

**ERMD INTERIM FINANCIAL REPORT
JUNE 30, 2024**

BALANCE SHEET

Current assets are \$3.2M consisting of \$3M cash and \$220K receivables and other. Bad Debt Reserve reflects utility accounts that are at least 90 days overdue. One is a resident that is deceased and his house is being foreclosed. Four residents were issued shut-off notices in August. Most are repeat offenders who pay their bill once they receive a shut-off notice. One account for Annual Maintenance fees that have not been paid. They will receive an intent to lien letter in September.

Property, Plant and Equipment is \$18M, which primarily represents the water and sewer infrastructure. The final amount capitalized for the new Wastewater Plant was \$8.6M.

Other Assets are \$7M, made up primarily of all the roads for which the District has responsibility and buildings. Total assets are currently \$28.5M.

Current liabilities are \$53K and Sewer Loan Payable is \$7.2M. Notes Payable now has a zero balance, as the road bond and water reservoir loans were both paid off in May 2024.

Deferred Property Tax Revenue reflects the amount of the 2024 mill levy (\$365K) less taxes received as of June 30..

Total Net Position is \$21M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$1.3M, a positive variance of \$51K. The District has had only 5 new housing starts as of June 30. That number represents builders who pay their fees for road surcharge, meter equipment and inspections. After transferring \$451K to Reserves, Net Operating Cash Inflow is \$874K, a positive variance of \$34K. Most of the positive variances in Revenue are timing issues compared to the budget.

Total Operating Cash Outflow was \$681K, a positive variance of \$110K. The Cash Flow before Reserves was \$192.5K, a positive variance of \$144K. Total cash flow including reserve activity is \$329.7K, a positive variance of \$586K.

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$451K, a positive variance from the budget of \$17K.

Total Reserve Cash Outflow was \$314K, leaving net Reserve cash flow of \$137K. The reason for the high variance of \$443K is that the water line replacement is not yet complete, as well as road R&M. The total cost of the water line replacement will be \$560K, creating a negative variance of \$156K in the Water System Reserve.

CURRENT INFRASTRUCTURE STATUS

6/30/2024	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	11	63	58	132
	RESIDENTIAL	219	414	100	733
	PONDS	3	0	0	3
	LANDSCAPING	3	2	1	6
	TOTAL	236	479	159	874
	Miles of Road (estimate)	3.4	5.4	1.1	9.9

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
JUNE 30, 2024

ASSETS

Current Assets

Cash	\$505,206
Water System Reserve + Unrestricted	358,477
Sewer System Reserve + Unrestricted	1,471,677
Road Maintenance Reserve	451,345
Snow Removal Reserve	213,013
Property Taxes Receivable	86,997
Water/Sewer Base Fees Receivable	56,773
Infrastructure Maintenance Fees Receivable	76,527
Other Current Assets	213
Bad Debt Reserve	-5,139

Total Current Assets 3,215,089

Property, Plant and Equipment

Water Source and Distribution Infrastructure	7,200,592
Water Treatment Infrastructure	797,518
Water Plant Equipment	172,780
Sewer Transmission Infrastructure	4,789,541
Sewer Treatment Infrastructure	9,007,161
Sewer Plant Equipment	158,285
Transportation Equipment	251,563
Office Building	87,822
Accumulated Depreciation	-4,289,750

Total Property, Plant and Equipment 18,175,512

Other Assets

Roads Infrastructure	8,880,162
Security Infrastructure	307,757
Office Building & Equipment	507,434
Building Improvements	87,536
Land	62,609
Accumulated Depreciation	-2,762,883

Total Other Assets 7,082,615

TOTAL ASSETS \$28,473,216

LIABILITIES

Current Liabilities

Accounts Payable	28,169
Accrued Compensated Absences	<u>25,330</u>

Total Current Liabilities 53,499

Long-term Debt

Sewer Loan Payable	7,210,017
Notes Payable	<u>0</u>

Total Long-term Debt 7,210,017

TOTAL LIABILITIES 7,263,516

DEFERRED INFLOWS OF RESOURCES

Deferred Property Tax Revenue	86,997
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NET POSITION

Retained Earnings	11,794,868
Contributed Capital	6,389,937
Investment in General Fixed Assets	2,155,763
Restricted for Roads	317,319
Balancing Entry	135,157
Net Cash Flow	<u>329,659</u>

TOTAL NET POSITION 21,122,703

TOTAL LIABILITIES AND NET POSITION \$28,473,216

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
JUNE 30, 2024 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$150,033	\$109,359			\$259,392	\$257,225	2,167	1%
Infrastructure Maintenance Fees	145,133	149,212			294,345	283,380	10,965	4%
Property Tax Income			\$271,238	\$20,146	291,384	265,940	25,444	10%
Snow Removal Fees			53,702		53,702	51,735	1,967	4%
Water / Sewer Reserves	60,472	268,581			329,053	316,860	12,193	4%
Inspection/Equipment/Impact Fees	2,356	125	2,625		5,106	10,210	(5,104)	-50%
Lease Income			33,638		33,638	33,638	0	0%
EPOA Reimbursement			4,026		4,026	4,485	(459)	-10%
Other	50	3,420	50		3,520	150	3,370	2247%
Interest Income	6,976	28,403	20,546		55,925	50,000	5,925	0%
Bad Debt Reserve	-1,656	-3,120	-363		-5,139	0	(5,139)	
TOTAL CASH INFLOW	363,364	555,980	385,462	20,146	1,324,952	1,273,623	51,329	4%
Transfers to Reserves	-60,472	-268,581	-122,114	0	-451,167	-434,065		
NET OPERATING CASH INFLOW	302,892	287,399	263,348	20,146	873,785	839,558	34,227	4%
OPERATING CASH OUTFLOW								
Professional Fees	4,495	2,482	11,640	561	19,178	53,550	34,372	64%
Office Expenses	6,224	5,465	3,573		15,262	11,050	(4,212)	-38%
Employee Expenses - Personnel	95,258	95,258	47,629		238,145	262,600	24,455	9%
Employee Exp - Taxes, Insurance, etc.	40,373	41,653	19,227		101,253	105,690	4,437	4%
Insurance	12,112	12,112	6,056		30,280	32,000	1,720	5%
Vehicle Expenses	5,483	5,616	2,958		14,057	22,300	8,243	37%
Operations Expenses	37,935	25,608	5,928		69,471	99,030	29,559	30%
Maintenance/Repair Equipment	5,813	18,495	0		24,308	16,400	(7,908)	-48%
Maintenance/Repair Infrastructure	10,619	2,529	5,922		19,070	20,945	1,875	9%
Distribution / Collections	49,969	2,303			52,272	31,175	(21,097)	-68%
Capital Expenditures	19,924	32,428	17,036		69,388	93,775	24,387	26%
Debt & Interest Payments				25,707	25,707	25,581	(126)	0%
Other	824	894	1,140		2,858	16,760	13,902	83%
TOTAL OPERATING CASH OUTFLOW	289,029	244,843	121,109	26,268	681,249	790,856	109,607	14%
CASH FLOW BEFORE RESERVES	\$13,863	\$42,556	\$142,239	-\$6,122	\$192,536	\$48,702	\$143,834	295%
NET RESERVE ACTIVITY	-6,436	54,171	89,388	0	137,123	-305,270	442,393	
TOTAL CASH FLOW	\$7,427	\$96,727	\$231,627	-\$6,122	\$329,659	-\$256,568	\$586,227	-228%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
JUNE 30, 2024 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	60,472				\$60,472	\$58,200	2,272	4%
WWTP Reserve		268,581			\$268,581	258,660	9,921	4%
Road Maintenance Tax Levy			\$65,787		\$65,787	60,220	5,567	9%
Snow Removal Fee				\$53,702	\$53,702	51,735	1,967	4%
Road Impact Fees			2,625		\$2,625	5,250	(2,625)	-50%
TOTAL CASH INFLOW	60,472	268,581	68,412	53,702	451,167	434,065	17,102	4%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	50,678				50,678	50,924	246	0%
Water Line Replacement	16,230				16,230	400,000	383,770	
WWTP Loan/Interest Payments		214,410			214,410	214,411	1	0%
R&M Roads			21,385		21,385	56,000	34,615	62%
Snow Removal Expense				2,725	2,725	11,000	8,275	75%
Snow Equipment R&M				8,616	8,616	7,000	(1,616)	-23%
TOTAL RESERVE CASH OUTFLOW	66,908	214,410	21,385	11,341	314,044	739,335	425,291	58%
NET RESERVE CASH FLOW	-\$6,436	\$54,171	\$47,027	\$42,361	\$137,123	-\$305,270	\$442,393	-145%
PREVIOUS RESERVE BALANCE (12/31/23)	16,899	836,077	404,318	170,652	1,427,946			
TOTAL RESERVE BALANCE 6/30/24	\$10,463	\$890,248	\$451,345	\$213,013	\$1,565,069			