Granary Metropolitan District No. 5
Annual Financial Report and
Independent Auditor's Report
December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Granary Metropolitan District No. 5
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Granary 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 thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

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Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such supplementary 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 supplementary 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.

Fiscal Focus Partners, LLC

Arvada, Colorado
July 27, 2026

Basic Financial Statements

Granary Metropolitan District No. 5
Statement of Net Position
December 31, 2025

		Governmental Activities
Assets		
Cash and Investments - Restricted	$	7,265,293
Property Taxes Receivable		18
Capital Assets, not being depreciated		3,946,229
Total Assets		11,211,540
Liabilities		
Accrued Interest Payable		28,542
Noncurrent Liabilities		
Due in More Than One Year		11,822,426
Total Liabilities		11,850,968
Deferred Inflows of Resources		
Deferred Property Tax		18
Total Deferred Inflows of Resources		18
Net Position		
Restricted for:		
Capital Projects		5,745,179
Debt Service		1,520,132
Unrestricted		(7,904,757)
Total Net Position	$	(639,446)

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

Granary Metropolitan District No. 5
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenue			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Primary Government					
Government Activities					
General Government	$ 2,473,741	$ -	$ -	$ -	$ (2,473,741)
Interest and Related Costs on Long-Term Debt	850,085	-	-	115,764	(734,321)
Total Governmental Activities	$ 3,323,826	$ -	$ -	$ 115,764	(3,208,062)
General Revenues					
Net Investment Income					94,875
Total General Revenues					94,875
Special Items					
Transfer of Capital Assets from Other Districts					2,473,741
Change in Net Position					(639,446)
Net Position - Beginning of Year					-
Net Position - End of Year					$ (639,446)

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

Granary Metropolitan District No. 5
Governmental Funds Balance Sheet
and Reconciliation of Fund Balances to Net Position
December 31, 2025

	Debt Service	Capital Projects	Total Governmental Funds
Assets			
Cash and Investments - Restricted	$ 1,520,114	$ 5,745,179	$ 7,265,293
Property Taxes Receivable	18	-	18
Total Assets	$ 1,520,132	$ 5,745,179	$ 7,265,311
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Total Liabilites	$ -	$ -	$ -
Deferred Inflows of Resources			
Unavailable Property Taxes	18	-	18
Total Deferred Infllows of Resources	18	-	18
Fund Balances			
Restricted for:			
Debt Service	1,520,114	-	1,520,114
Capital Projects	-	5,745,179	5,745,179
Total Fund Balances	1,520,114	5,745,179	7,265,293
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,520,132	$ 5,745,179	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital Assets used in governmental activities are not financial resources and; therefore, are not reported as assets in the funds.			
Construction in Progress			3,946,229
Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not recorded as liabilities in the funds.			
Bonds Payable			(11,794,416)
Interest on Bonds Payable			(56,552)
Net Position of Governmental Activities			$ (639,446)

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

Granary Metropolitan District No. 5
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
For the Year Ended December 31, 2025

	Debt Service	Capital Projects	Total Governmental Funds
Revenues			
Net Investment Income	$ 13,911	$ 80,964	$ 94,875
Capital Fees	115,764	-	115,764
Total Revenues	129,675	80,964	210,639
Expenditures			
Capital			
Intergovernmental Capital Outlay	-	2,473,741	2,473,741
Capital Outlay	-	1,472,488	1,472,488
Debt Service			
Bond Interest	82,771	-	82,771
Cost of Issuance	626,425	-	626,425
Total Expenditures	709,196	3,946,229	4,655,425
Excess of Revenues Over (Under) Expenditures	(579,521)	(3,865,265)	(4,444,786)
Other Financing Sources (Uses)			
Debt Proceeds	11,740,316	-	11,740,316
Original Issue Discount	(30,237)	-	(30,237)
Interfund Transfers	(9,610,444)	9,610,444	-
Total Other Financing Sources (Uses)	2,099,635	9,610,444	11,710,079
Net Change in Fund Balances	1,520,114	5,745,179	7,265,293
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	$ 1,520,114	$ 5,745,179	$ 7,265,293

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

Granary Metropolitan District No. 5
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, 2025

Net Change in Fund Balances - Total Governmental Funds	$	7,265,293
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 assets are recognized on the statement of activities by reporting depreciation expense over their estimated useful life. Therefore, conveyance of assets impacts the statement of activities but has no impact on the government funds.		
Capital Outlay		1,472,488
Conveyance of Public Improvements		2,473,741
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the prinicpal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:		
Bond Issuance Proceeds - Series 2025		(11,740,315)
Original Issue Discount - Series 2025B		30,237
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.		
Accreted Interest on Bonds		(82,826)
Accrued Interest on Bonds, Change in Liability		(58,064)
Changes in Net Position of Governmental Activities	$	(639,446)

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

Note 1 Definition of Reporting Entity

Granary Metropolitan District No. 5 (the District) was organized on January 6, 2022, 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. District No. 1 is the Coordinating District and the District, along with District Nos. 2, 3, 4, 6, 7, 8 and 9 are the Financing Districts. 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 and intergovernmental revenues.

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.

Note 2 Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (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 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.

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 presented on the modified accrual basis of accounting unless otherwise indicated. The District amended its annual budget for the year ended December 31, 2025.

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 2025.

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 at 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 net investment in capital assets. 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.

Note 2 Summary of Significant Accounting Policies (continued)

Original Issue Discount Premium

In the government-wide financial statements bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Deferred Inflows of Resources

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

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.

Note 2 Summary of Significant Accounting Policies (continued)

Fund Balance(continued)

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.

Net Position

For government-wide presentation purposes, 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.

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	$ 7,265,293

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

Investments	$ 7,265,293
Total Cash and Investments	$ 7,265,293

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, 2025, the District's had no cash deposits.

Note 3 Cash and Investments (continued)

Investments

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

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE which is recorded at amortized cost, and COLOTRUST which is recorded at net asset value.

Note 3 Cash and Investments (continued)

As of December 31, 2025, the District had the following investments:

Investment	Maturity	2025
U.S. government agency securities	1 to 3 years	$ 888,024
Colorado Liquid Asset Trust (Colotrust) - Colotrust Plus+	Weighted average under 60 days	6,377,269
Total investments		$ 7,265,293

U.S. Government Agency Securities

As of December 31, 2025, the investment in government securities was in State and Local Government Series (SLGS) Securities which are direct obligations of the U.S. Treasury and therefore are considered to have the credit quality of U.S. Treasury securities and are valued using Level 1 inputs.

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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 AAAf/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. The District invested in the COLOTRUST PLUS+ portfolio during 2025.

Note 4 Capital Assets

An analysis of the changes in net capital assets for the year ended December 31, 2025 follows:

	Balance at Decmeber 31, 2024	Additions	Reductions	Balance at December 31, 2025
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Construction in Process	$ -	$ 3,946,229	$ -	$ 3,946,229
Total Capital Assets, Not Being Depreciated	-	3,946,229	-	3,946,229
Governmental Capital Assets, Net	$ -	$ 3,946,229	$ -	$ 3,946,229

Note 5 Long-term Obligations

$5,480,000 Limited Tax General Obligation Bonds, Series 2025A

On September 4, 2025, the District issued $5,480,000 (original issue amount) Limited Tax General Obligation Bonds, Series 2025A (the 2025A Bonds). The 2025A Bonds, maturing December 1, 2055, bear an interest rate of 6.250% per annum, calculated on a basis of a 360-day year of twelve 30-day months, payable semi-annually on each June 1 and December 1, commencing December 1, 2025, to the extent of Senior Pledged Revenue available.

The proceeds of the 2025A Bonds will be used for the purpose of (i) financing Public Improvements related to the Development; (ii) funding capitalized interest on the 2025A Bonds; (iii) funding the initial deposit of the Minimum Surplus Amount to the Senior Surplus Fund; and (iv) paying costs incurred in connection with the issuance of the 2025A Bonds.

The 2025A bonds are also subject to a mandatory sinking fund redemption, in part by lot, on December 1, 2031 and on each December 1 thereafter prior to maturity, at par plus accrued interest without redemption premium.

To the extent any amount of principal and interest on the 2025A Bonds is not paid when due, such principal and interest will remain outstanding, and interest will continue to accrue and compound semiannually until the Termination Date of the 2025A Bonds on December 1, 2065 in accordance with the Indenture of Trust.

The 2025A Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part, on September 1, 2030 and on any date thereafter, upon payment of par plus accrued interest and a redemption premium equal to a percentage of the principal amount redeemed, as follows:

Date of Redemption	Redemption Premium
September 1, 2030, to August 31, 2031	3.00%
September 1, 2031, to August 31, 2032	2.00
September 1, 2032, to August 31, 2033	1.00
September 1, 2033 and thereafter	0.00

Note 5 Long-term Obligations(continued)

$5,480,000 Limited Tax General Obligation Bonds, Series 2025A(continued)

The 2025A Bonds are secured by and payable from the Pledged Revenue, consisting of moneys derived by the District from the following sources, net of any costs of collection: (a) the Senior Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. The 2025A Bonds are also secured by the Senior Project Fund, the Senior Bond Fund and the Senior Surplus Fund.

Pursuant to the 2025A Bond Indenture, the District has covenanted to impose a Senior Required Mill Levy in an amount of 40 mills, or such lesser mill levy which will fund the bond Fund in an amount sufficient to pay all of the principal of and interest on the 2025A Bonds in full, provided however, that 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, the mill levy provided in the Indenture is to be increased or decreased to reflect such changes.

Events of default under the 2025A Bonds occur if the District does not impose the Senior Required Mill Levy, does not apply Senior Pledged Revenue in accordance with the 2025A Indenture, and other customary terms and conditions consistent with normal municipal financings as described in the 2025A Indenture. Upon the occurrence and continuance of an event of default, the Trustee may pursue the right of receivership or may proceed to protect and enforce the rights of the bond holders by suit for judgment or by mandamus or such other suit, action, or proceeding at law or in equity, to enforce all rights of the bond holders. However, acceleration of the 2025A Bonds shall not be an available remedy for an event of default.

As of December 31, 2025, the District has accrued and unpaid interest related to the Series 2025A bonds in the amount of $28,542.

The annual debt service requirements on the 2025A Bonds are due as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ -	$ 342,500	$ 342,500
2027	-	342,500	342,500
2028	-	342,500	342,500
2029	-	342,500	342,500
2030	-	342,500	342,500
2031-2035	310,000	1,680,940	1,990,940
2036-2040	560,000	1,552,500	2,112,500
2041-2045	870,000	1,341,250	2,211,250
2046-2050	1,320,000	1,016,878	2,336,878
2051-2055	2,420,000	534,064	2,954,064
Total	$ 5,480,000	$ 7,838,132	$ 13,318,132

Note 5 Long-term Obligations(continued)

$1,141,000 Subordinate Limited Tax General Obligation Bonds, Series 2025B

On September 4, 2025, the District issued $1,141,000 (par amount) Limited Tax General Obligation Bonds, Series 2025B (the 2025B Bonds). The 2025B Bonds, maturing December 15, 2055, bear an interest rate of 8.750% per annum (reflecting a yield of 9.000%), calculated on a basis of a 360-day year of twelve 30-day months, payable to the extent of Subordinate Pledged Revenue available therefor annually on each December 15, commencing December 15, 2025, until the principal amount is paid. The proceeds of the 2025B Bonds will be used for the purpose of financing Public Improvements related to the Development.

The 2025B Bonds are structured as “cash flow” bonds, meaning there are no scheduled payments of principal thereof prior to the final scheduled maturity date, but rather the bonds are subject to mandatory redemption on December 15 of each year, commending December 15, 2025, to the extent of available Subordinate Pledged Revenue.

The 2025B Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part, on September 1, 2030 and on any date thereafter, upon payment of par plus accrued interest and a redemption premium equal to a percentage of the principal amount redeemed, as follows:

Date of Redemption	Redemption Premium
September 1, 2030, to August 31, 2031	3.00%
September 1, 2031, to August 31, 2032	2.00
September 1, 2032, to August 31, 2033	1.00
September 1, 2033 and thereafter	0.00

To the extent any amount of principal and interest on the 2025B Bonds is not paid when due, such principal and interest will remain outstanding, and interest will continue to accrue and compound annually at the rate then borne by the 2025B Bond until the Termination Date of the 2025B Bonds on December 15, 2065 in accordance with the Indenture of Trust.

The 2025B Bonds are secured by and payable from the Subordinate Pledged Revenue, consisting of moneys derived by the District from the following sources, net of any costs of collection: (a) the Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy; (c) any amounts released from the Senior Surplus Fund pursuant to the 2025A Indenture; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. The 2025B Bonds are also secured by the Subordinate Project Fund and the Subordinate Bond Fund.

Note 5 Long-term Obligations(continued)

$1,141,000 Subordinate Limited Tax General Obligation Bonds, Series 2025B (continued)

Pursuant to the 2025B Bond Indenture, the District has covenanted to impose a Subordinate Required Mill Levy in an amount of 40 mills less the Senior Obligation Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of and interest on the 2025B Bonds in full, provided however, that 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, the mill levy provided in the Indenture is to be increased or decreased to reflect such changes.

Events of default under the 2025B Bonds occur if the District does not impose the Subordinate Required Mill Levy, does not apply Subordinate Pledged Revenue in accordance with the 2025B Indenture, and other customary terms and conditions consistent with normal municipal financings as described in the 2025B Indenture. Upon the occurrence and continuance of an event of default, the Trustee may pursue the right of receivership or may proceed to protect and enforce the rights of the bond holders by suit for judgment or by mandamus or such other suit, action, or proceeding at law or in equity, to enforce all rights of the bond holders. However, acceleration of the 2025B Bonds shall not be an available remedy for an event of default.

As of December 31, 2025, the District has accrued and unpaid interest related to the Series 2025B bonds in the amount of $28,010.

$5,119,315 (Value at Issuance) $9,455,000 (Value at Maturity) Capital Facility Fee Revenue Capital Appreciation Bonds, Series 2025

On September 4, 2025, the District issued Capital Facility Fee Revenue Capital Appreciation Bonds, Series 2025 in the initial principal amount of $5,119,315 ($9,455,000 in Accreted Value at the Maturity Date) (2025 Revenue Bonds)). Proceeds from the sale of the 2025 Revenue Bonds will be used for the purpose of (i) financing Public Improvements related to the Development and (ii) paying costs incurred with the issuance of the 2025 Revenue Bonds.

The 2025 Revenue Bonds were issued as capital appreciation bonds, convertible to current interest bonds on the Maturity Date of December 1, 2034. Prior to the Maturity Date, the 2025 Revenue Bonds pay no current interest, and accrete in value at an accretion rate of 6.75% compounding semiannually on each June 1 and December 1, commencing on December 1, 2025, from their date of issuance.

Prior to the Maturity Date, the 2025 Revenue Bonds are subject to mandatory redemption in part by lot on June 1 and December 1 of each year, commencing December 1, 2025, to the extent of moneys on deposit, if any, in the Bond Fund.

Note 5 Long-term Obligations(continued)

$5,119,315 (Value at Issuance) $9,455,000 (Value at Maturity) Capital Facility Fee Revenue Capital Appreciation Bonds, Series 2025(continued)

On the Maturity Date, the 2025 Revenue Bonds shall cease to be capital appreciation bonds and automatically convert to current interest bonds, at which time the 2025 Revenue Bonds shall bear interest at the rate of 6.75% per annum until the 2025 Revenue Bonds are paid in full. To the extent principal of any 2025 Revenue Bond is not paid when due, such principal shall remain outstanding until paid, and to the extent interest on any 2025 Revenue Bond is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate then borne by the 2025 Revenue Bond, until paid.

The 2025 Revenue Bonds are subject to redemption prior to maturity at the option of the District, as a whole or in part, on September 1, 2030, and on any date thereafter, upon payment of the Accreted Value and a redemption premium equal to a percentage of the Accreted Value redeemed, as follows:

Date of Redemption	Redemption Premium
September 1, 2030, to August 31, 2031	3.00%
September 1, 2031, to August 31, 2032	2.00
September 1, 2032, to August 31, 2033	1.00
September 1, 2033 and thereafter	0.00

The 2025 Revenue Bonds are secured by and payable from 2025 Revenue Bonds Pledged Revenue consisting of (a) all Capital Facility Fees as defined in the 2025 Revenue Bonds Indenture; and (b) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Revenue Bond Fund.

Events of default under the 2025 Revenue Bonds occur if the District does not impose and collect the Capital Facility Fees, does not apply the 2025 Revenue Bonds Pledged Revenue in accordance with the 2025 Revenue Bonds Indenture, and other customary terms and conditions consistent with normal municipal financings as described in the 2025 Revenue Bonds Indenture. Upon the occurrence and continuance of an event of default, the Trustee may pursue the right of receivership or may proceed to protect and enforce the rights of the bond holders by suit for judgment or by mandamus or such other suit, action, or proceeding at law or in equity, to enforce all rights of the bond holders. However, acceleration of the 2025 Revenue Bonds shall not be an available remedy for an event of default.

As of December 31, 2025, the District has recorded Accreted Value of $82,826 related to the Series 2025 bonds.

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, 2025:

	Balance at Decmeber 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Governmental Activities					
Bonds Payable					
Series 2025A Limited Tax GO Bonds	$ -	$ 5,480,000	$ -	$ 5,480,000	$ -
Series 2025B Subordinate Limited Tax GO Bonds		1,141,000	-	1,141,000	-
Series 2025B- Interest		28,010	-	28,010	
Original Issue Discount Series 2025B		(30,237)	1,512	(28,725)	-
Series 2025 Capital Facility Fee Revenue Capital Appreciation Bonds	-	5,119,315	-	5,119,315	-
Accreted Interest	-	82,826	-	82,826	-
Total Bonds	$ -	$ 11,820,914	$ 1,512	$ 11,822,426	$ -

Debt Authorization

Pursuant to the electoral authorization secured through the May 2, 2023 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, 2025, the Districts had $18,491,685 remaining authorized under the Service Plan but unissued debt.

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 Reimbursement Agreement

In June 2025, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with Granary Development II, 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.

Note 5 Long-term Obligations (continued)

Developer Advances(continued)

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. Interest shall accrue on unpaid Certified District Eligible Costs at the MMD Interest Rate +0bps.

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, 2025 as follows:

Restricted net position:		
Debt Service	$	1,520,132
Capital Projects		5,745,179
Total	$	7,265,311

The District's unrestricted net position as of December 31, 2025 is a deficit of $(7,904,757). The deficit is the result of the District's responsibility for debt used to finance infrastructure that will be conveyed to other entities.

Note 7 Agreements

Coordinating Service Agreements

The District along with District Nos. 1 -4 and 6-9 entered into a Coordinating Agreement in July, 2022 whereby District No. 1 acts as the Coordinating District and District Nos. 2-9 act as Financing Districts. In accordance with the Coordinating Services Agreement, District No. 1 agrees to perform certain administrative services on behalf of District Nos. 2-9. Also in accordance with the Coordinating Services Agreement, District No. 1 will own, operate and maintain all Public Infrastructure with the boundaries of Granary Metropolitan District Nos. 1-9 that are not otherwise dedicated or conveyed to another public entity or are not otherwise owner, operated and maintained by District Nos 2-9. As a Financing District, District No. 5 is responsible for its respective share of all costs, fees, charges, and expenses incurred by District No. 1 in providing administrative, operations, and maintenance services to and for the benefit of the Districts.

Note 7 Agreements(continued)

Cost Sharing Intergovernmental Agreement

The District entered into a Cost Sharing Agreement on October 30, 2025 with District No. 4. The Districts acknowledge the portion of the Shared Public Infrastructure Costs allocable to the District, as described in the Cost-Sharing Memo, is $2,473,741 (District No. 5 Cost Share). The District accepts the District No. 5 Cost Share and determines that the Shared Public Infrastructure is in the nature of community improvements intended for the general direct or indirect benefit of the existing and planned residential community within the District and constitutes improvements for which the District is authorized to issue indebtedness and impose ad valorem property taxes in accordance with the Service Plan. The District agrees to pay District No. 4 the District No. 5 Cost Share for the Shared Public Infrastructure Costs from proceeds of the District Bonds to enable District No. 4 to pay additional eligible costs of public improvements that benefit District No. 4 and the Granary Development. District No. 4 directs the District to pay $2,473,741 to Granary Development II, LLC, as successor to Granary Development I, LLC (Developer) on behalf of District No. 4, which amount represents eligible costs of public improvements funded and/or constructed by the Developer for the benefit of District No. 4.

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; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2025. 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 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. District No. 1 serves as the Coordinating District and has established an Emergency Reserve for the District.

The Taxing Districts' voters have approved election questions which authorize the Taxing Districts to retain excess revenues which may otherwise be required by TABOR to be refunded to taxpayers. 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 10 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 11 Interfund Balance Transfers

At December 31, 2025, $9,610,444 was transferred from the Debt Service Fund to the Capital Projects Fund to fund the project fund portion of debt issuance.

Note 12 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 27, 2026 which is the date that the financial statements and accompanying notes were available for issuance.

Supplementary Information

Granary Metropolitan District No. 5
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Debt Service Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Capital Fees	$ -	$ -	$ 115,764	$ 115,764
Net Investment Income	-	-	13,911	13,911
Total Revenues	-	-	129,675	129,675
Expenditures				
Bond Interest	-	500,000	82,771	417,229
Cost of Issuance	-	1,025,000	626,425	398,575
Total Expenditures	-	1,525,000	709,196	815,804
Excess of Revenues Over (Under) Expenditures	-	(1,525,000)	(579,521)	945,479
Other Financing Sources (Uses)				
Debt Proceeds	-	14,750,000	11,740,316	(3,009,684)
Discount	-	-	(30,237)	(30,237)
Interfund Transfers	-	(11,222,500)	(9,610,444)	1,612,056
Total Other Financing Sources (Uses)	-	3,527,500	2,099,635	(1,427,865)
Net Change in Fund Balances	-	2,002,500	1,520,114	(482,386)
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	$ -	$ 2,002,500	$ 1,520,114	$ (482,386)

Granary Metropolitan District No. 5
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Projects Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Net Investment Income	$ -	$ 50,000	$ 80,964	$ 30,964
Total Revenues	-	50,000	80,964	30,964
Expenditures				
Current				
Intergovernmental Capital Outlay	-	-	2,473,741	(2,473,741)
Construction	-	11,272,500	1,472,488	9,800,012
Total Expenditures	-	11,272,500	3,946,229	7,326,271
Excess of Revenues Over (Under) Expenditures	-	(11,222,500)	(3,865,265)	7,357,235
Other Financing Sources (Uses)				
Interfund Transfers	-	11,222,500	9,610,444	(1,612,056)
Total Other Financing Sources (Uses)	-	11,222,500	9,610,444	(1,612,056)
Net Change in Fund Balances	-	-	5,745,179	5,745,179
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	$ -	$ -	$ 5,745,179	$ 5,745,179