

**ERMD INTERIM FINANCIAL REPORT
DECEMBER 31, 2023**

BALANCE SHEET

Current assets are \$3.175M consisting of \$2.65M cash and \$52K receivables and other. We have moved \$2,000,000 to a public deposit Money Market through Alpine Bank and have received \$80K in interest as of 12/31/23.

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

Other Assets are \$6.6M, made up primarily of all the roads for which the District has responsibility and buildings. Total assets are currently \$27.9M.

Total Liabilities are \$7.5M. Current liabilities are \$66K. The District received its final draw on the Sewer loan in 2022, bringing the total to \$7.5 M. We began making payments on the loan in February and reduced the balance by \$186K in 2023. Notes Payable reflects the balances of the road bond and water reservoir loans, which will both be paid off in May 2024.

Deferred Property Tax Revenue reflects the amount of the 2024 mill levy, an increase from 2023 of \$29K.

Total Net Position is \$20M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$2.16M, a positive variance of \$123K. The District has had 12 new housing starts as of 12/31/23, compared to 42 new starts the same time last year. Those numbers represent builders who pay their fees for road surcharge, meter equipment and inspections. After transferring \$693K to Reserves, Net Operating Cash Inflow is \$1.46M, a positive variance of \$130K. We received \$80K of interest that was not budgeted, water usage was over budget by \$27K and water/sewer base fees were over budget by \$9K.

Total Operating Cash Outflow was \$1.38M, a positive variance of \$26K. The Cash Flow before Reserves was \$80K, a positive variance of \$156K. Total cash flow including reserve activity is \$130K, a positive variance of \$189K.

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$693K, a negative variance from the budget of \$6K. We budgeted for Meadows 3 to come on line earlier than it has and building has slowed significantly.

Total Reserve Cash Outflow was \$644K, which is \$39K less than budget. R&M roads has a positive variance due to timing on projects. Snow removal/equipment have negative variances due to cost of fuel and equipment repair.

CURRENT INFRASTRUCTURE STATUS

12/31/2023	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	11	65	42	118
	RESIDENTIAL	219	412	94	725
	PONDS	3	0	0	3
	LANDSCAPING	3	2	1	6
	TOTAL	236	479	137	852
	Miles of Road (estimate)	3.4	5.4	1.1	9.9

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
DECEMBER 31, 2023

ASSETS		
Current Assets		
Cash	\$358,968	
Water System Reserve + Unrestricted	339,620	
Sewer System Reserve + Unrestricted	1,381,537	
Road Maintenance Reserve	404,318	
Snow Removal Reserve	170,652	
Property Taxes Receivable	364,897	
Water/Sewer Base Fees Receivable	43,018	
Infrastructure Maintenance Fees Receivable	73,024	
Other Current Assets	39,230	
Bad Debt Reserve	0	
Total Current Assets	3,175,264	
Property, Plant and Equipment		
Water Source and Distribution Infrastructure	6,993,617	
Water Treatment Infrastructure	783,264	
Water Plant Equipment	172,780	
Sewer Transmission Infrastructure	4,555,057	
Sewer Treatment Infrastructure	9,007,161	
Sewer Plant Equipment	158,285	
Transportation Equipment	206,491	
Office Building	87,822	
Accumulated Depreciation	-3,828,034	
Total Property, Plant and Equipment	18,136,443	
Other Assets		
Roads Infrastructure	8,377,264	
Security Infrastructure	307,757	
Office Building & Equipment	359,073	
Building Improvements	87,536	
Land	62,609	
Accumulated Depreciation	-2,562,461	
Total Other Assets	6,631,778	
TOTAL ASSETS	\$27,943,485	
LIABILITIES		
Current Liabilities		
Accounts Payable	40,368	
Accrued Compensated Absences	25,330	
Total Current Liabilities	65,698	
Long-term Debt		
Sewer Loan Payable	7,313,793	
Notes Payable	75,782	
Total Long-term Debt	7,389,575	
TOTAL LIABILITIES	7,455,273	
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	364,897	
NET POSITION		
Retained Earnings	13,110,800	
Contributed Capital	4,090,641	
Investment in General Fixed Assets	2,155,763	
Restricted for Roads	272,917	
Balancing Entry	363,272	
Net Cash Flow	129,921	
TOTAL NET POSITION	20,123,315	
TOTAL LIABILITIES AND NET POSITION	\$27,943,485	

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
DECEMBER 31, 2023 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$309,911	\$213,716			\$523,627	\$487,497	36,130	7%
Infrastructure Maintenance Fees	245,750	252,055			497,805	500,316	(2,511)	-1%
Property Tax Income			\$301,127	\$69,476	370,603	359,964	10,639	3%
Snow Removal Fees			60,543		60,543	60,840	(297)	0%
Water / Sewer Reserves	102,395	453,701			556,096	559,140	(3,044)	-1%
Inspection/Equipment/Impact Fees	6,571	375	7,401		14,347	20,420	(6,073)	-30%
Lease Income	600	380	32,944		33,924	34,144	(220)	-1%
EPOA Reimbursement			9,307		9,307	8,970	337	4%
Other	2,374	4,737	1,028		8,139	300	7,839	2613%
Interest Income	9,578	42,168	28,959		80,705	0	80,705	0%
Bad Debt Reserve	0	0	0		0	0	0	
TOTAL CASH INFLOW	677,179	967,132	441,309	69,476	2,155,096	2,031,591	123,505	6%
Transfers to Reserves	-102,395	-453,701	-137,214	0	-693,310	-699,750		
NET OPERATING CASH INFLOW	574,784	513,431	304,095	69,476	1,461,786	1,331,841	129,945	10%
OPERATING CASH OUTFLOW								
Professional Fees	21,896	35,689	19,418	1,876	78,879	106,378	27,499	26%
Office Expenses	8,074	19,403	5,107		32,584	18,320	(14,264)	-78%
Employee Expenses - Personnel	181,875	181,875	90,938		454,688	425,875	(28,813)	-7%
Employee Exp - Taxes, Insurance, etc.	58,441	59,525	29,375		147,341	173,700	26,359	15%
Insurance	11,350	11,350	5,707		28,407	23,000	(5,407)	-24%
Vehicle Expenses	17,426	23,270	9,945		50,641	39,600	(11,041)	-28%
Operations Expenses	80,915	80,462	12,538		173,915	181,598	7,683	4%
Maintenance/Repair Equipment	5,528	21,718	0		27,246	29,580	2,334	8%
Maintenance/Repair Infrastructure	15,913	4,222	12,227		32,362	35,130	2,768	8%
Distribution / Collections	45,108	16,038	0		61,146	60,840	(306)	-1%
Capital Expenditures	53,665	22,536	151,261		227,462	213,793	(13,669)	-6%
Debt & Interest Payments				61,394	61,394	61,394	0	0%
Other	3,563	1,413	542		5,518	38,510	32,992	86%
TOTAL OPERATING CASH OUTFLOW	503,754	477,501	337,058	63,270	1,381,583	1,407,718	26,135	2%
CASH FLOW BEFORE RESERVES	\$71,030	\$35,930	-\$32,963	\$6,206	\$80,203	-\$75,877	\$156,080	-206%
NET RESERVE ACTIVITY	-19,822	41,241	28,299	0	49,718	16,983	32,735	
TOTAL CASH FLOW	\$51,208	\$77,171	-\$4,664	\$6,206	\$129,921	-\$58,894	\$188,815	-321%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
DECEMBER 31, 2023 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	102,395				\$102,395	\$102,840	(445)	0%
WWTP Reserve		453,701			\$453,701	456,300	(2,599)	-1%
Road Maintenance Tax Levy			\$69,270		\$69,270	69,270	0	0%
Snow Removal Fee				\$60,543	\$60,543	60,840	(297)	0%
Road Impact Fees			7,401		\$7,401	10,500	(3,099)	-30%
TOTAL CASH INFLOW	102,395	453,701	76,671	60,543	693,310	699,750	-6,440	-1%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	122,217				122,217	122,217	0	0%
WWTP Loan/Interest Payments		412,460			412,460	440,000	27,540	6%
R&M Roads			40,151		40,151	70,750	30,599	43%
Snow Removal Expense				48,031	48,031	35,800	(12,231)	-34%
Snow Equipment R&M				20,733	20,733	14,000	(6,733)	-48%
TOTAL RESERVE CASH OUTFLOW	122,217	412,460	40,151	68,764	643,592	682,767	39,175	6%
NET RESERVE CASH FLOW	-\$19,822	\$41,241	\$36,520	-\$8,221	\$49,718	\$16,983	-\$32,735	-193%
PREVIOUS RESERVE BALANCE (12/31/22)	36,721	794,836	367,798	178,873	1,378,228			
TOTAL RESERVE BALANCE 12/31/23	\$16,899	\$836,077	\$404,318	\$170,652	\$1,427,946			