

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

BALANCE SHEET

Current assets are \$3.1M consisting of \$2.954M cash and \$191K receivables and other. Bad debt is -\$1,320, but will be collected eventually.

Property, Plant and Equipment is \$17M, 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. \$8M represents all costs from 2017 through 6/30/22.

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

Total Liabilities are \$7.959M. Current liabilities is \$36K. 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 6/30/22. 80% has been collected so far.

Total Net Position is \$18.5M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$3.5M, within 1% of budget. The District had 9 new housing starts in Q2, 19 YTD. After transferring \$2.75M to Reserves, Net Operating Cash Inflow is \$797K.

Total Operating Cash Outflow was just over \$6017K, as positive variance of \$87K created largely by timing issues, the most significant is asphalt repairs to be done in Q3. The Cash Flow before Reserves was \$196K, a positive variance of \$123K. Total cash flow including reserve activity is \$271K, a positive variance of 1%

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$2.75M, a negative variance from the budget of less than 1%.

Total Reserve Cash Outflow was \$2.68M, exceeding the budget by \$110K or 4%. The largest variance is WWTP Construction \$155K.

CURRENT INFRASTRUCTURE STATUS

6/30/2022	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	11	63	63	137
	RESIDENTIAL	219	395	73	687
	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
JUNE 30, 2022

ASSETS		
Current Assets		
Cash	\$418,589	
Water System Reserve + Unrestricted	265,260	
Sewer System Reserve + Unrestricted	1,715,285	
Road Maintenance Reserve	381,140	
Snow Removal Reserve	174,157	
Property Taxes Receivable	64,948	
Water/Sewer Base Fees Receivable	489,055	
Infrastructure Maintenance Fees Receivable	63,597	
Other Current Assets	15,149	
Bad Debt Reserve	-1,320	
	3,585,860	Total Current Assets
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	449,878	
Sewer Treatment Plant Construction in Progress	7,500,000	
Sewer Plant Equipment	158,285	
Transportation Equipment	206,491	
Office Building	87,822	
Accumulated Depreciation	-3,549,646	
	16,430,751	Total Property, Plant and Equipment
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	
	6,254,334	Total Other Assets
	\$26,270,945	TOTAL ASSETS
LIABILITIES		
Current Liabilities		
Accounts Payable	5,126	
Accrued Compensated Absences	10,820	
Unearned revenue	20,000	
	35,946	Total Current Liabilities
Long-term Debt		
Sewer Loan Payable	7,500,000	
Notes Payable	423,316	
	7,923,316	Total Long-term Debt
	7,959,262	TOTAL LIABILITIES
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	64,948	
NET POSITION		
Retained Earnings	11,462,913	
Contributed Capital	4,090,641	
Investment in General Fixed Assets	2,155,763	
Restricted for Roads	266,090	
Net Cash Flow	271,328	
	18,246,735	TOTAL NET POSITION
	\$26,270,945	TOTAL LIABILITIES AND NET POSITION

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

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$144,194	\$101,396			\$245,590	\$229,475	16,115	7%
Infrastructure Maintenance Fees	137,949	141,720			279,669	293,000	(13,331)	-5%
Property Tax Income			\$204,806	\$50,151	254,957	243,546	11,411	5%
Snow Removal Fees			34,029		34,029	35,640	(1,611)	-5%
Water / Sewer Reserves	57,479	255,097			312,576	327,400	(14,824)	-5%
Inspection/Equipment/Impact Fees	11,775	625	13,125		25,525	9,960	15,565	156%
Lease Income			32,300		32,300	31,100	1,200	4%
EPOA Reimbursement			4,835		4,835	5,485	(650)	-12%
Other	2,128	2,128	3,732		7,988	150	7,838	5225%
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	353,117	2,853,764	292,755	50,151	3,549,787	3,525,756	24,031	1%
Transfers to Reserves	-57,479	-2,608,735	-86,108	0	-2,752,322	-2,764,040		
NET OPERATING CASH INFLOW	295,638	245,029	206,647	50,151	797,465	761,716	35,749	5%
OPERATING CASH OUTFLOW								
Professional Fees	10,046	16,263	7,790	1,395	35,494	41,365	5,871	14%
Office Expenses	3,364	3,475	1,896		8,735	8,285	(450)	-5%
Employee Expenses - Personnel	68,782	68,782	34,391		171,955	188,600	16,645	9%
Employee Exp - Taxes, Insurance, etc.	26,790	31,079	13,230		71,099	81,570	10,471	13%
Insurance	8,692	8,692	4,346		21,730	21,900	170	1%
Vehicle Expenses	5,661	6,148	5,642		17,451	8,115	(9,336)	-115%
Operations Expenses	39,989	25,820	6,695		72,504	93,645	21,141	23%
Maintenance/Repair Equipment	1,833	983	0		2,816	5,120	2,304	45%
Maintenance/Repair Infrastructure	10,320	1,245	3,120		14,685	14,355	(330)	-2%
Distribution / Collections	28,201	7,832			36,033	47,477	11,444	24%
Capital Expenditures	113,541				113,541	121,000	7,459	6%
Debt & Interest Payments				30,697	30,697	30,698	1	0%
Other	4,489	24	164		4,677	26,760	22,083	83%
TOTAL OPERATING CASH OUTFLOW	321,708	170,343	77,274	32,092	601,417	688,890	87,473	13%
CASH FLOW BEFORE RESERVES	-\$26,070	\$74,686	\$129,373	\$18,059	\$196,048	\$72,826	\$123,222	169%
NET RESERVE ACTIVITY	-3,629	62,635	16,274	0	75,280	196,926	-121,646	
TOTAL CASH FLOW	-\$29,699	\$137,321	\$145,647	\$18,059	\$271,328	\$269,752	\$1,576	1%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
JUNE 30, 2022 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>	<u>%</u>
CURRENT RESERVE CASH INFLOW								
Spring Valley Reservoir Reserve Fees	57,479				\$57,479	\$60,100	(2,621)	-4%
WWTP Reserve		255,097			\$255,097	267,300	(12,203)	-5%
Loan Proceeds		2,353,638			\$2,353,638	2,350,000	3,638	0%
Road Maintenance Tax Levy			\$38,954		\$38,954	46,000	(7,046)	-15%
Snow Removal Fee				\$34,029	\$34,029	35,640	(1,611)	-5%
Road Impact Fees			13,125		\$13,125	5,000	8,125	163%
TOTAL CASH INFLOW	57,479	2,608,735	52,079	34,029	2,752,322	2,764,040	-11,718	0%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	61,108				61,108	61,114	6	0%
WWTP Loan/Interest Payments		91,233			91,233	120,000	28,767	24%
WWTP Development / Construction		2,454,867			2,454,867	2,300,000	(154,867)	-7%
R&M Roads			36,616		36,616	60,000	23,384	39%
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	61,108	2,546,100	36,616	33,218	2,677,042	2,567,114	-109,928	-4%
NET RESERVE CASH FLOW	<u>-\$3,629</u>	<u>\$62,635</u>	<u>\$15,463</u>	<u>\$811</u>	<u>\$75,280</u>	<u>\$196,926</u>	<u>\$121,646</u>	<u>62%</u>
PREVIOUS RESERVE BALANCE (12/31/21)	58,907	1,164,660	365,677	173,346	1,762,590			
TOTAL RESERVE BALANCE 12/31/22	<u>\$55,278</u>	<u>\$1,227,295</u>	<u>\$381,140</u>	<u>\$174,157</u>	<u>\$1,837,870</u>			