

**Granary Metropolitan District No. 4
Annual Financial Report and
Independent Auditor's Report
December 31, 2023**


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Independent Auditor's Report



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Independent Auditor's Report

Members of the Board of Directors
Granary Metropolitan District No. 4
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Granary Metropolitan District No. 4 as of and for the year ended December 31, 2023 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 Granary Metropolitan District No. 4, as of December 31, 2023 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Granary Metropolitan District No. 4 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Granary Metropolitan District No. 4'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 opinion. 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.

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 Granary Metropolitan District No. 4'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 Granary Metropolitan District No. 4s 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 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 opinion on the basic financial statements is not affected by this missing information.

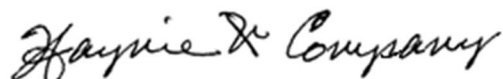
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Granary Metropolitan District No. 4's financial statements as a whole. The supplemental information section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information as listed in the table of contents. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Littleton, Colorado
July 30, 2024

Basic Financial Statements

Granary Metropolitan District No. 4
Statement of Net Position
December 31, 2023

	Governmental Activities
Assets	
Cash and Investments - Restricted	212,088
Accounts Receivable	103,000
Receivable from Other Districts	58,388
Capital Assets, not being depreciated	18,388,940
Total Assets	18,762,416
Liabilities	
Accounts Payable	81,009
Retainage Payable	58,282
Accrued Interest Payable	2,071,326
Noncurrent Liabilities	
Due in More Than One Year	
2022 Bonds Payable	18,768,000
Developer Capital Advance	56,546
Total Liabilities	21,035,163
Net Position	
Net Investment in Capital Assets	(2,506,932)
Restricted for:	
Debt Service	258,121
Unrestricted	(23,936)
Total Net Position	\$ (2,272,747)

The accompanying notes are an integral part of these financial statements.

Granary Metropolitan District No. 4

Statement of Activities

For the Year Ended December 31, 2023

Functions/Programs	Program Revenue			Net Revenues (Expenses) and Change in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government				
Government Activities				
General Government	\$ -	\$ 467,500	\$ 56,546	\$ 524,046
Dedication of Public Improvements to other Governments	101,685	-	-	(101,685)
Interest and Related Costs on Long-Term Debt	1,465,964	-	-	(1,465,964)
Total Governmental Activities	\$ 1,567,649	\$ 467,500	\$ 56,546	(1,043,603)
General Revenues				
Net Investment Income				193,568
Total General Revenues				193,568
Change in Net Position				(850,035)
Net Position - Beginning of Year				(1,422,712)
Net Position - End of Year				<u>\$ (2,272,747)</u>

The accompanying notes are an integral part of these financial statements.

Granary Metropolitan District No. 4
Governmental Funds Balance Sheet
and Reconciliation of Fund Balances to Net Position
For the Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and Investments - Restricted	\$ -	\$155,121	\$ 56,967	\$ 12,088
Accounts Receivable	-	103,000	-	103,000
Receivable from Other Districts	-	-	58,388	58,388
Total Assets	\$ -	\$258,121	\$ 115,355	\$ 373,476
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payables	\$ -	\$ -	\$ 81,009	\$ 81,009
Retainage Payable	-	-	58,282	58,282
Total Liabilities	-	-	139,291	139,291
Fund Balances				
Restricted for:				
Debt Service	-	258,121	-	258,121
Unassigned	-	-	(23,936)	(23,936)
Total Fund Balances	-	258,121	(23,936)	234,185
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 258,121	\$ 115,355	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital Assets used in governmental activities are not financials resources, and; therefore, are not reported as assets in the funds.				
Construction in Progress				18,388,940
Long-term liabilities, including bonds payable, are not due and payable in the current periods, and; therefore, are not recorded as liabilities in the funds.				
Bonds Payable				(18,768,000)
Interest on Bonds Payable				(2,071,326)
Developer Advance Payable				(56,546)
Net Position of Governmental Activities				\$ (2,272,747)

The accompanying notes are an integral part of these financial statements.

Granary Metropolitan District No. 4
Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficits) – Governmental Funds
For the Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Total Government al Funds
Revenues				
Net Investment Income	\$ -	\$ 1,029	\$ 192,539	\$ 193,568
Capital Fees	-	463,500	-	463,500
Intergovernmental Service Fees	-	4,000	-	4,000
Other Revenues	-	-	-	-
Total Revenues	-	468,529	192,539	661,068
Expenditures				
Debt Service				
Bond Interest	-	206,408	-	206,408
Paying Agent Fees	-	4,000	-	4,000
Capital				
Accounting	-	-	16,350	16,350
Engineering	-	-	68,556	68,556
Streets & Sidewalks	-	-	2,763,024	2,763,024
Landscape & Parks	-	-	1,546,397	1,546,397
Water & Sewer	-	-	1,216,785	1,216,785
Storm Sewer	-	-	2,123,695	2,123,695
Total Expenditures	-	210,408	7,734,807	7,945,215
Excess of Revenues Over (Under)				
Expenditures	-	258,121	(7,542,268)	(7,284,147)
Other Financials Sources (Uses)				
Developer Advances	-	-	56,546	56,546
Conveyances to other Governments	-	-	(101,685)	(101,685)
Total Other Financials Sources (Uses)	-	-	(45,139)	(45,139)
Net Change in Fund Balances	-	258,121	(7,587,407)	(7,329,286)
Fund Balances - Beginning of Year	-	-	7,563,471	7,563,471
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ 258,121</u>	<u>\$ (23,936)</u>	<u>\$ 234,185</u>

The accompanying notes are an integral part of these financial statements.

Granary Metropolitan District No. 4
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ (7,329,286)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure.

Capital Outlay	7,677,040
Dedication of Public Improvements	(101,485)

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 Interest on Bonds, Change in Liability	<u>(1,096,104)</u>
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Changes in Net Position of Governmental Activities	<u><u>\$ (850,035)</u></u>
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The accompanying notes are an integral part of these financial statements.

Granary Metropolitan District No. 4
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Net Investment Income	\$ 100	\$ -	\$ (100)
Total Revenues	100	-	(100)
Expenditures			
Other Expenditures	100	-	100
Total Expenditures	100	-	100
Excess of Revenues Over (Under) Expenditures	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Granary Metropolitan District No. 4

Notes to the Basic Financials Statements

December 31, 2023

Note 1 Definition of Reporting Entity

Granary Metropolitan District No. 4 (the District) was organized on January 6, 2023, pursuant to the Colorado Special District Act (Title 32) and the Consolidated Service Plan (the “Service Plan”) for Granary Metropolitan District Nos. 1-9 (the “Granary Districts”) approved by the Town Council of the Town of Johnstown (the “Town”) on September 20, 2021. The District’s service area is located in Johnstown, Weld County, Colorado. The District is a quasi-municipal governmental entity governed by an elected Board of Directors with the power to impose property taxes and other fees and charges for services and facilities within its service area and is an independent unit of local government, separate and distinct from the Town, established to provide for the planning, design, acquisition, construction, installation and financing of the Public Improvements (as defined in the Service Plan and herein) from the proceeds of Debt that may be issued by the District and to provide for the ownership, operation and maintenance of any Public Improvement not otherwise accepted for ownership, operation or maintenance by the Town or another governmental entity.

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

The statement of activities demonstrates the degree to which the direct 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.

Granary Metropolitan District No. 4

Notes to the Basic Financials Statements

December 31, 2023

Note 2 Summary of Significant Accounting Policies (continued)

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 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 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. All other revenue items are considered to be measurable and available only when cash is received by the District. The District 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 is the District's primary operating fund. It accounts for all financial resources of the general governments, 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 accounts for financial resources to be used for the acquisition and construction of capital equipment and facilities.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 presented on the modified accrual basis of accounting unless otherwise indicated.

Granary Metropolitan District No. 4

Notes to the Basic Financial Statements

December 31, 2023

Note 2 Summary of Significant Accounting Policies (continued)

Property Taxes

Property taxes are levied by the District 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 for 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 revenue in the year they are levied and measurable. The deferred property tax revenue is recorded as revenue in the year it is available or collected. The District did not levy taxes in 2023.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities' column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000. Such assets are recorded in historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets, which are anticipated to be conveyed to other governmental entities, are recorded as construction in progress and are not included in the calculation of invested in capital assets, net of related debt component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Granary Metropolitan District No. 4

Notes to the Basic Financials Statements

December 31, 2023

Note 2 Summary of Significant Accounting Policies (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 policy to use the most restrictive classification first.

Restricted Fund Balance

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 8).

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Deficits

The Capital Projects Fund reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated in 2024 with an advance by the Developer.

Granary Metropolitan District No. 4
Notes to the Basic Financials Statements
December 31, 2023

Note 3 Cash and Investments

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments - Restricted	<u>\$ 212,088</u>
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Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 1,001
Investments	<u>211,087</u>
Total Cash and Investments	<u>\$ 212,088</u>

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 equal to 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, 2023, the District's cash deposits had a carrying balance of \$1,001 and bank balance of \$1,001, which was FDIC insured.

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 collateralize by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- *Local government investment pools

Granary Metropolitan District No. 4

Notes to the Basic Financials Statements

December 31, 2023

Note 3 Cash and Investments (continued)

Investment Maturity Fair Value

Colorado Local Government Liquid Asset Trust

(COLOTRUST) Weighted average under 60 days \$ 211,087

COLOTRUST

The District had invested \$211,087 in Colorado Government Liquid Asset Trust (COLOTRUST) as of December 31, 2023. 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.

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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. 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.

Note 4 Capital Assets

An analysis of the changes in net capital assets for the year ended December 31, 2023 follows:

	Balance - December 31, 2022	Additions	Deletions	Balance - December 31, 2023
<u>Governmental Activities:</u>				
Capital assets, Not Being Depreciated:				
Construction in progress	<u>\$ 10,739,039</u>	<u>\$ 7,701,586</u>	<u>\$ 101,685</u>	<u>\$ 18,338,940</u>
Total Capital Assets, Not Being Depreciated	<u>\$ 10,739,039</u>	<u>\$ 7,701,586</u>	<u>\$ 101,685</u>	<u>\$ 18,338,940</u>

Granary Metropolitan District No. 4

Notes to the Basic Financials Statements

December 31, 2023

Note 5 Long-term Obligations

\$18,768,000 Limited Tax General Obligation Bonds, Series 2023(3)

On March 31, 2022, the District issued \$18,768,000 (original issue amount) Limited Tax General Obligation Bonds, Series 2023(3), (the Bonds). The Bonds, maturing December 1, 2051, bear an interest rate of 6.750% per annum, calculated on a basis of a 360-day year of twelve 30-day months, payable annually on each December 1, commencing December 1, 2022, and shall mature December 1, 2051.

The Bonds are structured as “cash flow” bonds, meaning there are no scheduled payments of principal thereof prior to the final scheduled maturity date. Instead, principal on the Bonds is payable annually on each December 1 from, and to the extent of, Pledged Revenue on deposit, if any, in the Bond Fund, pursuant to a special mandatory redemption.

To the extent any amount of principal and interest remains unpaid at the final maturity date of the Bonds, such principal and interest will remain outstanding, and interest will continue to accrue and compound annually until the discharge date of the Bonds on December 1, 2072 in accordance with the Indenture of Trust.

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on March 1, 2027, 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:

Date of Redemption	Redemption Premium
March 1, 2027, to February 29, 2028	3.00%
March 1, 2028, to February 28, 2029	2.00
March 1, 2029, to February 28, 2030	1.00
March 1, 2030, and thereafter	0.00

To the extent interest on this Bond is not paid when due, such interest shall compound annually on each Interest Payment. As of December 31, 2023, the District has accrued unpaid interest related to the Series 2023 bonds in the amount of \$2,071,326.

Events of default are as follows:

- Failure or refusal to impose the required mill levy or apply pledged revenue.
- Defaults on the performance or observance or other covenants, agreements or conditions in the Bond Indenture or Bond Resolution and fails to remedy after notice.
- The District files a petition under federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the bond obligation.

Remedies for default include the potential for receivership scenario, a suit for judgment or some other suit or action available under law.

Granary Metropolitan District No. 4

Notes to the Basic Financials Statements

December 31, 2023

Note 5 Long-term Obligations (continued)

The following is an analysis of changes in the District's long-term debt for the year ended December 31, 2023:

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Developer Advance – Capital	\$ -	\$ 56,546	\$ -	\$ 56,546	\$ -
Total Capital Advances	<u>-</u>	<u>56,546</u>	<u>-</u>	<u>56,546</u>	<u>-</u>
Limited Tax General Obligation Bonds					
Series 2022(3) - Principal	18,768,000	-	-	18,768,000	-
Series 2022(3) - Interest	<u>975,222</u>	<u>1,302,512</u>	<u>206,408</u>	<u>2,071,326</u>	<u>-</u>
Total Bonds	<u>19,743,222</u>	<u>1,302,512</u>	<u>206,408</u>	<u>20,839,326</u>	<u>-</u>
Total Long-term Liabilities	<u>\$19,743,222</u>	<u>\$1,359,058</u>	<u>\$ 206,408</u>	<u>\$20,895,872</u>	<u>\$ -</u>

Capital Pledge Agreement

On March 1, 2022 the District and Districts No. 2 and No. 3 (Taxing Districts) entered into a Capital Pledge Agreement for the purpose of financing a portion of the costs of Financed Public Improvements and to provide for the payment of the Bonds. The Taxing Districts' pledged revenue, meaning all Property Tax Revenues, Specific Ownership Revenues, and Capital Fees imposed in the Taxing Districts are the obligation of each Taxing District to pay its portion of the Financing Costs as provided in the agreement and shall constitute a limited tax general obligation of such Taxing District payable solely from and to the extent of the Pledged Revenue available to it.

Each Taxing District's obligation is subject to provisions establishing a mill levy commencement year, which is the calendar year immediately following the first calendar year in which a building permit for a residential building is issued for property within the Taxing District. As of December 31, 2023 residential building permits had been issued within District No. 2, making 2024 the mill levy commencement year for this Taxing District. As of December 31, 2023 no residential building permits had been issued within District No. 3.

Debt Authorization

Pursuant to the electoral authorization secured through the November 2, 2021 election, the District is authorized to issue debt up to \$1,846,000,000; however, the District Service Plan limits the issuance of debt by the Granary Districts to \$49,000,000. All long-term debt is expected to be repaid by limited taxes imposed and collected for no longer than the maximum debt mill levy imposition term of residential properties and at a mill levy no higher than 50 mills, as adjusted for commercial district, or 40 mills for a residential district, subject to adjustment if, on or after January 1, 2021, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement. As of December 31, 2023, the District had \$30,232,000 remaining authorized under the Service Plan but unissued debt.

Granary Metropolitan District No. 4

Notes to the Basic Financials Statements

December 31, 2023

Note 5 Long-term Obligations (continued)

Debt Authorization (continued)

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, the amount and timing of any debt issuances, if any, are not determinable.

Developer Advances

Infrastructure Acquisition and Project Fund Disbursement Agreement

In February 2022, the District entered into an Infrastructure Acquisition and Project Fund Disbursement Agreement with Granary Development LLC, a Colorado Limited liability partnership (the Developer). The Agreement establishes the terms and conditions for the reimbursement of District Eligible Costs for Public Infrastructure to be dedicated to other governmental entities, and for Public Infrastructure to be acquired by the District.

The District's obligations with respect to the payment of Certified District Eligible Costs shall be limited to amounts on deposit in the Project Fund and available for such purpose in accordance with the Indenture, and subject to the limitations of the Election, unless and until the District has identified (in its sole discretion) other sources of payment for such costs, it being acknowledged that the purpose of the District is to fund or reimburse the maximum amount of costs economically feasible.

As of December 31, 2023, \$56,546 of District Eligible Costs were accepted and may be subject to reimbursement to the extent of funds available in the Project Fund.

Note 6 Net Position

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

Restricted assets include the net position that is 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 legislation. The District had restricted net position as of December 31, 2023 as follows:

Restricted net position:

Debt Service	\$ 258,121
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The District's unrestricted net position as of December 31, 2023 is a deficit of \$(23,936).

Granary Metropolitan District No. 4

Notes to the Basic Financials Statements

December 31, 2023

Note 7 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; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2023. 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.

Note 8 Tax, Spending and Debt Limitations

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.

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'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.

Note 9 Related Parties

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. District management believes that all potential conflicts, if any, have been properly disclosed.

Note 10 Subsequent Events

The preparation of the District's financial statements and accompanying footnotes in conformity with US GAAP requires District management to evaluate transactions and events subsequent to the balance sheet date involving the District. Management has evaluated the subsequent transactions and events of the District through July 22, 2024 which is the date that the financial statements and accompanying notes were available for issuance.

Supplementary Information

Granary Metropolitan District No. 4
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Debt Service Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Capital Fees	\$2,446,250	\$ 463,500	\$(1,982,750)
Intergovernmental Service Fees	7,500	4,000	(3,500)
Net Investment Income	500	1,029	529
Total Revenues	2,454,250	468,529	(1,985,721)
Expenditures			
Bond Interest	2,446,250	206,408	2,239,842
Paying Agent Fees	7,500	4,000	3,500
Other Expenditures	500	-	500
Total Expenditures	2,454,250	210,408	2,243,842
Excess of Revenues Over (Under) Expenditures	-	258,121	258,121
Net Change in Fund Balances	-	258,121	258,121
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	\$ -	\$ 258,121	\$ 258,121

Granary Metropolitan District No. 4
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Projects Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Net Investment Income	\$ 25,000	\$ 192,539	\$ 167,539
Total Revenues	25,000	192,539	167,539
Expenditures			
Accounting	-	16,350	(16,350)
Engineering	-	68,556	(68,556)
Streets & Sidewalks	-	2,763,024	(2,763,024)
Landscape & Parks	-	1,546,397	(1,546,397)
Water & Sewer	-	1,216,785	(1,216,785)
Storm Sewer	-	2,123,695	(2,123,695)
Construction	19,048,599	-	19,048,599
Total Expenditures	19,048,599	7,734,807	11,313,792
Excess of Revenues Over (Under) Expenditures	(19,023,599)	(7,542,268)	11,481,331
Other Financials Sources (Uses)			
Developer Advance	2,230,959	56,546	(2,174,413)
Conveyances to other Governments	-	(101,685)	(101,685)
Total Other Financing Sources (Uses)	2,230,959	(45,139)	(2,276,098)
Net Change in Fund Balances	(16,792,640)	(7,587,407)	9,205,233
Fund Balances - Beginning of Year	16,792,640	7,563,471	(9,229,169)
Fund Balances - End of Year	\$ -	\$ (23,936)	\$ (23,936)