ERMD INTERIM FINANCIAL REPORT
SEPTEMBER 30, 2026

BALANCE SHEET

Current assets are $4M consisting of $3.8M cash and $169K 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 $28.5M.

Current liabilities are $122.6K and Sewer Loan Payable is $6.66M. A new line has been added to long-term liabilities for the Deferred Inflows of $682k for the remainder of the AT&T Lease per GASB 87.

Total Net Position is $21M.

FINANCIAL OVERVIEW

The District's YTD Total Cash Inflow is $2.15M, a positive variance of $40K. The District had 11 new housing starts in the first half of the year. Most variances relate to timing between cash flow and budget. A large portion of the positive variance is a result of the increase in water rates. After transferring $724K to Reserves, Net Operating Cash Inflow totals $1.4K, showing a positive variance of $44K.

Total Operating Cash Outflow was $1M, leaving operating cash flow of $421K. This is a positive variance of $139K. Total cash flow including reserve activity is $697K, a positive variance of $137K. The negative variance in Employee Expense is in part due to Matt's wages at the beginning of the year are recorded under contract labor due to hiring through the recruiting agency. This offset is also reflected in a positive variance in Employee Wage Expense.

ANALYSIS OF RESERVE ACTIVITY

Total Reserve Cash Inflow was $723.5K, a negative variance from the budget of -$4,400. This is due to timing issues.

Total Reserve Cash Outflow was $447K, leaving Net Reserve cash flow of $277K and a negative variance of $1.6K. The Total Reserve Balance is $2M.

CURRENT INFRASTRUCTURE STATUS

6/30/2026	Water/Sewer Customers	Ranch	Highlands	Meadows	Total
	Unimproved	11	51	32	**94**
	Residential	219	426	126	**771**
	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
SEPTEMBER 30, 2026

ASSETS		
Current Assets		
Cash		$855,991
Water System Reserve + Unrestricted		649,107
Sewer System Reserve + Unrestricted		1,637,725
Road Maintenance Reserve		344,100
Snow Removal Reserve		361,498
Property Taxes Receivable		159
Water/Sewer Base Fees Receivable		73,859
Infrastructure Maintenance Fees Receivable		94,968
Other Current Assets		0
Bad Debt Reserve		-6,720
	Total Current Assets	4,010,687
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	$28,507,957
LIABILITIES		
Current Liabilities		
Accounts Payable		43,415
Accrued Compensated Absences		21,826
Current Portion of long-term debt		57,377
	Total Current Liabilities	122,618
Long-term Debt		
Sewer Loan Payable		6,666,810
Deferred Inflows - AT&T Lease		682,436
	Total Long-term Debt	7,349,246
	TOTAL LIABILITIES	7,471,864
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue		159
NET POSITION		
Retained Earnings		15,232,854
Contributed Capital		2,788,524
Investment in General Fixed Assets		2,155,763
Restricted for Roads		189,074
Net Cash Flow		697,422
	TOTAL NET POSITION	21,063,637
	TOTAL LIABILITIES AND NET POSITION	$28,535,660

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

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Total	Budget	Variance	%
Water / Sewer Base Fees	$171,051	$173,544		**$344,595**	$338,925	5,670	2%
Water Usage Fees	$264,525			**$264,525**	$226,000	38,525	17%
Infrastructure Maintenance Fees	194,819	199,949		**394,769**	398,169	(3,400)	-1%
Property Tax Income			$446,560	**446,560**	437,230	9,330	2%
Snow Removal Fees			72,039	**72,039**	72,657	(618)	-1%
Water / Sewer Reserves	146,143	391,902		**538,045**	542,837	(4,792)	-1%
Inspection/Equipment/Impact Fees	5,181	275	5,775	**11,231**	11,231	0	0%
Lease Income			29,000	**29,000**	29,000	0	0%
Other	0	1,313	0	**1,313**	225	1,088	484%
Interest Income	7,397	27,503	24,440	**59,340**	58,500	840	0%
Bad Debt Reserve	-2,549	-3,823	-348	**-6,720**	0	(6,720)	
TOTAL CASH INFLOW	**786,567**	**790,663**	**577,466**	**2,154,697**	**2,114,774**	**39,923**	2%
Transfers to Reserves	-146,143	-391,902	-185,539	**-723,584**	-727,954		
NET OPERATING CASH INFLOW	**640,424**	**398,761**	**391,927**	**1,431,113**	**1,386,820**	**44,293**	**3%**
OPERATING CASH OUTFLOW							
Professional Fees	10,265	21,604	20,789	**52,658**	49,505	(3,153)	-6%
Office Expenses	10,778	10,682	6,158	**27,618**	26,325	(1,293)	-5%
Employee Expenses - Personnel	161,119	161,119	80,137	**402,375**	446,400	44,025	10%
Employee Exp - Taxes, Insurance, etc.	83,221	86,957	46,884	**217,062**	178,693	(38,369)	-21%
Insurance	14,042	14,042	7,021	**35,105**	36,500	1,395	4%
Vehicle Expenses	9,328	9,469	7,160	**25,957**	29,700	3,743	13%
Operations Expenses	58,613	50,150	24,406	**133,169**	148,662	15,493	10%
Maintenance/Repair Equipment	7,563	35,990	0	**43,553**	33,645	(9,908)	-29%
Maintenance/Repair Infrastructure	17,870	2,030	9,518	**29,418**	39,705	10,287	26%
Distribution / Collections	29,499	13,220	0	**42,719**	40,962	(1,757)	-4%
Capital Expenditures	0	0	0	**0**	50,000	50,000	100%
Debt & Interest Payments				**0**	0	0	0%
Other	277	269	258	**804**	24,750	23,946	97%
TOTAL OPERATING CASH OUTFLOW	**402,575**	**405,532**	**202,331**	**1,010,438**	**1,104,847**	**94,409**	**9%**
CASH FLOW BEFORE RESERVES	**$237,849**	**-$6,771**	**$189,596**	**$420,675**	**$281,973**	**$138,702**	**49%**
NET RESERVE ACTIVITY	146,143	76,693	53,911	**276,747**	278,339	-1,592	
TOTAL CASH FLOW	**$383,992**	**$69,922**	**$243,507**	**$697,422**	**$560,312**	**$137,110**	**24%**