

**ERMD INTERIM FINANCIAL REPORT
DECEMBER 31, 2023**

BALANCE SHEET

Current assets are \$3.175M consisting of \$2.65M cash and \$52K receivables and other. We have moved \$2,000,000 to a public deposit Money Market through Alpine Bank and have received \$80K in interest as of 12/31/23.

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 assets are currently \$27.9M.

Total Liabilities are \$7.5M. Current liabilities are \$66K. 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 and reduced the balance by \$186K in 2023. Notes Payable reflects the balances of the road bond and water reservoir loans, which will both be paid off in May 2024.

Deferred Property Tax Revenue reflects the amount of the 2024 mill levy, an increase from 2023 of \$29K.

Total Net Position is \$20M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$2.16M, a positive variance of \$123K. The District has had 12 new housing starts as of 12/31/23, compared to 42 new starts the same time last year. Those numbers represent builders who pay their fees for road surcharge, meter equipment and inspections. After transferring \$693K to Reserves, Net Operating Cash Inflow is \$1.46M, a positive variance of \$130K. We received \$80K of interest that was not budgeted, water usage was over budget by \$27K and water/sewer base fees were over budget by \$9K.

Total Operating Cash Outflow was \$1.38M, a positive variance of \$26K. The Cash Flow before Reserves was \$80K, a positive variance of \$156K. Total cash flow including reserve activity is \$130K, a positive variance of \$189K.

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$693K, a negative variance from the budget of \$6K. We budgeted for Meadows 3 to come on line earlier than it has and building has slowed significantly.

Total Reserve Cash Outflow was \$644K, which is \$39K less than budget. 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

| 12/31/2023 | WATER/SEWER CUSTOMERS | <u>RANCH</u> | <u>HIGHLAND</u> | <u>MEADOWS</u> | <u>TOTAL</u> |
|------------|--------------------------|--------------|-----------------|----------------|--------------|
| | UNIMPROVED | 11 | 65 | 42 | 118 |
| | RESIDENTIAL | 219 | 412 | 94 | 725 |
| | PONDS | 3 | 0 | 0 | 3 |
| | LANDSCAPING | 3 | 2 | 1 | 6 |
| | TOTAL | 236 | 479 | 137 | 852 |
| | Miles of Road (estimate) | 3.4 | 5.4 | 1.1 | 9.9 |

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
DECEMBER 31, 2023

| | | |
|--|--------------|--|
| ASSETS | | |
| Current Assets | | |
| Cash | \$358,968 | |
| Water System Reserve + Unrestricted | 339,620 | |
| Sewer System Reserve + Unrestricted | 1,381,537 | |
| Road Maintenance Reserve | 404,318 | |
| Snow Removal Reserve | 170,652 | |
| Property Taxes Receivable | 364,897 | |
| Water/Sewer Base Fees Receivable | 43,018 | |
| Infrastructure Maintenance Fees Receivable | 73,024 | |
| Other Current Assets | 39,230 | |
| Bad Debt Reserve | 0 | |
| | | |
| Total Current Assets | 3,175,264 | |
| 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 | |
| | | |
| Total Property, Plant and Equipment | 18,136,443 | |
| 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 | |
| | | |
| Total Other Assets | 6,631,778 | |
| | | |
| TOTAL ASSETS | \$27,943,485 | |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 40,368 | |
| Accrued Compensated Absences | 25,330 | |
| | | |
| Total Current Liabilities | 65,698 | |
| Long-term Debt | | |
| Sewer Loan Payable | 7,313,793 | |
| Notes Payable | 75,782 | |
| | | |
| Total Long-term Debt | 7,389,575 | |
| | | |
| TOTAL LIABILITIES | 7,455,273 | |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Property Tax Revenue | 364,897 | |
| NET POSITION | | |
| Retained Earnings | 13,110,800 | |
| Contributed Capital | 4,090,641 | |
| Investment in General Fixed Assets | 2,155,763 | |
| Restricted for Roads | 272,917 | |
| Balancing Entry | 363,272 | |
| Net Cash Flow | 129,921 | |
| | | |
| TOTAL NET POSITION | 20,123,315 | |
| TOTAL LIABILITIES AND NET POSITION | \$27,943,485 | |

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
DECEMBER 31, 2023 YTD

| CASH INFLOW | Water Fund | Sewer Fund | General Fund | Long Term Debt | Total | Budget | Variance | % |
|---------------------------------------|-----------------------|-----------------------|-------------------------|---------------------------|------------------|------------------|------------------|--------------|
| Water / Sewer Base Fees | \$309,911 | \$213,716 | | | \$523,627 | \$487,497 | 36,130 | 7% |
| Infrastructure Maintenance Fees | 245,750 | 252,055 | | | 497,805 | 500,316 | (2,511) | -1% |
| Property Tax Income | | | \$301,127 | \$69,476 | 370,603 | 359,964 | 10,639 | 3% |
| Snow Removal Fees | | | 60,543 | | 60,543 | 60,840 | (297) | 0% |
| Water / Sewer Reserves | 102,395 | 453,701 | | | 556,096 | 559,140 | (3,044) | -1% |
| Inspection/Equipment/Impact Fees | 6,571 | 375 | 7,401 | | 14,347 | 20,420 | (6,073) | -30% |
| Lease Income | 600 | 380 | 32,944 | | 33,924 | 34,144 | (220) | -1% |
| EPOA Reimbursement | | | 9,307 | | 9,307 | 8,970 | 337 | 4% |
| Other | 2,374 | 4,737 | 1,028 | | 8,139 | 300 | 7,839 | 2613% |
| Interest Income | 9,578 | 42,168 | 28,959 | | 80,705 | 0 | 80,705 | 0% |
| Bad Debt Reserve | 0 | 0 | 0 | | 0 | 0 | 0 | |
| TOTAL CASH INFLOW | 677,179 | 967,132 | 441,309 | 69,476 | 2,155,096 | 2,031,591 | 123,505 | 6% |
| Transfers to Reserves | -102,395 | -453,701 | -137,214 | 0 | -693,310 | -699,750 | | |
| NET OPERATING CASH INFLOW | 574,784 | 513,431 | 304,095 | 69,476 | 1,461,786 | 1,331,841 | 129,945 | 10% |
| OPERATING CASH OUTFLOW | | | | | | | | |
| Professional Fees | 21,896 | 35,689 | 19,418 | 1,876 | 78,879 | 106,378 | 27,499 | 26% |
| Office Expenses | 8,074 | 19,403 | 5,107 | | 32,584 | 18,320 | (14,264) | -78% |
| Employee Expenses - Personnel | 181,875 | 181,875 | 90,938 | | 454,688 | 425,875 | (28,813) | -7% |
| Employee Exp - Taxes, Insurance, etc. | 58,441 | 59,525 | 29,375 | | 147,341 | 173,700 | 26,359 | 15% |
| Insurance | 11,350 | 11,350 | 5,707 | | 28,407 | 23,000 | (5,407) | -24% |
| Vehicle Expenses | 17,426 | 23,270 | 9,945 | | 50,641 | 39,600 | (11,041) | -28% |
| Operations Expenses | 80,915 | 80,462 | 12,538 | | 173,915 | 181,598 | 7,683 | 4% |
| Maintenance/Repair Equipment | 5,528 | 21,718 | 0 | | 27,246 | 29,580 | 2,334 | 8% |
| Maintenance/Repair Infrastructure | 15,913 | 4,222 | 12,227 | | 32,362 | 35,130 | 2,768 | 8% |
| Distribution / Collections | 45,108 | 16,038 | 0 | | 61,146 | 60,840 | (306) | -1% |
| Capital Expenditures | 53,665 | 22,536 | 151,261 | | 227,462 | 213,793 | (13,669) | -6% |
| Debt & Interest Payments | | | | 61,394 | 61,394 | 61,394 | 0 | 0% |
| Other | 3,563 | 1,413 | 542 | | 5,518 | 38,510 | 32,992 | 86% |
| TOTAL OPERATING CASH OUTFLOW | 503,754 | 477,501 | 337,058 | 63,270 | 1,381,583 | 1,407,718 | 26,135 | 2% |
| CASH FLOW BEFORE RESERVES | \$71,030 | \$35,930 | -\$32,963 | \$6,206 | \$80,203 | -\$75,877 | \$156,080 | -206% |
| NET RESERVE ACTIVITY | -19,822 | 41,241 | 28,299 | 0 | 49,718 | 16,983 | 32,735 | |
| TOTAL CASH FLOW | \$51,208 | \$77,171 | -\$4,664 | \$6,206 | \$129,921 | -\$58,894 | \$188,815 | -321% |

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
DECEMBER 31, 2023 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 | 102,395 | | | | \$102,395 | \$102,840 | (445) | 0% |
| WWTP Reserve | | 453,701 | | | \$453,701 | 456,300 | (2,599) | -1% |
| Road Maintenance Tax Levy | | | \$69,270 | | \$69,270 | 69,270 | 0 | 0% |
| Snow Removal Fee | | | | \$60,543 | \$60,543 | 60,840 | (297) | 0% |
| Road Impact Fees | | | 7,401 | | \$7,401 | 10,500 | (3,099) | -30% |
| TOTAL CASH INFLOW | 102,395 | 453,701 | 76,671 | 60,543 | 693,310 | 699,750 | -6,440 | -1% |
| CURRENT RESERVE CASH OUTFLOW | | | | | | | | |
| Spring Valley Reservoir Loan Payments | 122,217 | | | | 122,217 | 122,217 | 0 | 0% |
| WWTP Loan/Interest Payments | | 412,460 | | | 412,460 | 440,000 | 27,540 | 6% |
| R&M Roads | | | 40,151 | | 40,151 | 70,750 | 30,599 | 43% |
| Snow Removal Expense | | | | 48,031 | 48,031 | 35,800 | (12,231) | -34% |
| Snow Equipment R&M | | | | 20,733 | 20,733 | 14,000 | (6,733) | -48% |
| TOTAL RESERVE CASH OUTFLOW | 122,217 | 412,460 | 40,151 | 68,764 | 643,592 | 682,767 | 39,175 | 6% |
| NET RESERVE CASH FLOW | -\$19,822 | \$41,241 | \$36,520 | -\$8,221 | \$49,718 | \$16,983 | -\$32,735 | -193% |
| PREVIOUS RESERVE BALANCE (12/31/22) | 36,721 | 794,836 | 367,798 | 178,873 | 1,378,228 | | | |
| TOTAL RESERVE BALANCE 6/30/23 | \$16,899 | \$836,077 | \$404,318 | \$170,652 | \$1,427,946 | | | |