

**ERMD INTERIM FINANCIAL REPORT  
JUNE 30, 2019**

**BALANCE SHEET**

Current assets are \$6M, consisting of \$5.98M cash and \$193K 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 \$5.2M. The District's total 2019 tax levy is \$260,565. Of that amount \$66,613 is yet to be collected.

Total Net Position is \$13.2M.

**FINANCIAL OVERVIEW:**

The District's YTD Total Cash Inflow is just over \$1million, and \$546 less than budgeted. The variances are due to timing of revenues in relation to the quarterly budget. There have been 16 new house starts and 10 Highlands and Meadows lots sold as of June 30. The developer's obligation to collect fees on each lot sale for infrastructure has now been fully met. After transferring \$380K to Reserves, Net Operating Cash Inflow is \$639K.

Total Operating Cash Outflow was \$469K, which is \$114K less than budgeted. Again, the large variance is caused by timing regarding the quarterly budget. The Cash Flow before Reserves was \$170K, which is \$107K more than the budget. Total cash flow including reserve activity is \$222K, and \$1.049M more than budgeted

**ANALYSIS OF RESERVE ACTIVITY:**

Total Reserve Cash Inflow was \$380K, which is \$6K more than budgeted.

Total Reserve Cash Outflow was \$328K. The reason for the large variance of \$925K in WWTP Development is that the new treatment plant project is moving more slowly than anticipated at the time of budgeting. The road patching and overlay scheduled for Q2 was completed the second week of July.

Total Reserve increased by \$52K, beginning the year at \$5.495M and ending the quarter at \$5.547M.

**CURRENT INFRASTRUCTURE STATUS**

6/30/2019	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	13	67	62	142
	RESIDENTIAL	218	333	22	573
	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
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**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**JUNE 30, 2019**

<b>ASSETS</b>	
Current Assets	
Cash	\$433,672
Water System Reserve	139,867
Sewer System Reserve	4,953,878
Road Maintenance Reserve	308,010
Snow Removal Reserve	144,792
Property Taxes Receivable	66,613
Water/Sewer Base Fees Receivable	40,627
Infrastructure Maintenance Fees Receivable	85,464
Other Current Assets	6,817
Bad Debt Reserve	<u>-6,600</u>
Total Current Assets	6,173,140
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	<u>-2,782,382</u>
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	<u>-1,903,687</u>
Total Other Assets	4,310,490
<b>TOTAL ASSETS</b>	<b><u>\$18,495,643</u></b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	32,433
Current Portion of Long-term Debt	216,352
Unearned revenue	<u>20,000</u>
Total Current Liabilities	268,785
Long-term Debt	
Leases Payable	134,009
Notes Payable	<u>4,836,229</u>
Total Long-term Debt	4,970,238
<b>TOTAL LIABILITIES</b>	<b>5,239,023</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	66,613
<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
Current Portion LT Debt Paid YTD Reported in Cash Flow as Outflow	222,261
Net Cash Flow	<u>221,564</u>
<b>TOTAL NET POSITION</b>	<b><u>13,190,007</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$18,495,643</u></b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Statement of Cash Flows**  
**JUNE 30, 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	\$109,632	\$84,377			\$194,009	\$201,225	-\$7,216	-4%
Infrastructure Maintenance Fees	123,977	127,175			251,152	256,626	(5,474)	-2%
Property Tax Income			\$156,224	\$48,571	204,795	187,595	17,200	9%
Snow Removal Fees			30,552		30,552	31,212	(660)	-2%
Developer Lot Sale Fees	10,900	10,900			21,800	21,800	0	0%
Water / Sewer Reserves	51,658	228,915			280,573	286,830	(6,257)	-2%
Inspection/Equipment/Impact Fees	8,038	400	8,400		16,838	9,960	6,878	69%
Lease Income			13,824		13,824	13,824	0	0%
EPOA Reimbursement			5,726		5,726	6,485	(759)	-12%
Other	751	876	876		2,503	150	2,353	1569%
Interest Income		3,339			3,339	3,350	(11)	0%
Bad Debt Reserve	-2,040	-4,200	-360		-6,600	0	(6,600)	
<b>TOTAL CASH INFLOW</b>	<b>302,916</b>	<b>451,782</b>	<b>215,242</b>	<b>48,571</b>	<b>1,018,511</b>	<b>1,019,057</b>	<b>-546</b>	<b>0%</b>
Transfers to Reserves	-62,558	-243,154	-74,044	0	-379,756	-373,392		
<b>NET OPERATING CASH INFLOW</b>	<b>240,358</b>	<b>208,628</b>	<b>141,198</b>	<b>48,571</b>	<b>638,755</b>	<b>645,665</b>	<b>-6,910</b>	<b>-1%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	3,448	5,180	8,001	1,363	17,992	22,743	4,751	21%
Office Expenses	2,042	2,020	2,514		6,576	7,039	463	7%
Lease Expense	43,188	25,364			68,552	71,265	2,713	4%
Employee Expenses - Personnel	41,293	48,040	48,079		137,412	158,200	20,788	13%
Employee Exp - Taxes, Insurance, etc.	15,929	20,425	17,370		53,724	61,865	8,141	13%
Insurance	6,645	6,543	6,645		19,833	24,900	5,067	20%
Vehicle Expenses	955	1,089	4,113		6,157	9,000	2,843	32%
Operations Expenses	29,297	19,378	7,818		56,493	75,223	18,730	25%
Maintenance/Repair Equipment	7,307	1,182			8,489	6,320	(2,169)	-34%
Maintenance/Repair Infrastructure	8,523	178	3,057		11,758	12,970	1,212	9%
Distribution / Collections	7,941	2,781			10,722	24,150	13,428	56%
Capital Expenditures	20,067	0			20,067	41,000	20,933	51%
Debt Payments		0		30,697	30,697	30,697	0	0%
Other	19,556	0	933		20,489	37,146	16,657	45%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>206,191</b>	<b>132,180</b>	<b>98,530</b>	<b>32,060</b>	<b>468,961</b>	<b>582,518</b>	<b>113,557</b>	<b>19%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$34,167</b>	<b>\$76,448</b>	<b>\$42,668</b>	<b>\$16,511</b>	<b>\$169,794</b>	<b>\$63,147</b>	<b>\$106,647</b>	<b>169%</b>
<b>NET RESERVE ACTIVITY</b>	<b>1,450</b>	<b>11,120</b>	<b>39,200</b>	<b>0</b>	<b>51,770</b>	<b>-890,659</b>	<b>942,429</b>	
<b>TOTAL CASH FLOW</b>	<b>\$35,617</b>	<b>\$87,568</b>	<b>\$81,868</b>	<b>\$16,511</b>	<b>\$221,564</b>	<b>-\$827,512</b>	<b>\$1,049,076</b>	<b>-127%</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Analysis of Reserve Activity**  
**JUNE 30, 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	51,658				\$51,658	\$52,740	(1,082)
WWTP Reserve		228,915			\$228,915	234,090	(5,175)
Interest on Loan Proceeds		3,339			\$3,339	3,350	(11)
Road Maintenance Tax Levy			\$35,092		\$35,092	35,226	(134)
Snow Removal Fee				\$30,552	\$30,552	21,186	9,366
Road Impact Fees			8,400		\$8,400	5,000	3,400
<b>TOTAL CASH INFLOW</b>	<b>62,558</b>	<b>243,154</b>	<b>43,492</b>	<b>30,552</b>	<b>379,756</b>	<b>373,392</b>	<b>6,364</b>
<b>CURRENT RESERVE CASH OUTFLOW</b>							
Spring Valley Reservoir Loan Payments	61,108				61,108	61,109	1
WWTP Loan Payments		155,542			155,542	155,542	0
WWTP Development		76,492			76,492	1,001,000	924,508
R&M Roads			9,027		9,027	30,000	20,973
Snow Removal Expense				12,982	12,982	8,200	(4,782)
Snow Equipment R&M				12,835	12,835	8,200	(4,635)
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b>61,108</b>	<b>232,034</b>	<b>9,027</b>	<b>25,817</b>	<b>327,986</b>	<b>1,264,051</b>	<b>936,065</b>
<b>NET RESERVE CASH FLOW</b>	<b>\$1,450</b>	<b>\$11,120</b>	<b>\$34,465</b>	<b>\$4,735</b>	<b>\$51,770</b>	<b>-\$890,659</b>	<b>-\$942,429</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>\$139,867</b>	<b>\$4,953,878</b>	<b>\$308,010</b>	<b>\$144,792</b>	<b>\$5,546,547</b>		