

**ERMD INTERIM FINANCIAL REPORT
DECEMBER 31, 2021**

BALANCE SHEET

Current assets are \$3.561M, consisting of \$3.095M cash and \$466K 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 \$6.3M. The Sewer Plant loan acquired in 2017 (balance of \$3.851M) was paid off 6/4/21 using the loan proceeds which have been held in a CD until needed. A new loan has been acquired for up to \$7.5M and the District is receiving the proceeds as needed. As of 12/31/21, the District has drawn \$5.146M. 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.

Total Net Position is \$18.7M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$1.9M, a positive variance from the budget of \$53K. That variance is largely due to housing construction. The District had 47 new houses started in 2021. \$9,000 of the variance is from specific ownership taxes collected. After transferring \$668K to Reserves, Net Operating Cash Inflow is \$1.2M.

Total Operating Cash Outflow was just over \$1M. While some areas of spending were over budget due to equipment and vehicle breakdowns, we still came out with a positive variance of 112K. The water rights cases were settled outside of court leaving expenditures \$84K under budget and most of the contingency funds were not spent. The Cash Flow before Reserves was \$267K, a positive variance of almost \$163K. Total cash flow including reserve activity is -\$4.6M.

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$668K, a positive variance from the budget of \$3K.

Total Reserve Cash Outflow was \$5.5M, a negative variance of \$969K. The largest variances are from loan fees of -\$65K and WWTP Construction -\$1.054M. The District did have funds to cover those variances and the Sewer Reserve Balance at the bottom of the page reflects an end of year balance of \$1.165M after paying off the 2017 loan and acquiring the new loan in 2021.

Snow Equipment R&M has a \$16K negative variance due to loader rental and equipment breakdowns.

CURRENT INFRASTRUCTURE STATUS

6/30/2020	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	11	73	72	156
	RESIDENTIAL	219	385	64	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
DECEMBER 31, 2021

ASSETS	
Current Assets	
Cash	\$284,700
Water System Reserve + Unrestricted	309,470
Sewer System Reserve + Unrestricted	1,962,424
Road Maintenance Reserve	365,677
Snow Removal Reserve	173,346
Property Taxes Receivable	319,905
Water/Sewer Base Fees Receivable	41,631
Infrastructure Maintenance Fees Receivable	71,779
Other Current Assets	32,265
Bad Debt Reserve	0
Total Current Assets	3,561,197
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	-3,277,501
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	-2,192,058
Total Other Assets	5,869,001
TOTAL ASSETS	\$18,707,467
LIABILITIES	
Current Liabilities	
Accounts Payable	440,346
Accrued Compensated Absences	11,260
Unearned revenue	20,000
Total Current Liabilities	471,606
Long-term Debt	
Sewer Loan Payable	5,146,362
Notes Payable	423,266
LT Debt Paid YTD Reported in Cash Flow as Outflow	238,698
Total Long-term Debt	5,808,326
TOTAL LIABILITIES	6,279,932
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	319,905
NET POSITION	
Retained Earnings	10,179,083
Contributed Capital	4,090,641
Investment in General Fixed Assets	2,155,763
Restricted for Roads	265,321
Net Cash Flow	-4,583,178
TOTAL NET POSITION	12,107,630
TOTAL LIABILITIES AND NET POSITION	\$18,707,467

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
DECEMBER 31, 2021 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$276,281	\$192,156			\$468,437	\$443,397	25,040	6%
Infrastructure Maintenance Fees	230,848	237,505			468,353	470,916	(2,563)	-1%
Property Tax Income			\$266,976	\$69,439	336,415	327,208	9,207	3%
Snow Removal Fees			55,810		55,810	57,240	(1,430)	-2%
Water / Sewer Reserves	96,187	427,510			523,697	526,140	(2,443)	0%
Inspection/Equipment/Impact Fees	22,139	1,175	24,775		48,089	20,420	27,669	135%
Lease Income			30,504		30,504	29,904	600	2%
EPOA Reimbursement	500	500	8,985		9,985	13,970	(3,985)	-29%
Other	2,346	1,824	674		4,844	300	4,544	1515%
Interest Income		3,146			3,146	6,700	(3,554)	-53%
Bad Debt Reserve	0	0	0		0	0	0	
TOTAL CASH INFLOW	628,301	863,816	387,724	69,439	1,949,280	1,896,195	53,085	3%
Transfers to Reserves	-96,187	-430,656	-141,541	0	-668,384	-665,311		
NET OPERATING CASH INFLOW	532,114	433,160	246,183	69,439	1,280,896	1,230,884	50,012	4%
OPERATING CASH OUTFLOW								
Professional Fees	15,361	9,696	16,582	1,876	43,515	37,860	(5,655)	-15%
Office Expenses	6,344	6,223	3,888		16,455	15,770	(685)	-4%
Employee Expenses - Personnel	143,392	143,392	71,696		358,480	362,900	4,420	1%
Employee Exp - Taxes, Insurance, etc.	51,385	53,615	24,387		129,387	145,145	15,758	11%
Insurance	7,382	7,382	3,691		18,455	21,900	3,445	16%
Vehicle Expenses	9,980	11,256	6,493		27,729	16,225	(11,504)	-71%
Operations Expenses	70,215	57,305	14,388		141,908	164,930	23,022	14%
Maintenance/Repair Equipment	8,495	0	0		8,495	7,470	(1,025)	-14%
Maintenance/Repair Infrastructure	12,770	1,368	9,093		23,231	19,875	(3,356)	-17%
Distribution / Collections	50,857	11,996			62,853	57,080	(5,773)	-10%
Capital Expenditures	25,838	4,876	11,726		42,440	22,875	(19,565)	-86%
Debt & Interest Payments				61,394	61,394	61,394	0	0%
Other	77,423	1,148	941		79,512	193,010	113,498	59%
TOTAL OPERATING CASH OUTFLOW	479,442	308,257	162,885	63,270	1,013,854	1,126,434	112,580	10%
CASH FLOW BEFORE RESERVES	\$52,672	\$124,903	\$83,298	\$6,169	\$267,042	\$104,450	\$162,592	156%
NET RESERVE ACTIVITY	-26,029	-4,864,905	40,714	0	-4,850,220	-3,884,639	-965,581	
TOTAL CASH FLOW	\$26,643	-\$4,740,002	\$124,012	\$6,169	-\$4,583,178	-\$3,780,189	-\$802,989	21%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
DECEMBER 31, 2021 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	96,187				\$96,187	\$96,840	(653)	-1%
WWTP Reserve		427,510			\$427,510	429,300	(1,790)	0%
Interest on Loan Proceeds		3,146			\$3,146	6,700	(3,554)	-53%
Road Maintenance Tax Levy			\$60,956		\$60,956	60,956	0	0%
Snow Removal Fee				\$55,810	\$55,810	57,240	(1,430)	-2%
Road Impact Fees			24,775		\$24,775	14,275	10,500	74%
TOTAL CASH INFLOW	96,187	430,656	85,731	55,810	668,384	665,311	3,073	0%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	122,216				122,216	122,217	1	0%
WWTP Loan/Interest Payments		176,684			176,684	311,083	134,399	43%
WWTP Loan Fees		65,000			65,000	0	(65,000)	
WWTP Development / Construction		5,053,877			5,053,877	4,000,000	(1,053,877)	-26%
R&M Roads			57,021		57,021	89,750	32,729	36%
Snow Removal Expense				19,517	19,517	18,700	(817)	-4%
Snow Equipment R&M				24,289	24,289	8,200	(16,089)	-196%
TOTAL RESERVE CASH OUTFLOW	122,216	5,295,561	57,021	43,806	5,518,604	4,549,950	-968,654	-21%
NET RESERVE CASH FLOW	-\$26,029	-\$4,864,905	\$28,710	\$12,004	-\$4,850,220	-\$3,884,639	\$965,581	-25%
PREVIOUS RESERVE BALANCE (12/31/20)								
Payoff of 2017 Sewer Loan	84,936	4,726,037	336,967	161,342	5,309,282			
Loan proceeds of 2021 Sewer Loan		-3,842,834			-3,842,834			
		5,146,362			5,146,362			
TOTAL RESERVE BALANCE 12/31/21	\$58,907	\$1,164,660	\$365,677	\$173,346	\$1,762,590			