THOMPSON CROSSING
METROPOLITAN DISTRICT NO. 5
Larimer County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Thompson Crossing Metropolitan District No. 5
Larimer County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Thompson Crossing Metropolitan District No. 5 (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2025, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. 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.

Dazzio & Associates, P.C.

April 3, 2026

BASIC FINANCIAL STATEMENTS

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	$ 4,415,850
Due from Thompson Crossing No. 3	965
Receivable from County Treasurer	2
Property Tax Receivable	129,019
Total Assets	4,545,836
LIABILITIES	
Accounts Payable	70,367
Due to Thompson Crossing No. 3	1
Accrued Interest Payable	12,550
Noncurrent Liabilities:	
Due in More Than One Year	4,768,721
Total Liabilities	4,851,639
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	129,019
Total Deferred Inflows of Resources	129,019
NET POSITION	
Unrestricted	(434,822)
Total Net Position	$ (434,822)

See accompanying Notes to Basic Financial Statements.

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 114	$ -	$ -	$ -	$ (114)
Interest and Related Costs on Long-Term Debt	435,792	-	-	-	(435,792)
Total Governmental Activities	$ 435,906	$ -	$ -	$ -	(435,906)
GENERAL REVENUES					
Property Taxes					294
Specific Ownership Taxes					19
Total General Revenues					313
CHANGE IN NET POSITION					(435,593)
Net Position - Beginning of Year					771
NET POSITION - END OF YEAR					$ (434,822)

See accompanying Notes to Basic Financial Statements.

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	$ -	$ 661,575	$ 3,754,275	$ 4,415,850
Due from Thompson Crossing No. 3	-	965	-	965
Receivable from County Treasurer	1	1	-	2
Due from Other Funds	-	5,000	-	5,000
Property Tax Receivable	51,448	77,571	-	129,019
Total Assets	$ 51,449	$ 745,112	$ 3,754,275	$ 4,550,836
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ -	$ 70,367	$ 70,367
Due to Thompson Crossing No. 3	1	-	-	1
Due to Other Funds	-	-	5,000	5,000
Total Liabilities	1	-	75,367	75,368
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	51,448	77,571	-	129,019
Total Deferred Inflows of Resources	51,448	77,571	-	129,019
FUND BALANCES				
Restricted for:				
Debt Service	-	667,541	-	667,541
Capital Projects	-	-	3,678,908	3,678,908
Total Fund Balances	-	667,541	3,678,908	4,346,449
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 51,449	$ 745,112	$ 3,754,275	

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.	
Bonds Payable	(4,764,000)
Accrued Interest Payable on Bonds	(17,271)
Net Position of Governmental Activities	$ (434,822)

See accompanying Notes to Basic Financial Statements.

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 107	$ 187	$ -	$ 294
Specific Ownership Taxes	7	12	-	19
Total Revenues	114	199	-	313
EXPENDITURES				
Current:				
County Treasurer's Fees	2	4	-	6
Transfer to District No. 3 - Operations	112	-	-	112
Debt Service:				
Bond Issue Costs	-	-	418,517	418,517
Total Expenditures	114	4	418,517	418,635
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	195	(418,517)	(418,322)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	-	4,764,000	4,764,000
Transfers In (Out)	-	666,575	(666,575)	-
Total Other Financing Sources	-	666,575	4,097,425	4,764,000
NET CHANGE IN FUND BALANCES	-	666,770	3,678,908	4,345,678
Fund Balances - Beginning of Year	-	771	-	771
FUND BALANCES - END OF YEAR	$ -	$ 667,541	$ 3,678,908	$ 4,346,449

See accompanying Notes to Basic Financial Statements.

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
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, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 4,345,678
Amounts reported for governmental activities in the statement of activities are different because:	
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.	
Bond Issuance	(4,764,000)
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 Payable - Change in Liability	(17,271)
Changes in Net Position of Governmental Activities	$ (435,593)

See accompanying Notes to Basic Financial Statements.

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 105	$ 107	$ 2
Specific Ownership Taxes	7	7	-
Other Revenue	87	-	(87)
Total Revenues	199	114	(85)
EXPENDITURES			
County Treasurer's Fees	2	2	-
Transfer to District No. 3 - Operations	110	112	(2)
Contingency	87	-	87
Total Expenditures	199	114	85
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Thompson Crossing Metropolitan District No. 5 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Larimer County on November 9, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide for the construction, installation, financing, and operation of public improvements, including streets, traffic safety controls, water, sanitary sewer, storm drainage, television relay and translation, transportation, park and recreation facilities, and mosquito control within the District.

Under the Modified Consolidated Service Plan dated August 20, 2001, as modified on October 3, 2005, the District was organized in conjunction with five other related districts, Thompson Crossing Metropolitan District No. 1 (Control District), Thompson Crossing Metropolitan District No. 2 (Commercial District), Thompson Crossing Metropolitan District No. 3 (Operating District), Thompson Crossing Metropolitan District No. 4 (Financing District), and Thompson Crossing Metropolitan District No. 6 (Financing District) (collectively, the Districts). The District serves as the Financing District for Thompson Crossing Metropolitan District No. 3. The District's service area is located entirely within the Town of Johnstown (the Town), Larimer County, Colorado.

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 District's governing body, ability to impose its will on the organization, a potential for the District 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, including the Town and the other Thompson Crossing Metropolitan Districts.

The District has no employees, and contracts for all of its management and professional services.

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 property taxes and intergovernmental revenues.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

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

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, specific ownership taxes, and system development fees. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 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 accounts for the resources and payments made on capital projects within the District.

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.

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 and investments.

Property Taxes

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

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

System Development Fees and Facilities Fees

The District imposes a Facilities Fee which is a one-time fee in the amount of $2,000 for each residential unit to be constructed within the District (the "Facilities Fee"). The Facilities Fee is due and payable to the District upon issuance of a building permit for construction of each habitable structure on property within the boundaries of the District. The District is authorized to utilize the revenues from the Facilities Fees to finance the acquisition of public infrastructure and the payment of District debt.

As of December 31, 2025 the District has not collected any Facilities Fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District Fees

The District and Thompson Crossing Metropolitan District No. 3 adopted a maintenance fee in the amount of $90 per month per residential house unit located within the boundaries of the District that is subject to the North Ridge Covenants, which is paid to Thompson Crossing Metropolitan District No. 3 to fund the applicable portion of the cost of the Thompson Crossing Metropolitan District No. 3's maintenance activities (the Maintenance Fee). The Maintenance Fee is effective as of March 1, 2026.

Deferred Inflows of Resources

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

Equity

Net Position

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

Fund Balance

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

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

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

Implementation of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures (Statement 102). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District implemented the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments - Restricted	$ 4,415,850
Total Cash and Investments	$ 4,415,850

Cash and investments as of December 31, 2025 consist of the following:

Deposits with Financial Institutions	$ 4,415,850
Total Deposits with Financial Institutions	$ 4,415,850

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank and carrying balance of $4,415,850.

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 Revised Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

As of December 31, 2025, 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, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Government Activities:					
General Obligation Bonds:					
Series 2025A	$ -	$ 3,765,000	$ -	$ 3,765,000	$ -
Series 2025B(2)	-	999,000	-	999,000	-
Accrued Bond Interest on:					
Series 2025B(2)	-	4,721	-	4,721	-
Total Long-Term Obligations	$ -	$ 4,768,721	$ -	$ 4,768,721	$ -

The details of the District's long-term obligations are as follows:

Series 2025A General Obligation Bonds and Series 2025B(2) Subordinate General Obligation Bonds

On December 11, 2025, the District issued the General Obligation Limited Tax Bonds, Series 2025A (the Series 2025A Senior Bonds) and Subordinate General Obligation Limited Tax Bonds, Series 2025B(2) (the Series 2025B(2) Subordinate Bonds and together with the Series 2025A Senior Bonds, the Bonds) in the amounts of $3,765,000 and $999,000 respectively.

The Series 2025A Senior Bonds were issued for the purpose of: (i) paying the Project Costs; (ii) funding the Surplus Fund and capitalized interest to the extent provided herein; and (iii) paying costs incurred in connection with the issuance of the Bonds as each term is defined in the Official Statement for the Bonds. The Series 2025A Senior Bonds bear interest at the rate of 6.000%, payable annually to the extent of Pledged Revenue available on December 1 (the Interest Payment Date), beginning on June 1, 2026. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2030. The Series 2025A Senior Bonds mature on December 1, 2055.

To the extent interest on any Series 2025A Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the Series 2025A Senior Bonds. The District shall not be obligated to pay more than the amount permitted by law in repayment of the Series 2025A Senior Bonds.

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2025A General Obligation Bonds and Series 2025B(2) Subordinate General Obligation Bonds (Continued)

If any amount of principal of or interest on the Series 2025A Senior Bonds remains unpaid after the application of all Pledged Revenue available therefor on December 2, 2065, the Series 2025A Senior Bonds will be deemed terminated.

The Series 2025B(2) Subordinate Bonds were issued for the purpose of: (i) paying a portion of the Project Costs; and (ii) paying a portion of costs incurred in connection with the issuance of the Bonds. The Series 2025B(2) Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

To the extent principal of any bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or December 16, 2065 (the Subordinate Termination Date) and is to continue to bear interest at the rate then borne by the Series 2025B(2) Subordinate Bonds. The Series 2025B(2) Subordinate Bonds mature on December 15, 2055.

The Series 2025B(2) Subordinate Bonds bear interest at the rate of 8.500% per annum payable annually on each December 15, but only from and to the extent of available Subordinate Pledged Revenue (defined below), beginning on December 15, 2026. In the event interest on any bond is not paid when due, such interest is to compound annually on each December 15, at the rate then borne by the Series 2025B(2) Subordinate Bonds.

The Series 2025A Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue which is defined generally in the Indenture of Trust relating to the Series 2025A Senior Bonds (the Senior Indenture) as: (i) the Required Mill Levy; (ii) the Capital Fees; (iii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue, as each term is defined in the Senior Indenture. The Required Mill Levy (for debt service) is defined in the Senior Indenture as a mill levy imposed upon all taxable property in the District each year in an amount sufficient to pay the principal of and interest on the Series 2025A Senior Bonds but not in excess of 44.500 mills and for so long as the Surplus Fund is less than the Maximum Surplus Amount (defined below), not less than 44.500 mills, as adjusted for changes in the method of calculating assessed valuation after August 20, 2001. The maximum mill levy as currently adjusted is 47.796 mills.

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2025A General Obligation Bonds and Series 2025B(2) Subordinate General Obligation Bonds (Continued)

The Series 2025B(2) Subordinate Bonds constitute subordinate limited tax general obligations of the District payable solely from and to the extent of the Subordinate Pledged Revenue, defined generally in the Indenture of Trust relating to the Series 2025B(2) Subordinate Bonds (the Subordinate Indenture) as the moneys derived by the District from the following sources: (i) the Subordinate Required Mill Levy; (ii) the Subordinate Capital Fee Revenue, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy; (iv) the amounts, if any, in the Series 2025A Senior Bond Surplus Fund after the payment or defeasance of the Series 2025A Senior Bonds; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue as each term is defined in the Subordinate Indenture. The Subordinate Required Mill Levy (for debt service) is defined as a mill levy imposed upon all taxable property in the District each year in an amount of 44.500 mills, as adjusted for changes in the method of calculating assessed valuation after August 20, 2001, less the amount of the Required Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal and interest on the Series 2025B(2) Subordinate Bonds.

The Series 2025A Senior Bonds are additionally secured by Capitalized Interest which was funded from proceeds of the Series 2025A Senior Bonds in the amount of $332,575 and by amounts on deposit in the Surplus Fund, which was initially funded with the proceeds of the Series 2025A Senior Bonds in the amount of $334,000. The Senior Surplus Fund will continue to be funded by Senior Pledged Revenue that is not needed to pay debt service on the Series 2025A Senior Bonds in any year, up to the Maximum Surplus Amount of $668,000.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2030, 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
December 1, 2030, to November 30, 2031	3.00%
December 1, 2031, to November 30, 2032	2.00
December 1, 2032, to November 30, 2033	1.00
December 1, 2033, and thereafter	0.00

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2025A General Obligation Bonds and Series 2025B(2) Subordinate General Obligation Bonds (Continued)

Events of Default

Events of default occur if the District fails to impose the Required Mill Levies, or to apply the Pledged Revenues as required by the Indentures and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures. Acceleration of the Bonds shall not be an available remedy for an Event of Default. The Bonds do not have any unused line of credit. No assets have been pledged as collateral on the Bonds.

The District's long-term obligations relating to the Series 2025A Senior Bonds will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 219,625	$ 219,625
2027	-	225,900	225,900
2028	-	225,900	225,900
2029	-	225,900	225,900
2030	10,000	225,900	235,900
2031-2035	230,000	1,102,200	1,332,200
2036-2040	395,000	1,014,600	1,409,600
2041-2045	605,000	872,100	1,477,100
2046-2050	900,000	657,600	1,557,600
2051-2055	1,625,000	344,100	1,969,100
Total	$ 3,765,000	$ 5,113,825	$ 8,878,825

Series 2025C(3) Second Subordinate General Obligation Bonds

On December 11, 2025, the District issued the Second Subordinate General Obligation Limited Tax Bonds, Series 2025C(3) (the Series 2025C(3) Second Subordinate Bonds) in the maximum aggregate principal amount of $626,000. There was no principal amount of the Series 2025C(3) Second Subordinate Bonds at issuance and the maximum principal amount that may be drawn on the Series 2025C(3) Second Subordinate Bonds is $626,000. As of December 31, 2025, the outstanding principal amount available to be drawn is $626,000.

Future principal draws on the Series 2025C(3) Second Subordinate Bonds are to be issued for the purpose of: (i) paying a portion of the Project Costs; and (ii) paying costs incurred in connection with the issuance of the Series 2025C(3) Second Subordinate Bonds. The Series 2025C(3) Second Subordinate Bond are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

To the extent principal of any bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or December 16, 2065 (the Second Subordinate Termination Date) and is to continue to bear interest at the rate then borne by the Series 2025C(3) Second Subordinate Bonds. The Series 2025C(3) Second Subordinate Bonds mature on December 16, 2054.

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2025C(3) Second Subordinate General Obligation Bonds (Continued)

The Series 2025C(3) Second Subordinate Bonds bear interest at the rate of 6.00% per annum or the rate required by Section 32-1-1101(7), C.R.S. per annum payable annually on each December 15, but only from and to the extent of available Second Subordinate Pledged Revenue (defined below), beginning on December 15, 2026. In the event interest on any bond is not paid when due, such interest is to compound annually on each December 15, at the rate then borne by the Series 2025C(3) Second Subordinate Bonds.

The Series 2025C(3) Second Subordinate Bonds constitute subordinate limited tax general obligations of the District payable solely from and to the extent of the Second Subordinate Pledged Revenue, defined generally in the Indenture of Trust relating to the Series 2025C(3) Second Subordinate Bonds (the Second Subordinate Indenture) as the moneys derived by the District from the following sources: (i) the Second Subordinate Required Mill Levy; (ii) the Second Subordinate Capital Fee Revenue, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Second Subordinate Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Second Subordinate Pledged Revenue as each term is defined in the Second Subordinate Indenture. The Second Subordinate Required Mill Levy (for debt service) is defined as a mill levy imposed upon all taxable property in the District each year in an amount of 44.500 mills, as adjusted for changes in the method of calculating assessed valuation after August 20, 2001, less the amount of the Required Mill Levy and Subordinate Required Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal and interest on the Series 2025C(3) Second Subordinate Bonds.

Events of Default

Events of default occur if the District fails to impose the Second Subordinate Required Mill Levy, or to apply the Second Subordinate Pledged Revenue as required by the Second Subordinate Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures. Acceleration of the Series 2025C(3) Second Subordinate Bonds shall not be an available remedy for an Event of Default. The Series 2025C(3) Second Subordinate Bonds do not have any unused line of credit. No assets have been pledged as collateral on the Series 2025C(3) Second Subordinate Bonds.

Authorized Debt

The Modified Consolidated Service Plan dated October 3, 2005, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to $65,000,000 (Consolidated Service Plan Debt Issuance Limit), provided that in the case where obligations of the Financing Districts are supporting revenue bonds of the Control District, the Control District revenue bonds shall not be counted. At December 31, 2025, the total outstanding principal obligations of the Districts were $57,769,000, which includes $18,645,000 of debt in Thompson Crossing Metropolitan District No. 2, $3,455,000 in Thompson Crossing Metropolitan District No. 6, $4,764,000 in the District, and $30,905,000 in Thompson Crossing Metropolitan District No. 4.

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

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.

The District has voter authorization in excess of the Consolidated Service Plan Debt Issuance Limit as at the time of the elections, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Consolidated Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Consolidated Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements. With that understanding, on November 1, 2005 and November 4, 2025, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $1,105,000,000. At December 31, 2025, the District had authorized but unissued indebtedness of $1,099,610,000.

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 amount is a result of the District's bonds issued for public improvements and costs associated with issuance.

NOTE 6 RELATED PARTIES

All of the Board of Directors during 2025 were employees of, or consultants to, Clayton Properties Group, Inc., a Tennessee corporation doing business as Oakwood Homes and the major landowner, developer, and home builder of the property within the District and Thompson Crossing Metropolitan District Nos. 3, 4, and 6, and may have conflicts of interest in dealing with the District.

NOTE 7 DISTRICT AGREEMENTS

District Facilities Construction and Service Intergovernmental Agreement

On June 29, 2006, Thompson Crossing Metropolitan District No. 3 (Operating District) entered into a District Facilities Construction and Service Intergovernmental Agreement with the District and Thompson Crossing Metropolitan District No. 4 (Financing Districts). The District Facilities Construction and Service Intergovernmental Agreement was amended and restated on May 21, 2008, to include Thompson Crossing Metropolitan District No. 6 as a Financing District (the Amended Agreement). Under the Amended Agreement, the Operating District will, on behalf of the Financing Districts, contract for and supervise the construction and acquisition of District facilities, including water, sanitation, street, safety, park and recreation, transportation facilities, programs, and other public infrastructure and services. The Operating District shall own all the facilities and shall be responsible for the operation and maintenance of all facilities.

NOTE 7 DISTRICT AGREEMENTS (CONTINUED)

District Facilities Construction and Service Intergovernmental Agreement (Continued)

The District facilities are to be financed from the proceeds of general obligation indebtedness to be issued by the Financing Districts. The Financing Districts, upon execution of the agreement, shall provide for the payment of the capital and service costs or, at the option of any Financing District, may make annual payments to an escrow account for capital costs and to a service fund account for service costs. The amount of payment due under the annual payment option shall not be less than the amounts set forth in the final budget for the budget year, as prepared by the Operating District and approved by the Financing Districts. Once payments have been made to the Operating District, the Operating District shall have sole authority to withdraw monies from the accounts but shall account to the Financing Districts for funds withdrawn and payments made.

The financial obligations of the Financing Districts under this agreement are general obligations of the Financing Districts and shall be payable from ad valorem taxes generated as a result of the certification by the Financing Districts of a mill levy, except as they may actually be paid from other revenues. The Boards of the Financing Districts shall annually determine, fix, and certify a rate of levy for ad valorem taxes which, when added to other funds of the Financing Districts, will be sufficient to promptly and fully pay the amounts to be paid under this agreement, as well as all other general obligation indebtedness of the Financing Districts, as the same become due.

During 2025, the District transferred $112 of service costs to Thompson Crossing Metropolitan District No. 3 under the Amended Agreement.

Advance and Reimbursement and Facilities Acquisition Agreement

On December 15, 2021, as amended on November 4, 2025, the District and Clayton Properties Group, Inc. (the Developer) entered into an Advance and Reimbursement and Facilities Acquisition Agreement (Capital Expenses) whereby the Developer agreed to loan moneys to the District for purposes of funding public infrastructure costs of the District up to the maximum advance amount of $4,750,000. Under the agreement, construction contracts entered into by the Developer for the benefit of the District are subject to future reimbursement by the District. Interest accrues on advances at 8% per annum. As of December 31, 2025, no amounts are due under this agreement.

NOTE 8 RISK MANAGEMENT

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

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

NOTE 8 RISK MANAGEMENT (CONTINUED)

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 9 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 transfers its operating revenue to the Operating District. Therefore, the Emergency Reserves related to the District's revenues transferred are reported in the Operating District.

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

On November 1, 2005 and November 4, 2025, the District voters passed an election question to increase property taxes $5,000,000 annually, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain, and spend all revenue annually, other than ad valorem taxes, without regard to limitations under TABOR.

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

On November 4, 2025, the qualified electors of the District approved an election question to waive the 5.25% property tax limit established under Section 29-1-1702, C.R.S. for 2026 and all future budget years.

SUPPLEMENTARY INFORMATION

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 183	$ 187	$ 4
Specific Ownership Taxes	13	12	(1)
Interest Income	10,000	-	(10,000)
System Development Fees	108,000	-	(108,000)
Total Revenues	118,196	199	(117,997)
EXPENDITURES			
County Treasurer's Fees	4	4	-
Bond Interest	196,225	-	196,225
Paying Agent/Trustee Fees	10,000	-	10,000
Contingency	3,771	-	3,771
Total Expenditures	210,000	4	209,996
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	678,569	666,575	(11,994)
Total Other Financing Sources (Uses)	678,569	666,575	(11,994)
NET CHANGE IN FUND BALANCE	586,765	666,770	80,005
Fund Balance - Beginning of Year	771	771	-
FUND BALANCE - END OF YEAR	$ 587,536	$ 667,541	$ 80,005

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 50,000	$ -	$ (50,000)
Total Revenues	50,000	-	(50,000)
EXPENDITURES			
Capital Outlay	3,852,281	-	3,852,281
Bond Issue Costs	394,150	418,517	(24,367)
Total Expenditures	4,246,431	418,517	3,827,914
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,196,431)	(418,517)	3,777,914
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	4,875,000	4,764,000	(111,000)
Transfers To Other Fund	(678,569)	(666,575)	11,994
Total Other Financing Sources (Uses)	4,196,431	4,097,425	(99,006)
NET CHANGE IN FUND BALANCE	-	3,678,908	3,678,908
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 3,678,908	$ 3,678,908

OTHER INFORMATION

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2025

$3,765,000
General Obligation Limited Tax Bonds
Series 2025A
Dated December 11, 2025
Interest Rate of 6.00%
Payable June 1 and December 1
Principal Due December 1

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 219,625	$ 219,625
2027	-	225,900	225,900
2028	-	225,900	225,900
2029	-	225,900	225,900
2030	10,000	225,900	235,900
2031	35,000	225,300	260,300
2032	40,000	223,200	263,200
2033	45,000	220,800	265,800
2034	55,000	218,100	273,100
2035	55,000	214,800	269,800
2036	65,000	211,500	276,500
2037	70,000	207,600	277,600
2038	80,000	203,400	283,400
2039	85,000	198,600	283,600
2040	95,000	193,500	288,500
2041	100,000	187,800	287,800
2042	115,000	181,800	296,800
2043	120,000	174,900	294,900
2044	130,000	167,700	297,700
2045	140,000	159,900	299,900
2046	155,000	151,500	306,500
2047	165,000	142,200	307,200
2048	180,000	132,300	312,300
2049	190,000	121,500	311,500
2050	210,000	110,100	320,100
2051	220,000	97,500	317,500
2052	240,000	84,300	324,300
2053	255,000	69,900	324,900
2054	280,000	54,600	334,600
2055	630,000	37,800	667,800
Total	$ 3,765,000	$ 5,113,825	$ 8,878,825

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 5
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

		Total Mills Levied		Total Property Taxes		Percent
Year Ended December 31,	Assessed Valuation	General Operations	Debt Service	Levied	Collected	Collected to Levied
2021	$ -	0.000	0.000	$ -	$ -	N/A
2022	4,911	26.718	63.986	445	445	100.00 %
2023	4,335	29.287	54.808	365	365	100.00 %
2024	3,329	29.287	54.924	280	280	100.00 %
2025	3,329	31.700	54.924	288	294	102.08 %
Estimated for Year Ending December 31, 2026	$ 1,622,969	31.700	47.796	$ 129,019		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.