

**ERMD INTERIM FINANCIAL REPORT
SEPTEMBER 30, 2024**

BALANCE SHEET

Current assets are \$2.9M consisting of \$2.76M cash and \$129K receivables and other. Bad Debt Reserve reflects utility accounts that are at least 90 days overdue. Four residents were issued shut-off notices in August. Most are repeat offenders who pay their bill once they receive a shut-off notice. One account is for Annual Maintenance fees that have not been paid. They will receive an intent to lien letter this month.

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

Other Assets are \$7M, made up primarily of all the roads for which the District has responsibility and buildings. Total assets are currently \$28M.

Current liabilities are \$45.5K and Sewer Loan Payable is \$7.157M. Notes Payable now has a zero balance, as the road bond and water reservoir loans were both paid off in May 2024.

Deferred Property Tax Revenue reflects the amount of the 2024 mill levy (\$365K) less taxes received as of June 30. All taxes have been paid for the year.

Total Net Position is \$21M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is \$1.9M, a positive variance of \$58K. The District has had 13 new housing starts as of September 30. That number represents builders who pay their fees for road surcharge, meter equipment and inspections. After transferring \$619K to Reserves, Net Operating Cash Inflow is \$1.256M, a positive variance of \$34K. Most of the positive variances in Revenue are timing issues compared to the budget.

Total Operating Cash Outflow was \$1M, a positive variance of \$102K. The Cash Flow before Reserves was \$248K, a positive variance of \$150K. Total cash flow including reserve activity is \$100K, a positive variance of \$251K.

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$619K, a positive variance from the budget of \$11K.

Total Reserve Cash Outflow was \$766K, leaving net Reserve cash flow of (\$147)K and a positive variance of \$102K. The total cost of the water line replacement will be \$560K, over budget \$160K. We are expensing the pavement portion of that project to General Fund Roads. The Final split will be \$401K to Water Fund and \$159K to Roads. We will amend the budget to reflect these amounts at the December meeting.

CURRENT INFRASTRUCTURE STATUS

9/30/2024	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	11	62	55	128
	RESIDENTIAL	219	415	103	737
	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, 2024

ASSETS

Current Assets

Cash	\$274,699
Water System Reserve + Unrestricted	358,477
Sewer System Reserve + Unrestricted	1,471,677
Road Maintenance Reserve	425,840
Snow Removal Reserve	231,696
Property Taxes Receivable	0
Water/Sewer Base Fees Receivable	56,664
Infrastructure Maintenance Fees Receivable	74,649
Other Current Assets	0
Bad Debt Reserve	-2,435
Total Current Assets	2,891,267

Property, Plant and Equipment

Water Source and Distribution Infrastructure	7,200,592
Water Treatment Infrastructure	797,518
Water Plant Equipment	172,780
Sewer Transmission Infrastructure	4,789,541
Sewer Treatment Infrastructure	9,007,161
Sewer Plant Equipment	158,285
Transportation Equipment	251,563
Office Building	87,822
Accumulated Depreciation	-4,289,750
Total Property, Plant and Equipment	18,175,512

Other Assets

Roads Infrastructure	8,880,162
Security Infrastructure	307,757
Office Building & Equipment	507,434
Building Improvements	87,536
Land	62,609
Accumulated Depreciation	-2,762,883
Total Other Assets	7,082,615

TOTAL ASSETS **\$28,149,394**

LIABILITIES

Current Liabilities

Accounts Payable	20,205
Accrued Compensated Absences	25,330
Total Current Liabilities	45,535

Long-term Debt

Sewer Loan Payable	7,157,535
Notes Payable	0
Total Long-term Debt	7,157,535

TOTAL LIABILITIES **7,203,070**

DEFERRED INFLOWS OF RESOURCES

Deferred Property Tax Revenue	0
-------------------------------	---

NET POSITION

Retained Earnings	11,794,868
Contributed Capital	6,389,937
Investment in General Fixed Assets	2,155,763
Restricted for Roads	312,614
Balancing Entry	192,342
Net Cash Flow	100,800
TOTAL NET POSITION	20,946,324

TOTAL LIABILITIES AND NET POSITION **\$28,149,394**

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
SEPTEMBER 30, 2024 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$246,763	\$164,849			\$411,612	\$395,685	15,927	4%
Infrastructure Maintenance Fees	198,544	203,863			402,407	395,964	6,443	2%
Property Tax Income			\$372,644	\$27,989	400,633	378,270	22,363	6%
Snow Removal Fees			73,398		73,398	71,910	1,488	2%
Water / Sewer Reserves	82,726	366,954			449,680	442,620	7,060	2%
Inspection/Equipment/Impact Fees	6,149	300	6,825		13,274	17,360	(4,086)	-24%
Lease Income			33,638		33,638	33,638	0	0%
EPOA Reimbursement			4,983		4,983	6,730	(1,747)	-26%
Other	50	3,586	50		3,686	225	3,461	1538%
Interest Income	8,947	42,125	33,427		84,499	75,000	9,499	0%
Bad Debt Reserve	-735	-1,510	-190		-2,435	0	(2,435)	
TOTAL CASH INFLOW	542,444	780,167	524,775	27,989	1,875,375	1,817,402	57,973	3%
Transfers to Reserves	-82,726	-366,954	-169,636	0	-619,316	-608,625		
NET OPERATING CASH INFLOW	459,718	413,213	355,139	27,989	1,256,059	1,208,777	47,282	4%
OPERATING CASH OUTFLOW								
Professional Fees	14,308	8,589	20,390	778	44,065	80,130	36,065	45%
Office Expenses	8,815	8,115	5,440		22,370	16,525	(5,845)	-35%
Employee Expenses - Personnel	150,425	150,425	75,213		376,063	393,900	17,837	5%
Employee Exp - Taxes, Insurance, etc.	55,154	58,377	26,344		139,875	152,775	12,900	8%
Insurance	12,428	12,428	6,214		31,070	32,000	930	3%
Vehicle Expenses	6,343	6,870	4,813		18,026	33,450	15,424	46%
Operations Expenses	60,623	40,296	9,544		110,463	150,788	40,325	27%
Maintenance/Repair Equipment	17,412	32,048	0		49,460	24,600	(24,860)	-101%
Maintenance/Repair Infrastructure	11,191	3,434	8,366		22,991	31,500	8,509	27%
Distribution / Collections	58,598	2,761	0		61,359	50,370	(10,989)	-22%
Capital Expenditures	19,924	66,826	17,036		103,786	93,775	(10,011)	-11%
Debt & Interest Payments				25,707	25,707	25,581	(126)	0%
Other	849	918	1,186		2,953	25,135	22,182	88%
TOTAL OPERATING CASH OUTFLOW	416,070	391,087	174,546	26,485	1,008,188	1,110,529	102,341	9%
CASH FLOW BEFORE RESERVES	\$43,648	\$22,126	\$180,593	\$1,504	\$247,871	\$98,248	\$149,623	152%
NET RESERVE ACTIVITY	-274,976	45,339	82,566	0	-147,071	-248,665	101,594	
TOTAL CASH FLOW	-\$231,328	\$67,465	\$263,159	\$1,504	\$100,800	-\$150,417	\$251,217	-167%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
SEPTEMBER 30, 2024 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	82,726				\$82,726	\$81,360	1,366	2%
WWTP Reserve		366,954			\$366,954	361,260	5,694	2%
Road Maintenance Tax Levy			\$89,413		\$89,413	85,170	4,243	5%
Snow Removal Fee				\$73,398	\$73,398	71,910	1,488	2%
Road Impact Fees			6,825		\$6,825	8,925	(2,100)	-24%
TOTAL CASH INFLOW	82,726	366,954	96,238	73,398	619,316	608,625	10,691	2%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	50,678				50,678	50,924	246	0%
Water Line Replacement	307,024		25,000		332,024	400,000	67,976	
WWTP Loan/Interest Payments		321,615			321,615	321,616	1	0%
R&M Roads			49,716		49,716	66,750	17,034	26%
Snow Removal Expense				2,725	2,725	11,000	8,275	75%
Snow Equipment R&M				9,629	9,629	7,000	(2,629)	-38%
TOTAL RESERVE CASH OUTFLOW	357,702	321,615	74,716	12,354	766,387	857,290	90,903	11%
NET RESERVE CASH FLOW	-\$274,976	\$45,339	\$21,522	\$61,044	-\$147,071	-\$248,665	\$101,594	-41%
PREVIOUS RESERVE BALANCE (12/31/23)	16,899	836,077	404,318	170,652	1,427,946			
TOTAL RESERVE BALANCE 6/30/24	-\$258,077	\$881,416	\$425,840	\$231,696	\$1,280,875			