

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

BALANCE SHEET

Current assets are \$3.7M consisting of \$3.1M cash and \$616K 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 two 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 \$28.8M.

Current liabilities are \$260K and Sewer Loan Payable is \$6.9M.

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 positive variance in Property Tax is from Special Ownership Taxes being higher than budgeted. The District had 15 new housing starts in 2025. After transferring \$885K to Reserves, Net Operating Cash Inflow is \$1.5M, a positive variance of \$21K.

Total Operating Cash Outflow was \$1.2M, leaving operating cash flow of \$250K. This is a positive variance of \$179K. Total cash flow including reserve activity is \$402K, a positive variance of \$54K. 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 positive variances are simply underspending and having fewer employees for a few months.

ANALYSIS OF RESERVE ACTIVITY

Total Reserve Cash Inflow was \$885K, a negative variance from the budget of \$4,750.

Total Reserve Cash Outflow was \$483K, leaving Net Reserve cash flow of \$402K and a positive variance of \$54K.

UPDATE ON SOLAR PROJECT ELECTRIC COSTS

	WTP	WWTP	
Jan 1 – Dec. 30, 2024	\$28,909	\$26,108	LPEA only
Jan 1 – Dec. 30, 2025	<u>\$27,928</u>	<u>\$39,535</u>	LPEA + Sun Powered
\$ Increase / (Decrease)	(\$ 981)	\$13,427	
% Increase / (Decrease)	(3.4%)	51.4%	

CURRENT INFRASTRUCTURE STATUS

12/31/2025	Water/Sewer Customers	Ranch	Highlands	Meadows	Total
	Unimproved	11	55	40	105
	Residential	219	422	118	760
	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
DECEMBER 31, 2025

ASSETS	
Current Assets	
Cash	\$642,279
Water System Reserve + Unrestricted	261,029
Sewer System Reserve + Unrestricted	1,545,278
Road Maintenance Reserve	343,235
Snow Removal Reserve	308,452
Property Taxes Receivable	424,273
Water/Sewer Base Fees Receivable	50,481
Infrastructure Maintenance Fees Receivable	97,388
Other Current Assets	49,444
Bad Debt Reserve	-5,880
Total Current Assets	3,715,979
Property, Plant and Equipment	
Water Source and Distribution Infrastructure	7,624,504
Water Treatment Infrastructure	796,938
Water Plant Equipment	145,595
Sewer Transmission Infrastructure	4,789,541
Sewer Treatment Infrastructure	8,674,671
Sewer Plant Equipment	157,263
Transportation Equipment	277,615
Office Building	84,033
Accumulated Depreciation	-4,492,288
Total Property, Plant and Equipment	18,057,872
Other Assets	
Roads Infrastructure	9,023,040
Security Infrastructure	306,843
Office Building & Equipment	480,034
Building Improvements	87,536
Land	62,609
Accumulated Depreciation	-2,928,822
Total Other Assets	7,031,240
TOTAL ASSETS	\$28,805,091
LIABILITIES	
Current Liabilities	
Accounts Payable	6,369
Accrued Compensated Absences	31,760
Current Portion of long-term debt	222,248
Total Current Liabilities	260,377
Long-term Debt	
Sewer Loan Payable	6,889,058
Notes Payable	0
Total Long-term Debt	6,889,058
TOTAL LIABILITIES	7,149,435
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	424,273
NET POSITION	
Retained Earnings	15,441,058
Contributed Capital	2,788,524
Investment in General Fixed Assets	2,155,763
Restricted for Roads	193,984
Balancing Entry	0
Net Cash Flow	652,054
TOTAL NET POSITION	21,231,383
TOTAL LIABILITIES AND NET POSITION	\$28,805,091

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
DECEMBER 31, 2025 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$223,981	\$227,491			\$451,472	\$441,516	9,956	2%
Water Usage Fees	\$101,216				\$101,216	\$95,000	6,216	7%
Infrastructure Maintenance Fees	251,292	257,773			509,065	510,312	(1,247)	0%
Property Tax Income			\$388,108	\$244	388,352	377,551	10,801	3%
Snow Removal Fees			92,908		92,908	93,096	(188)	0%
Water / Sewer Reserves	188,469	505,234			693,703	695,640	(1,937)	0%
Inspection/Equipment/Impact Fees	7,065	375	7,875		15,315	20,420	(5,105)	-25%
Lease Income			29,000		29,000	29,000	0	0%
Other	1,439	3,224	409		5,072	300	4,772	1591%
Interest Income	4,633	46,734	37,825		89,192	90,000	(808)	0%
Bad Debt Reserve	-2,230	-3,346	-304		-5,880	0	(5,880)	
TOTAL CASH INFLOW	775,865	1,037,485	555,821	244	2,369,415	2,352,835	16,580	1%
Transfers to Reserves	-188,469	-505,234	-191,017	0	-884,720	-889,470		
NET OPERATING CASH INFLOW	587,396	532,251	364,804	244	1,484,695	1,463,365	21,330	1%
OPERATING CASH OUTFLOW								
Professional Fees	7,995	7,190	15,398	0	30,583	55,908	25,325	45%
Office Expenses	12,466	12,391	7,134		31,991	33,650	1,659	5%
Employee Expenses - Personnel	205,627	205,627	102,813		514,067	562,600	48,533	9%
Employee Exp - Taxes, Insurance, etc.	74,508	71,757	39,525		185,790	204,795	19,005	9%
Insurance	13,075	13,075	6,538		32,688	35,000	2,312	7%
Vehicle Expenses	14,452	14,596	7,209		36,257	44,600	8,343	19%
Operations Expenses	88,103	72,448	15,775		176,326	188,325	11,999	6%
Maintenance/Repair Equipment	17,237	36,615	0		53,852	41,660	(12,192)	-29%
Maintenance/Repair Infrastructure	13,873	1,068	22,342		37,283	35,840	(1,443)	-4%
Distribution / Collections	17,761	8,124	0		25,885	54,140	28,255	52%
Capital Expenditures	41,350	42,664	22,076		106,090	102,000	(4,090)	-4%
Debt & Interest Payments				0	0	0	0	0%
Other	1,530	1,529	765		3,824	34,200	30,376	89%
TOTAL OPERATING CASH OUTFLOW	507,977	487,084	239,575	0	1,234,636	1,392,718	158,082	11%
CASH FLOW BEFORE RESERVES	\$79,419	\$45,167	\$125,229	\$244	\$250,059	\$70,647	\$179,412	254%
NET RESERVE ACTIVITY	188,469	83,519	130,007	0	401,995	348,400	53,595	
TOTAL CASH FLOW	\$267,888	\$128,686	\$255,236	\$244	\$652,054	\$419,047	\$233,007	56%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
DECEMBER 31, 2025 YTD

	Water System Reserve	Waste Water System Reserve	Road Maintenance Reserve	Snow Removal Reserve	Total	Budget	Variance	%
CURRENT RESERVE CASH INFLOW								
Water Reserve Fees	188,469				\$188,469	\$188,784	(315)	0%
WWTP Reserve		505,234			\$505,234	506,856	(1,622)	0%
Road Maintenance Tax Levy			\$90,234		\$90,234	90,234	0	0%
Snow Removal Fee				\$92,908	\$92,908	93,096	(188)	0%
Road Impact Fees			7,875		\$7,875	10,500	(2,625)	-25%
TOTAL CASH INFLOW	188,469	505,234	98,109	92,908	884,720	889,470	-4,750	-1%
CURRENT RESERVE CASH OUTFLOW								
WWTP Loan/Interest Payments		421,715			421,715	428,820	7,105	2%
R&M Roads			46,210		46,210	66,250	20,040	30%
Snow Removal Expense				3,670	3,670	22,000	18,330	83%
Snow Equipment R&M				11,130	11,130	24,000	12,870	54%
TOTAL RESERVE CASH OUTFLOW	0	421,715	46,210	14,800	482,725	541,070	58,345	11%
NET RESERVE CASH FLOW	\$188,469	\$83,519	\$51,899	\$78,108	\$401,995	\$348,400	\$53,595	15%
PREVIOUS RESERVE BALANCE (12/31/24)	0	839,713	291,336	230,344	1,361,393			
TOTAL RESERVE BALANCE 12/31/25	\$188,469	\$923,232	\$343,235	\$308,452	\$1,763,388			