

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

**BALANCE SHEET**

Current assets are \$6M, consisting of \$5.9M cash and \$318K receivables and other. Of the \$5.9 M cash, \$376K is available to spend. The remainder is in reserves for each fund.

Property, Plant and Equipment is \$7.8 million, which primarily represents the water and sewer infrastructure.

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

Liabilities are \$6 million.

Total capital is \$12 million.

**FINANCIAL OVERVIEW:**

The District's YTD Total Cash Inflow was \$611K, which is \$6.5K more than budgeted. The variances are due to timing in relation to the budget. There have been 6 new meters installed and 2 Highlands and Meadows lots sold as of March 31. After transferring \$240K to Reserves, Net Operating Cash Inflow is \$371K.

Total Operating Cash Outflow was \$244K, which is \$58K less than budgeted. Again, the large variance is caused by timing regarding the quarterly budget. We did have to replace the hot water heater and storm door on the office this quarter. The Cash Flow before Reserves was \$127K, which is \$67K more than the budget. Total cash flow including reserve activity is \$188K, \$511K more than budgeted

**ANALYSIS OF RESERVE ACTIVITY:**

Total Reserve Cash Inflow was \$240K, which is \$2K less than budgeted.

Total Reserve Cash Outflow was \$179K.

Total Reserve increased by \$62K, beginning the year at \$5.495M and ending the quarter at \$5.556M.

**CURRENT INFRASTRUCTURE STATUS**

3/31/2019	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	13	73	66	152
	RESIDENTIAL	218	327	18	563
	PONDS	3	0	0	3
	LANDSCAPING	3	2	1	6
	TOTAL	237	402	85	724

Miles of Road (estimate)	3.4	5.4	1.1	9.9
--------------------------	-----	-----	-----	-----

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**MARCH 31, 2019**

<b>ASSETS</b>		
Current Assets		
Cash	\$376,147	
Water System Reserve	145,382	
Sewer System Reserve	4,980,925	
Road Maintenance Reserve	294,930	
Snow Removal Reserve	135,178	
Property Taxes Receivable	159,920	
Water/Sewer Base Fees Receivable	37,870	
Infrastructure Maintenance Fees Receivable	115,590	
Other Current Assets	6,783	
Bad Debt Reserve	-1,704	
Total Current Assets	6,251,021	
Property, Plant and Equipment		
Water Source and Distribution Infrastructure	5,420,139	
Water Treatment Infrastructure	676,371	
Water Plant Equipment	160,718	
Sewer Transmission Infrastructure	3,272,293	
Sewer Treatment Infrastructure	427,813	
Sewer Treatment Plant Construction in Progress	68,731	
Sewer Plant Equipment	102,651	
Transportation Equipment	206,491	
Office Building	71,280	
Accumulated Depreciation	-2,532,084	
Total Property, Plant and Equipment	7,874,403	
Other Assets		
Building Improvements	87,536	
Security Infrastructure	205,900	
Roads Infrastructure	5,425,173	
Office Building & Equipment	333,377	
Land	62,609	
Accumulated Depreciation	-1,768,765	
Total Other Assets	4,345,830	
<b>TOTAL ASSETS</b>	<b>\$18,471,254</b>	
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	40,740	
Current Portion of Long-term Debt	438,612	
Unearned revenue	20,000	
Total Current Liabilities	499,352	
Long-term Debt		
Leases Payable	253,771	
Notes Payable	5,145,019	
Total Long-term Debt	5,398,790	
<b>TOTAL LIABILITIES</b>	<b>5,898,142</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Tax Revenue	159,920	
<b>NET POSITION</b>		
Investment in General Fixed Assets	7,915,425	
Restricted for Roads	218,750	
Contributed Capital	4,090,641	
Net Cash Flow	188,376	
TOTAL NET POSITION	12,413,192	
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$18,471,254</b>	

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Statement of Cash Flows**  
**MARCH 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	\$50,521	\$41,963			\$92,484	\$92,745	-\$261	0%
Infrastructure Maintenance Fees	84,406	86,938			171,344	173,883	(2,539)	-1%
Property Tax Income			\$80,568	\$25,092	105,660	93,718	11,942	13%
Snow Removal Fees			20,880		20,880	21,186	(306)	-1%
Developer Lot Sale Fees	2,350	2,350			4,700	4,700	0	0%
Water / Sewer Reserves	35,169	156,489			191,658	194,565	(2,907)	-1%
Inspection/Equipment/Impact Fees	2,826	150	3,175		6,151	4,980	1,171	24%
Lease Income			13,824		13,824	13,824	0	0%
EPOA Reimbursement			1,987		1,987	3,243	(1,256)	-39%
Other	751	876	876		2,503	75	2,428	3237%
Interest Income		1,651			1,651	1,675	(24)	-1%
Bad Debt Reserve	-674	-958	-72		-1,704	0	(1,704)	
<b>TOTAL CASH INFLOW</b>	<b>175,349</b>	<b>289,459</b>	<b>121,238</b>	<b>25,092</b>	<b>611,138</b>	<b>604,594</b>	<b>6,544</b>	<b>1%</b>
Transfers to Reserves	-37,519	-160,490	-42,265	0	-240,274	-242,239		
<b>NET OPERATING CASH INFLOW</b>	<b>137,830</b>	<b>128,969</b>	<b>78,973</b>	<b>25,092</b>	<b>370,864</b>	<b>362,355</b>	<b>8,509</b>	<b>2%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	536	536	2,928	714	4,714	6,030	1,316	22%
Office Expenses	1,687	794	1,687		4,168	3,521	(647)	-18%
Lease Expense	21,324	12,524	0		33,848	34,050	202	1%
Employee Expenses - Personnel	19,066	22,183	22,196		63,445	79,100	15,655	20%
Employee Exp - Taxes, Insurance, etc.	9,103	11,171	9,912		30,186	33,295	3,109	9%
Insurance	6,645	6,543	6,645		19,833	24,900	5,067	20%
Vehicle Expenses	344	563	3,722		4,629	4,500	(129)	-3%
Operations Expenses	11,844	9,420	3,160		24,424	37,348	12,924	35%
Maintenance/Repair Equipment	5,497	490	0		5,987	3,160	(2,827)	-89%
Maintenance/Repair Infrastructure	6,968	155	2,062		9,185	6,875	(2,310)	-34%
Distribution / Collections	1,108	649			1,757	10,775	9,018	84%
Capital Expenditures	19,587	0	0		19,587	21,000	1,413	7%
Debt Payments		0		15,349	15,349	15,349	0	0%
Other	6,852	0	162		7,014	22,646	15,632	69%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>110,561</b>	<b>65,028</b>	<b>52,474</b>	<b>16,063</b>	<b>244,126</b>	<b>302,549</b>	<b>58,423</b>	<b>19%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$27,269</b>	<b>\$63,941</b>	<b>\$26,499</b>	<b>\$9,029</b>	<b>\$126,738</b>	<b>\$59,806</b>	<b>\$66,932</b>	<b>112%</b>
<b>NET RESERVE ACTIVITY</b>	<b>6,965</b>	<b>38,167</b>	<b>16,506</b>	<b>0</b>	<b>61,638</b>	<b>-382,486</b>	<b>444,124</b>	
<b>TOTAL CASH FLOW</b>	<b>\$34,234</b>	<b>\$102,108</b>	<b>\$43,005</b>	<b>\$9,029</b>	<b>\$188,376</b>	<b>-\$322,680</b>	<b>\$511,056</b>	<b>-158%</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Analysis of Reserve Activity**  
**MARCH 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	\$2,350	\$2,350			\$4,700	\$4,700	0
Spring Valley Reservoir Reserve Fees	35,169				\$35,169	\$35,670	(501)
WWTP Reserve		156,489			\$156,489	158,895	(2,406)
Interest on Loan Proceeds		1,651			\$1,651	1,675	(24)
Road Maintenance Tax Levy			\$18,210		\$18,210	17,613	597
Snow Removal Fee				\$20,880	\$20,880	21,186	(306)
Road Impact Fees			3,175		\$3,175	2,500	675
<b>TOTAL CASH INFLOW</b>	<b><u>37,519</u></b>	<b><u>160,490</u></b>	<b><u>21,385</u></b>	<b><u>20,880</u></b>	<b><u>240,274</u></b>	<b><u>242,239</u></b>	<b><u>-1,965</u></b>
<b>CURRENT RESERVE CASH OUTFLOW</b>							
Spring Valley Reservoir Loan Payments	30,554				30,554	30,554	0
WWTP Loan Payments		77,771			77,771	77,771	0
WWTP Development		44,552			44,552	500,000	455,448
R&M Roads			0		0	0	0
Snow Removal Expense				12,982	12,982	8,200	(4,782)
Snow Equipment R&M				12,777	12,777	8,200	(4,577)
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b><u>30,554</u></b>	<b><u>122,323</u></b>	<b><u>0</u></b>	<b><u>25,759</u></b>	<b><u>178,636</u></b>	<b><u>624,725</u></b>	<b><u>446,089</u></b>
<b>NET RESERVE CASH FLOW</b>	<b><u>\$6,965</u></b>	<b><u>\$38,167</u></b>	<b><u>\$21,385</u></b>	<b><u>-\$4,879</u></b>	<b><u>\$61,638</u></b>	<b><u>-\$382,486</u></b>	<b><u>-\$444,124</u></b>
<b>PREVIOUS BALANCE (12/31/18)</b>	<b><u>138,417</u></b>	<b><u>4,942,758</u></b>	<b><u>273,545</u></b>	<b><u>140,057</u></b>	<b><u>5,494,777</u></b>		
<b>TOTAL RESERVE BALANCE</b>	<b><u>\$145,382</u></b>	<b><u>\$4,980,925</u></b>	<b><u>\$294,930</u></b>	<b><u>\$135,178</u></b>	<b><u>\$5,556,415</u></b>		