

**ERMD INTERIM FINANCIAL REPORT
SEPTEMBER 30, 2022**

BALANCE SHEET

Current assets are \$2.85M consisting of \$2.7M cash and \$150K receivables and other. Bad debt is -\$1,320, but will be collected eventually.

Property, Plant and Equipment is \$17.5M, which primarily represents the water and sewer infrastructure. This includes Construction in Progress on the new WWTP. We began tracking engineering and other costs in 2017, and \$8.6M represents all costs from 2017 through 9/30/22.

Other Assets are \$6.25M, made up primarily of all the roads for which the District has responsibility and buildings.

Total Liabilities are \$8M. Current liabilities are \$127K. The District received its final draw on the Sewer loan, bringing the total to \$7.5 M. 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 as of 9/30/22. \$1,588 is the amount yet to be collected.

Total Net Position is \$18.5M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$4M, within 1% of budget. The District has had 31 new housing starts as of 9/30/22. After transferring \$2.9M to Reserves, Net Operating Cash Inflow is just over 1M.

Total Operating Cash Outflow was just over \$854K, a positive variance of \$92K created largely by timing issues. The Cash Flow before Reserves was \$243K, a positive variance of \$128K. Total cash flow including reserve activity is (\$59K), a negative variance of \$302K.

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$2.9M, a negative variance from the budget of less than 1%.

Total Reserve Cash Outflow was \$3.2M, exceeding the budget by \$421K or 15%. The largest negative variance is WWTP Construction of \$550K.

CURRENT INFRASTRUCTURE STATUS

9/30/2022	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	11	59	59	129
	RESIDENTIAL	219	399	77	695
	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
SEPTEMBER 30, 2022

ASSETS

Current Assets

Cash	\$483,352
Water System Reserve + Unrestricted	312,035
Sewer System Reserve + Unrestricted	1,381,563
Road Maintenance Reserve	363,413
Snow Removal Reserve	186,346
Property Taxes Receivable	1,588
Water/Sewer Base Fees Receivable	43,414
Infrastructure Maintenance Fees Receivable	64,750
Other Current Assets	14,921
Bad Debt Reserve	-1,320

Total Current Assets 2,850,062

Property, Plant and Equipment

Water Source and Distribution Infrastructure	6,487,919
Water Treatment Infrastructure	678,783
Water Plant Equipment	172,780
Sewer Transmission Infrastructure	4,238,439
Sewer Treatment Infrastructure	427,813
Sewer Treatment Plant Construction in Progress	8,595,653
Sewer Plant Equipment	158,285
Transportation Equipment	206,491
Office Building	87,822
Accumulated Depreciation	-3,549,646

Total Property, Plant and Equipment 17,504,339

Other Assets

Roads Infrastructure	7,815,046
Security Infrastructure	301,476
Office Building & Equipment	359,073
Building Improvements	87,536
Land	62,609
Accumulated Depreciation	-2,371,406

Total Other Assets 6,254,334

TOTAL ASSETS \$26,608,735

LIABILITIES

Current Liabilities

Accounts Payable	103,287
Accrued Compensated Absences	4,479
Unearned revenue	20,000

Total Current Liabilities 127,766

Long-term Debt

Sewer Loan Payable	7,500,000
Notes Payable	423,316

Total Long-term Debt 7,923,316

TOTAL LIABILITIES 8,051,082

DEFERRED INFLOWS OF RESOURCES

Deferred Property Tax Revenue	1,588
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NET POSITION

Retained Earnings	11,462,913
Contributed Capital	4,090,641
Investment in General Fixed Assets	2,155,763
Restricted for Roads	245,188
Balancing Entry	660,682
Net Cash Flow	-59,122

TOTAL NET POSITION 18,556,065

TOTAL LIABILITIES AND NET POSITION \$26,608,735

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
SEPTEMBER 30, 2022 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$224,868	\$153,328			\$378,196	\$351,625	26,571	8%
Infrastructure Maintenance Fees	187,579	192,432			380,011	393,500	(13,489)	-3%
Property Tax Income			\$274,043	\$67,096	341,139	333,557	7,582	2%
Snow Removal Fees			46,218		46,218	48,240	(2,022)	-4%
Water / Sewer Reserves	78,157	346,380			424,537	443,250	(18,713)	-4%
Inspection/Equipment/Impact Fees	14,601	775	16,300		31,676	15,440	16,236	105%
Lease Income			32,600		32,600	31,100	1,500	5%
EPOA Reimbursement			6,889		6,889	8,228	(1,339)	-16%
Other	2,932	2,771	3,893		9,596	225	9,371	4165%
Sewer Loan Proceeds		2,353,638			2,353,638	2,350,000	3,638	0%
Bad Debt Reserve	-408	-840	-72		-1,320	0	(1,320)	
TOTAL CASH INFLOW	507,729	3,048,484	379,871	67,096	4,003,180	3,975,165	28,015	1%
Transfers to Reserves	-78,157	-2,700,018	-127,474	0	-2,905,649	-2,913,990		
NET OPERATING CASH INFLOW	429,572	348,466	252,397	67,096	1,097,531	1,061,175	36,356	3%
OPERATING CASH OUTFLOW								
Professional Fees	14,525	29,423	10,583	1,865	56,396	59,114	2,718	5%
Office Expenses	4,876	5,771	2,742		13,389	12,305	(1,084)	-9%
Employee Expenses - Personnel	107,928	107,928	53,964		269,820	282,900	13,080	5%
Employee Exp - Taxes, Insurance, etc.	38,587	45,340	19,128		103,055	121,110	18,055	15%
Insurance	8,692	8,692	4,346		21,730	21,900	170	1%
Vehicle Expenses	8,072	8,331	6,957		23,360	12,175	(11,185)	-92%
Operations Expenses	56,702	46,698	9,934		113,334	140,480	27,146	19%
Maintenance/Repair Equipment	2,170	3,393	0		5,563	7,680	2,117	28%
Maintenance/Repair Infrastructure	11,837	2,524	4,929		19,290	21,530	2,240	10%
Distribution / Collections	41,655	8,667			50,322	59,611	9,289	16%
Capital Expenditures	123,335				123,335	121,000	(2,335)	-2%
Debt & Interest Payments				46,045	46,045	46,047	2	0%
Other	6,559	2,027	164		8,750	40,135	31,385	78%
TOTAL OPERATING CASH OUTFLOW	424,938	268,794	112,747	47,910	854,389	945,987	91,598	10%
CASH FLOW BEFORE RESERVES	\$4,634	\$79,672	\$139,650	\$19,186	\$243,142	\$115,188	\$127,954	111%
NET RESERVE ACTIVITY	-13,505	-299,495	10,736	0	-302,264	127,321	-429,585	
TOTAL CASH FLOW	<u>-8,871</u>	<u>-219,823</u>	<u>150,386</u>	<u>19,186</u>	<u>-59,122</u>	<u>242,509</u>	<u>-301,631</u>	<u>-124%</u>

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
SEPTEMBER 30, 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	78,157				\$78,157	\$81,450	(3,293)	-4%
WWTP Reserve		346,380			\$346,380	361,800	(15,420)	-4%
Loan Proceeds		2,353,638			\$2,353,638	2,350,000	3,638	0%
Road Maintenance Tax Levy			\$64,956		\$64,956	64,500	456	1%
Snow Removal Fee				\$46,218	\$46,218	48,240	(2,022)	-4%
Road Impact Fees			16,300		\$16,300	8,000	8,300	104%
TOTAL CASH INFLOW	78,157	2,700,018	81,256	46,218	2,905,649	2,913,990	-8,341	0%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	91,662				91,662	91,669	7	0%
WWTP Loan/Interest Payments		148,591			148,591	289,000	140,409	49%
WWTP Development / Construction		2,850,922			2,850,922	2,300,000	(550,922)	-24%
R&M Roads			83,520		83,520	80,000	(3,520)	-4%
Snow Removal Expense				19,595	19,595	20,000	405	2%
Snow Equipment R&M				13,623	13,623	6,000	(7,623)	-127%
TOTAL RESERVE CASH OUTFLOW	91,662	2,999,513	83,520	33,218	3,207,913	2,786,669	-421,244	-15%
NET RESERVE CASH FLOW	-\$13,505	-\$299,495	-\$2,264	\$13,000	-\$302,264	\$127,321	\$429,585	337%
PREVIOUS RESERVE BALANCE (12/31/21)	58,907	1,164,660	365,677	173,346	1,762,590			
TOTAL RESERVE BALANCE 12/31/22	\$45,402	\$865,165	\$363,413	\$186,346	\$1,460,326			