ERMD INTERIM FINANCIAL REPORT
JUNE 30, 2026

BALANCE SHEET

Current assets are $3.9M consisting of $3.6M cash and $300K receivables and other. Bad Debt Reserve reflects utility accounts that are at least 90 days overdue. One account is for Annual Maintenance fees that have not been paid for three years. A lien was placed on this property in December 2024. We are either in communication with or have issued shut-off notices to the customers who are receiving monthly bills.

Total assets are currently $28.4M.

Current liabilities are $169K and Sewer Loan Payable is $6.67M.

Total Net Position is $21M.

FINANCIAL OVERVIEW

The District's YTD Total Cash Inflow is $1.5M, a positive variance of $71K. The District had 11 new housing starts in the first half of the year. Most variances relate to timing between cash flow and budget. After transferring $518K to Reserves, Net Operating Cash Inflow totals $971K, showing a positive variance of $73K.

Total Operating Cash Outflow was $659K, leaving operating cash flow of $311K. This is a positive variance of $188K. Total cash flow including reserve activity is $493K, a positive variance of $175.5K. The negative variance in Office Expenses is in part due to the expenses for setting up the office for Zoom meetings

ANALYSIS OF RESERVE ACTIVITY

Total Reserve Cash Inflow was $518K, a negative variance from the budget of -$2,700. This is due to timing issues.

Total Reserve Cash Outflow was $337K, leaving Net Reserve cash flow of $181.5K and a negative variance of $12K.

CURRENT INFRASTRUCTURE STATUS

6/30/2026	Water/Sewer Customers	Ranch	Highlands	Meadows	Total
	Unimproved	11	51	33	**95**
	Residential	219	426	125	**770**
	Ponds	3	0	0	**3**
	Landscaping	3	2	1	**6**
	Total	**236**	**479**	**159**	**874**
	Miles of Road (estimate)	**3.0**	**8.7**	**1.7**	**13.4**

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
JUNE 30, 2026

ASSETS		
Current Assets		
Cash		$822,686
Water System Reserve + Unrestricted		454,493
Sewer System Reserve + Unrestricted		1,649,096
Road Maintenance Reserve		316,123
Snow Removal Reserve		349,651
Property Taxes Receivable		109,223
Water/Sewer Base Fees Receivable		109,989
Infrastructure Maintenance Fees Receivable		89,861
Other Current Assets		0
Bad Debt Reserve		-8,365
	Total Current Assets	3,892,757
Property, Plant and Equipment		
Water Source and Distribution Infrastructure		7,654,887
Water Treatment Infrastructure		796,938
Water Plant Equipment		156,562
Sewer Transmission Infrastructure		4,789,541
Sewer Treatment Infrastructure		8,674,671
Sewer Plant Equipment		157,263
Transportation Equipment		302,565
Office Building		101,747
Accumulated Depreciation		-4,963,857
	Total Property, Plant and Equipment	17,670,317
Other Assets		
Roads Infrastructure		9,023,040
Security Infrastructure		306,843
Office Building & Equipment		502,110
Building Improvements		87,536
Land		62,609
Accumulated Depreciation		-3,155,185
	Total Other Assets	6,826,953
	TOTAL ASSETS	$28,390,027
LIABILITIES		
Current Liabilities		
Accounts Payable		25,062
Accrued Compensated Absences		31,760
Current Portion of long-term debt		111,968
	Total Current Liabilities	168,790
Long-term Debt		
Sewer Loan Payable		6,666,810
Notes Payable		0
	Total Long-term Debt	6,666,810
	TOTAL LIABILITIES	6,835,600
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue		109,223
NET POSITION		
Retained Earnings		15,846,851
Contributed Capital		2,788,524
Investment in General Fixed Assets		2,155,763
Restricted for Roads		161,372
Net Cash Flow		492,694
	TOTAL NET POSITION	21,445,204
	TOTAL LIABILITIES AND NET POSITION	$28,390,027

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
JUNE 30, 2026 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Total	Budget	Variance	%
Water / Sewer Base Fees	$113,930	$115,431		**$229,361**	$225,165	4,196	2%
Water Usage Fees	$145,170			**$145,170**	$82,000	63,170	77%
Infrastructure Maintenance Fees	138,162	141,925		**280,087**	286,026	(5,939)	-2%
Property Tax Income			$328,903	**328,903**	307,615	21,288	7%
Snow Removal Fees			51,138	**51,138**	52,218	(1,080)	-2%
Water / Sewer Reserves	103,650	278,175		**381,825**	390,028	(8,203)	-2%
Inspection/Equipment/Impact Fees	5,181	275	5,775	**11,231**	7,147	4,084	57%
Lease Income			29,000	**29,000**	29,000	0	0%
Other	0	1,313	0	**1,313**	150	1,163	775%
Interest Income	4,315	18,818	16,212	**39,345**	39,000	345	0%
Bad Debt Reserve	-4,065	-3,860	-440	**-8,365**	0	(8,365)	
TOTAL CASH INFLOW	**506,343**	**552,077**	**430,588**	**1,489,008**	**1,418,349**	**70,659**	5%
Transfers to Reserves	-103,650	-278,175	-136,661	**-518,486**	-521,181		
NET OPERATING CASH INFLOW	**402,693**	**273,902**	**293,927**	**970,522**	**897,168**	**73,354**	**8%**
OPERATING CASH OUTFLOW							
Professional Fees	2,203	13,541	11,872	**27,616**	37,515	9,899	26%
Office Expenses	8,609	8,610	4,725	**21,944**	17,550	(4,394)	-25%
Employee Expenses - Personnel	105,731	105,731	52,444	**263,906**	297,600	33,694	11%
Employee Exp - Taxes, Insurance, etc.	44,284	48,419	25,579	**118,282**	123,962	5,680	5%
Insurance	14,042	14,042	7,021	**35,105**	36,500	1,395	4%
Vehicle Expenses	9,319	9,460	4,659	**23,438**	19,800	(3,638)	-18%
Operations Expenses	36,683	35,604	13,063	**85,350**	98,138	12,788	13%
Maintenance/Repair Equipment	5,681	13,472	0	**19,153**	22,430	3,277	15%
Maintenance/Repair Infrastructure	17,705	1,997	8,650	**28,352**	26,470	(1,882)	-7%
Distribution / Collections	23,625	11,778	0	**35,403**	27,308	(8,095)	-30%
Capital Expenditures	0	0	0	**0**	50,000	50,000	100%
Debt & Interest Payments				**0**	0	0	0%
Other	269	269	243	**781**	16,500	15,719	95%
TOTAL OPERATING CASH OUTFLOW	**268,151**	**262,923**	**128,256**	**659,330**	**773,773**	**114,443**	**15%**
CASH FLOW BEFORE RESERVES	**$134,542**	**$10,979**	**$165,671**	**$311,192**	**$123,395**	**$187,797**	**152%**
NET RESERVE ACTIVITY	103,650	63,765	14,087	**181,502**	193,771	-12,269	
TOTAL CASH FLOW	**$238,192**	**$74,744**	**$179,758**	**$492,694**	**$317,166**	**$175,528**	**55%**

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
JUNE 30, 2026 YTD

	Water System Reserve	Waste Water System Reserve	Road Maintenance Reserve	Snow Removal Reserve	Total	Budget	Variance	%
CURRENT RESERVE CASH INFLOW								
Water Reserve Fees	103,650				**$103,650**	$105,730	(2,080)	-2%
WWTP Reserve		278,175			**$278,175**	284,298	(6,123)	-2%
Road Maintenance Tax Levy			$80,023		**$80,023**	75,435	4,588	6%
Snow Removal Fee				$51,138	**$51,138**	52,218	(1,080)	-2%
Road Impact Fees			5,500		**$5,500**	3,500	2,000	57%
TOTAL CASH INFLOW	**103,650**	**278,175**	**85,523**	**51,138**	**518,486**	**521,181**	**-2,695**	-1%
CURRENT RESERVE CASH OUTFLOW								
WWTP Loan/Interest Payments		214,410			**214,410**	214,410	0	0%
R&M Roads			112,635		**112,635**	90,000	(22,635)	-25%
Snow Removal Expense				486	**486**	11,000	10,514	96%
Snow Equipment R&M				9,453	**9,453**	12,000	2,547	21%
TOTAL RESERVE CASH OUTFLOW	**0**	**214,410**	**112,635**	**9,939**	**336,984**	**327,410**	**-9,574**	**-3%**
NET RESERVE CASH FLOW	**$103,650**	**$63,765**	**-$27,112**	**$41,199**	**$181,502**	**$193,771**	**-$12,269**	**-6%**
PREVIOUS RESERVE BALANCE (12/31/25)	**188,469**	**923,232**	**343,235**	**308,452**	**1,763,388**			
TOTAL RESERVE BALANCE 06/30/26	**$292,119**	**$986,997**	**$316,123**	**$349,651**	**$1,944,890**			