

**ERMD INTERIM FINANCIAL REPORT
MARCH 31, 2022**

BALANCE SHEET

Current assets are \$3.245M consisting of \$2.935M cash and \$310K receivables and other. Bad debt is at zero.

Property, Plant and Equipment is \$9.3M, which primarily represents the water and sewer infrastructure.

Other Assets are \$5.9M, made up primarily of all the roads for which the District has responsibility and buildings.

Total Liabilities are \$6M. Accounts Payable of \$586K consists, in part, of WWTP construction payment of \$573K that was paid in April. Sewer Loan Payable is the total of loan funds that the District had drawn as of 12/31/21. The District has drawn \$1,060M in the first quarter of 2022 and is shown as Cash Inflow in the statement of Cash Flows. The total balance of the loan as of 3/31 is \$6,2M. Notes Payable reflects the balances of the road bond and water reservoir loans.

Deferred Property Tax Revenue reflects the District's total 2022 tax levy less payments that were received in Q1.

Total Net Position is \$18.4M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$1.769M, a negative variance from the budget of \$11K. The District had 8 new housing starts in Q1. After transferring \$1.3M to Reserves, Net Operating Cash Inflow is \$459K.

Total Operating Cash Outflow was just over \$327K, as positive variance of \$71K created largely by timing issues with the Q1 budget. The Cash Flow before Reserves was \$132K, a positive variance of \$79K. Total cash flow including reserve activity is -\$326K, a positive variance of almost \$90K.

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$1.3M, a negative variance from the budget of \$19K. This is due to timing issues.

Total Reserve Cash Outflow was \$1.77M, under-spending of \$30K. The largest variance is WWTP Construction - \$36K.

CURRENT INFRASTRUCTURE STATUS

3/31/2022	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>	-
	UNIMPROVED	11	68	67	156	
	RESIDENTIAL	219	390	69	668	
	PONDS	3	0	0	3	
	LANDSCAPING	3	2	1	6	
	TOTAL	236	460	137	833	

Miles of Road (estimate) 3.4 5.4 1.1 9.9

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
MARCH 31, 2022

ASSETS	
Current Assets	
Cash	\$381,426
Water System Reserve + Unrestricted	288,991
Sewer System Reserve + Unrestricted	1,710,864
Road Maintenance Reserve	390,930
Snow Removal Reserve	162,961
Property Taxes Receivable	180,078
Water/Sewer Base Fees Receivable	41,728
Infrastructure Maintenance Fees Receivable	73,324
Other Current Assets	15,026
Bad Debt Reserve	<u>0</u>
Total Current Assets	3,245,328
Property, Plant and Equipment	
Water Source and Distribution Infrastructure	6,223,531
Water Treatment Infrastructure	678,783
Water Plant Equipment	172,780
Sewer Transmission Infrastructure	4,047,559
Sewer Treatment Infrastructure	427,813
Sewer Treatment Plant Construction in Progress	568,248
Sewer Plant Equipment	158,285
Transportation Equipment	206,491
Office Building	71,280
Accumulated Depreciation	<u>-3,277,501</u>
Total Property, Plant and Equipment	9,277,269
Other Assets	
Roads Infrastructure	7,297,536
Security Infrastructure	262,576
Office Building & Equipment	350,802
Building Improvements	87,536
Land	62,609
Accumulated Depreciation	<u>-2,192,058</u>
Total Other Assets	<u>5,869,001</u>
TOTAL ASSETS	<u>\$18,391,598</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	586,118
Accrued Compensated Absences	10,820
Unearned revenue	<u>20,000</u>
Total Current Liabilities	616,938
Long-term Debt	
Sewer Loan Payable	5,146,362
Notes Payable	<u>381,257</u>
Total Long-term Debt	5,527,619
TOTAL LIABILITIES	6,144,557
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	180,078
NET POSITION	
Retained Earnings	5,880,988
Contributed Capital	4,090,641
Investment in General Fixed Assets	2,155,763
Restricted for Roads	265,321
Net Cash Flow	<u>-325,750</u>
TOTAL NET POSITION	<u>12,066,963</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$18,391,598</u>

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
MARCH 31, 2022 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$61,980	\$50,227			\$112,207	\$108,900	3,307	3%
Infrastructure Maintenance Fees	89,406	92,130			181,536	196,100	(14,564)	-7%
Property Tax Income			\$116,827	\$28,620	145,447	133,500	11,947	9%
Snow Removal Fees			22,120		22,120	23,904	(1,784)	-7%
Water / Sewer Reserves	37,253	165,833			203,086	219,480	(16,394)	-7%
Inspection/Equipment/Impact Fees	2,826	150	3,150		6,126	4,980	1,146	23%
Lease Income			31,100		31,100	31,100	0	0%
EPOA Reimbursement			2,349		2,349	2,743	(394)	-14%
Other	2,128	2,128	2,258		6,514	75	6,439	8585%
Sewer Loan Proceeds		1,058,925			1,058,925	1,060,000	(1,075)	0%
Bad Debt Reserve	0	0	0		0	0	0	
TOTAL CASH INFLOW	193,593	1,369,393	177,804	28,620	1,769,410	1,780,782	-11,372	-1%
Transfers to Reserves	-37,253	-1,224,758	-48,074	0	-1,310,085	-1,328,884		
NET OPERATING CASH INFLOW	156,340	144,635	129,730	28,620	459,325	451,898	7,427	2%
OPERATING CASH OUTFLOW								
Professional Fees	3,966	11,868	3,772	825	20,431	18,808	(1,623)	-9%
Office Expenses	1,438	1,440	711		3,589	4,270	681	16%
Employee Expenses - Personnel	29,405	29,405	14,703		73,513	94,300	20,787	22%
Employee Exp - Taxes, Insurance, etc.	14,455	16,962	7,198		38,615	42,040	3,425	8%
Insurance	8,430	8,430	4,215		21,075	21,900	825	4%
Vehicle Expenses	2,277	2,710	1,741		6,728	4,065	(2,663)	-66%
Operations Expenses	12,304	10,060	2,691		25,055	45,635	20,580	45%
Maintenance/Repair Equipment	1,434	0	0		1,434	2,560	1,126	44%
Maintenance/Repair Infrastructure	8,434	776	758		9,968	7,180	(2,788)	-39%
Distribution / Collections	26,563	6,152			32,715	26,215	(6,500)	-25%
Capital Expenditures	75,230				75,230	103,000	27,770	27%
Debt & Interest Payments				15,348	15,348	15,349	1	0%
Other	3,462	4	112		3,578	13,385	9,807	73%
TOTAL OPERATING CASH OUTFLOW	187,398	87,807	35,901	16,173	327,279	398,707	71,428	18%
CASH FLOW BEFORE RESERVES	-\$31,058	\$56,828	\$93,829	\$12,447	\$132,046	\$53,191	\$78,855	148%
NET RESERVE ACTIVITY	6,699	-479,363	14,868	0	-457,796	-468,673	10,877	
TOTAL CASH FLOW	-\$24,359	-\$422,535	\$108,697	\$12,447	-\$325,750	-\$415,482	\$89,732	-22%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
MARCH 31, 2022 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	37,253				\$37,253	\$40,200	(2,947)	-7%
WWTP Reserve		165,833			\$165,833	179,280	(13,447)	-8%
Loan Proceeds		1,058,925			\$1,058,925	1,060,000	(1,075)	0%
Road Maintenance Tax Levy			\$22,804		\$22,804	23,000	(196)	-1%
Snow Removal Fee				\$22,120	\$22,120	23,904	(1,784)	-7%
Road Impact Fees			3,150		\$3,150	2,500	650	26%
TOTAL CASH INFLOW	37,253	1,224,758	25,954	22,120	1,310,085	1,328,884	-18,799	-1%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	30,554				30,554	30,557	3	0%
WWTP Loan/Interest Payments		39,828			39,828	40,000	172	0%
WWTP Development / Construction		1,664,293			1,664,293	1,700,000	35,707	2%
R&M Roads			701		701	1,000	299	30%
Snow Removal Expense				19,345	19,345	20,000	655	3%
Snow Equipment R&M				13,160	13,160	6,000	(7,160)	-119%
TOTAL RESERVE CASH OUTFLOW	30,554	1,704,121	701	32,505	1,767,881	1,797,557	29,676	2%
NET RESERVE CASH FLOW	\$6,699	-\$479,363	\$25,253	-\$10,385	-\$457,796	-\$468,673	-\$10,877	2%
PREVIOUS RESERVE BALANCE (12/31/21)	58,907	1,164,660	365,677	173,346	1,762,590			
TOTAL RESERVE BALANCE 12/31/22	\$65,606	\$685,297	\$390,930	\$162,961	\$1,304,794			