MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
Town of Castle Rock, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

INDEPENDENT AUDITOR'S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	21
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	22
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	24
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	25
SCHEDULE OF LARGEST TAXPAYERS WITHIN THE DISTRICT	26

Board of Directors and Management
Miller's Landing Business Improvement District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Miller's Landing Business Improvement District 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 Miller's Landing Business Improvement District as of December 31, 2025, and 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 Miller's Landing Business Improvement 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Miller's Landing Business Improvement 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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.

1221 West Mineral Avenue, Ste. 202, Littleton, CO 80120 303-734-4800 HaynieCPAs.com

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 Miller's Landing Business Improvement 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, which raise substantial doubt about Miller's Landing Business Improvement 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 the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Miller's Landing Business Improvement District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information as listed in the table of contents 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.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sincerely,



Littleton, Colorado
April 28, 2026

BASIC FINANCIAL STATEMENTS

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 35,665
Cash and Investments - Restricted	2,119,772
Receivable from County Treasurer	915
Property Tax Receivable	31,716
Capital Assets:	
Capital Assets Not Being Depreciated	14,823,482
Total Assets	17,011,550
LIABILITIES	
Accrued Interest	365,059
Noncurrent Liabilities:	
Due Within One Year	430,000
Due in More Than One Year	34,185,719
Total Liabilities	34,980,778
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	31,716
Total Deferred Inflows of Resources	31,716
NET POSITION	
Net Investment in Capital Assets	(9,091,202)
Restricted for:	
Emergency Reserve	1,100
Debt Service	102,425
Unrestricted	(9,013,267)
Total Net Position	$ (18,000,944)

See accompanying Notes to Basic Financial Statements.

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 33,029	$ -	$ -	$ -	$ (33,029)
Transfer of Public Improvements to Another Government	1,936,000	-	-	-	(1,936,000)
Interest on Long-Term Debt and Related Costs	2,505,493	-	-	-	(2,505,493)
Total Governmental Activities	$ 4,474,522	$ -	$ -	$ -	(4,474,522)
GENERAL REVENUES					
Property Taxes					26,434
Specific Ownership Taxes					10,960
Interest Income					90,061
Ura Increment					239,890
Total General Revenues and Transfers					367,345
CHANGES IN NET POSITION					(4,107,177)
Net Position - Beginning of Year					(13,893,767)
NET POSITION - END OF YEAR					$ (18,000,944)

See accompanying Notes to Basic Financial Statements.

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31,2025

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	$ 35,665	$ -	$ 35,665
Cash and Investments - Restricted	1,100	2,118,672	2,119,772
Receivable from County Treasurer	153	763	916
Property Tax Receivable	4,498	27,218	31,716
Total Assets	$ 41,416	$ 2,146,653	$ 2,188,069
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	4,498	27,218	31,716
Total Deferred Inflows of Resources	4,498	27,218	31,716
FUND BALANCES			
Restricted for:			
Emergency Reserves	1,100	-	1,100
Debt Service	-	2,119,435	2,119,435
Unassigned	35,818	-	35,818
Total Fund Balances	36,918	2,119,435	2,156,353
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 41,416	$ 2,146,653	

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 in the funds.	14,823,482
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest	(365,059)
Accrued Interest-Developer Advance	(2,338,459)
Bond Payable 2018A	(7,575,000)
Bond Payable 2018B	(12,340,000)
Developer Advance Payable	(12,362,261)
Net Position of Governmental Activities	$ (18,000,944)

See accompanying Notes to Basic Financial Statements.

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
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	$ 4,406	$ 22,029	$ -	$ 26,435
Specific Ownership Taxes	1,827	9,133	-	10,960
Interest Income	-	90,061	-	90,061
Ura Increment	-	239,890	-	239,890
Total Revenues	6,233	361,113	-	367,346
EXPENDITURES				
Current:				
Accounting	8,467	-	-	8,467
Auditing	14,800	-	-	14,800
County Treasurer's Fee	66	321	-	387
Dues And Membership	1,238	-	-	1,238
Insurance	4,642	-	-	4,642
Legal	3,817	-	-	3,817
Debt Service:				
Bond Interest - Series 2018A	-	462,900	-	462,900
Bond Interest - Series 2018B	-	1,006,400	-	1,006,400
Bond Principal - Series 2018A	-	140,000	-	140,000
Bond Principal - Series 2018B	-	240,000	-	240,000
Paying Agent Fees	-	6,000	-	6,000
Capital Projects:				
Capital Outlay	-	-	389,512	389,512
Total Expenditures	33,030	1,855,621	389,512	2,278,163
EXCESS OF REVENUES UNDER EXPENDITURES	(26,797)	(1,494,508)	(389,512)	(1,910,817)
OTHER FINANCING SOURCES (USES)				
Developer Advance	32,963	1,538,798	389,512	1,961,273
Total Other Financing Sources	32,963	1,538,798	389,512	1,961,273
NET CHANGE IN FUND BALANCES	6,166	44,290	-	50,456
Fund Balances - Beginning of Year	30,752	2,075,145	-	2,105,897
FUND BALANCES - END OF YEAR	$ 36,918	$ 2,119,435	$ -	$ 2,156,353

See accompanying Notes to Basic Financial Statements.

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
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	$	50,456
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. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.		
Capital Outlay		389,512
Transfer of Public Improvements to Other Governments		(1,936,000)
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.		
Loan Principal		140,000
Bond Principal		240,000
Developer Advance		(1,961,273)
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 Payable - Change in Liability		(242,617)
Accrued Interest Payable Developer Advance - Change in Liability		(787,255)
Changes in Net Position of Governmental Activities	$	(4,107,177)

See accompanying Notes to Basic Financial Statements.

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 4,273	$ 4,406	$ 133
Specific Ownership Taxes	385	1,827	1,442
Total Revenues	4,658	6,233	1,575
EXPENDITURES			
Accounting	19,950	8,467	11,483
Auditing	7,000	14,800	(7,800)
Contingency	11,989	-	11,989
County Treasurer's Fee	64	66	(2)
Business Promotion	25,000	-	25,000
District Promotion	10,000	-	10,000
Operational Support	15,000	-	15,000
Dues And Membership	2,500	1,238	1,262
Insurance	8,000	4,642	3,358
Legal	15,000	3,817	11,183
Total Expenditures	114,503	33,030	81,473
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(109,845)	(26,797)	83,048
OTHER FINANCING SOURCES (USES)			
Developer Advance	100,000	32,963	(67,037)
Total Other Financing Sources (Uses)	100,000	32,963	(67,037)
NET CHANGE IN FUND BALANCE	(9,845)	6,166	16,011
Fund Balance - Beginning of Year	10,520	30,752	20,232
FUND BALANCE - END OF YEAR	$ 675	$ 36,918	$ 36,243

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Miller's Landing (BID) (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Ordinance No. 2016-027 approved by the Town of Castle Rock Town Council on September 20, 2016, and is governed pursuant to provisions of the Business Improvement District Act, Colorado Revised statutes 31-25-1203. The District operates under an annual operating plan submitted to and approved by the Town each calendar year consistent with the provisions of the Business Improvement District Act. The District's service area is located entirely within the Town of Castle Rock in Douglas County, Colorado. The District was established for the purpose of making public improvements and providing services to the proposed commercial development, in accordance with the District's operating plan. The District is governed by a Board of Directors comprised of up to five members appointed by the Town of Castle Rock.

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 a component unit of the Town of Castle Rock for financial statement reporting purposes.

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for 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. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets and repayment of bonds are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in 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 intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general 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 debt of the governmental funds.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has not amended its annual budget for the year ended December 31, 2025.

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 or investment account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has no items that qualify for reporting in this category.

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:		
Cash and Investments	$	35,665
Cash and Investments - Restricted		2,119,772
Total Cash and Investments	$	2,155,437

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

Deposits with Financial Institutions	$	-
Investments		2,155,437
Total Cash and Investments	$	2,155,437

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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 had no checking account and all deposits reside in investment accounts.

Investments

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

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

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

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 are recorded at amortized cost), and COLOTRUST (which are recorded at net asset value).

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

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	$ 121,126
U.S. Treasury Money Market Fund	Weighted-Average Under 60 Days	2,034,311
		$ 2,155,437

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE Cash Fund and CSAFE Core.

CSAFE Cash Fund operates similar to a money market fund, with each share valued at $1.00. CSAFE Cash Fund may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and other securities authorized under Section 24 75 601.1, Colorado Revised Statutes.

CSAFE Core is a variable Net Asset Value (NAV) local government investment pool, offers weekly liquidity, and is managed to approximate a $2.00 transactional share price. CSAFE Core may invest in securities authorized under Section 24 75 601.1, Colorado Revised Statutes, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (continued)

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodial agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides depository services in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE.
CSAFE Cash Fund is rated AAAmmf and CSAFE Core is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost, and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments. The redemption frequency is daily, and there is no redemption notice period.

U.S. Treasury Money Market Fund

The debt service money that is included in the trust accounts at Zions Bank is invested in a JP Morgan U.S. Treasury Money Market Fund. This portfolio is a money market fund that is managed by JP Morgan Asset Management and each share is equal in value to $1.00. The fund is AAA rated and invests exclusively in the U.S. Treasury, including Treasury bills, bonds, and notes. The average maturity of the underlying securities is 90 days or less.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 16,369,970	$ 389,512	$ 1,936,000	$ 14,823,482
Governmental Activities Capital Assets, Net	$ 16,369,970	$ 389,512	$ 1,936,000	$ 14,823,482

During 2025, a portion of the capital assets constructed by the District were conveyed to and dedicated to the Town of Castle Rock.

NOTE 5 LONG-TERM OBLIGATIONS

The District's outstanding long-term obligations at December 31, 2025, were as follows:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2018A	$ 7,715,000	$ -	$ 140,000	$ 7,575,000	$ 160,000
Series 2018B	12,580,000	-	240,000	12,340,000	270,000
Subtotal Bonds Payable	20,295,000	-	380,000	19,915,000	430,000
Other Debts:					
Developer Advance - Operating	751,242	32,963	-	784,205	-
Developer Advance - Capital	4,348,895	389,512	-	4,738,407	-
Developer Advance - Debt	5,300,851	1,538,798	-	6,839,649	-
Accrued Interest on:					
Developer Advance - Operating	230,684	57,953	-	288,637	-
Developer Advance - Capital	557,525	203,579	-	761,104	-
Developer Advance - Debt	762,995	525,722	-	1,288,717	-
Subtotal Other Debts	11,952,192	2,748,527	-	14,700,719	-
Total Long-Term Obligations	$ 32,247,192	$ 2,748,527	$ 380,000	$ 34,615,719	$ 430,000

$8,065,000 Revenue Bonds, Series 2018A (Tax-Exempt)

On September 13, 2018, the District issued $8,065,000 in tax-exempt Revenue Bonds, Series 2018A, for the purpose of funding the capitalized interest, required reserve fund and costs of issuance for the Series 2018A and 2018B bonds; and paying certain costs of designing, constructing, and otherwise providing public infrastructure throughout the District. The debt matures on December 1, 2048, and bears an interest rate of 6% per annum, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on June 1 and December 1, commencing December 1, 2018, until maturity. The Series 2018A bonds are subject to early redemption prior to maturity.

$13,185,000 Revenue Bonds, Series 2018B (Taxable)

On September 13, 2018, the District issued $13,185,000 in taxable Revenue Bonds, Series 2018B, for the purpose of funding the capitalized interest, required reserve fund and costs of issuance for the Series 2018A bonds; and paying certain costs of designing, constructing, and otherwise providing public infrastructure throughout the District. The debt matures on December 1, 2048, and bears an interest rate of 8% per annum, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on June 1 and December 1, commencing December 1, 2018, until maturity. The Series 2018B bonds are subject to early redemption prior to maturity.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$13,185,000 Revenue Bonds, Series 2018B (Taxable) (Continued)

The District's operating plan provides that the District is authorized to impose a mill levy of 50 mills to repay District debt. Any mill levy in excess of 50 mills for the purposes of debt service cannot be imposed without Town approval. During 2025, the District collected taxes based on a mill levy of 62.365 mills; 10.394 mills for operations and 51.971 mills for debt service. On December 15, 2025, the District levied 62.58 mills for collection in 2026; 8.874 mills for operations and 53.703 mills for debt service.

Events of Default of the Bonds

Events of default occur if the District fails to impose the District Debt Service Mill Levy as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

The District's long-term obligations will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 430,000	$ 1,441,700	$ 1,871,700
2027	460,000	1,410,500	1,870,500
2028	500,000	1,377,200	1,877,200
2029	530,000	1,340,900	1,870,900
2030	600,000	1,302,500	1,902,500
2031-2035	3,880,000	5,782,900	9,662,900
2036-2040	5,085,000	4,101,300	9,186,300
2041-2045	3,525,000	2,582,000	6,107,000
2046-2048	4,905,000	866,200	5,771,200
Total	$ 19,915,000	$ 20,205,200	$ 40,120,200

Debt Authorization

At elections held on November 8, 2016, and November 7, 2017, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $785,000,000. Issuance of indebtedness by the District is subject to the approval by Town Council of a budget and operating plan contemplating the same and Town administrative approval pursuant to the Public Finance Agreement (PFA). Pursuant to the 2018 Operating Plan and Budget, the Town Council approved issuance of the bonds and Town administrative approval was obtained. Upon issuance of the Bonds, the District had authorized but unissued debt remaining in the amount of $765,750,000. Any future issuance of debt must comply with the PFA and is also subject to the approval by the Town Council of an Operating Plan and Budget of the District. The District does not expect to issue more than $65,000,000 in total debt.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advance

On November 29, 2017, the District entered into the Advance, Acquisition, and Reimbursement Agreement with CCD Miller's Landing LLC, a Delaware limited liability company (the Developer). The First Amendment to the Advance, Acquisition, and Reimbursement Agreement, dated April 19, 2018, provides that the District will reimburse the Developer for advances that expressly include the remediation of Landfill and the provision of any and all related improvements, services, or appurtenances therewith. The Second Amendment to the Advance, Acquisition, and Reimbursement Agreement, dated July 16, 2019, provides that the District shall accrue interest at a rate of Prime plus 4%, but not to exceed 9%, per annum for costs paid by the Company from money it does not borrow. Costs paid by the Developer from money it does borrow shall accrue interest at a rate equal to the rate of interest the Developer is paying to the Developer's lender under the applicable loan documents, but not to exceed 9%. The Third Amendment to the Advance, Acquisition, and Reimbursement Agreement, dated April 20, 2021, provides that should the Company advance funds to the District for the purpose of making payments on District Bonds, such advance shall accrue interest consistent with all other advances under provision of the Agreement.

As of December 31, 2025, the Developer had advanced funds for the costs of the District's public improvements, management, operating, and administrative expenses for an amount equal to the Reimbursable Costs incurred by the Developer and any advances made the payment of the District's debt service. Public Improvements shall include all construction costs, planning, design, engineering, construction management, legal, and other consulting services, and any other capital expense relating to the improvements.

At December 31, 2025, the amount owed to the Developer was $14,700,719, which included $2,338,458 in accrued interest.

Public Finance Agreement (PFA)

On April 18, 2017, the District entered into the Public Finance Agreement (PFA) with Citadel Development, LLC (Citadel), the Town of Castle Rock (Town), and the Castle Rock Urban Renewal Authority (Authority). The PFA generally allows, among other provisions, Citadel to impose the Credit PIF and Add-On PIF and to irrevocably assign the revenue to the District pledging the revenue for payment of the District Bonds. As of December 31, 2025, the District has not received any revenues from either the Credit PIF or the Add-On PIF as there have not been any taxable transactions within the District.

Credit Public Improvement Fee (Credit PIF)

The PFA allows the District to collect a 2.40% Credit PIF on all taxable transactions within the District, for which the Town grants a credit against the municipal sales and use taxes that would otherwise be payable on sales and use tax transactions, with the exclusion of Restricted Grocery Stores and Relocated Retailers as defined in the PFA.

Add-On Public Improvement Fee (Add-On PIF)

The PFA also allows the District to collect a 1.25% Add-On PIF on taxable transactions in accordance with the PFA.

NOTE 6 NET POSITION

The District has net position consisting of three components - net investment in capital assets, restricted, and unrestricted.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2025, the District had restricted net position as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 1,100
Debt Service Reserve	102,425
Total Restricted Net Position	$ 103,525

The District has a deficit in unrestricted net position. This deficit amount was a result of the District being responsible for the repayment of loans issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTY

The Developer of the property which constitutes the District is CCD Miller's Landing LLC. All of the members of the Board are employees, owners, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 ECONOMIC DEPENDENCY

The District has yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

NOTE 9 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers' compensation 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 10 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 the 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.

On November 8, 2016, the District's voters authorized the District to increase property taxes $500,000 annually, without limitation to 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, other than ad valorem taxes, without regard to limitations under TABOR or other laws.

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

SUPPLEMENTARY INFORMATION

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 21,368	$ 22,029	$ 661
Specific Ownership Taxes	1,923	9,133	7,210
Interest Income	100,000	90,061	(9,939)
Ura Increment	101,780	239,890	138,110
Total Revenues	225,071	361,113	136,042
EXPENDITURES			
County Treasurer's Fee	321	321	-
Paying Agent Fees	6,000	6,000	-
Bond Interest - Series 2018A	462,900	462,900	-
Bond Interest - Series 2018B	1,006,400	1,006,400	-
Bond Principal - Series 2018A	140,000	140,000	-
Bond Principal - Series 2018B	240,000	240,000	-
Total Expenditures	1,855,621	1,855,621	-
OTHER FINANCING SOURCES (USES)			
Developer Advance	1,300,000	1,538,798	238,798
Total Other Financing Sources	1,300,000	1,538,798	238,798
NET CHANGE IN FUND BALANCE	(330,550)	44,290	374,840
Fund Balance - Beginning of Year	2,385,501	2,075,145	(310,356)
FUND BALANCE - END OF YEAR	$ 2,054,951	$ 2,119,435	$ 64,484

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES			
Capital Outlay	25,000,000	389,512	24,610,488
Total Expenditures	25,000,000	389,512	24,610,488
OTHER FINANCING SOURCES (USES)			
Developer Advance	25,000,000	389,512	(24,610,488)
Total Other Financing Sources (Uses)	25,000,000	389,512	(24,610,488)
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

OTHER INFORMATION

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

$21,250,000.00
Revenue Bonds Series 2018A (Tax Exempt and 2018 B (Taxable)
Dated September 13, 2018
Interest Rate: 2018A 6% / Series 2018B 8%
Payable June 1 and December 1
Principal Payable Due December 1
2018B Bonds

Year Ending December 31,	Principal	Interest	Total
2026	430,000	1,441,700	1,871,700
2027	460,000	1,410,500	1,870,500
2028	500,000	1,377,200	1,877,200
2029	530,000	1,340,900	1,870,900
2030	600,000	1,302,500	1,902,500
2031	640,000	1,259,100	1,899,100
2032	715,000	1,212,800	1,927,800
2033	765,000	1,161,100	1,926,100
2034	850,000	1,105,700	1,955,700
2035	910,000	1,044,200	1,954,200
2036	1,010,000	978,300	1,988,300
2037	1,080,000	905,200	1,985,200
2038	1,190,000	827,000	2,017,000
2039	1,255,000	740,800	1,995,800
2040	550,000	650,000	1,200,000
2041	590,000	610,100	1,200,100
2042	650,000	567,400	1,217,400
2043	700,000	520,400	1,220,400
2044	765,000	469,700	1,234,700
2045	820,000	414,400	1,234,400
2046	895,000	355,100	1,250,100
2047	960,000	290,300	1,250,300
2048	3,050,000	220,800	3,270,800
Total	$ 19,915,000	$ 20,205,200	$ 40,120,200

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Total	Levied	Collected	
2021	$ 260,930	10.000	50.000	60.000	$ 15,656	$ 15,656	100.00 %
2022	261,110	10.000	50.000	60.000	15,715	15,715	100.00 %
2023	371,542	10.000	50.000	60.000	22,292	22,332	100.18 %
2024	411,112	10.000	50.000	60.000	24,667	25,525	103.48 %
2025	411,148	10.394	51.971	62.365	24,667	26,435	107.17 %
Estimated for Year Ending December 31, 2026	$ 506,830	8.874	53.703	62.577	$ 31,716		

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF LARGEST TAXPAYERS WITHIN THE DISTRICT
DECEMBER 31, 2025

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer / Assessed Valuation
Valuation Year - 2025		
CCD Millers Landing LLC	$ 2,553,050	100.00%
Total	$ 2,553,050	100.00%