

**REVERE AT JOHNSTOWN METROPOLITAN
DISTRICT NO. 3
WELD COUNTY, COLORADO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL
INFORMATION**

YEAR ENDED DECEMBER 31, 2024

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YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Revere at Johnstown Metropolitan District No. 3
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Revere at Johnstown Metropolitan District No. 3 (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Emphasis of Matter

As described in Note 6 to the financial statements, as of and for the year ended December 31, 2023, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the budgetary comparison schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

Bailey, Colorado
July 31, 2025

BASIC FINANCIAL STATEMENTS

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
Assets	
Cash and Investments - Restricted	\$1,641,722
Receivable from County Treasurer	200
Property Taxes Receivable	82,912
Total Assets	1,724,834
 Liabilities	
Accrued Interest Payable	659,544
Noncurrent Liabilities:	
Due in More Than One Year	7,691,148
Total Liabilities	8,350,692
 Deferred Inflows of Resources	
Property Tax Revenue	82,912
Total Deferred Inflows of Resources	82,912
 Net Position	
Restricted for:	
Debt Service	1,641,922
Unrestricted	(8,350,692)
Total Net Position	\$(6,708,770)

See accompanying Notes to Basic Financial Statements.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Program Revenue			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs				
Primary Government				
Government Activities				
General Government	\$ 452,455	\$ 390,000	\$ -	\$ -
Interest and Related Costs on Long-Term Debt	499,881	-	-	(499,881)
Total Governmental Activities	\$ 952,336	\$ 390,000	\$ -	\$ -
 General Revenues				
Property Taxes				67,233
Specific Ownership Taxes				2,434
Net Investment Income				57,281
Total General Revenues				126,948
 Change in Net Position				
Net Position, Beginning of Year as Originally Stated				256,112
Restatement, Correction of an Error				(6,529,494)
Net Position, Beginning of Year as Restated				(6,273,382)
Net Position - End of Year				\$ (6,708,770)

See accompanying Notes to Basic Financial Statements.

**REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
BALANCE SHEET GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
Assets				
Cash and Investments - Restricted	\$ -	\$ -	\$ 1,641,722	\$ 1,641,722
Due from County Treasurer	-	-	200	200
Property Taxes Receivable	-	-	82,912	82,912
Total Assets	\$ -	\$ -	\$ 1,724,834	\$ 1,724,834
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payables	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable Property Taxes	-	-	82,912	82,912
Total Deferred Inflows of Resources	-	-	82,912	82,912
Fund Balances				
Restricted for:				
Debt Service	-	-	1,641,922	1,641,922
Unassigned	-	-	-	-
Total Fund Balances	-	-	1,641,922	1,641,922
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ -	\$ 1,724,834	

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities, including bonds payables, are not due and payables in the current periods and; therefore, are not recorded as liabilities in the funds.

Bonds Payable	(6,026,000)
Accrued Bond Interest	(138,053)
Developer Capital Advances	(1,665,148)
Accrued Advance Interest	(521,491)
	(8,350,692)

Net Position of Governmental Activities

\$ (6,708,770)

See accompanying Notes to Basic Financial Statements.

**REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenues				
Property Taxes	\$ -	\$ -	\$ 67,233	\$ 67,233
Specific Ownership Taxes	-	-	2,434	2,434
Capital Fees	-	-	390,000	390,000
Net Investment Income	-	561	56,720	57,281
Total Revenues	-	561	516,387	516,948
Expenditures				
Current:				
County Treasurer's Fees	-	-	1,009	1,009
Costs of Issuance	-	451,446	-	451,446
Debt Service:				
Developer Repayment	-	(4,423,884)	-	(4,423,884)
Bond Interest - Series 2024A	-	-	271,799	271,799
Paying Agent Fees	-	-	9,000	9,000
Total Expenditures	-	(3,972,438)	281,808	(3,690,630)
Excess of Revenues Over (Under) Expenditures	-	(450,885)	234,579	(216,306)
Other Financing Sources (Uses)				
Debt Proceeds	-	6,026,000	-	6,026,000
Interfund Transfers	-	(1,206,104)	1,206,104	-
Total Other Financing Sources (Uses)	-	4,819,896	1,206,104	6,026,000
Net Change in Fund Balances	-	(54,873)	1,440,683	1,385,810
Fund Balances - Beginning of Year	-	54,873	201,239	256,112
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,641,922</u>	<u>\$1,641,922</u>

See accompanying Notes to Basic Financial Statements.

**REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$1,385,810

Amounts reported for governmental activities in the statement of activities are different because:

Long-term debt (e.g., bonds, Developer Advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position.

Bond Proceeds	(6,026,000)
Repayment of Developer Advances - Principal	4,423,884

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Advance Interest - Change in Liability	(81,029)
Accrued Bond Interest - Change in Liability	<u>(138,053)</u>
Changes in Net Position of Governmental Activities	<u><u>\$(435,388)</u></u>

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Revere at Johnstown Metropolitan District No. 3, (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court of Weld County, Colorado on November 17, 2021 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan approved by the Town of Johnstown on June 7, 2021, as amended on August 5, 2024. The District was organized in conjunction with eight other districts, Revere at Johnstown Metropolitan District Nos. 1, formerly known as High Plains Metropolitan District No. 2 and Revere at Johnstown District Nos., 2, 4, 5, 6, 7, 8, and 9 (the Districts). In accordance with the Service Plan, Revere at Johnstown District No. 2 encompasses all of the property in the project known as Revere at Johnstown, including the District, and serves as the Operations Overlay District. As the Operations Overlay District, District No. 2 imposes an Operations and Maintenance Mill Levy and contracts for administrative services on behalf of the Districts.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund accounts for all financial resources to be used for general and administrative expenditures.

The Capital Projects Fund accounts for all financial resources to be used for the acquisition and construction of capital improvements.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification.

The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (continued)

Fund Balance (continued)

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments – Restricted	\$ 1,641,722
Total Cash and Investments	\$ 1,641,722

Cash and investment as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	\$ 358
Investments	1,641,364
Total Cash and Investments	\$ 1,641,722

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

ColoTrust

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)
ColoTrust (continued)

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PLUS+ is rated AAAM by Standard & Poor’s. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

As of December 31, 2024, the District had \$1,641,363 invested in COLOTRUST PLUS+.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2024:

	<u>Balance at January 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2024</u>	<u>Due Within One Year</u>
Limited Tax General Obligation					
Bonds - Series 20224A - Principal	\$ -	\$ 4,675,000	\$ -	\$4,675,000	\$ -
Subordinate Limited Tax General Obligation					
Bonds - Series 2024B - Principal	-	1,351,000	-	1,351,000	-
Bonds Payable	-	6,026,000	-	6,026,000	\$ -
Developer Capital Advances	6,089,032	-	(4,423,884)	1,665,148	-
Total	<u>\$6,089,032</u>	<u>\$6,026,000</u>	<u>\$(4,423,884)</u>	<u>\$7,691,148</u>	<u>\$ -</u>

The detail of the District’s long-term obligation is as follows:

\$4,675,000 General Obligation Limited Tax Convertible to Unlimited Tax Bonds, Series 2024A, dated February 2, 2024, with an interest rate of 7.00% and a maturity date of December 1, 2053. Interest is payable semiannually on June 1 and December 1, and principal is payable annually on December 1. There is a maximum surplus requirement of \$467,500 and a reserve requirement of \$455,000.

The 2024A Bonds are subject to optional redemption until March 1, 2029 and on any date thereafter upon payment of principal, accrued interest and with a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2029, to and including February 28, 2030	3.00%
March 1, 2030, to and including February 28, 2031	2.00
March 1, 2031, to and including February 29, 2032	1.00
March 1, 2032, and thereafter	0.00

The bonds are also subject to a mandatory sinking fund redemption, in part, by lot, without redemption premium, on December 1 2028, and on each December 1 thereafter until maturity.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources: 1) Required Mill Levy, 2) Capital Facilities Fees, 3) the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy, and 4) any other legally available moneys which the District determines to be treated as Pledged Revenue.

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. The Required Mill Levy is not to exceed 40 mills and is adjusted for changes in the method of calculating assessed valuations. As of December 31, 2024, the adjusted maximum mill levy is 42.240 mills.

\$1,351,000 Subordinate General Obligation Limited Tax Bonds, Series 2024B, dated February 2, 2024, with interest of 9.00%. Interest is payable annually on December 15, beginning December 15, 2024, from, and to the extent of, Subordinate Pledged Revenue available, if any, and matures on December 15, 2053. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Subordinate Bonds. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged after the application of all available Subordinate Pledged Revenue on December 16, 2061 (the Subordinate Bonds Termination Date), regardless of the amount of principal and interest paid prior to the Subordinate Bonds Termination Date.

The bonds are secured by and payable from the Subordinate Pledged Revenue consisting of monies derived by the District from the following sources: 1) Subordinate Required Mill Levy, 2) Subordinate Capital Facilities Fees, 3) the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy, 4) the amounts, if any, in the Series 2024A Senior Bonds Surplus Fund after termination, and 5) any other legally available moneys which the District determines to be treated as Subordinate Pledged Revenue.

Subordinate required Mill Levy shall mean 40 mills, as adjusted for changes in the method of calculating assessed valuation, less the amount required for the Senior Required Mill Levy. As of December 31, 2024, the Subordinate Required Mill Levy is 0.000.

The 2024B Bonds are subject to Mandatory Redemption as determined by the Trustee on each November 15.

The 2024B Bonds are subject to optional redemption until March 1, 2029 and on any date thereafter upon payment of par, accrued interest and with a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2029, to and including February 28, 2030	3.00%
March 1, 2030, to and including February 28, 2031	2.00
March 1, 2031, to and including February 29, 2032	1.00
March 1, 2032 and thereafter	0.00

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations relating to the Series 2024A general obligation bonds will mature as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 327,250	\$ 327,250
2026	-	327,250	327,250
2027	-	327,250	327,250
2028	30,000	327,250	357,250
2029	30,000	325,150	355,150
2030-2034	265,000	1,583,050	1,848,050
2035-2039	475,000	1,463,000	1,938,000
2040-2044	790,000	1,256,150	2,046,150
2045-2049	1,215,000	924,350	2,139,350
2050-2053	1,870,000	384,650	2,254,650
Total	<u>\$ 4,675,000</u>	<u>\$ 7,245,350</u>	<u>\$ 11,920,350</u>

Authorized Debt

At December 31, 2024, the District has authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Amount Authorized</u>	<u>Authorization Used – Series 2024 Bonds</u>	<u>Authorized but Unissued</u>
Water	257,537,500	(\$6,026,000)	\$ 251,511,500
Street Improvements	257,537,500	-	257,537,000
Safety Protection	257,537,500	-	257,537,000
Television Relay and Translation	257,537,500	-	257,537,000
Parks and Recreation	257,537,500	-	257,537,000
Sanitation/Storm Sewer	257,537,500	-	257,537,000
Security	257,537,500	-	257,537,000
Fire Protection	257,537,500	-	257,537,000
Mosquito Control	257,537,500	-	257,537,000
Public Transportation	257,537,500	-	257,537,000
Directional Drilling	257,537,500	-	257,537,000
Refunding	2,832,912,500	-	257,537,000
Total	<u>\$5,665,825,000</u>	<u>(\$6,026,000)</u>	<u>\$5,659,799,000</u>

Pursuant to the Consolidated Service Plan, as amended, the maximum debt limit is \$192,848,687 for all of District Nos. 1 – 9 combined, exclusive of refundings. The maximum debt limit automatically increases if the Districts undertake financing for the North Sanitary Interceptor Town Project or the Water Tank Town Project.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislations. The District had restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ 1,641,922
Total	\$ 1,641,922

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds, loans, or other debt issued for public improvements.

NOTE 6 CORRECTION OF ERROR (RESTATEMENT)

During fiscal year 2024, an error correction resulted to and restatements of beginning net position as follows:

Reporting Units Affected by Adjustments to and Restatement of Beginning Balances	
	Government-Wide Governmental Activities
12/31/2023, as previously reported	\$ -
Error Correction, 2022 Developer Advance	(6,089,032)
Error Correction, 2022 Accrued Interest	(202,990)
Error Correction, 2023 Accrued Interest	(237,472)
12/31/2023, as restated	\$ (6,529,494)

The District did not recognize the liability for the Water Credit Reimbursement Agreement, see Note 8, during the year ended December 31, 2022, or the interest accrued on the amounts owed under this agreement, see note 8.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Forestar (USA) Real Estate Group, Inc. (the Developer). The majority members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 DISTRICT AGREEMENTS

Water Credit Reimbursement Agreement

The District entered into the Water Credit Reimbursement Agreement with the Developer on February 22, 2022, whereby the Developer agreed to finance certain raw water resources dedicated to the Town of Johnstown's Water Bank in furtherance of the development.

Under the agreement the District agrees to reimburse the Developer for Certified District Eligible Costs from funds available. Such Certified District Eligible Costs shall bear interest at a rate of the Municipal Market Data (MMD) "AAA" General Obligation Yield Curve, 30-year constant maturity, plus 250 basis points from the effective date of the related Cost Certification Resolution, as defined in this agreement. Additionally, if the District had not reimbursed the Developer by December 31, 2022, and if requested by the Developer, the District agreed to use commercially reasonable efforts to issue a multiple fiscal year obligation, promissory note, or other multiple fiscal year obligation privately placed debt instrument to the Developer for Certified District Eligible Costs, as defined in this agreement, not previously reimbursed. Any obligation under this agreement shall terminate at the earlier of repayment in full or five (5) years from the effective date of the agreement. Upon termination, any obligation, including accrued interest, is forgiven in its entirety.

The District accepted the Certified District Eligible Costs on June 7, 2021, in the amount of \$6,089,032. The District reimbursed the Developer \$4,423,884 with the issuance of the Series 2024 bonds. As of December 31, 2024, the District had \$1,665,148 of principal and accrued interest of \$521,491 outstanding under this agreement.

Public Improvements Acquisition and Reimbursement Agreement

District No. 3 and the Developer entered into the Public Improvements Acquisition and Reimbursement Agreement on February 22, 2022, whereby the District will reimburse the Developer for District Eligible Costs, as defined in this agreement, together with interest thereon. This agreement will terminate 20 years from the execution of this agreement and any obligation of the District to reimburse the Developer any amounts due and outstanding under this agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by the Developer and there shall be no further obligation of the District to pay or reimburse the Developer with respect to such amounts.

Funds advanced made under this agreement shall bear interest at a rate of the Municipal Market Data (MMD) "AAA" General Obligation Yield Curve, 30-year constant maturity, plus 250 basis points from the date any advance is made. As of December 31, 2024, the District has no outstanding amounts under this agreement.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, workers' compensation, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limits must be refunded unless the voters approve retention of such revenue.

On November 2, 2021, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. District No. 1 serves as the Operating District and has established an Emergency Reserve for the District.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 67,233	\$ 67,233	\$ -
Specific Ownership Taxes	2,689	2,434	(255)
Capital Fees	312,500	390,000	77,500
Net Investment Income	50,000	56,720	6,720
Total Revenues	432,422	516,387	83,965
Expenditures			
Current:			
County Treasurer's Fees	1,008	1,009	(1)
Paying Agent Fees	-	9,000	(9,000)
Contingency	1,193	-	1,193
Debt Service:			
Bond Interest - Series 2024A	271,799	271,799	-
Total Expenditures	274,000	281,808	(7,808)
Other Financing Sources (Uses)			
Transfers from Other Funds	1,435,841	1,206,104	(229,737)
Transfers to Other Funds	(294,000)	-	(294,000)
Total Other Financing Sources (Uses)	1,141,841	1,206,104	(523,737)
Change in Fund Balance			
Fund Balances - Beginning of Year	256,121	201,239	(54,882)
Fund Balances - End of Year	\$ 1,556,384	\$ 1,641,922	\$ 85,538

**REVERE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Developer Advance	\$ 8,000,000	\$ -	\$ (8,000,000)
Net Investment Income	-	561	561
Total Revenues	8,000,000	561	(7,999,439)
Expenditures			
Costs of Issuance	469,030	451,446	17,584
Repay Developer Advance	4,415,129	4,423,884	(8,755)
Capital Outlay - Developer Certified Costs	8,000,000	-	8,000,000
Total Expenditures	12,884,159	4,875,330	8,008,829
Other Financing Sources (Uses)			
Bond Issuances 2024A	4,675,000	4,675,000	-
Bond Issuances 2024B	1,351,000	1,351,000	-
Transfers from Other Funds	294,000	-	(294,000)
Transfers to Other Funds	(1,435,841)	(1,206,104)	229,737
Total Other Financing Sources (Uses)	4,884,159	4,819,896	(64,263)
Change in Fund Balance	-	(54,873)	(54,873)
Fund Balances - Beginning of Year	-	54,873	54,873
Fund Balances - End of Year	\$ -	\$ -	\$ -