

**RIDGE AT JOHNSTOWN
METROPOLITAN DISTRICT NO. 8
Larimer County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024**

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
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YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ridge at Johnstown Metropolitan District No. 8
Larimer County, Colorado

Opinion

We have audited the financial statements of the governmental activities, and each major fund, of Ridge at Johnstown Metropolitan District No.8, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Ridge at Johnstown Metropolitan District No.8's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, and the aggregate remaining fund information of Ridge at Johnstown Metropolitan District No.8, as of December 31, 2024, and the respective changes in financial position and, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Ridge at Johnstown Metropolitan District No.8 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 opinion.

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 Ridge at Johnstown Metropolitan District No.8'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 GAAS 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.

In performing an audit in accordance with GAAS, 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 Ridge at Johnstown Metropolitan District No.8'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 Ridge at Johnstown Metropolitan District No.8'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

Management has not presented Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basis 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 opinion on the basis financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ridge at Johnstown Metropolitan District No.8's basic financial statements. The supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules of Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual and Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in

Fund Balance-Budget and Actual 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 Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual and Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Debt Service Requirements to Maturity and Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express any opinion or provide any assurance on them.

Watson Coon Ryan, LLC

Watson Coon Ryan, LLC
July 22, 2025
Centennial, Colorado

BASIC FINANCIAL STATEMENTS

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

| | Governmental Activities |
|-----------------------------------|----------------------------|
| ASSETS | |
| Cash and Investments - Restricted | \$ 13,366,906 |
| Total Assets | 13,366,906 |
| LIABILITIES | |
| Accounts Payable | 66,466 |
| Accrued Interest Payable | 43,302 |
| Noncurrent Liabilities: | |
| Due in More Than One Year | 18,953,000 |
| Total Liabilities | 19,062,768 |
| NET POSITION | |
| Unrestricted | (5,695,862) |
| Total Net Position | \$ (5,695,862) |

See accompanying Notes to Basic Financial Statements.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

| FUNCTIONS/PROGRAMS | Program Revenues | | | Net Revenues (Expenses) and Changes in Net Position | |
|---|------------------|----------------------------|--|---|----------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 4,876,906 | \$ - | \$ - | \$ - | \$ (4,876,906) |
| Interest on Long-Term Debt and Related Costs | 818,958 | - | - | - | (818,958) |
| Total Governmental Activities | \$ 5,695,864 | \$ - | \$ - | \$ - | (5,695,864) |
| GENERAL REVENUES | | | | | |
| Property Taxes | | | | | 2 |
| Total General Revenues | | | | | 2 |
| CHANGES IN NET POSITION | | | | | (5,695,862) |
| Net Position - Beginning of Year | | | | | - |
| NET POSITION - END OF YEAR | | | | | \$ (5,695,862) |

See accompanying Notes to Basic Financial Statements.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|--|-------------|---------------------|---------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Investments - Restricted | \$ - | \$ 4,032,932 | \$ 9,333,974 | \$ 13,366,906 |
| Total Assets | <u>\$ -</u> | <u>\$ 4,032,932</u> | <u>\$ 9,333,974</u> | <u>\$ 13,366,906</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ - | \$ 66,466 | \$ 66,466 |
| Total Liabilities | - | - | 66,466 | 66,466 |
| DEFERRED INFLOWS OF RESOURCES | - | - | - | - |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Debt Service | - | 4,032,932 | - | 4,032,932 |
| Capital Projects | - | - | 9,267,508 | 9,267,508 |
| Total Fund Balances | <u>-</u> | <u>4,032,932</u> | <u>9,267,508</u> | <u>13,300,440</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ -</u> | <u>\$ 4,032,932</u> | <u>\$ 9,333,974</u> | |

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Long-Term Liabilities, Including Bonds Payable, are Not Due and Payable in the Current Period and, Therefore, are Not Reported in the Funds.

| | |
|--------------------------|---------------------|
| Accrued Interest Payable | (43,302) |
| Bonds Payable | <u>(18,953,000)</u> |

| | |
|---|-----------------------|
| Net Position of Governmental Activities | <u>\$ (5,695,862)</u> |
|---|-----------------------|

RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---------------------------------------|-------------|---------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Property Taxes | \$ 2 | \$ - | \$ - | \$ 2 |
| Total Revenues | <u>2</u> | <u>-</u> | <u>-</u> | <u>2</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transfers To District 1 | 2 | - | 4,876,904 | 4,876,906 |
| Capital Projects: | | | | |
| Bond Issue Costs | - | - | 775,656 | 775,656 |
| Total Expenditures | <u>2</u> | <u>-</u> | <u>5,652,560</u> | <u>5,652,562</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond Issuance | - | - | 18,953,000 | 18,953,000 |
| Transfers In (Out) | - | 4,032,932 | (4,032,932) | - |
| Total Other Financing Sources | <u>-</u> | <u>4,032,932</u> | <u>14,920,068</u> | <u>18,953,000</u> |
| NET CHANGE IN FUND BALANCES | - | 4,032,932 | 9,267,508 | 13,300,440 |
| Fund Balances - Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u>\$ -</u> | <u>\$ 4,032,932</u> | <u>\$ 9,267,508</u> | <u>\$ 13,300,440</u> |

See accompanying Notes to Basic Financial Statements.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

| | |
|---|------------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 13,300,440 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | |
| <p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.</p> | |
| Bond Issuance | (18,953,000) |
| <p>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.</p> | |
| Accrued Interest Payable - Change in Liability | <u>(43,302)</u> |
| Changes in Net Position of Governmental Activities | <u><u>\$ (5,695,862)</u></u> |

See accompanying Notes to Basic Financial Statements.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
GENERAL FUND
STATEMENT 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 | \$ 2 | \$ 2 | \$ - |
| Other Revenue | 98 | - | (98) |
| Total Revenues | 100 | 2 | (98) |
| EXPENDITURES | | | |
| Contingency | 98 | - | 98 |
| Transfers To District 1 | 2 | 2 | - |
| Total Expenditures | 100 | 2 | 98 |
| NET CHANGE IN FUND BALANCE | - | - | - |
| Fund Balance - Beginning of Year | - | - | - |
| FUND BALANCE - END OF YEAR | \$ - | \$ - | \$ - |

See accompanying Notes to Basic Financial Statements.

RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Ridge at Johnstown Metropolitan District No. 8 (the District) (formerly Villages at Johnstown Metropolitan District No. 8), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized concurrently with Ridge at Johnstown District Nos. 1-7 (formerly Villages at Johnstown District Nos. 1-7) (collectively, the Districts) by order and decree of the District Court for Larimer County on May 30, 2018 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

At a special election of the eligible electors of the District on May 8, 2018, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the acquisition, construction, installation, and completion of certain public improvements.

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

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

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.

RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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 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.

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.

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 District 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. 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 due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and other financing uses 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.

The District amended its annual budget for the year ended December 31, 2024.

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.

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, sale 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.

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.

RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

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.

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.

RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 | \$ 13,366,906 |
| Total Cash and Investments | <u>\$ 13,366,906</u> |

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

| | |
|--------------------------------------|----------------------|
| Deposits with Financial Institutions | \$ 13,366,906 |
| Total Cash and Investments | <u>\$ 13,366,906</u> |

Cash Deposits

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.

As of December 31, 2024, the District had cash deposits of \$13,366,906.

Investments

The District has adopted an investment policy by which it follows state statutes regarding investments.

The District generally limits its concentration of investments to those 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.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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 of the World Bank
- . Certain international agency securities
- . 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 collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2024, the District had no investments.

NOTE 4 LONG-TERM OBLIGATIONS

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

| | Balance at December 31, 2023 | Additions | Reductions | Balance at December 31, 2024 | Due Within One Year |
|-------------------------------------|------------------------------------|---------------|------------|------------------------------------|---------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| Special Improvement District No. 1, | | | | | |
| Special Assessment Revenue | | | | | |
| Bonds, Series 2024 | \$ - | \$ 18,953,000 | \$ - | \$ 18,953,000 | \$ - |
| Total | \$ - | \$ 18,953,000 | \$ - | \$ 18,953,000 | \$ - |

The details of the District's Special Assessment Revenue bonds outstanding are as follows:

**Special Improvement District No. 1, Special Assessment Revenue Bonds, Series 2024
Bond Issuance**

The District issued the Special Improvement District No. 1, Special Assessment Revenue Bonds, Series 2024 (SID Bonds) on December 17, 2024, in the par amount of 18,953,000. Proceeds from the sale of the SID Bonds were/will be used to: (i) finance or reimburse the costs of public improvements related to a residential development in the Town of Johnstown, Colorado; (ii) pay capitalized interest on the SID Bonds; (iii) fund the Reserve Fund to the Reserve Requirement; and (iv) pay other costs in connection with the issuance of the Bonds.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

**Special Improvement District No. 1, Special Assessment Revenue Bonds, Series 2024
(Continued)**

SID Bonds Details

The SID Bonds were issued bearing interest at 5.875% (5.8753% yield) and are payable semi-annually on June 1 and December 1 (each an Interest Payment Date), beginning on June 1, 2025. The SID Bonds will mature on December 1, 2044. The SID Bonds are subject to mandatory sinking fund redemption, extraordinary mandatory redemption and optional prior redemption under certain circumstances.

Mandatory Sinking Fund Redemption

The SID Bonds are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2029, and on each December 1 thereafter prior to the maturity dates thereof, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

| Year of Redemption (December 1) | Redemption Amount | Year of Redemption (December 1) | Redemption Amount |
|---------------------------------------|----------------------|------------------------------------|----------------------|
| 2029 | \$ 1,000 | 2037 | \$1,106,000 |
| 2030 | 742,000 | 2038 | 1,171,000 |
| 2031 | 785,000 | 2039 | 1,240,000 |
| 2032 | 831,000 | 2040 | 1,312,000 |
| 2033 | 880,000 | 2041 | 1,389,000 |
| 2034 | 932,000 | 2042 | 1,471,000 |
| 2035 | 987,000 | 2043 | 1,558,000 |
| 2036 | 1,044,000 | 2044 | 3,504,000 |

Upon any redemption of the Bonds, other than as specified under Mandatory Sinking Fund Redemption, the Trustee shall recalculate the remaining sinking fund installments for the Bonds. The recalculation will result in the reduction of the remaining sinking fund installments on a pro rata basis by an amount equal to the principal amount of Bonds redeemed. In the event that there are not sufficient moneys in the Bond Fund to pay the full amount due in accordance with the foregoing on any sinking fund installment date, the Trustee shall redeem as many Bonds as possible in multiples of \$1. Any amount that cannot be redeemed due to insufficient funds will be added to the redemption amount for the next sinking fund installment date.

Extraordinary Mandatory Redemption

The Bonds are subject to mandatory redemption in part by lot on March 1, June 1, September 1 and December 1 of each year (each an Extraordinary Mandatory Redemption Date), commencing March 1, 2025, in whole or in part, at a redemption price equal to the principal amount plus accrued interest to the redemption date, from and to the extent of the moneys on deposit, if any, in the Extraordinary Redemption Account of the Bond Fund. The Bonds shall be redeemed only in integral multiples of \$1.00. In the event a Bond is of a denomination larger than \$1.00, a portion of such Bond may be redeemed, but only in the principal amount of \$1.00 or any integral multiple thereof.

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

**Special Improvement District No. 1, Special Assessment Revenue Bonds, Series 2024
(Continued)**

Optional Prior Redemption

The SID Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1, on December 1, 2029, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

| <u>Date of Redemption</u> | <u>Redemption Premium</u> |
|---------------------------------------|-------------------------------|
| December 1, 2029 to November 30, 2030 | 3.00% |
| December 1, 2030 to November 30, 2031 | 2.00 |
| December 1, 2031 to November 30, 2032 | 1.00 |
| December 1, 2032 and thereafter | 0.00 |

Pledged Revenue

The sole source of Pledged Revenue available to pay debt service on the SID Bonds consists of Special Assessments (including prepayments thereof), including Assessment Lien Sale Proceeds levied against property within the SID. Consequently, the District's ability to pay principal of and interest on the Bonds is dependent upon the timely payment of Special Assessments by J-25 LLC, Ridge II LLC and future property owners, if any.

Additional Security for Senior Bonds

The SID Bonds are additionally secured by capitalized interest which was funded from proceeds of the bonds in the amount of \$2,177,489, and by the Reserve Fund which was funded from proceeds of the SID Bonds in the amount of the Reserve Requirement of \$1,855,443. Amounts on deposit in the Reserve Fund on the final maturity date of the SID Bonds are to be applied to the payment of the SID Bonds on such date. The balance in the Reserve Fund as of December 31, 2024, is \$1,855,443.

Redemption Principal and interest of the SID Bonds are due as follows, assuming no redemption of the SID Bonds occurs except as specified under the Mandatory Sinking Fund Redemption:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| 2025 | \$ - | \$ 1,064,000 | \$ 1,064,000 |
| 2026 | - | 1,113,489 | 1,113,489 |
| 2027 | - | 1,113,489 | 1,113,489 |
| 2028 | - | 1,113,489 | 1,113,489 |
| 2029 | 1,000 | 1,113,489 | 1,114,489 |
| 2030-2034 | 4,170,000 | 5,105,081 | 9,275,081 |
| 2035-2039 | 5,548,000 | 3,727,511 | 9,275,511 |
| 2040-2044 | 9,234,000 | 1,894,981 | 11,128,981 |
| Total | <u>\$ 18,953,000</u> | <u>\$ 16,245,529</u> | <u>\$ 35,198,529</u> |

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

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

| | Authorized May 8, 2018 Election | Authorization Used Series 2024 SIDS Bonds | Remaining at December 31, 2024 |
|----------------------------|---------------------------------------|---|--------------------------------------|
| Public Improvements | \$ 770,000,000 | \$ - | \$ 770,000,000 |
| Special Assessments | 70,000,000 | 18,953,000 | 51,047,000 |
| Operations and maintenance | 70,000,000 | - | 70,000,000 |
| Refunding | 70,000,000 | - | 70,000,000 |
| Total | <u>\$ 980,000,000</u> | <u>\$ 18,953,000</u> | <u>\$ 961,047,000</u> |

The Service Plan currently limits the aggregate Debt (as defined in the Service Plan) that may be issued by the Districts to \$72,500,000.

The SID Bonds are special limited revenue obligations of the District payable from Special Assessments. The definition of Bond, Bonds or Debt under the Service Plan does not include special assessment bonds issued by a special improvement district, such as the SID Bonds. Therefore, the SID Bonds are not considered Debt under the Service Plan and are not subject to the maximum debt authorization.

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; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

NOTE 5 NET POSITION

The District has net position consisting of one component – unrestricted.

The District has a deficit in unrestricted net position. This deficit is due to bond proceeds that were transferred to District No. 1 to pay for or reimburse the costs of public improvements constructed within the boundaries of the District.

NOTE 6 AGREEMENTS

District Coordinating Services Agreement (District Nos. 1-8)

Effective as of October 20, 2020, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain public improvements within such Districts. Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the “coordinating district” (the Coordinating District). The District, and District Nos. 2-7 were each designated as “financing districts” (the Financing Districts).

RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 RELATED PARTIES

The property within the District is being developed by J-25 Land Holding, LLC (the Developer). During 2024, all of the members of the Board of Directors were officers or employees of, or otherwise associated with the Developer, and may have conflicts of interest in matters involving the District.

Infrastructure Acquisition and Project Fund Disbursement Agreement

The Developer and Ridge II Holdco, LLC each entered into an individual Infrastructure Acquisition and Project Fund Disbursement Agreement with the District and District No. 1 on December 5, 2024 (the IAPFDAs). Pursuant to the IAPFDAs, the District, the Developer, and Ridge II Holdco, LLC acknowledge that District No. 1 is authorized to construct, acquire and install public improvements, and other facilities and services that benefit the Property, subject to the limitations set forth in the Service Plan.

The parties agreed that only completed phases of work shall be eligible for reimbursement by the District. The District agrees to reimburse the Developer for certified construction costs related to improvements. The District's obligations with respect to the payment of certified costs to the Developers shall be limited to amounts on deposit in the Project Funds.

Pursuant to the Coordinating Agreement, District No. 1, as the Coordinating District, will own, operate, and maintain all public infrastructure within the boundaries of Ridge at Johnstown Metropolitan District Nos. 1-8 and the District, as a Financing District and along with the other Financing Districts, is responsible for its respective share of any and all costs, fees, charges, and expenses incurred by District No. 1 in providing administrative, operations, and maintenance services to and for the benefit of the Districts. Therefore, any advances under this agreement are recognized by District No. 1.

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, 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.

RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 TAX, SPENDING, AND DEBT LIMITATION

Article X, Section 20 of the Colorado Constitution, commonly known 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 limit must be refunded unless the voters approve retention of such revenue. During the May 8, 2018 election, the District's voters allowed the District to collect and spend revenues without regard to any spending, revenue raising, or other limitations contained within 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. The District transfers its net operating revenue to District 1. Therefore, the Emergency Reserves related to the District's revenues are reported in District 1.

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

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|----------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Interest Income | \$ - | \$ 150,000 | \$ - | \$ (150,000) |
| Total Revenues | - | 150,000 | - | (150,000) |
| EXPENDITURES | | | | |
| Paying Agent Fees | - | 5,000 | - | 5,000 |
| Bond Interest - Series 2024 | - | 1,005,000 | - | 1,005,000 |
| Contingency | - | 40,000 | - | 40,000 |
| Total Expenditures | - | 1,050,000 | - | 1,050,000 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers From Other Funds | - | 3,900,000 | 4,032,932 | 132,932 |
| Total Other Financing Sources | - | 3,900,000 | 4,032,932 | 132,932 |
| NET CHANGE IN FUND BALANCE | - | 3,000,000 | 4,032,932 | 1,032,932 |
| Fund Balance - Beginning of Year | - | - | - | - |
| FUND BALANCE - END OF YEAR | \$ - | \$ 3,000,000 | \$ 4,032,932 | \$ 1,032,932 |

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|----------------|-------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Capital Outlay - Certified Costs | - | 15,000,000 | - | 15,000,000 |
| Bond Issue Costs | - | 700,000 | 775,656 | (75,656) |
| Contingency | - | 400,000 | - | 400,000 |
| Transfers To District 1 | - | - | 4,876,904 | (4,876,904) |
| Total Expenditures | <u>-</u> | <u>16,100,000</u> | <u>5,652,560</u> | <u>10,447,440</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond Issuance | - | 20,000,000 | 18,953,000 | (1,047,000) |
| Developer Advance - Certified Costs | - | 15,000,000 | - | (15,000,000) |
| Repay Developer Advance | - | (15,000,000) | - | 15,000,000 |
| Transfers To Other Fund | - | (3,900,000) | (4,032,932) | (132,932) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>16,100,000</u> | <u>14,920,068</u> | <u>(1,179,932)</u> |
| NET CHANGE IN FUND BALANCE | - | - | 9,267,508 | 9,267,508 |
| Fund Balance - Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,267,508</u> | <u>\$ 9,267,508</u> |

OTHER INFORMATION

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

\$18,953,000 Special Improvement District No. 1,
Special Assessment Revenue Bonds,
Series 2024, Dated December 17, 2024
Interest Rate 5.875%
Principal Due December 1
Interest Payable June 1 and December 1

| <u>Year Ending December 31.</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| 2025 | \$ - | \$ 1,064,000 | \$ 1,064,000 |
| 2026 | - | 1,113,489 | 1,113,489 |
| 2027 | - | 1,113,489 | 1,113,489 |
| 2028 | - | 1,113,489 | 1,113,489 |
| 2029 | 1,000 | 1,113,489 | 1,114,489 |
| 2030 | 742,000 | 1,113,430 | 1,855,430 |
| 2031 | 785,000 | 1,069,838 | 1,854,838 |
| 2032 | 831,000 | 1,023,719 | 1,854,719 |
| 2033 | 880,000 | 974,898 | 1,854,898 |
| 2034 | 932,000 | 923,198 | 1,855,198 |
| 2035 | 987,000 | 868,443 | 1,855,443 |
| 2036 | 1,044,000 | 810,456 | 1,854,456 |
| 2037 | 1,106,000 | 749,121 | 1,855,121 |
| 2038 | 1,171,000 | 684,144 | 1,855,144 |
| 2039 | 1,240,000 | 615,348 | 1,855,348 |
| 2040 | 1,312,000 | 542,498 | 1,854,498 |
| 2041 | 1,389,000 | 465,418 | 1,854,418 |
| 2042 | 1,471,000 | 383,814 | 1,854,814 |
| 2043 | 1,558,000 | 297,393 | 1,855,393 |
| 2044 | 3,504,000 | 205,860 | 3,709,860 |
| Total | <u>\$ 18,953,000</u> | <u>\$ 16,245,529</u> | <u>\$ 35,198,529</u> |

**RIDGE AT JOHNSTOWN METROPOLITAN DISTRICT NO. 8
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2024**

| Year Ended December 31, | Assessed Valuation | Percent Change | Total Mills Levied | | Total Property Taxes | | Percent Collected to Levied |
|---|-----------------------|-------------------|-----------------------|-----------------|----------------------|-----------|-----------------------------------|
| | | | General Operations | Debt Service | Levied | Collected | |
| 2020 | \$ 58 | 0.0% | - | - | \$ - | \$ - | N/A |
| 2021 | 58 | 0.0% | - | - | - | - | N/A |
| 2022 | 58 | 0.0% | - | - | - | - | N/A |
| 2023 | 178 | 206.9% | - | - | - | - | N/A |
| 2024 | 175 | -1.7% | 10.986 | - | 2 | 2 | 100.00 % |
| Estimated for Year Ending December 31, 2025 | \$ 20 | -88.6% | 0.000 | 0.000 | \$ - | - | |