

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

**BALANCE SHEET**

Current assets are \$6M, consisting of \$5.97M cash and \$134K 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 \$5.3M. The District's total 2019 tax levy is \$260,565. Of that amount \$1,750 is yet to be collected.

Total Net Position is \$13M.

**FINANCIAL OVERVIEW:**

The District's YTD Total Cash Inflow is \$1.4 million, and \$16K more than budgeted. The variances are due to timing of revenues in relation to the quarterly budget. There have been 24 new house starts and 10 Highlands and Meadows lots sold as of September 30. The developer's obligation to collect fees on each lot sale for infrastructure has now been fully met. After transferring \$507K to Reserves, Net Operating Cash Inflow is \$911K.

Total Operating Cash Outflow was \$716K, which is \$121K less than budgeted. Again, the large variance is caused by timing regarding the quarterly budget. The Cash Flow before Reserves was \$195K, which is \$135K more than the budget. Total cash flow including reserve activity is \$218K, and \$1.5M more than budgeted

**ANALYSIS OF RESERVE ACTIVITY:**

Total Reserve Cash Inflow was \$507K, which is \$2K more than budgeted.

Total Reserve Cash Outflow was \$484K. The reason for the large variance of almost \$1.4M in WWTP Development is that the new treatment plant project is moving more slowly than anticipated at the time of budgeting. We have more road work being done in the month of October that will use most of the remaining R&M Roads budget.

Total Reserve increased by \$23K, beginning the year at \$5.495M and ending the quarter at \$5.518M.

**CURRENT INFRASTRUCTURE STATUS**

9/30/2019	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	13	64	70	147
	RESIDENTIAL	218	336	25	579
	PONDS	3	0	0	3
	LANDSCAPING	3	2	1	6
	TOTAL	237	402	96	735

Miles of Road (estimate)	3.4	5.4	1.1	9.9
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**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**SEPTEMBER 30, 2019**

<b>ASSETS</b>	
Current Assets	
Cash	\$451,825
Water System Reserve	127,126
Sewer System Reserve	4,919,942
Road Maintenance Reserve	315,856
Snow Removal Reserve	154,817
Property Taxes Receivable	1,750
Water/Sewer Base Fees Receivable	45,402
Infrastructure Maintenance Fees Receivable	80,800
Other Current Assets	6,841
Bad Debt Reserve	0
Total Current Assets	<u>6,104,359</u>
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	<u>4,310,490</u>
TOTAL ASSETS	<u><u>\$18,426,862</u></u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	31,753
Current Portion of Long-term Debt	123,674
Unearned revenue	<u>20,000</u>
Total Current Liabilities	175,427
Long-term Debt	
Leases Payable	146,348
Notes Payable	<u>5,032,654</u>
Total Long-term Debt	<u>5,179,002</u>
TOTAL LIABILITIES	5,354,429
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	1,750
NET POSITION	
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	106,178
Net Cash Flow	<u>218,323</u>
TOTAL NET POSITION	<u>13,070,683</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$18,426,862</u></u>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Statement of Cash Flows**  
**SEPTEMBER 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	\$180,824	\$127,451			\$308,275	\$310,435	(2,160)	-1%
Infrastructure Maintenance Fees	166,730	168,124			334,854	339,369	(4,515)	-1%
Property Tax Income			\$211,145	\$65,591	276,736	265,999	10,737	4%
Snow Removal Fees			41,022		41,022	41,238	(216)	-1%
Developer Lot Sale Fees	10,900	10,900			21,800	21,800	0	0%
Water / Sewer Reserves	69,471	309,897			379,368	379,095	273	0%
Inspection/Equipment/Impact Fees	12,308	600	12,650		25,558	14,940	10,618	71%
Lease Income			13,824		13,824	13,824	0	0%
EPOA Reimbursement			8,736		8,736	9,728	(992)	-10%
Other	751	1,001	876		2,628	225	2,403	1068%
Interest Income		5,027			5,027	5,025	2	0%
Bad Debt Reserve	0	0	0		0	0	0	
<b>TOTAL CASH INFLOW</b>	<b>440,984</b>	<b>623,000</b>	<b>288,253</b>	<b>65,591</b>	<b>1,417,828</b>	<b>1,401,678</b>	<b>16,150</b>	<b>1%</b>
Transfers to Reserves	-80,371	-325,824	-100,500	0	-506,695	-504,477		
<b>NET OPERATING CASH INFLOW</b>	<b>360,613</b>	<b>297,176</b>	<b>187,753</b>	<b>65,591</b>	<b>911,133</b>	<b>897,201</b>	<b>13,932</b>	<b>2%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	4,354	8,915	10,727	1,825	25,821	34,874	9,053	26%
Office Expenses	3,093	3,150	3,872		10,115	10,307	192	2%
Lease Expense	66,890	39,285			106,175	108,475	2,300	2%
Employee Expenses - Personnel	62,467	72,675	72,737		207,879	237,300	29,421	12%
Employee Exp - Taxes, Insurance, etc.	25,147	32,200	27,927		85,274	90,810	5,536	6%
Insurance	6,645	6,543	6,645		19,833	24,900	5,067	20%
Vehicle Expenses	3,259	3,242	3,216		9,717	13,500	3,783	28%
Operations Expenses	44,346	33,522	11,365		89,233	114,771	25,538	22%
Maintenance/Repair Equipment	8,994	1,822			10,816	9,480	(1,336)	-14%
Maintenance/Repair Infrastructure	9,118	178	3,342		12,638	18,065	5,427	30%
Distribution / Collections	19,525	4,257			23,782	36,015	12,233	34%
Capital Expenditures	35,091	0			35,091	41,000	5,909	14%
Debt Payments		0		46,045	46,045	46,045	0	0%
Other	32,356	11	988		33,355	51,646	18,291	35%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>321,285</b>	<b>205,800</b>	<b>140,819</b>	<b>47,870</b>	<b>715,774</b>	<b>837,188</b>	<b>121,414</b>	<b>15%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$39,328</b>	<b>\$91,376</b>	<b>\$46,934</b>	<b>\$17,721</b>	<b>\$195,359</b>	<b>\$60,013</b>	<b>\$135,346</b>	<b>226%</b>
<b>NET RESERVE ACTIVITY</b>	<b>-11,291</b>	<b>-22,816</b>	<b>57,071</b>	<b>0</b>	<b>22,964</b>	<b>-1,372,969</b>	<b>1,395,933</b>	
<b>TOTAL CASH FLOW</b>	<b>\$28,037</b>	<b>\$68,560</b>	<b>\$104,005</b>	<b>\$17,721</b>	<b>\$218,323</b>	<b>-\$1,312,956</b>	<b>\$1,531,279</b>	<b>-117%</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Analysis of Reserve Activity**  
**SEPTEMBER 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	69,471				\$69,471	\$69,810	(339)
WWTP Reserve		309,897			\$309,897	309,285	612
Interest on Loan Proceeds		5,027			\$5,027	5,025	2
Road Maintenance Tax Levy			\$46,828		\$46,828	49,819	(2,991)
Snow Removal Fee				\$41,022	\$41,022	41,238	(216)
Road Impact Fees			12,650		\$12,650	7,500	5,150
<b>TOTAL CASH INFLOW</b>	<b>80,371</b>	<b>325,824</b>	<b>59,478</b>	<b>41,022</b>	<b>506,695</b>	<b>504,477</b>	<b>2,218</b>
<b>CURRENT RESERVE CASH OUTFLOW</b>							
Spring Valley Reservoir Loan Payments	91,662				91,662	91,663	1
WWTP Loan Payments		233,312			233,312	233,313	1
WWTP Development		115,328			115,328	1,501,000	1,385,672
R&M Roads			17,167		17,167	35,070	17,903
Snow Removal Expense				12,982	12,982	8,200	(4,782)
Snow Equipment R&M				13,280	13,280	8,200	(5,080)
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b>91,662</b>	<b>348,640</b>	<b>17,167</b>	<b>26,262</b>	<b>483,731</b>	<b>1,877,446</b>	<b>1,393,715</b>
<b>NET RESERVE CASH FLOW</b>	<b><u>-11,291</u></b>	<b><u>-22,816</u></b>	<b><u>42,311</u></b>	<b><u>14,760</u></b>	<b><u>22,964</u></b>	<b><u>-1,372,969</u></b>	<b><u>-1,395,933</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>\$127,126</u></b>	<b><u>\$4,919,942</u></b>	<b><u>\$315,856</u></b>	<b><u>\$154,817</u></b>	<b><u>\$5,517,741</u></b>		