$67,777</b>	<b>\$52,986</b>	<b>\$41,696</b>	<b>\$267,587</b>	<b>\$249,305</b>	<b>\$18,282</b>	<b>7%</b>
<b>PREVIOUS RESERVE BALANCE (12/31/24)</b>	<b>0</b>	<b>839,713</b>	<b>291,336</b>	<b>230,344</b>	<b>1,361,393</b>			
<b>TOTAL RESERVE BALANCE 6/30/25</b>	<b>\$105,128</b>	<b>\$907,490</b>	<b>\$344,322</b>	<b>\$272,040</b>	<b>\$1,628,980</b>			

