

**ERMD INTERIM FINANCIAL REPORT  
DECEMBER 31, 2019**

**BALANCE SHEET**

Current assets are \$5.9M, consisting of \$5.8M cash and \$118K receivables and other.

Property, Plant and Equipment is \$8M, which primarily represents the water and sewer infrastructure.

Other Assets are \$4.3M, made up primarily of all the roads for which the District has responsibility.

Liabilities are \$5M. The District's total 2019 tax levy is \$260,565. Of that amount \$47 is yet to be collected.

Total Net Position is \$13M.

**FINANCIAL OVERVIEW:**

The District's YTD Total Cash Inflow is \$1.7 million, and \$36K more than budgeted. The variance is due to faster growth in the development than anticipated, as well as the collection of \$16K more specific ownership tax than expected. There were 32 new house starts in 2019 and the District conservatively budgeted for 20. The developer's obligation to collect fees on each lot sale for infrastructure has now been fully met. After transferring \$621K to Reserves, Net Operating Cash Inflow is \$1.1M.

Total Operating Cash Outflow was \$993K, which is \$97K less than budgeted. The variance is from decisions made to not proceed with everything that was budgeted for. The Cash Flow before Reserves was \$124K. Total cash flow including reserve activity is \$31.7K.

**ANALYSIS OF RESERVE ACTIVITY:**

Total Reserve Cash Inflow was \$621K, which is almost \$10K more than budgeted.

Total Reserve Cash Outflow was \$713K. The reason for the large variance of \$1.8M in WWTP Development is that the new treatment plant project is moving more slowly than anticipated at the time of budgeting. 2019 was a very heavy snow year causing our snow removal/equipment expenses combined to go over budget by nearly 19K.

Total Reserve decreased by \$92K, beginning the year at \$5.49M and ending the quarter at \$5.4M.

**CURRENT INFRASTRUCTURE STATUS**

The District made a preliminary acceptance of 38 new lots in Phase 5B of the Overlook in December, bringing the total number of lots to 764. The final layer of asphalt will be added in 2020.

12/31/2019	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	12	98	68	178
	RESIDENTIAL	219	340	27	586
	PONDS	3	0	0	3
	LANDSCAPING	3	2	1	6
	TOTAL	237	440	96	773

Miles of Road (estimate)	3.4	5.4	1.1	9.9
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**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**DECEMBER 31, 2019**

<b>ASSETS</b>	
Current Assets	
Cash	\$429,212
Water System Reserve	114,529
Sewer System Reserve	4,830,814
Road Maintenance Reserve	307,182
Snow Removal Reserve	150,213
Property Taxes Receivable	47
Water/Sewer Base Fees Receivable	37,057
Infrastructure Maintenance Fees Receivable	69,072
Other Current Assets	15,611
Bad Debt Reserve	-3,960
Total Current Assets	5,949,777
Property, Plant and Equipment	
Water Source and Distribution Infrastructure	5,548,376
Water Treatment Infrastructure	676,371
Water Plant Equipment	160,718
Sewer Transmission Infrastructure	3,391,340
Sewer Treatment Infrastructure	427,813
Sewer Treatment Plant Construction in Progress	153,721
Sewer Plant Equipment	158,285
Transportation Equipment	206,491
Office Building	71,280
Accumulated Depreciation	-2,782,382
Total Property, Plant and Equipment	8,012,013
Other Assets	
Building Improvements	87,536
Security Infrastructure	212,610
Roads Infrastructure	5,518,045
Office Building & Equipment	333,377
Land	62,609
Accumulated Depreciation	-1,903,687
Total Other Assets	4,310,490
<b>TOTAL ASSETS</b>	<b>\$18,272,280</b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	65,489
Unearned revenue	20,000
Current portion of long-term debt	331,432
Total Current Liabilities	416,921
Long-term Debt	
Leases Payable, net of current portion	108,466
Notes Payable, net of current portion	4,504,798
Total Long-term Debt	4,613,264
<b>TOTAL LIABILITIES</b>	5,030,185
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	47
<b>NET POSITION</b>	
Retained Earnings	6,268,658
Investment in General Fixed Assets	2,155,763
Restricted for Roads	231,120
Contributed Capital	4,090,641
LT Debt Paid YTD Reported in Cash Flow as Outflow	464,155
Net Cash Flow	31,711
<b>TOTAL NET POSITION</b>	13,242,048
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$18,272,280</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Statement of Cash Flows**  
**DECEMBER 31, 2019 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	\$238,139	\$171,007			\$409,146	\$408,117	1,029	0%
Infrastructure Maintenance Fees	209,827	214,630			424,457	422,112	2,345	1%
Property Tax Income			\$220,240	\$68,409	288,649	272,389	16,260	6%
Snow Removal Fees			51,574		51,574	51,264	310	1%
Developer Lot Sale Fees	10,900	10,900			21,800	21,800	0	0%
Water / Sewer Reserves	87,428	386,333			473,761	471,360	2,401	1%
Inspection/Equipment/Impact Fees	16,076	800	16,875		33,751	19,920	13,831	69%
Lease Income			13,824		13,824	13,824	0	0%
EPOA Reimbursement	500	500	12,605		13,605	13,970	(365)	-3%
Other	2,328	1,381	994		4,703	300	4,403	1468%
Interest Income		6,698			6,698	6,700	(2)	0%
Bad Debt Reserve	-1,224	-2,520	-216		-3,960	0	(3,960)	
<b>TOTAL CASH INFLOW</b>	<b>563,974</b>	<b>789,729</b>	<b>315,896</b>	<b>68,409</b>	<b>1,738,008</b>	<b>1,701,756</b>	<b>36,252</b>	<b>2%</b>
Transfers to Reserves	-98,328	-403,931	-118,966	0	-621,225	-611,446		
<b>NET OPERATING CASH INFLOW</b>	<b>465,646</b>	<b>385,798</b>	<b>196,930</b>	<b>68,409</b>	<b>1,116,783</b>	<b>1,090,310</b>	<b>26,473</b>	<b>2%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	5,747	11,597	11,011	1,838	30,193	37,300	7,107	19%
Office Expenses	4,618	4,691	5,018		14,327	13,575	(752)	-6%
Lease Expense	90,756	53,301			144,057	142,500	(1,557)	-1%
Employee Expenses - Personnel	96,276	112,039	112,138		320,453	335,915	15,462	5%
Employee Exp - Taxes, Insurance, etc.	33,225	42,475	37,478		113,178	118,645	5,467	5%
Insurance	6,768	6,665	6,706		20,139	24,900	4,761	19%
Vehicle Expenses	4,035	4,252	4,388		12,675	18,000	5,325	30%
Operations Expenses	62,349	48,465	15,170		125,984	150,656	24,672	16%
Maintenance/Repair Equipment	8,994	2,050			11,044	12,640	1,596	13%
Maintenance/Repair Infrastructure	10,010	380	3,972		14,362	19,395	5,033	26%
Distribution / Collections	22,382	13,708			36,090	46,785	10,695	23%
Capital Expenditures	35,895	0	0		35,895	42,000	6,105	15%
Debt Payments		0		61,394	61,394	61,394	0	0%
Other	51,618	645	979		53,242	66,146	12,904	20%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>432,673</b>	<b>300,268</b>	<b>196,860</b>	<b>63,232</b>	<b>993,033</b>	<b>1,089,851</b>	<b>96,818</b>	<b>9%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$32,973</b>	<b>\$85,530</b>	<b>\$70</b>	<b>\$5,177</b>	<b>\$123,750</b>	<b>\$459</b>	<b>\$123,291</b>	<b>26861%</b>
<b>NET RESERVE ACTIVITY</b>	<b>-23,888</b>	<b>-111,944</b>	<b>43,793</b>	<b>0</b>	<b>-92,039</b>	<b>-1,873,323</b>	<b>1,781,284</b>	
<b>TOTAL CASH FLOW</b>	<b>\$9,085</b>	<b>-\$26,414</b>	<b>\$43,863</b>	<b>\$5,177</b>	<b>\$31,711</b>	<b>-\$1,872,864</b>	<b>\$1,904,575</b>	<b>-102%</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Analysis of Reserve Activity**  
**DECEMBER 31, 2019 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>
<b>CURRENT RESERVE CASH INFLOW</b>							
Highlands Lot Sale Fee	\$10,900	\$10,900			\$21,800	\$21,800	0
Spring Valley Reservoir Reserve Fees	87,428				\$87,428	\$86,880	548
WWTP Reserve		386,333			\$386,333	384,480	1,853
Interest on Loan Proceeds		6,698			\$6,698	6,700	(2)
Road Maintenance Tax Levy			\$50,517		\$50,517	50,322	195
Snow Removal Fee				\$51,574	\$51,574	51,264	310
Road Impact Fees			16,875		\$16,875	10,000	6,875
<b>TOTAL CASH INFLOW</b>	<b>98,328</b>	<b>403,931</b>	<b>67,392</b>	<b>51,574</b>	<b>621,225</b>	<b>611,446</b>	<b>9,779</b>
<b>CURRENT RESERVE CASH OUTFLOW</b>							
Spring Valley Reservoir Loan Payments	122,216				122,216	122,216	0
WWTP Loan Payments		311,083			311,083	311,083	0
WWTP Development		204,792			204,792	2,000,000	1,795,208
R&M Roads			33,755		33,755	35,070	1,315
Snow Removal Expense				14,389	14,389	8,200	(6,189)
Snow Equipment R&M				19,829	19,829	8,200	(11,629)
Snow Equipment Capital - Sander				7,200	7,200	0	(7,200)
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b>122,216</b>	<b>515,875</b>	<b>33,755</b>	<b>41,418</b>	<b>713,264</b>	<b>2,484,769</b>	<b>1,771,505</b>
<b>NET RESERVE CASH FLOW</b>	<b>-\$23,888</b>	<b>-\$111,944</b>	<b>\$33,637</b>	<b>\$10,156</b>	<b>-\$92,039</b>	<b>-\$1,873,323</b>	<b>-\$1,781,284</b>
<b>PREVIOUS BALANCE (12/31/18)</b>	<b>138,417</b>	<b>4,942,758</b>	<b>273,545</b>	<b>140,057</b>	<b>5,494,777</b>		
<b>TOTAL RESERVE BALANCE</b>	<b>\$114,529</b>	<b>\$4,830,814</b>	<b>\$307,182</b>	<b>\$150,213</b>	<b>\$5,402,738</b>		