

CITY OF CHERRY HILLS VILLAGE, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2021

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FINANCIAL SECTION



JOHN CUTLER

& ASSOCIATES

Honorable Mayor and Members of the City Council
City of Cherry Hills Village
Cherry Hills Village, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cherry Hills Village (the "City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cherry Hills Village as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows, thereof 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 City of Cherry Hills Village, and to meet our 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 the 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the 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 of 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 of the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a - h and the budgetary comparison schedule for the general and major special revenue funds on pages 28-29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the local highway finance report as listed in the table of contents, are presented for purposes of additional analysis and are 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 supplementary information and other information have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luther & Associates, LLC

June 10, 2022

Management's Discussion and Analysis

As management of the City of Cherry Hills Village, we offer this narrative overview and analysis of the financial activities of the City of Cherry Hills Village for the fiscal year that ended December 31, 2021. Please read it in conjunction with the Auditors' Report at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets of the City of Cherry Hills Village exceeded its liabilities at the close of fiscal year 2021 by \$46.4 million (net position). Of this amount, \$21.9 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of fiscal year 2021, the City of Cherry Hills Village governmental funds reported combined ending fund balances of \$24.4 million, an increase of \$3.4 million in comparison with the prior year. Approximately 74% or \$18.0 million is available for spending at the government's discretion (unassigned fund balance).
- At the end of the fiscal year 2021, the fund balance for the general fund was \$19.2 million, of which \$690,599 was committed for capital projects.
- General Fund actual revenues exceeded budgeted revenue by \$2.3 million for the fiscal year 2021 and actual expenditures were \$754,303 less than budgeted expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Cherry Hills Village basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements report information on all activities of the City. The statement of net position includes all the City's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The ***statement of net position*** presents information on all the City of Cherry Hills Village assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Cherry Hills Village is improving or deteriorating.

The ***statement of activities*** presents information showing how the City of Cherry Hills Village net position changed during fiscal year 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the City include general government, judicial, data processing, community development, Village Crier, public safety, public works and parks and recreation.

Fund financial statements. The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes (like the Parks and Recreation Fund) or to show that it is properly using certain taxes and grants (like the Conservation Trust Fund and the Arapahoe County Open Space Fund).

Governmental funds – All of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided that explains the relationship between them.

Proprietary Funds – The City of Cherry Hills Village maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Water and Sewer Fund. This fund is considered to be a major fund of the City of Cherry Hills Village.

Financial Analysis of the City as a Whole

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cherry Hills Village, assets exceeded liabilities by \$46,423,654 at the close of the 2021 fiscal year.

A portion of the City of Cherry Hills Village's net position (46%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The City of Cherry Hills Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City of Cherry Hills Village net position (5%) represents resources that are subject to external restrictions for how they may be used. The remaining balance of unrestricted net position (49% or \$22,694,800) may be used to meet the City's obligations to citizens and creditors.

At the end of the current fiscal year, the City of Cherry Hills Village can report positive balances in net position for the City as a whole, as well as for its governmental activities as a whole. The same situation held true for the prior fiscal year.

City of Cherry Hills Village Net Position

	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities
	2021	2020	2021	2020
Current and other assets	\$30,846,669	\$27,095,241	\$904,221	\$1,787,032
Capital assets	\$32,278,640	\$32,454,962	\$59,365	\$82,977
Total assets	\$63,125,309	\$59,550,203	\$963,586	\$1,870,009
Long-term liabilities outstanding	\$10,766,694	\$11,157,158	\$0	\$0
Other liabilities	\$6,442,839	\$6,157,678	\$150,688	\$517,897
Total liabilities	\$17,209,533	\$17,314,836	\$150,688	\$517,897
Net assets:				
Invested in capital assets, net of related debt	\$21,176,946	\$21,348,418	\$59,365	\$82,977
Restricted	\$2,492,543	\$1,729,942	\$0	\$0
Unrestricted	\$21,941,267	\$18,851,987	\$753,533	\$1,269,135
Total net assets	\$45,610,756	\$41,930,347	\$812,898	\$1,352,112

Changes in Net Position

Governmental activities

- Governmental-type activities increased the City's total net position by \$3,680,409 from 2020.
- The increase in total net position is due to the purchase of equipment and vehicles for the Public Works Department, a new vehicle for the Police Department along with increased revenues and decreased liabilities is most funds.

Business Type Activities

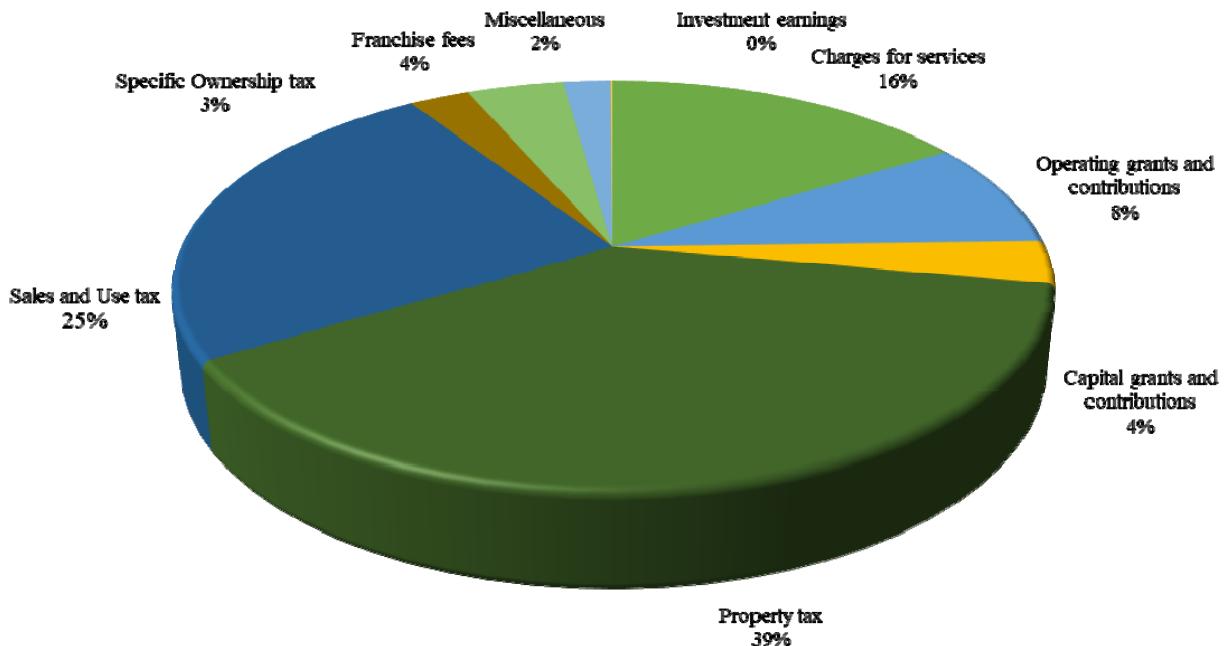
- Business-type activities decreased the City's total net position by \$539,214 from 2020.
- The decrease is primarily due to the approved sewer service project and repayment of shared costs from Southgate Sanitation District, Cherryvale Sanitation District and Country Homes Sanitation District.

City of Cherry Hills Village Changes in Net Position

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020
Revenues				
Program Revenues				
Charges for services	\$2,269,875	\$1,719,560	\$83,420	\$83,420
Operating grants and contributions	\$1,172,265	\$916,975	\$0	\$0
Capital grants and contributions	\$457,654	\$739,867	\$5,550	\$20,100
General Revenues				
Property taxes	\$5,401,954	\$5,426,645	\$0	\$0
Sales and Use taxes	\$3,448,582	\$2,701,021	\$0	\$0
Specific Ownership taxes	\$371,854	\$378,583	\$0	\$0
Franchise fees	\$597,032	\$540,959	\$0	\$0
Miscellaneous	\$299,261	\$191,482	\$617,859	\$0
Investment earnings	\$10,025	\$136,124	\$441	\$7,320
Total revenues	\$14,028,502	\$12,751,216	\$707,270	\$110,840
Expenses				
General Government	\$1,330,654	\$1,439,822	\$0	\$0
Judicial	\$109,063	\$81,826	\$0	\$0
Public Safety	\$3,746,955	\$3,542,624	\$0	\$0
Public Works	\$1,109,639	\$1,209,393	\$0	\$0
Community Development	\$587,617	\$568,147	\$0	\$0
Parks and Recreation	\$3,017,294	\$2,561,028	\$0	\$0
Village Crier	\$35,518	\$33,707	\$0	\$0
Other	\$411,353	\$430,942	\$1,246,484	\$30,677
Total expenses	\$10,348,093	\$9,867,489	\$1,246,484	\$30,677
Increases in net position	\$3,680,409	\$2,852,606	-\$539,214	\$80,163
Net position, beginning	\$41,930,347	\$39,077,741	\$1,352,112	\$1,271,949
Net position, ending	\$45,610,756	\$41,930,347	\$812,898	\$1,352,112

Financial Analysis of the City's Funds

Revenue by Source – Governmental Activities



The City of Cherry Hills Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In 2011, the City adopted a new accounting pronouncement which requires it to classify fund balance based mainly on the extent to which the City is bound to honor constraints on how the funds are allowed to be spent.

Governmental Funds

The focus of the City of Cherry Hills Village governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Cherry Hills Village financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2021, the City of Cherry Hills Village governmental funds reported combined ending fund balances of \$24.4 million, an increase of \$3.4 million in comparison with the prior year. Approximately 74% of this total amount (\$18.0 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed, restricted or is nonspendable.

The General Fund is the chief operating fund of the City of Cherry Hills Village (and is combined with the Capital Fund for audit purposes). At the end of fiscal year 2021, unassigned fund balance of the General Fund, combined with the Capital Fund, was \$18.0 million while total fund balance reached \$19.2 million. As a measure of the Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 236% of total General Fund/Capital Fund expenditures, while total fund balance represents 94% of that same amount.

The Parks and Recreation Fund began receiving revenues in 2006. This fund had a balance of \$1,951,417 at the end of 2021 and will continue to receive property tax revenue as ordered by the South Suburban exclusion.

In 2017 a Capital Projects Fund was created to account for the Certificate of Participation (COP) proceeds and expenditures for the new Public Works Facility, the new City Hall and the improvements to John Meade Park/Alan Hutto Memorial Commons. This fund had a positive balance of \$690,615 at the end of 2021. The only revenue this fund will receive is interest earnings.

Proprietary Fund

The Water and Sewer Fund accounts for all revenue and expenses associated with the consolidation and operations of water and sewer utilities under the auspices of the City. In 2020, sewer repairs and maintenance fees of \$430 per year were charged to residents under the Englewood total service agreement. Expenditures exceed revenues by \$539,214 in this fund 2021.

General Fund Budgetary Highlights

The General Fund expenditures in 2021 were \$754,303 under budget and revenues were \$2,370,617 over budget. The General Fund balance increased by \$2,265,625 and had an ending fund balance of \$19,282,766.

Capital Asset and Debt Administration

Capital assets. The City of Cherry Hills Village investment in capital assets as of December 31, 2021 amounts to \$32.2 million. This investment in capital assets includes land, buildings, vehicles, equipment, art and sewer lines.

Capital asset events during the 2021 fiscal year included the following:

- A new Police Department vehicle in the amount of \$59,920.
- New Public Works Department and Parks Division equipment and vehicle in the amount of \$211,715.
- Chip seal replacement in the amount of \$305,185.

City of Cherry Hills Village's Capital Assets
 (net of accumulated depreciation)

	2021	2020
Land	\$18,912,391	\$15,169,580
CIP	\$0	\$3,742,811
Buildings and Improvements	\$12,244,080	\$12,403,694
Software	\$119,000	\$143,463
Equipment	\$783,870	\$736,615
Art	\$219,299	\$258,799
Sewer Lines	\$59,365	\$82,977
Total Capital Assets	\$32,338,005	\$32,537,939

Long-term debt. At the end of the 2021 fiscal year, the City of Cherry Hills Village had total long-term debt outstanding of \$11,101,694. This total debt represents accrued compensated absences (\$344,537), Certificates of Participation (\$10,402,736) and Charlou Park 3rd Filing General Improvement District bond payable (\$364,421).

Economic Factors, Next Year's Budget and Rates

The City of Cherry Hills Village sales tax rate remains at 3.5% and the mill levy is 14.722.

In preparing the 2021 budget, the City of Cherry Hills Village had to take several factors into consideration. In 2011, the City Council approved the creation of a new Capital Fund and approximately \$9 million of the General Fund balance was transferred to the Capital Fund at that time. The 2021 budget was adopted with a very slight increase in property tax revenues (less than 1%) from 2020 and also a small increase in sales tax and building permit revenue. All other revenues would remain constant or increase slightly due to continued uncertainty surrounding the COVID-19 pandemic.

During the 2021 fiscal year, the fund balance in the General Fund (to include the Capital Fund) increased to \$19.2 million (from \$17.0 million). The General Fund (to include the Capital Fund) balance is projected to end 2022 at approximately \$18.7 million.

The adopted 2021 fiscal year total budget appropriations are \$11.8 million, a decrease of \$653,928 from 2020. This decrease is due to the completion Hampden Avenue underpass, near completion of the sewer project and decreased expenditures in the Capital Fund.

Requests for Information

This financial report is designed to provide a general overview of the City of Cherry Hills Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Doug Farmen
Director of Finance and Administration
(303) 783-2730
dfarmen@cherryhillsvillage.com

or

City of Cherry Hills Village
2450 East Quincy Avenue
Cherry Hills Village, Colorado 80113

BASIC FINANCIAL STATEMENTS

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF NET POSITION
As of December 31, 2021

	GOVERNMENTAL ACTIVITIES	TYPE ACTIVITIES	BUSINESS	
			2021	2020
ASSETS				
Cash and Investments	\$ 22,637,511	\$ 903,683	\$ 23,541,194	\$ 21,741,286
Restricted Cash and Investments	1,477,206	-	1,477,206	580,281
Receivables				
Property Taxes	5,783,371	-	5,783,371	5,435,924
Sales and Other	231,008	-	231,008	581,496
Accounts Receivable	412,553	538	413,091	238,266
Capital Assets, Not Depreciated	18,912,391	-	18,912,391	18,912,391
Capital Assets, Depreciated				
Net of Accumulated Depreciation	13,366,249	59,365	13,425,614	13,625,548
TOTAL ASSETS	62,820,289	963,586	63,783,875	61,115,192
LIABILITIES				
Accounts Payable	289,511	150,688	440,199	247,047
Retainage Payable	-	-	-	-
Accrued Expenses	-	-	-	18,830
Unearned Revenue	36,761	-	36,761	40,000
Escrow Deposits	-	-	-	573,254
Accrued Interest Payable	34,732	-	34,732	35,520
Noncurrent Liabilities				
Due within One Year	335,000	-	335,000	325,000
Due in More Than One Year	10,766,694	-	10,766,694	11,157,158
TOTAL LIABILITIES	11,462,698	150,688	11,613,386	12,396,809
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	5,746,835	-	5,746,835	5,435,924
NET POSITION				
Net Investment in Capital Assets	21,176,946	59,365	21,236,311	21,431,395
Restricted for Parks and Recreation	1,951,417	-	1,951,417	1,353,069
Restricted for Emergencies	499,600	-	499,600	345,000
Restricted for Public Art	41,526	-	41,526	31,873
Unrestricted	21,941,267	753,533	22,694,800	20,121,122
TOTAL NET POSITION	\$ 45,610,756	\$ 812,898	\$ 46,423,654	\$ 43,282,459

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	PROGRAM REVENUES			
		<u>CHARGES FOR SERVICES</u>	OPERATING	CAPITAL	
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 1,330,654	\$ -	\$ 835,361	\$ -	
Judicial	109,063	287,553	-	-	
Community Development	587,617	1,917,298	-	-	
Village Crier	35,518	16,255	-	-	
Public Safety	3,746,955	65,024	-	-	
Public Works	1,109,639	-	336,904	-	
Parks and Recreation	3,017,294	-	-	457,654	
Interest on Long Term Debt	411,353	-	-	-	
 Total Governmental Activities	 10,348,093	 2,286,130	 1,172,265	 457,654	
 Business-Type Activities					
Water and Sewer	1,246,484	83,420	-	5,550	
 Total Business-Type Activities	 1,246,484	 83,420	 -	 5,550	
 Total Primary Government	 \$ 11,594,577	 \$ 2,369,550	 \$ 1,172,265	 \$ 463,204	
GENERAL REVENUES					
Property Taxes					
Specific Ownership Taxes					
Sales and Use Taxes					
Franchise Fees					
Interest					
Miscellaneous					
TOTAL GENERAL REVENUES					
CHANGE IN NET POSITION					
NET POSITION Beginning					
NET POSITION Ending					

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2021	2020
\$ (495,293)	\$ -	\$ (495,293)	\$ (822,968)
178,490	-	178,490	231,866
1,329,681	-	1,329,681	792,909
(19,263)	-	(19,263)	(19,142)
(3,681,931)	-	(3,681,931)	(3,497,812)
(772,735)	-	(772,735)	(909,272)
(2,559,640)	-	(2,559,640)	(1,821,161)
(411,353)	-	(411,353)	(430,942)
<u>(6,432,044)</u>	<u>-</u>	<u>(6,432,044)</u>	<u>(6,476,522)</u>
 -	 (1,157,514)	 (1,157,514)	 72,843
 -	 (1,157,514)	 (1,157,514)	 72,843
 (6,432,044)	 (1,157,514)	 (7,589,558)	 (6,403,679)
 5,401,954	 -	 5,401,954	 5,426,645
371,854	-	371,854	378,583
3,448,582	-	3,448,582	2,701,021
597,032	-	597,032	540,959
10,025	441	10,466	143,444
283,006	617,859	900,865	145,796
<u>10,112,453</u>	<u>618,300</u>	<u>10,730,753</u>	<u>9,336,448</u>
 3,680,409	 (539,214)	 3,141,195	 2,932,769
 41,930,347	 1,352,112	 43,282,459	 40,349,690
 <u>\$ 45,610,756</u>	 <u>\$ 812,898</u>	 <u>\$ 46,423,654</u>	 <u>\$ 43,282,459</u>

CITY OF CHERRY HILLS VILLAGE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2021

	General Fund	Parks and Recreation Fund	Capital Projects Fund	Other Governmental Funds
ASSETS				
Cash and Investments	\$ 18,711,513	\$ 2,060,653	\$ -	\$ 1,865,345
Restricted Cash and Investments	-	-	546,997	930,209
Due From Other Funds	80,701	-	224,319	-
Property Taxes Receivable	2,849,604	2,897,006	-	36,761
Accounts Receivable	412,553	-	-	-
Other Receivables	231,008	-	-	-
TOTAL ASSETS	\$ 22,285,379	\$ 4,957,659	\$ 771,316	\$ 2,832,315
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 153,010	\$ 109,010	\$ -	\$ 27,491
Retainage Payable	-	-	-	-
Accrued Expenses	-	-	-	-
Due To Other Funds	-	-	80,701	224,319
Unearned Revenue	-	-	-	36,761
Escrow Deposits	-	-	-	-
TOTAL LIABILITIES	153,010	109,010	80,701	288,571
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	<u>2,849,604</u>	<u>2,897,231</u>	<u>-</u>	<u>-</u>
FUND EQUITY				
Restricted	541,126	-	690,615	2,543,744
Committed	690,599	1,951,417	-	-
Unassigned	18,051,041	-	-	-
TOTAL FUND EQUITY	19,282,766	1,951,417	690,615	2,543,744
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 22,285,380	\$ 4,957,658	\$ 771,316	\$ 2,832,315

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.

Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include COPs Payable (\$9,915,000), Premium on COPs Payable (\$487,736), Notes Payable (\$354,421) accrued interest payable (\$34,732), and Compensated Absences (\$344,537).

Net position of governmental activities

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

TOTAL GOVERNMENTAL FUNDS	
2021	2020
\$ 22,637,511	\$ 19,956,296
1,477,206	580,281
305,020	305,020
5,783,371	5,435,924
412,553	236,224
231,008	581,496
<u>\$ 30,846,669</u>	<u>\$ 27,095,241</u>

\$ 289,511	\$ 246,987
-	-
-	18,830
305,020	305,020
36,761	40,000
-	55,417
<u>631,292</u>	<u>666,254</u>

<u>5,746,835</u>	<u>5,435,924</u>
3,775,485	2,999,726
2,642,016	3,961,367
<u>18,051,041</u>	<u>14,031,970</u>

<u>24,468,542</u>	<u>20,993,063</u>
-------------------	-------------------

32,278,640 32,454,962

<u>(11,136,426)</u>	<u>(11,517,678)</u>
<u>\$ 45,610,756</u>	<u>\$ 41,930,347</u>

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	General Fund	Parks and Recreation Fund	Capital Projects Fund	Other Governmental Funds
REVENUES				
Property Taxes	\$ 2,625,783	\$ 2,732,957	\$ -	\$ 43,214
Specific Ownership Taxes	371,854	-	-	-
Sales and Use Taxes	3,448,582	-	-	-
Franchise Fees	597,032	-	-	-
Licenses and Permits	1,917,298	-	-	-
Intergovernmental	370,188	136,395	-	1,123,336
Charges for Services	352,577	-	-	-
Miscellaneous	75,330	-	20	223,911
Interest	7,364	504	-	2,157
TOTAL REVENUES	9,766,008	2,869,856	20	1,392,618
EXPENDITURES				
Current				
General Government	1,278,041	-	-	40,948
Judicial	109,063	-	-	-
Community Development	587,617	-	-	-
Village Crier	35,518	-	-	-
Public Safety	3,606,592	-	-	-
Public Works	962,717	-	-	-
Parks and Recreation	-	1,715,897	-	710,678
Debt Service				
Principal	141,750	173,250	-	10,000
Interest	191,807	234,431	-	19,502
Capital Outlay	735,208	-	4	-
TOTAL EXPENDITURES	7,648,313	2,123,578	4	781,128
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,117,695	746,278	16	611,490
OTHER FINANCING SOURCES (USES)				
Proceeds from the Issuance of Debt	-	-	-	-
Operating Transfers	147,930	(147,930)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	147,930	(147,930)	-	-
NET CHANGE IN FUND BALANCES	2,265,625	598,348	16	611,490
FUND BALANCES, Beginning	17,017,141	1,353,069	690,599	1,932,254
FUND BALANCES, Ending	\$ 19,282,766	\$ 1,951,417	\$ 690,615	\$ 2,543,744

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

TOTAL
GOVERNMENTAL
FUNDS

	2021	2020
\$ 5,401,954	\$ 5,426,645	
371,854	378,583	
3,448,582	2,701,021	
597,032	540,959	
1,917,298	1,361,056	
1,629,919	1,656,842	
352,577	358,504	
299,261	191,482	
10,025	136,124	
<hr/>	<hr/>	
14,028,502	12,751,216	

1,318,989	1,384,353	
109,063	81,826	
587,617	568,147	
35,518	33,707	
3,606,592	3,394,048	
962,717	1,053,874	
2,426,575	1,881,013	
<hr/>	<hr/>	
325,000	315,350	
445,740	455,329	
735,212	3,025,068	
<hr/>	<hr/>	
10,553,023	12,192,715	
<hr/>	<hr/>	
3,475,479	558,501	
<hr/>	<hr/>	

-	-	
-	-	
-	-	
<hr/>	<hr/>	
3,475,479	558,501	
<hr/>	<hr/>	
20,993,063	20,434,562	
<hr/>	<hr/>	
\$ 24,468,542	\$ 20,993,063	

CITY OF CHERRY HILLS VILLAGE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 3,475,479
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$403,756) exceeded capital outlays \$227,434, in the current period.	(176,322)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include debt principal payments of \$335,000, amortization of premium \$24,387, change in accrued compensated absences of \$21,077, and change in accrued interest of \$788.	<u>381,252</u>
Change in Net Position of Governmental Activities	<u>\$ 3,680,409</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2021

	2021	2020
ASSETS		
Current Assets		
Cash and Investments	\$ 903,683	\$ 1,784,990
Accounts Receivable	538	2,042
	<hr/>	<hr/>
Total Current Assets	904,221	1,787,032
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	59,365	82,977
	<hr/>	<hr/>
TOTAL ASSETS	963,586	1,870,009
LIABILITIES		
Current Liabilities		
Accounts Payable	150,688	60
Unearned Revenues	-	517,837
	<hr/>	<hr/>
TOTAL LIABILITIES	150,688	517,897
NET POSITION		
Investment in Capital Assets	59,365	82,977
Unrestricted	753,533	1,269,135
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 812,898	\$ 1,352,112

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2021

	2021	2020
OPERATING REVENUES		
Charges for Services	\$ 83,420	\$ 83,420
TOTAL OPERATING REVENUES	<u>83,420</u>	<u>83,420</u>
OPERATING EXPENSES		
Operations	1,220,298	6,614
General and Administrative	2,574	451
Depreciation	<u>23,612</u>	<u>23,612</u>
TOTAL OPERATING EXPENSES	<u>1,246,484</u>	<u>30,677</u>
OPERATING INCOME	<u>(1,163,064)</u>	<u>52,743</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	441	7,320
Miscellaneous	<u>617,859</u>	<u>-</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>618,300</u>	<u>7,320</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(544,764)</u>	<u>60,063</u>
Capital Contributions- Tap Fees	<u>5,550</u>	<u>20,100</u>
CHANGE IN NET POSITION	<u>(539,214)</u>	<u>80,163</u>
NET POSITION Beginning	<u>1,352,112</u>	<u>1,271,949</u>
NET POSITION, Ending	<u>\$ 812,898</u>	<u>\$ 1,352,112</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2021
 Increase (Decrease) in Cash and Cash Equivalents

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 84,924	\$ 82,425
Cash Paid to Suppliers	(1,590,081)	510,832
Net Cash Provided (Used) by Operating Activities	<u>(1,505,157)</u>	<u>593,257</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions	<u>5,550</u>	<u>20,100</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>441</u>	<u>7,320</u>
CASH FLOWS FROM NON-OPERATING ACTIVITIES		
Miscellaneous	<u>617,859</u>	<u>7,320</u>
Net Increase in Cash and Cash Equivalents	<u>(881,307)</u>	<u>620,677</u>
CASH AND CASH EQUIVALENTS, Beginning	<u>1,784,990</u>	<u>1,164,313</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 903,683</u></u>	<u><u>\$ 1,784,990</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	<u><u>\$ (1,163,064)</u></u>	<u><u>\$ 52,743</u></u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	23,612	23,612
Changes in Assets and Liabilities		
Accounts Receivable	1,504	(995)
Accounts Payable	150,628	60
Unearned Revenues	<u>(517,837)</u>	<u>517,837</u>
Total Adjustments	<u>(342,093)</u>	<u>540,514</u>
Net Cash Provided by Operating Activities	<u><u>\$ (1,505,157)</u></u>	<u><u>\$ 593,257</u></u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND - SPECIAL IMPROVEMENT DISTRICT NO.7
December 31, 2021

	Agency Fund
ASSETS	
Cash and Investments	\$ 19,893
Accounts Receivable	<u>7,363</u>
TOTAL ASSETS	<u>\$ 27,256</u>
LIABILITIES	
Due to Property Owners	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ -</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cherry Hills Village, Colorado (the “City”) is a continuation of the City of Cherry Hills Village after adoption of its Home Rule Charter in 1966. The City is governed by a Mayor and six-member council elected by the residents.

The accounting policies of the City of Cherry Hills Village, Colorado conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the City of Cherry Hills Village has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the following organization is included in the City’s reporting entity.

Cherry Hills Village Charlou Park 3rd Filing General Improvement District

The Cherry Hills Village Charlou Park 3rd Filing General Improvement District (the “District”) was established by voters in the November 2018 election. On January 19, 2020, City Council passed an Ordinance declaring the District organized. The purpose of the District is to obtain financing to be repaid with property taxes levied by the District. The District is blended into the City’s financial statements as a special revenue fund. City Council serves as the Board of the District and has significant operational responsibility of the component unit.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments 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 and proprietary 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*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the City reports the following major governmental funds:

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

The *Parks and Recreation Fund* accounts for allocated property tax revenues for parks and recreation activities.

The *Capital Projects Fund* accounts for the City's proceeds from issuance of Certificates of Participation and related capital expenditures.

The City reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

Additionally, the City reports the following fund type:

The *Agency Fund* accounts for resources to support the activities of the Special Improvement District No. 7. The City holds all assets in a purely custodial capacity.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***** (Continued)

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. 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.

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

Property and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	50 years
Machinery and Equipment	10-25 years
Vehicles	5-10 years
Infrastructure (Sewer Lines)	25-50 years

Compensated Absences

The City allows its employees to accrue personal time off (PTO). Employees are expected to manage their PTO banks throughout the year, and banks should not exceed 200 hours. Any excess leave accumulated (over 200 hours) at the end of the year shall be subject to forfeiture except where the employee has been denied the opportunity to take vacation time, or where special circumstances exist, and approval to exceed the limits has been authorized by the City Manager. If approved, hours in excess of the 200 hour maximum will be paid at 100% of the employee's regular hourly pay rate during the year in which the PTO was accrued. Upon separation of employment, up to 200 hours of unused PTO are paid out using the employee's regular hourly pay rate. Hours in excess of 200 are paid out at a rate of 50% of the employee's regular hourly pay rate.

These compensated absences are recognized when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES* (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. At December 31, 2021, the City does not report any nonspendable fund balances.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified the following amounts as restricted:
 1. General Fund: Emergency Reserves of \$499,600 are restricted because its use is restricted by State Statute for declared emergencies. In addition, donations in the amount of \$41,526 are restricted for art purchases.
 2. Capital Projects Fund: The fund balance in this fund is restricted for capital expenditures.
 3. Land Donation Fund: The fund balance in this fund is restricted because its use is restricted by donors.
 4. Open Space Fund: The fund balance in this fund is restricted because its use is restricted by vote.
 5. Conservation Trust Fund: The fund balance in this fund is restricted because its use is restricted by State statute.
 6. CHV Charlou Park GID Fund: The fund balance in this fund is restricted as its use is restricted by vote.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. As of December 31, 2021, the City committed \$690,599 of its General Fund fund balance to be used for capital projects. In addition, the City has committed the fund balance in the Park and Recreation Fund to be used for parks and open space projects and maintenance.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***** (Continued)

- Assigned – This classification includes amounts that are constrained by the City Council intent to be used for specific purposes but are neither restricted nor committed. As of December 31, 2021, the City does not have any assigned fund balances.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: *STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*****

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the City staff submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 2: *STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*(Continued)

- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The City Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- Budgets are legally adopted for all funds of the City. Budgets for the General, Capital Projects, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the City Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: *DEPOSITS AND INVESTMENTS*

A summary of deposits and investments as of December 31, 2021 follows:

Petty Cash	\$ 351
Cash Deposits	2,163,225
Investments	<u>22,854,824</u>
 Total	 <u>\$ 25,018,400</u>

Cash and investments are reported in the financial statements as follows:

Governmental Activities - Unrestricted	\$ 22,637,511
Governmental Activities – Restricted	1,477,206
Business-type Activities	<u>903,683</u>
 Total	 <u>\$ 25,018,400</u>

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: *DEPOSITS AND INVESTMENTS* (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2021, State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The City has no policy regarding custodial credit risk for deposits.

At December 31, 2021, the City had deposits with financial institutions with a carrying amount of \$2,163,225. The bank balances with the financial institutions were \$2,472,376. Of these balances, \$587,695 was covered by federal depository insurance and \$1,884,681 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

The City has a formal investment policy that limits interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily with durations of no longer than five years, money market mutual funds, or similar investment pools.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: *DEPOSITS AND INVESTMENTS*** (Continued)**

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pools

The City had invested \$361,413 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAA by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: *DEPOSITS AND INVESTMENTS* (Continued)

Local Government Investment Pools (Continued)

The City had invested \$22,493,411 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAA by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions.

Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Restricted Cash and Investments

At December 31, 2021, cash and investments in the amount of \$546,997 is restricted for capital expenditures in the Capital Projects Fund, cash in the amount of \$94,848 is restricted in the CHV Charlou Park GID fund as the debt reserve requirement per the Series 2019 Note agreement, and cash in the amount of \$835,361 is restricted in the ARPA fund for approved grant expensitures.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: *CAPITAL ASSETS*

Capital assets activity for the year ended December 31, 2021 is summarized below:

	<u>Balances</u>	<u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u>	<u>12/31/2021</u>
Governmental Activities						
Capital Assets, not depreciated						
Land	\$ 15,169,580	\$ 3,742,811	\$ -	\$ 18,912,391		
Construction in Progress	<u>3,742,811</u>	<u>-</u>	<u>3,742,811</u>	<u>-</u>		
Total Capital Assets, not depreciated	<u>18,912,391</u>	<u>3,742,811</u>	<u>3,742,811</u>	<u>3,742,811</u>		<u>18,912,391</u>
Capital Assets, depreciated						
Buildings	13,261,020	-	-	-	13,261,020	
Software	274,367	-	-	-	274,367	
Art	455,000	-	-	-	455,000	
Machinery and Equipment	<u>3,324,092</u>	<u>227,434</u>	<u>-</u>	<u>-</u>	<u>3,551,526</u>	
Total Capital Assets, depreciated	<u>17,314,479</u>	<u>227,434</u>	<u>-</u>	<u>-</u>	<u>17,541,913</u>	
Less Accumulated Depreciation						
Buildings	857,326	159,614	-	-	1,016,940	
Software	130,904	24,463	-	-	155,367	
Art	196,201	39,500	-	-	235,701	
Machinery and Equipment	<u>2,587,477</u>	<u>180,179</u>	<u>-</u>	<u>-</u>	<u>2,767,656</u>	
Total Accumulated Depreciation	<u>3,771,908</u>	<u>403,756</u>	<u>-</u>	<u>-</u>	<u>4,175,664</u>	
Total Capital Assets, depreciated, Net	<u>13,542,571</u>	<u>(176,322)</u>	<u>-</u>	<u>-</u>	<u>13,366,249</u>	
Governmental Activities, Capital Assets, Net	<u>\$ 32,454,962</u>	<u>\$ 3,566,489</u>	<u>\$ (3,742,811)</u>	<u>\$ 32,278,640</u>		
 Business-Type Activities						
Capital Assets, depreciated						
Sewer Lines	\$ 708,364	\$ -	\$ -	\$ 708,364		
Total Capital Assets, depreciated	<u>708,364</u>	<u>-</u>	<u>-</u>	<u>708,364</u>		
Less: Accumulated Depreciation						
Sewer Lines	625,387	23,612	-	-	648,999	
Total Accumulated Depreciation	<u>625,387</u>	<u>23,612</u>	<u>-</u>	<u>-</u>	<u>648,999</u>	
Business-Type Activities, Capital Assets, Net	<u>\$ 82,977</u>	<u>\$ (23,612)</u>	<u>\$ -</u>	<u>\$ 59,365</u>		

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities

General Government	\$ 33,530
Public Safety	140,363
Public Works	146,922
Parks and Recreation	<u>82,941</u>
 Total	 <u>\$ 403,756</u>

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021.

	Balance 12/31/2020	Additions	Payments	Balance 12/31/2021	Due In One Year
General Obligation Debt:					
2017 COPs	\$ 10,230,000	\$ -	\$ 315,000	\$ 9,915,000	\$ 325,000
2017 COPs Premium	512,123	-	24,387	487,736	-
Debt from Direct Borrowings and Direct Placements:					
2019 GID GO Note Payable	364,421	-	10,000	354,421	10,000
Other General Obligations:					
Compensated Absences	375,614	20,430	51,507	344,537	-
 Total	 <u>\$ 11,482,158</u>	<u>\$ 20,430</u>	<u>\$ 400,894</u>	<u>\$ 11,101,694</u>	<u>\$ 335,000</u>

General Obligation Debt

2017 Certificates of Participation (COPs)

On February 28, 2017, the City issued Certificates of Participation, Series 2017, in the amount of \$11,395,000. Proceeds are used to finance the construction of buildings and improvements to City owned park property. The certificates carry interest rates ranging from 2% to 5% per annum. Principal payments are due annually on November 15 and interest payments are due on May 15 and November 15 through 2041. These Certificates are rated AA+ by S&P Global Ratings.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

The Certificates have been issued in connection with a lease of the property from the City to UMB Bank N.A., and a lease back to the City from the UMB Bank N.A. This lease is subject to annual appropriation by the City. If the Lease is not renewed because of an Event of Nonappropriation has occurred or is terminated because and Event of Default has occurred, the City will be required to vacate or surrender possession of the Leased Property.

Certificates maturing in the years 2017 through 2026 are not subject to redemption prior to their respective maturity dates. Certificates maturing in the year 2027 and thereafter are subject to redemption at the option of the City on December 1, 2026 and any date thereafter at a redemption price equal to par plus accrued interest to the date of redemption. Certificates maturing on December 1, 2036 are also subject to mandatory sinking fund redemption by lot on December 1 of each year at a redemption price equal to the principal amount plus accrued interest to the redemption date.

Debt from Direct Borrowings and Direct Placements

2019 GID General Obligation Note Payable

On March 26, 2019, the Cherry Hills Village Charlou Park 3rd Filing General Improvement District (the District), a blended component unit of the City, issued the General Obligation Note, Series 2020, in the amount of \$375,000. Proceeds are used to finance the construction fund improvements related to underground existing overhead electrical distribution lines. The Series 2020 Note carries interest at a rate of 5.50%. Principal payments are due annually on December 1 and interest payments are due on June 1 and December 1 through 2040. In the event of default, the interest rate of the Series 2019 Note shall be adjusted to 8.50%.

The Series 2019 Note are subject to redemption prior to maturity, at the option of the District on December 1, 2029, and any date thereafter, at a redemption price equal to the principal amount of the Series 2019 Note to be redeemed, without redemption premium, plus accrued interest to the date of redemption.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Other Obligations

Compensated Absences

Compensated Absences are being paid from resources generated by the General Fund.

Annual debt service requirements for the general obligation debt at December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 325,000	\$ 416,788	\$ 741,788
2023	335,000	407,036	742,036
2024	345,000	396,988	741,988
2025	360,000	379,738	739,738
2026	380,000	361,738	741,738
2027-2031	2,185,000	1,513,488	3,698,488
2032-2036	2,670,000	1,026,348	3,696,348
2037-2041	<u>3,315,000</u>	<u>382,124</u>	<u>3,697,124</u>
Total Debt Service Requirements	<u>\$9,915,000</u>	<u>\$ 4,884,248</u>	<u>\$14,799,248</u>

Annual debt service requirements for the direct borrowings and direct placements at December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 10,000	\$ 19,525	\$ 29,525
2023	10,000	18,975	28,975
2024	10,000	18,425	28,425
2025	15,000	17,875	32,875
2026	15,000	17,050	32,050
2026-2030	80,000	72,875	152,875
2031-2035	105,000	48,125	153,125
2036-2040	<u>109,421</u>	<u>15,675</u>	<u>125,096</u>
Total Debt Service Requirements	<u>\$ 354,421</u>	<u>\$ 228,525</u>	<u>\$ 582,945</u>

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 6: *RETIREMENT COMMITMENTS*

Police Pension Plan

Plan Description - The City contributes to a single employer money purchase pension plan (Plan) on behalf of police officers. All full time, paid police employees of the City are members of the Plan.

Funding Policy - The contribution requirements of plan members and the City are established and may be amended by the City Council. Both the City and the employee contribute 8.0% of the employee's covered salary. Employees vest in 25% of the City contributions after one year of employment and an additional 25% each year thereafter. Employees fully vest after four years of participation in the Plan. During the year ending December 31, 2021 the City contributed \$185,354 to the Plan, equal to the required contributions. All Plan assets are managed by the International City/County Management Association Retirement Corporation.

Non-Sworn Managers Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan (the "Plan") on behalf of non-sworn managers. All non-sworn managers are required to participate in the Plan. The contribution requirements are established and may be amended by the City Council. The city is required to contribute 5% the employee's covered salary and employees contribute 11% of covered salary. Employees fully vest in the Plan immediately.

During the year ended December 31, 2021, the City contributed \$41,830 to the Plan, equal to the required contributions. All Plan assets are managed by the International City/County Management Association Retirement Corporation.

Deferred 457 Compensation Plan

The City has a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. Participation in the Plan is optional for employees. The City matches the contribution of participating employees up to 3% of sworn police officer salaries and up to 5% of other non-management employee salaries. Total contributions to the Plan during the year ended December 31, 2021 were \$303,096. The Plan is administered by the International City/County Management Association Retirement Corporation.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 7: CONSOLIDATION OF WATER AND SANITATION DISTRICTS

The City has taken action to dissolve certain water and sanitation districts and other entities which have provided services to areas within the City limits. The City will provide water and sanitation services to these and future areas through service contracts with the Board of Water Commissioners to the City and County of Denver (Denver).

Denver

The City has entered into a “total service” contract with Denver to provide water service within the City’s service area, even though only part of the City is being served at this time. Although the City retains legal title to the water distribution facilities, Denver is responsible for all operations and maintenance, including all replacements of the facilities. Denver bills users within the City directly.

Englewood

The City has entered into a “total service” contract with Englewood to provide water within two small areas of the City. Englewood is responsible for all operations and maintenance, including all replacements of the distribution facilities within the service areas and bills users directly.

NOTE 8: COMMITMENTS AND CONTINGENCIES

South Metro Fire Rescue Authority

The City entered into an MOU with South Metro Fire Rescue Authority in February of 2011 for the planning and design of a public safety facility.

In September of 2011, the City entered into an Intergovernmental Agreement with the Authority to construct, own, and operate a common public safety facility. Ownership of the facility will be determined by a calculation of the aggregate amount of contributions made by each party to the Agreement. Upon completion of the construction, ongoing operating costs will be calculated based on the percentage share of ownership interest. The original Agreement expired in December 31, 2012 and automatically renews upon the same terms and conditions for one-year periods.

The City began construction of the facility in March of 2012 and the construction was substantially completed by December 31, 2012. The City’s Police Department along with the South Metro Fire Rescue Authority moved into the new facility in January of 2013. The City’s portion of the building cost is recorded as Buildings on the City’s government-wide financial statements.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: *COMMITMENTS AND CONTINGENCIES*(Continued)

Under the terms of the operations agreement, South Metro Fire Rescue Authority is responsible for paying 50 percent of the building's utility costs and 20 percent of the building telephone and internet services. During the year ended December 31, 2021, the South Metro Fire Rescue Authority paid \$31,554 to the City for reimbursement of these operating costs under the terms of the agreement.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 1996, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1996 and subsequent years for street improvement projects, capital projects, basic municipal services and/or lawful municipal purposes, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of \$499,600 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHERRY HILLS VILLAGE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2020 ACTUAL
REVENUES					
Property Taxes	\$ 2,675,392	\$ 2,675,392	\$ 2,625,783	\$ (49,609)	\$ 2,648,705
Specific Ownership Taxes	295,000	295,000	371,854	76,854	378,583
Sales and Use Taxes	2,090,000	2,090,000	3,448,582	1,358,582	2,701,021
Franchise Fees	500,000	500,000	597,032	97,032	540,959
Licenses and Permits	966,200	966,200	1,917,298	951,098	1,361,056
Intergovernmental	343,815	343,815	370,188	26,373	946,115
Charges for Services	361,000	361,000	352,577	(8,423)	358,504
Miscellaneous	78,784	78,784	75,330	(3,454)	73,985
Interest	85,200	85,200	7,364	(77,836)	92,099
TOTAL REVENUES	7,395,391	7,395,391	9,766,008	2,370,617	9,101,027
EXPENDITURES					
Current					
General Government	1,922,038	1,963,238	1,278,041	685,197	1,271,498
Judicial	94,508	94,508	109,063	(14,555)	81,826
Community Development	552,739	552,739	587,617	(34,878)	568,147
Village Crier	38,936	38,936	35,518	3,418	33,707
Public Safety	3,414,172	3,414,172	3,606,592	(192,420)	3,394,048
Public Works	1,027,441	1,027,441	962,717	64,724	1,053,874
Debt Service					
Principal	141,750	141,750	141,750	-	137,250
Interest	191,807	191,807	191,807	-	195,774
Capital Outlay	978,025	978,025	735,208	242,817	1,143,924
TOTAL EXPENDITURES	8,361,416	8,402,616	7,648,313	754,303	7,880,048
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(966,025)	(1,007,225)	2,117,695	3,124,920	1,220,979
OTHER FINANCING SOURCES (USES)					
Transfers In	-	188,000	147,930	(40,070)	143,715
NET CHANGE IN FUND BALANCE	(966,025)	(819,225)	2,265,625	3,084,850	1,364,694
FUND BALANCE, Beginning	-	16,333,729	17,017,141	683,412	15,652,447
FUND BALANCE, Ending	\$ (966,025)	\$ 15,514,504	\$ 19,282,766	\$ 3,768,262	\$ 17,017,141

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

PARKS AND RECREATION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021			VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Property Taxes	\$ 2,720,104	\$ 2,720,104	\$ 2,732,957	\$ 12,853	\$ 2,737,333
Intergovernmental	125,000	125,000	136,395	11,395	403,511
Interest	10,000	10,000	504	(9,496)	5,662
TOTAL REVENUES	2,855,104	2,855,104	2,869,856	14,752	3,146,506
EXPENDITURES					
Current					
Personal Services	1,209,902	1,213,175	1,104,925	108,250	1,063,717
Supplies and Materials	49,842	49,842	42,198	7,644	40,424
Utilities	53,702	53,702	45,057	8,645	40,649
Contractual Services	227,511	232,865	177,850	55,015	114,182
Maintenance	98,275	98,275	65,013	33,262	48,156
Other	418,811	418,811	280,854	137,957	151,721
Capital Outlay	-	-	-	-	926,746
Debt Service					
Principal	173,250	173,250	173,250	-	167,750
Interest	234,431	234,431	234,431	-	239,280
TOTAL EXPENDITURES	2,465,724	2,474,351	2,123,578	350,773	2,792,625
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	389,380	380,753	746,278	365,525	353,881
OTHER FINANCING SOURCES (USES)					
Transfers Out	(188,000)	(188,000)	(147,930)	(40,070)	(143,715)
NET CHANGE IN FUND BALANCE	201,380	192,753	598,348	405,595	210,166
FUND BALANCE, Beginning	1,083,625	1,083,625	1,353,069	269,444	1,142,903
FUND BALANCE, Ending	\$ 1,285,005	\$ 1,276,378	\$ 1,951,417	\$ 675,039	\$ 1,353,069

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF CHERRY HILLS VILLAGE, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

December 31, 2021

	LAND DONATION FUND	COUNTY OPEN SPACE FUND	ARAPAHOE CONSERVATION TRUST FUND	CHV CHARLOU PARK GID FUND
ASSETS				
Cash and Investments	\$ 350,997	\$ 1,029,714	\$ 484,634	\$ -
Restricted Cash and Investments	-	-	-	94,848
Accounts Receivable	-	-	-	-
Property Taxes Receivable	-	-	-	36,761
TOTAL ASSETS	\$ 350,997	\$ 1,029,714	\$ 484,634	\$ 131,609
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 762	\$ 9,579	\$ 17,150	\$ -
Due To Other Funds	-	224,319	-	-
Unearned Revenue	-	-	-	36,761
TOTAL LIABILITIES	762	233,898	17,150	36,761
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	-	-	-	-
FUND BALANCES				
Restricted	350,235	795,816	467,484	94,848
TOTAL FUND BALANCES	350,235	795,816	467,484	94,848
TOTAL LIABILITIES AND FUND BALANCES	\$ 350,997	\$ 1,029,714	\$ 484,634	\$ 131,609

See the accompanying independent auditors' report.

ARPA FUND	TOTALS	
	2021	2020
\$ -	\$ 1,865,345	\$ 2,205,347
835,361	930,209	33,300
-	-	-
-	<u>36,761</u>	<u>40,428</u>
<u>\$ 835,361</u>	<u>\$ 2,832,315</u>	<u>\$ 2,279,075</u>
\$ -	\$ 27,491	\$ 42,074
-	224,319	224,319
-	<u>36,761</u>	<u>40,000</u>
-	<u>288,571</u>	<u>306,393</u>
-	-	<u>40,428</u>
<u>835,361</u>	<u>2,543,744</u>	<u>1,932,254</u>
<u>835,361</u>	<u>2,543,744</u>	<u>1,932,254</u>
<u>\$ 835,361</u>	<u>\$ 2,832,315</u>	<u>\$ 2,279,075</u>

CITY OF CHERRY HILLS VILLAGE, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2021

	LAND DONATION FUND	COUNTY OPEN SPACE FUND	ARAPAHOE CONSERVATION TRUST FUND	CHV CHARLOU PARK GID FUND
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 43,214
Intergovernmental	2,173	205,035	80,767	-
Other	8,361	215,550	-	-
Interest	524	1,395	101	137
TOTAL REVENUES	11,058	421,980	80,868	43,351
EXPENDITURES				
General Government	39,753	-	-	1,195
Parks and Recreation	-	682,000	28,678	-
Debt Service				
Principal	-	-	-	10,000
Interest	-	-	-	19,502
TOTAL EXPENDITURES	39,753	682,000	28,678	30,697
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,695)	(260,020)	52,190	12,654
OTHER FINANCING SOURCES				
Proceeds from the Issuance of Debt	-	-	-	-
CHANGE IN FUND BALANCES	(28,695)	(260,020)	52,190	12,654
FUND BALANCES, Beginning	378,930	1,055,836	415,294	82,194
FUND BALANCES, Ending	\$ 350,235	\$ 795,816	\$ 467,484	\$ 94,848

See the accompanying independent auditors' report.

ARPA FUND	TOTALS	
	2021	2020
\$ -	\$ 43,214	\$ 40,607
835,361	1,123,336	307,216
-	223,911	17,497
-	2,157	34,003
<hr/>	<hr/>	<hr/>
835,361	<u>1,392,618</u>	<u>399,323</u>
<hr/>	<hr/>	<hr/>
-	40,948	109,187
-	710,678	422,164
-	10,000	10,350
-	19,502	20,275
<hr/>	<hr/>	<hr/>
-	<u>781,128</u>	<u>561,976</u>
<hr/>	<hr/>	<hr/>
835,361	<u>611,490</u>	<u>(162,653)</u>
<hr/>	<hr/>	<hr/>
-	-	-
835,361	611,490	(162,653)
<hr/>	<hr/>	<hr/>
-	<u>1,932,254</u>	<u>2,094,907</u>
<hr/>	<hr/>	<hr/>
\$ 835,361	<u>\$ 2,543,744</u>	<u>\$ 1,932,254</u>

CITY OF CHERRY HILLS VILLAGE, COLORADO

LAND DONATION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Intergovernmental	\$ 1,000	\$ 2,173	\$ 1,173	\$ -
Other	4,000	8,361	4,361	12,691
Interest	<u>6,500</u>	<u>524</u>	<u>(5,976)</u>	<u>9,011</u>
TOTAL REVENUES	<u>11,500</u>	<u>11,058</u>	<u>(442)</u>	<u>21,702</u>
EXPENDITURES				
General and Administrative	<u>61,621</u>	<u>39,753</u>	<u>21,868</u>	<u>108,725</u>
TOTAL EXPENDITURES	<u>61,621</u>	<u>39,753</u>	<u>21,868</u>	<u>108,725</u>
NET CHANGE IN FUND BALANCE	(50,121)	(28,695)	21,426	(87,023)
FUND BALANCE, Beginning	<u>295,255</u>	<u>378,930</u>	<u>83,675</u>	<u>465,953</u>
FUND BALANCE, Ending	<u>\$ 245,134</u>	<u>\$ 350,235</u>	<u>\$ 105,101</u>	<u>\$ 378,930</u>

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

ARAPAHOE COUNTY OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
				2020	ACTUAL
REVENUES					
Open Space Shareback	\$ 160,000	\$ 160,000	\$ 197,602	\$ 37,602	\$ 187,543
Intergovernmental	3,000	3,000	7,433	4,433	51,070
Other	225,000	225,000	215,550	(9,450)	4,806
Interest	10,000	10,000	1,395	(8,605)	23,084
TOTAL REVENUES	398,000	398,000	421,980	23,980	266,503
EXPENDITURES					
Parks and Recreation	645,000	758,910	682,000	76,910	353,987
TOTAL EXPENDITURES	645,000	758,910	682,000	76,910	353,987
NET CHANGE IN FUND BALANCE	(247,000)	(360,910)	(260,020)	100,890	(87,484)
FUND BALANCE, Beginning	653,018	653,018	1,055,836	402,818	1,143,320
FUND BALANCE, Ending	\$ 406,018	\$ 292,108	\$ 795,816	\$ 503,708	\$ 1,055,836

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES				
Intergovernmental	\$ 60,000	\$ 80,767	\$ 20,767	\$ 68,603
Other	19,308	-	(19,308)	-
Interest	1,700	101	(1,599)	1,671
TOTAL REVENUES	<u>81,008</u>	<u>80,868</u>	<u>(140)</u>	<u>70,274</u>
EXPENDITURES				
Parks and Recreation	44,500	28,678	15,822	68,177
TOTAL EXPENDITURES	<u>44,500</u>	<u>28,678</u>	<u>15,822</u>	<u>68,177</u>
NET CHANGE IN FUND BALANCE	36,508	52,190	(15,962)	2,097
FUND BALANCE, Beginning	<u>424,725</u>	<u>415,294</u>	<u>(9,431)</u>	<u>413,197</u>
FUND BALANCE, Ending	<u>\$ 461,233</u>	<u>\$ 467,484</u>	<u>\$ 6,251</u>	<u>\$ 415,294</u>

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

CHV CHARLOU PARK GID FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES				
Property Taxes	\$ 40,428	\$ 40,428	\$ -	\$ 38,368
Specific Ownership Taxes	3,234	2,786	(448)	2,239
Interest	-	137	137	237
TOTAL REVENUES	<u>43,662</u>	<u>43,351</u>	<u>(311)</u>	<u>40,844</u>
EXPENDITURES				
General and Administrative	3,606	1,195	2,411	462
Capital Outlay	-	-	-	-
Debt Service				
Principal	10,000	10,000	-	10,350
Interest	20,075	19,502	573	20,275
TOTAL EXPENDITURES	<u>33,681</u>	<u>30,697</u>	<u>2,984</u>	<u>31,087</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,981</u>	<u>12,654</u>	<u>2,673</u>	<u>9,757</u>
OTHER FINANCING SOURCES				
Proceeds from Issuance of Debt	-	-	-	-
NET CHANGE IN FUND BALANCE	9,981	12,654	2,673	9,757
FUND BALANCE, Beginning	<u>43,662</u>	<u>82,194</u>	<u>38,532</u>	<u>72,437</u>
FUND BALANCE, Ending	<u><u>\$ 53,643</u></u>	<u><u>\$ 94,848</u></u>	<u><u>\$ 41,205</u></u>	<u><u>\$ 82,194</u></u>

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

ARPA FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
				2020 ACTUAL
REVENUES				
Intergovernmental	\$ -	\$ 835,361	\$ 835,361	\$ -
TOTAL REVENUES	-	835,361	835,361	-
EXPENDITURES				
General and Administrative	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	835,361	835,361	-
OTHER FINANCING SOURCES				
Transfers Out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	835,361	835,361	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ 835,361	\$ 835,361	\$ -

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
			2020 ACTUAL
REVENUES			
Interest	\$ -	\$ -	\$ - 4,360
Other	-	20	20 100,000
TOTAL REVENUES	-	20	20 104,360
EXPENDITURES			
General and Administrative	-	-	- 3,668
Capital Outlay	-	4	(4) 954,398
TOTAL EXPENDITURES	-	4	(4) 958,066
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	16	16 (853,706)
FUND BALANCE, Beginning	-	690,599	690,599 1,544,305
FUND BALANCE, Ending	\$ -	\$ 690,615	\$ 690,615 \$ 690,599

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

WATER AND SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021		Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Tap Fees	\$ 5,000	\$ 5,550	\$ 550	\$ 20,100
Sewer Repairs and Maintenance Fees	69,660	83,420	13,760	83,420
Miscellaneous	63,000	617,859	554,859	-
Interest	8,000	441	(7,559)	7,320
TOTAL REVENUES	145,660	707,270	561,610	110,840
EXPENDITURES				
Legal Fees	2,000	1,905	95	195
Contractual Services	20,000	413	19,587	-
Repairs and Maintenance	703,701	1,220,298	(516,597)	6,614
Other	500	256	244	256
Depreciation Expense	23,612	23,612	-	23,612
TOTAL EXPENDITURES	749,813	1,246,484	(496,671)	30,677
NET INCOME	\$ (604,153)	(539,214)	\$ 64,939	80,163
NET POSITION, Beginning		1,352,112		1,271,949
NET POSITION, Ending		\$ 812,898		\$ 1,352,112

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended December 31, 2021

	BALANCE DECEMBER 31, 2020	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31, 2021
ASSETS				
Cash and Investments	\$ -	\$ 19,893	\$ -	\$ 19,893
Due from Others	<u>-</u>	<u>7,363</u>	<u>-</u>	<u>7,363</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 27,256</u>	<u>\$ -</u>	<u>\$ 27,256</u>
LIABILITIES				
Due Property Owners	-	-	-	-
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT		City or County: Arapahoe		
		YEAR ENDING : December 2021		
This Information From The Records Of (example - City of _ or County of City of Cherry Hills Village		Prepared By: Jessica Sager Phone: 303-783-2730		
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from local sources:		A. Local highway disbursements:		
1. Local highway-user taxes		1. Capital outlay (from page 2)	398,465	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	750,751	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a.+b.)		a. Traffic control operations	15,297	
2. General fund appropriations	1,027,441	b. Snow and ice removal	51,063	
3. Other local imposts (from page 2)	459,629	c. Other	3,665	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	70,024	
5. Transfers from toll facilities		4. General administration & miscellaneous	230,335	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	321,652	
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,771,228	
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:		
c. Notes	0	1. Bonds:		
d. Total (a. + b. + c.)	0	a. Interest	0	
7. Total (1 through 6)	1,487,070	b. Redemption	0	
B. Private Contributions		c. Total (a. + b.)	0	
C. Receipts from State government (from page 2)	273,371	2. Notes:		
D. Receipts from Federal Government (from page 2)	0	a. Interest	0	
E. Total receipts (A.7 + B + C + D)	1,760,441	b. Redemption	0	
		c. Total (a. + b.)	0	
		3. Total (1.c + 2.c)	0	
		C. Payments to State for highways	0	
		D. Payments to toll facilities	0	
		E. Total disbursements (A.6 + B.3 + C + D)	1,771,228	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0
V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
	0	1,760,441	1,771,228	0
				(10,787)
Notes and Comments:				

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	459,629	g. Other Misc. Receipts	
6. Total (1. through 5.)	459,629	h. Other	
c. Total (a. + b.)	459,629	i. Total (a. through h.)	0
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	249,129	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	24,242	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	24,242	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	273,371	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		7,517	7,517
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		390,948	390,948
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	390,948	390,948
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	398,465	398,465
		(Carry forward to page 1)	

Notes and Comments: