

**CHERRY CREEK NORTH BUSINESS
IMPROVEMENT DISTRICT NO. 1
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

**CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
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
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENTS 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	23
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	25
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	26
GENERAL FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ACTUAL	27
TEN LARGEST TAXPAYERS OF TAXABLE PROPERTY (UNAUDITED)	28



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cherry Creek North Business Improvement District
City and County of Denver, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Cherry Creek North Business Improvement District (the District), a component unit of the City and County of Denver, 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.

I

Fiscal Focus Partners, LLC

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary information and other information on pages 23 through 26

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, and the other information on pages 25 and 26 (together, the information) is presented for purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

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

Other information on pages 27 and 28

Management is responsible for the other information on pages 27 and 28 (the other information). Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Fiscal Focus Partners, LLC

Arvada, Colorado
March 4, 2026

BASIC FINANCIAL STATEMENTS

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 2,428,609
Cash and Investments - Restricted	1,583,441
Accounts Receivable	55,689
Prepaid Expenses	111,245
Receivable - County Treasurer	38,854
Property Taxes Receivable	9,925,303
Capital Assets:	
Depreciable, Net	<u>7,042,240</u>
Total Assets	<u>21,185,381</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	<u>464,083</u>
Total Deferred Outflows of Resources	<u>464,083</u>
 LIABILITIES	
Accounts Payable	388,759
Payable - County Treasurer	27,571
Accrued Liabilities	184,682
Accrued Interest Payable	16,098
Noncurrent Liabilities:	
Due Within One Year	1,370,329
Due in More than One Year	<u>6,341,112</u>
Total Liabilities	<u>8,328,551</u>
 DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>9,925,303</u>
Total Deferred Inflows of Resources	<u>9,925,303</u>
 NET POSITION	
Net Investment in Capital Assets	(205,118)
Restricted for:	
Emergency Reserves	260,200
Debt Service	1,301,517
Unrestricted	<u>2,039,011</u>
 Total Net Position	 <u><u>\$ 3,395,610</u></u>

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS Primary Government:	Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				Governmental Activities
General Government	\$ 4,923,673	\$ 657,868	\$ -	\$ (4,265,805)
Operations	4,348,412	-	-	(4,348,412)
Interest on Long-Term Debt and Related Costs	404,056	-	-	(404,056)
Total Governmental Activities	<u>\$ 9,676,141</u>	<u>\$ 657,868</u>	<u>\$ -</u>	<u>(9,018,273)</u>
GENERAL REVENUES				
Property Taxes				9,338,164
Specific Ownership Taxes				447,938
Interest Income				206,154
Reimbursed Expenditures				51,343
Total General Revenues				<u>10,043,599</u>
CHANGE IN NET POSITION				
				1,025,326
Net Position - Beginning of Year				<u>2,370,284</u>
NET POSITION - END OF YEAR				<u><u>\$ 3,395,610</u></u>

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Governmental Funds
ASSETS			
Cash and Investments	\$ 2,428,609	\$ -	\$ 2,428,609
Cash and Investments - Restricted	260,200	1,323,241	1,583,441
Accounts Receivable	55,689	-	55,689
Receivable - County Treasurer	38,854	-	38,854
Prepaid Expenses	111,245	-	111,245
Property Taxes Receivable	8,237,518	1,687,785	9,925,303
Total Assets	<u>\$ 11,132,115</u>	<u>\$ 3,011,026</u>	<u>\$ 14,143,141</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 388,759	\$ -	\$ 388,759
Payable - County Treasurer	21,945	5,626	27,571
Accrued Liabilities	184,682	-	184,682
Total Liabilities	595,386	5,626	601,012
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	8,237,518	1,687,785	9,925,303
Total Deferred Inflows of Resources	8,237,518	1,687,785	9,925,303
FUND BALANCES			
Nonspendable:			
Prepaid Amounts	111,245	-	111,245
Restricted for:			
Emergency Reserves	260,200	-	260,200
Debt Service	-	1,317,615	1,317,615
Committed:			
Hotel Tourism	201,258	-	201,258
Assigned:			
Subsequent Year's Expenditures	533,588	-	533,588
Board Operations Reserve	489,800	-	489,800
Unassigned:			
General Government	703,120	-	703,120
Total Fund Balances	<u>2,299,211</u>	<u>1,317,615</u>	<u>3,616,826</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,132,115</u>	<u>\$ 3,011,026</u>	<u>\$ 14,143,141</u>
Fund Balances - Total Governmental Funds			\$ 3,616,826
Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Position			
Capital assets are reported as assets on the Statement of Net Position but are recorded as expenditures in the funds.			
Capital Assets, Net			7,042,240
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			
Cost of Refunding			464,083
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds Payable			(7,430,000)
Lease Payable			(281,441)
Bond Interest Payable			(16,098)
Net Position of Governmental Activities			<u>\$ 3,395,610</u>

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 7,432,632	\$ 1,905,532	\$ 9,338,164
Specific Ownership Taxes	447,938	-	447,938
Interest Income	134,635	71,519	206,154
Reimbursed Expenditures	51,343	-	51,343
Events Income	14,500	-	14,500
Sponsorship Income	32,500	-	32,500
Hotel Tourism Fee	590,868	-	590,868
Management Fee	20,000	-	20,000
Total Revenues	<u>8,724,416</u>	<u>1,977,051</u>	<u>10,701,467</u>
EXPENDITURES			
Current:			
Administration	1,035,924	-	1,035,924
Marketing and Communications	2,845,938	-	2,845,938
Operations	4,444,057	-	4,444,057
Debt Service:			
County Treasurer's Fee	-	18,953	18,953
Bond Principal - 2015 Series	-	1,180,000	1,180,000
Bond Interest - 2015 Series	-	223,860	223,860
Paying Agent Fees	-	300	300
Total Expenditures	<u>8,325,919</u>	<u>1,423,113</u>	<u>9,749,032</u>
NET CHANGE IN FUND BALANCES	398,497	553,938	952,435
Fund Balances - Beginning of Year	<u>1,900,714</u>	<u>763,677</u>	<u>2,664,391</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,299,211</u></u>	<u><u>\$ 1,317,615</u></u>	<u><u>\$ 3,616,826</u></u>

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
RECONCILIATION OF THE STATEMENTS 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 - Governmental Funds	\$ 952,435
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are depreciated over their estimated useful lives.

Expenditures for Capital Assets	104,204
Current Year Depreciation and Amortization	(1,216,698)
Disposal of Capital Assets	(473)

The issuance of long-term debt (e.g., bonds) 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. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Bond Principal Payment	1,180,000
Lease Payment	118,543
Cost of Refunding Amortization	(115,242)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability	2,557
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Change in Net Position of Governmental Activities	<u><u>\$ 1,025,326</u></u>
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CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 7,468,175	\$ 7,432,632	\$ (35,543)
Specific Ownership Taxes	469,000	447,938	(21,062)
Net Investment Income	80,000	134,635	54,635
Reimbursed Expenditures	20,000	51,343	31,343
Events Income	6,000	14,500	8,500
Sponsorship Income	40,000	32,500	(7,500)
Hotel Tourism Fee	600,000	590,868	(9,132)
Management Fee	20,000	20,000	-
Total Revenues	<u>8,703,175</u>	<u>8,724,416</u>	<u>21,241</u>
EXPENDITURES			
Administration	1,034,658	1,035,924	(1,266)
Marketing and Communications	2,998,291	2,845,938	152,353
Operations	5,034,785	4,444,057	590,728
Total Expenditures	<u>9,067,734</u>	<u>8,325,919</u>	<u>741,815</u>
NET CHANGE IN FUND BALANCES	(364,559)	398,497	763,056
Fund Balances - Beginning of Year	<u>1,114,559</u>	<u>1,900,714</u>	<u>786,155</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 750,000</u></u>	<u><u>\$ 2,299,211</u></u>	<u><u>\$ 1,549,211</u></u>

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 DEFINITION OF REPORTING ENTITY

Cherry Creek North Business Improvement District No. 1 (the District), is a quasi-municipal corporation and political subdivision of the state of Colorado. The District was organized on November 28, 1988 and is governed according to the provisions of the Colorado Business Improvement Act (C.R.S. 31-25 part 12). The District's service area is located in the city and County of Denver, Colorado (the City). The District was established for the purpose of maintaining public improvements and planning developmental activities; promotion and marketing of District activity; organization, promotion, marketing, and management of public events; activities supporting business recruitment, management, and development; security for businesses and public areas located within the District; snow removal and refuse collection; and providing design assistance.

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 organizations 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's annual budget is required to be submitted to and approved by the City, thus enabling the City to impose its will on the District. Consequently, the District is considered to be a component unit of the City.

The District has a 13-member Board of Directors (the Board) comprised of a chairperson, vice-chairperson, secretary-treasurer, and eight additional members. In evaluating the District as a reporting entity, the Board has addressed all potential component units for which the District may or may not be financially accountable and, as such, be includable within the District's financial statements. The District is not financially accountable for any other organization.

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.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and lodging fees. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The District determines if an arrangement is a lease at inception. Leases are included as right-to-use assets in capital assets and as leases payable in noncurrent liabilities in the Statement of Net Position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the District has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Budgets

In accordance with Local Government Budget Law of Colorado and the Business Improvement District Law, the District's Board of Directors prepares an annual operating plan and budget that is submitted no later than each September 30 to the City for approval. The District's Board of Directors conducts a public hearing prior to adopting the final budget for the ensuing year, setting the mill levy, and appropriating sums of money within the Budget. The District then certifies its mill levy to the Assessor and the Council of the City and County of Denver prior to the statutory certification date, December 15. The District may modify the budget and the appropriation of sums of money within the budget. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

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

Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500. Such assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in *Leases*) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation/amortization expense has been computed using the straight-line method over the following estimated economic useful lives:

Vehicles	5 to 7 Years
Office Furniture and Equipment	5 to 7 Years
Maintenance Equipment	5 to 7 Years
Right-to-Use Lease Building	10 Years
Leasehold Improvements	7 Years
Holiday Lights and Controllers	7 Years
Streets	20 Years

Resolution Concerning the Imposition of a Hotel Lodging Fee

On May 24, 2023, the District adopted the Resolution Imposing a Lodging Fee whereby the District imposed a 1% fee, commencing July 1, 2023, on gross receipts received for each overnight lodging transaction that occurs at each of the lodging service providers (Lodges) within the District's boundaries. The fee will be used to fund lodging marketing activities, including advertising, marketing and other promotional activities to support and promote the lodging services available to travelers, tourists, visitors, and other guests. These lodging marketing activities provide a benefit to the Lodges as well as the District's property owners, business owners, and constituents and the Cherry Creek North business community.

Amortization

In the government-wide financial statements, the cost of bond refunding is being amortized using the interest method over the life of the refunded bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Compensated Absences

The District has a policy that allows employees to accumulate unused Personal Time Off (PTO) benefits based on length of service. Employees are encouraged to use all of their PTO benefits earned each year. PTO carryover hours are limited to 240 hours per year, as specified in the Employee Handbook.

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 one item that qualifies for reporting in this category. Accordingly, the item, loss on refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow/Outflow of Resources (Continued)

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, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Equity

Net Position

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

Fund Balance

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

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

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

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

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.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (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 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	\$ 2,428,609
Cash and Investments - Restricted	1,583,441
Total Cash and Investments	<u><u>\$ 4,012,050</u></u>

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

Deposits with Financial Institutions	\$ 2,310,378
Investments	1,701,672
Total Cash and Investments	<u><u>\$ 4,012,050</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank and carrying balance of \$2,310,378.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has adopted a formal investment policy, which includes following state statutes regarding investments. It sets out the following priorities for investments: 1) safety of principal is the primary objective, 2) portfolio shall retain sufficient liquidity to meet all reasonably anticipated operating cash needs, 3) investment purchases and sales shall be managed in a manner consistent with the BID's financial management goals, and 4) attaining a market rate of return throughout interest rate cycles. The District will only use security dealers who meet specific requirements detailed within the policy.

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
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	<u>\$ 1,701,672</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 AA Af/S1 by FitchRatings. 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.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2024	Additions	Retirements	Balance - December 31, 2025
Capital Assets, Being Depreciated:				
Vehicles	\$ 35,826	\$ -	\$ -	\$ 35,826
Office Furniture and Equipment	116,430	8,559	(57,260)	67,729
Maintenance Equipment	30,725	-	(15,220)	15,505
Leasehold Improvements	194,900	-	-	194,900
Holiday Lights and Controllers	427,093	-	-	427,093
Street	19,178,260	95,645	-	19,273,905
Totals Capital Assets Being Depreciated	19,983,234	104,204	(72,480)	20,014,958
Lease Assets, Being Amortized:				
Right-to-Use Lease Building	1,248,635	-	-	1,248,635
Totals Lease Assets Being Amortized	1,248,635	-	-	1,248,635
Less Capital Asset Accumulated Depreciation:				
Vehicles	(35,826)	-	-	(35,826)
Office Furniture and Equipment	(84,954)	(11,058)	56,786	(39,226)
Maintenance Equipment	(30,726)	-	15,221	(15,505)
Leasehold Improvements	(165,949)	(10,841)	-	(176,790)
Holiday Lights and Controllers	(221,294)	(57,361)	-	(278,655)
Streets	(11,726,300)	(1,012,574)	-	(12,738,874)
Total Capital Asset Accumulated Depreciation	(12,265,049)	(1,091,834)	72,007	(13,284,876)
Less Lease Asset Accumulated Amortization:				
Right-to-Use Lease Building	(811,613)	(124,864)	-	(936,477)
Total Lease Asset Accumulated Amortization	(811,613)	(124,864)	-	(936,477)
Capital Assets, Net	<u>\$ 8,155,207</u>	<u>\$ (1,112,494)</u>	<u>\$ (473)</u>	<u>\$ 7,042,240</u>

Depreciation/amortization expenses were charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	<u>\$ 1,216,698</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance - December 31, 2024	Additions	Reductions	Balance - December 31, 2025	Amounts Due Within One Year
Bonds Payable:					
Series 2015	\$ 8,610,000	\$ -	\$ (1,180,000)	\$ 7,430,000	\$ 1,255,000
Subtotal of Bonds Payable	8,610,000	-	(1,180,000)	7,430,000	1,255,000
Notes from Direct Borrowings and Direct Placements:					
Lease Payable	399,984	-	(118,543)	281,441	115,329
Subtotal of Notes from Direct Borrowings and Direct Placements	399,984	-	(118,543)	281,441	115,329
Total Long-Term Obligations	<u>\$ 9,009,984</u>	<u>\$ -</u>	<u>\$ (1,298,543)</u>	<u>\$ 7,711,441</u>	<u>\$ 1,370,329</u>

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

\$16,460,000 General Obligation Refunding Bonds, Series 2015

On December 8, 2015, the District issued \$16,460,000 in General Obligation Refunding Bonds, with an interest rate of 2.600%. The Bonds mature on December 1, 2030 and are not subject to redemption prior to maturity. The Bonds are subject to sinking fund redemption beginning on December 1, 2017. The proceeds were used to establish an irrevocable trust account (the Refunding Escrow) to refund the Series 2008 and 2009 Bonds on the first date on which they may be redeemed prior to their maturities.

The defeased bonds are not considered a liability of the District since sufficient funds were deposited in the Refunding Escrow and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds when due.

The Bonds are secured by and payable from revenue which consists of required mill levy revenues. The required mill levy is imposed upon all taxable property within the District each year in an amount, when combined with amounts on deposit in the Bond Fund, sufficient to pay the principal and interest, without limitation to rate or amount.

The District's Series 2015 Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,255,000	\$ 193,180	\$ 1,448,180
2027	1,325,000	160,550	1,485,550
2028	1,780,000	126,100	1,906,100
2029	1,495,000	79,820	1,574,820
2030	1,575,000	40,950	1,615,950
Total	<u>\$ 7,430,000</u>	<u>\$ 600,600</u>	<u>\$ 8,030,600</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 LONG-TERM DEBT (CONTINUED)

\$16,460,000 General Obligation Refunding Bonds, Series 2015 (Continued)

At December 31, 2025, the District has issued all authorized indebtedness at a total of \$18,500,000.

Office Building Lease

The District leases office and parking spaces under an operating lease. The District entered into a lease agreement with Altus CCN LLC in 2018, which will expire June 1, 2028. The incremental borrowing rate at the commencement of the agreement was 5%.

The future minimum lease obligations and net present value of these minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 115,329	\$ 55,066	\$ 170,395
2027	112,154	61,833	173,987
2028	53,958	33,934	87,892
Total	<u>\$ 281,441</u>	<u>\$ 150,833</u>	<u>\$ 432,274</u>

Right-to-use assets acquired through the outstanding lease are shown below:

Governmental Activities:

Right-to-Use Lease Building	\$ 1,248,635
Less: Lease Asset Accumulated Amortization	<u>(936,477)</u>
Total	<u>\$ 312,158</u>

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:

Capital Assets, Net	\$ 7,042,240
Current Portion of Long-Term Obligations	(1,370,329)
Noncurrent Portion of Long-Term Obligations	(6,341,112)
Cost of Refunding (Net of Accumulated Amortization)	<u>464,083</u>
Net Investment in Capital Assets	<u>\$ (205,118)</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 NET POSITION (CONTINUED)

The restricted component of net position includes 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. The District had restricted net position as of December 31, 2025, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 260,200
Debt Service	1,301,517
Total Restricted Net Position	<u>\$ 1,561,717</u>

The District's unrestricted net position as of December 31, 2025, totaled \$2,039,111.

NOTE 7 AGREEMENTS

Cherry Creek Area Business Alliance Management Agreement

The District entered into a management agreement with Cherry Creek Leadership Council (CCLC) (organized as Cherry Creek Area Business Alliance) dated October 7, 2022. Under this agreement, the District has agreed to manage the operations and programs of CCLC, including general administration, maintenance within the CCLC service area, and certain marketing, promotion and business support services. In exchange for these services, CCLC agrees to pay compensation to the District in the amount of \$20,000 for each year of service. Upon execution, this Agreement shall continue for a period of one year and shall automatically continue for successive one-year periods thereafter.

NOTE 8 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9 DEFINED CONTRIBUTION PLANS

The District maintains the following defined contribution plans: The Social Security Replacement Plan and the District Retirement Plan. Both plans are in accordance with Internal Revenue Service Code Sections 457 and 401(a). The plans are administered by T. Rowe Price:

1. Social Security Replacement Plan (required participation): The District has opted not to participate in the traditional federal Social Security program by providing a retirement program that privatizes the employee's and employer's social security deductions into individual accounts to be managed by the employee. Each pay period, 6.2% of the employee's check is deposited into a 401 individual retirement plan in conjunction with the District depositing an equal 6.2% contribution into an individual 401 retirement plan. Employees are 20% vested for each year of continuous service and 100% vested with five years of continuous service.
2. District Retirement Plan (optional participation): The District offers an employer matching retirement plan for those full-time employees electing to participate. Participation requires that the employee elects to have 4% of their check deducted and placed into an individual 457 retirement account. If the employee elects to participate in the optional program, the District will contribute a matching 4% of the employee's check into an individual 401 retirement plan. Employees are fully vested from the start of employment.
3. On September 10, 2014, the District's Board of Directors adopted another employee benefit program and amended on November 29, 2022. The program consists of an employer discretionary nonelective contribution of a portion of each eligible employee's salary awarded at the end of each calendar year. Furthermore, the Board of Directors may elect at the end of each calendar year to partially or fully fund this program based on any reason they deem appropriate. Employees are 20% vested for each year of continuous service and 100% vested with five years of continuous service.

Employer contributions to the plans in 2025 were \$194,122. The funds are not available until termination, retirement, death, or unforeseen emergencies. The employer's portion of liability outstanding December 31, 2025 is \$82,758. There is no liability for benefits under the plan beyond the District's payments. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors. Any forfeitures available each year will be used to reduce Employer contributions.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 that apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation. The District has made certain interpretations of the amendment's language in order to determine its compliance.

On November 5, 1996, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR. In 1999, the Colorado Attorney General determined that the District was exempt from TABOR.

SUPPLEMENTARY INFORMATION

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,914,644	\$ 1,905,532	\$ (9,112)
Interest Income	50,000	71,519	21,519
Total Revenues	<u>1,964,644</u>	<u>1,977,051</u>	<u>12,407</u>
EXPENDITURES			
County Treasurer's Fee	19,146	18,953	193
Bond Principal - 2015 Series	1,180,000	1,180,000	-
Bond Interest - 2015 Series	223,860	223,860	-
Paying Agent Fees	300	300	-
Undesignated Contingencies	10,694	-	10,694
Total Expenditures	<u>1,434,000</u>	<u>1,423,113</u>	<u>10,887</u>
NET CHANGE IN FUND BALANCES	530,644	553,938	23,294
Fund Balances - Beginning of Year	<u>742,458</u>	<u>763,677</u>	<u>21,219</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,273,102</u></u>	<u><u>\$ 1,317,615</u></u>	<u><u>\$ 44,513</u></u>

OTHER INFORMATION

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

\$16,460,000 General Obligation Bonds

Dated December 8, 2015

Interest Rate of 2.600%

Principal Due December 1

Interest Payable December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2026	\$ 1,255,000	\$ 193,180	\$ 1,448,180
2027	1,325,000	160,550	1,485,550
2028	1,780,000	126,100	1,906,100
2029	1,495,000	79,820	1,574,820
2030	1,575,000	40,950	1,615,950
Total	<u>\$ 7,430,000</u>	<u>\$ 600,600</u>	<u>\$ 8,030,600</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
SCHEDULE OF ASSESSED VALUATION, MILL LEVY,
AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

<u>Year Ended December 31,</u>	Prior Year Assessed Valuation for Current Year <u>Tax Levy</u>	<u>Mills Levied</u>	<u>Total Property Taxes</u>			<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>		
2021	\$ 406,014,270	15.142	\$ 6,147,868	\$ 6,052,399	(1)	98.45 %
2022	374,176,790	15.142	5,665,785	5,502,872	(2)	97.12
2023	372,507,190	17.642	6,571,772	6,555,859		99.76
2024	499,812,530	17.642	8,817,693	8,820,967		100.04
2025	531,845,550	17.642	9,382,819	9,338,164		99.52
Estimated for the Year Ending December 31, 2026	\$ 562,595,090	17.642	\$ 9,925,303			

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years.

(1) Taxes were abated and refunded, amounting to \$38,522, in collection year ended 2021 per County.

(2) Taxes were abated and refunded, amounting to \$35,396, in collection year ended 2022 per County.

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
ACTUAL
DECEMBER 31, 2025

	2021	2022	2023	2024	2025
REVENUES					
Property Taxes	\$ 4,813,300	\$ 4,376,277	\$ 5,218,080	\$ 7,020,974	\$ 7,432,632
Specific Ownership Taxes	334,555	287,268	315,133	422,984	447,938
Interest Income	113	38,030	112,758	131,128	134,635
Reimbursed Expenditures	49,451	67,745	79,400	13,811	51,343
Events Income	101,946	124,241	9,422	13,500	14,500
Sponsorship Income	42,500	89,500	15,000	-	32,500
Management Fees	-	-	-	20,000	20,000
Miscellaneous Income	2,357	-	-	188,990	-
Hotel Tourism Fee	-	-	274,075	624,580	590,868
Total Revenues	<u>5,344,222</u>	<u>4,983,061</u>	<u>6,023,868</u>	<u>8,435,967</u>	<u>8,724,416</u>
EXPENDITURES					
Current Operating:					
Administration	794,927	927,185	896,094	961,724	1,035,924
Marketing and Communications	3,684,342	1,587,986	1,610,720	2,432,064	2,845,938
Operations	<u>567,836</u>	<u>2,721,331</u>	<u>3,625,115</u>	<u>4,352,276</u>	<u>4,444,057</u>
Total Expenditures	<u>5,047,105</u>	<u>5,236,502</u>	<u>6,131,929</u>	<u>7,746,064</u>	<u>8,325,919</u>
NET CHANGE IN FUND BALANCES	297,117	(253,441)	(108,061)	689,903	398,497
Fund Balances - Beginning of Year	<u>1,275,196</u>	<u>1,572,313</u>	<u>1,318,872</u>	<u>1,210,811</u>	<u>1,900,714</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,572,313</u>	<u>\$ 1,318,872</u>	<u>\$ 1,210,811</u>	<u>\$ 1,900,714</u>	<u>\$ 2,299,211</u>

CHERRY CREEK NORTH BUSINESS IMPROVEMENT DISTRICT NO. 1
(A COMPONENT UNIT OF THE CITY AND COUNTY OF DENVER)
TEN LARGEST TAXPAYERS OF TAXABLE PROPERTY
(Unaudited)
(Assessed Valuation for 2025 Taxes Due in 2026)

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
100 SAINT PAUL LLC	\$ 28,153,340	5.00%
FILLMORE CHERRY CREEK LLC	26,617,040	4.70%
235 FILLMORE PARTNERS LLC	21,148,020	3.80%
SE BCC BUILDING LLC	20,869,840	3.70%
151 DETROIT STREET CF LLC	20,294,120	3.60%
DIAMONDROCK CHERRY CREEK OWNER LLC	18,386,570	3.30%
MILWAUKEE BL LLC	17,916,410	3.20%
240 SP LLC	16,739,030	3.00%
CCN GATEWAY LLC	16,106,070	2.90%
200 CLAYTON LEGACY LLC	15,930,000	2.80%
ALL OTHERS	360,434,650	64.00%
Total	<u><u>\$ 562,595,090</u></u>	<u><u>100.00%</u></u>