

CITY OF CHERRY HILLS VILLAGE, COLORADO

FINANCIAL STATEMENTS

December 31, 2007

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying 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, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements of the City of Cherry Hills Village, as listed in the table of contents. These financial statements are the responsibility of the City of Cherry Hills Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred 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, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the City of Cherry Hills Village's basic financial statements. The combining and individual fund financial statements and schedules and state compliance 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

April 18, 2008

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, 2007. 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 2007 by \$19 million (net assets). Of this amount, \$11.5 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of fiscal year 2007, the City of Cherry Hills Village's governmental funds reported combined ending fund balances of \$11.6 million, an increase of \$2.4 million in comparison with the prior year. Approximately 91%, \$10 million, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the fiscal year 2007, fund balance for the general fund was \$10.7 million.
- General fund actual revenues exceeded budgeted revenue by \$548,233 for the fiscal year 2007 and actual expenditures were \$468,972 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's basic financial statements. The basic financial statements comprise 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 assets includes all of the City's assets and liabilities. All of 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 assets* presents information on all of the City of Cherry Hills Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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's net assets changed during fiscal year 2007. All changes in net assets 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, recreation and open space.

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 that can readily 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 or not 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 (or differences) 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 assets. As noted earlier, net assets 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 \$19,055,336 at the close of the 2007 fiscal year.

A portion of the City of Cherry Hills Village's net assets (34% total) 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's net assets (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$11,550,113) 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 is able to report positive balances in net assets 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 Assets

	Governmental Activities 2007	Governmental Activities 2006	Business-Type Activities 2007	Business-Type Activities 2006
Current and other assets	\$16,336,566	\$13,192,549	\$1,135,250	\$1,066,949
Capital assets	\$15,260,394	\$15,260,455	\$399,347	\$426,097
Total assets	\$31,596,960	\$28,453,004	\$1,534,597	\$1,493,046
Long-term liabilities outstanding	\$9,373,482	\$9,343,865	\$0	\$0
Other liabilities	\$4,677,817	\$3,933,524	\$24,922	\$29,140
Total liabilities	\$14,051,299	\$13,277,389	\$24,922	\$29,140
Net assets:				
Invested in capital assets, net of related debt	\$6,110,902	\$6,110,963	\$399,347	\$426,097
Restricted	\$994,974	\$815,340	\$0	\$0
Unrestricted	\$10,439,785	\$8,249,312	\$1,110,328	\$1,037,809
Total net assets	\$17,545,661	\$15,175,615	\$1,509,675	\$1,463,906

Changes in Net Assets

Governmental activities

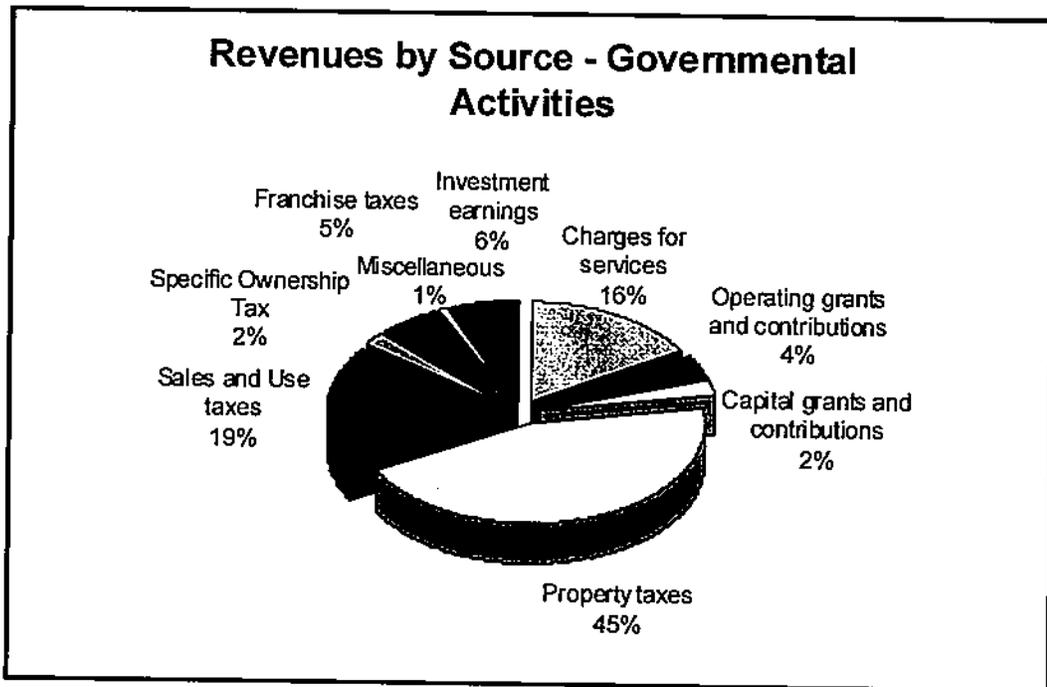
- Governmental-type activities increased the City's total net assets by \$2,370,046 from 2006.
- The increase in total net assets was due to an increase in cash and investments from operations.

Business Type Activities

- Business-type activities increased the City's total net assets by \$45,769 from 2006.

City of Cherry Hills Village Changes in Net Assets

	Governmental Activities 2007	Governmental Activities 2006	Business- type Activities 2007	Business- type Activities 2006
Revenues				
Program Revenues				
Charges for services	\$1,380,401	\$1,550,612	\$30,135	\$32,262
Operating grants and contributions	\$352,611	\$363,362	\$0	\$0
Capital grants and contributions	\$188,312	\$246,313	\$9,075	\$49,225
General Revenues				
Property taxes	\$3,818,958	\$3,746,820	\$0	\$0
Sales and Use taxes	\$1,596,912	\$1,445,044	\$0	\$0
Specific Ownership taxes	\$179,750	\$179,232	\$0	\$0
Franchise taxes	\$472,280	\$447,698	\$0	\$0
Miscellaneous	\$77,940	\$141,766	\$0	\$0
Investment earnings	\$554,518	\$450,939	\$35,283	\$31,806
Total revenues	\$8,621,682	\$8,571,786	\$74,493	\$113,293
Expenses				
General Government	\$1,209,491	\$1,219,261	\$0	\$0
Judicial	\$86,461	\$36,759	\$0	\$0
Data Processing	\$67,874	\$25,118	\$0	\$0
Public Safety	\$1,922,720	\$1,839,177	\$0	\$0
Public Works	\$1,330,782	\$1,090,080	\$0	\$0
Community Development	\$454,794	\$414,426	\$0	\$0
Parks, Recreation, and Open Space	\$1,165,653	\$1,261,657	\$0	\$0
Village Crier	\$13,861	\$14,337	\$0	\$0
Other			\$28,724	\$29,909
Total expenses	\$6,251,636	\$5,900,815	\$28,724	\$29,909
Increases in net assets	\$2,370,046	\$2,670,971	\$45,769	\$83,384
Net assets, beginning	\$15,175,615	\$12,504,644	\$1,463,906	\$1,380,522
Net assets, ending	\$17,545,661	\$15,175,615	\$1,509,675	\$1,463,906



Financial Analysis of the City's Funds

The City of Cherry Hills Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Cherry Hills Village's 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's financing requirements. In particular, unreserved 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 2007, the City of Cherry Hills Village's governmental funds reported combined ending fund balances of \$11.6 million, an increase of \$2.4 million in comparison with the prior year. Approximately 92% of this total amount (\$10.6 million) constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for prepaid items (\$1,912) and 2) for parks (\$741,974) and 3) for emergencies (\$253,000).

The general fund is the chief operating fund of the City of Cherry Hills Village. At the end of fiscal year 2007, unreserved fund balance of the general fund was \$10.5 million, while total fund balance reached \$10.7 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 193% of total

general fund expenditures, while total fund balance represents 198% of that same amount.

The Parks and Recreation Fund began receiving revenues in 2006. This fund had a positive balance of \$59,998 at the end of 2007 due to the fact that a principle and interest payment was not made on the assets granted to the City when we excluded from South Suburban. This fund will continue to receive revenues as ordered by the exclusion.

On March 22, 2007 the Colorado Court of Appeals sent the litigation between the Village and South Suburban Park and Recreation District back to the trial judge for further proceedings. This litigation involves the Village's decision to withdraw from South Suburban following the 2003 Village election authorizing exclusion. There was a trial, and in August 2004, the trial judge approved the exclusion, but ordered the Village to pay South Suburban \$9,660,838, the fair market value of certain parks and facilities in the Village.

Both parties appealed the trial judge's order. Under the Court of Appeals decision, the exclusion stands, but the Court held that Colorado law does not require payment of fair market value as a condition for exclusion under these circumstances. The trial judge must reconsider the evidence and make new findings to support any judgment awarding compensation to South Suburban. The trial judge allowed both parties to file additional briefs. The City is currently waiting for the ruling by the trial judge.

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. Sewer administration fees of \$12 per year and sewer repairs and maintenance fees of \$150 per year are charged to residents under the Englewood total service agreement. Revenues of this fund exceeded expenses by \$45,769 in 2007.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget.

The general fund expenditures were \$468,972 under budget and revenues were \$548,233 over budget. There was \$180,000 in the budget for a new records management system for the Police Department. This project was not completed and was rebudgeted for 2008. The General Fund balance was increased by over \$1 million dollars in 2008.

Capital Asset and Debt Administration

Capital assets. The City of Cherry Hills Village's investment in capital assets as of December 31, 2007 amounts to \$15.7 million. This investment in capital assets includes land, construction in process, building improvements, and equipment.

Major capital asset events during the 2007 fiscal year included the following:

- Police equipment purchases in the amount of \$57,063
- Police vehicles/motorcycle purchases in the amount of \$77,852
- Public Works equipment purchases in the amount of \$81,057

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

	2007	2006
Land	\$13,459,981	\$13,459,981
CIP	\$403,682	\$403,682
Buildings and Improvements	\$576,040	\$590,651
Equipment	\$820,691	\$806,141
Sewer Lines	\$399,347	\$426,097
Total Capital Assets	\$15,659,741	\$15,686,552

Long-term debt. At the end of the 2007 fiscal year, the City of Cherry Hills Village had total long-term debt outstanding of \$9,373,482. This total debt represents the South Suburban obligation and accrued compensated absences. As a result of the Court of Appeals judgment in the South Suburban Exclusion Litigation, the City did not make payment to the District in 2007. The Court of Appeals Opinion stated:

“The order is vacated, and the case is remanded for further proceedings. On remand, the trial court shall delete its finding that the ‘fair and equitable’ criteria alone required Cherry Hills to reimburse the District for FMV of the facilities and may revise its other findings and conclusions consistently with this opinion. The court shall not take further evidence, but may in its discretion allow additional briefing. Without knowing the extent of such amended findings, we cannot now determine whether the record otherwise supports an award of FMV.”

Based on the Court of Appeals Opinion, the City did not pay South Suburban any amounts for “fair market value,” as doing so would be inconsistent with the Court of Appeals Opinion.

Economic Factors And Next Year's Budgets And Rates

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

In preparing the 2008 budget, the City of Cherry Hills Village had to take several factors into consideration. The 2008 budget was adopted on the assumption that General Fund revenues would remain somewhat constant compared to 2007.

During the 2007 fiscal year, fund balance in the General Fund increased to \$10.7 million (from \$9.7 million). The General Fund balance is projected to increase slightly by the end of 2008.

The adopted 2008 fiscal year budget is \$9 million, an increase of \$1.1 million from 2007. A principle and interest payment of \$932,588 to South Suburban is included in Fund 30 of the 2008 budget.

Requests For Information

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

Karen Proctor
Director of Finance and Administration
City of Cherry Hills Village
2450 E. Quincy Ave.
Cherry Hills Village, Colorado 80113

BASIC FINANCIAL STATEMENTS

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF NET ASSETS

December 31, 2007

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
			2007	2006
ASSETS				
Cash and Investments	\$ 11,591,686	\$ 1,129,887	\$ 12,721,573	\$ 10,400,701
Taxes Receivable	4,668,374	-	4,668,374	3,799,973
Other Receivables	74,594	5,363	79,957	46,733
Prepaid Expenses	1,912	-	1,912	12,091
Capital Assets, Not Being Depreciated	13,863,663	-	13,863,663	13,863,663
Capital Assets, Net of Accumulated Depreciation	<u>1,396,731</u>	<u>399,347</u>	<u>1,796,078</u>	<u>1,822,889</u>
TOTAL ASSETS	<u>31,596,960</u>	<u>1,534,597</u>	<u>33,131,557</u>	<u>29,946,050</u>
LIABILITIES				
Accounts Payable	142,621	-	142,621	145,555
Deferred Revenues	4,457,912	-	4,457,912	3,759,129
Escrow Accounts	77,284	24,922	102,206	57,980
Noncurrent Liabilities				
Due Within One Year	1,070,528	-	1,070,528	522,683
Due In More Than One Year	<u>8,302,954</u>	<u>-</u>	<u>8,302,954</u>	<u>8,821,182</u>
TOTAL LIABILITIES	<u>14,051,299</u>	<u>24,922</u>	<u>14,076,221</u>	<u>13,306,529</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	6,110,902	399,347	6,510,249	6,537,060
Restricted for Parks	741,974	-	741,974	563,840
Restricted for Emergencies	253,000	-	253,000	251,500
Unrestricted	<u>10,439,785</u>	<u>1,110,328</u>	<u>11,550,113</u>	<u>9,287,121</u>
TOTAL NET ASSETS	<u>\$ 17,545,661</u>	<u>\$ 1,509,675</u>	<u>\$ 19,055,336</u>	<u>\$ 16,639,521</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2007

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,209,491	\$ 41,241	\$ -	\$ -
Judicial	86,461	-	-	-
Data Processing	67,874	-	-	-
Community Development	454,794	941,960	-	-
Village Crier	13,861	-	-	-
Public Safety	1,922,720	391,460	-	-
Public Works	1,330,782	5,740	352,611	-
Parks, Recreation, and Open Space	1,165,653	-	-	188,312
Total Governmental Activities	6,251,636	1,380,401	352,611	188,312
Business-Type Activities				
Water and Sewer Utility	28,724	30,135	-	9,075
Total Business-Type Activities	28,724	30,135	-	9,075
TOTAL PRIMARY GOVERNMENT	\$ 6,280,360	\$ 1,410,536	\$ 352,611	\$ 197,387

GENERAL REVENUES

Property Taxes
 Specific Ownership Taxes
 Sales and Use Taxes
 Franchise Taxes
 Excise Taxes
 Investment Income
 Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET ASSETS

NET ASSETS, Beginning

NET ASSETS, Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
		2007	2006
\$ (1,168,250)	\$ -	\$ (1,168,250)	\$ (1,178,846)
(86,461)	-	(86,461)	(36,759)
(67,874)	-	(67,874)	(25,118)
487,166	-	487,166	786,547
(13,861)	-	(13,861)	(14,337)
(1,531,260)	-	(1,531,260)	(1,535,108)
(972,431)	-	(972,431)	(721,563)
(977,341)	-	(977,341)	(1,015,344)
<u>(4,330,312)</u>	<u>-</u>	<u>(4,330,312)</u>	<u>(3,740,528)</u>
-	10,486	10,486	51,578
-	10,486	10,486	51,578
<u>(4,330,312)</u>	<u>10,486</u>	<u>(4,319,826)</u>	<u>(3,688,950)</u>
3,818,958	-	3,818,958	3,746,820
179,750	-	179,750	179,232
1,596,912	-	1,596,912	1,445,044
472,280	-	472,280	447,698
-	-	-	92,000
554,518	35,283	589,801	482,745
77,940	-	77,940	49,766
<u>6,700,358</u>	<u>35,283</u>	<u>6,735,641</u>	<u>6,443,305</u>
2,370,046	45,769	2,415,815	2,754,355
<u>15,175,615</u>	<u>1,463,906</u>	<u>16,639,521</u>	<u>13,885,166</u>
<u>\$ 17,545,661</u>	<u>\$ 1,509,675</u>	<u>\$ 19,055,336</u>	<u>\$ 16,639,521</u>

CITY OF CHERRY HILLS VILLAGE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

	GENERAL	PARKS AND RECREATION	OTHER GOVERNMENTAL FUNDS	TOTAL	
				2007	2006
ASSETS					
Cash and Investments	\$ 9,065,678	\$ 1,658,954	\$ 867,054	\$ 11,591,686	\$ 9,335,161
Taxes Receivable	2,692,350	1,976,024	-	4,668,374	3,799,973
Other Receivables	47,885	24,295	2,414	74,594	45,324
Prepaid Items	1,637	275	-	1,912	12,091
Advance to Other Funds	1,542,491	-	-	1,542,491	1,542,491
TOTAL ASSETS	\$ 13,350,041	\$ 3,659,548	\$ 869,468	\$ 17,879,057	\$ 14,735,040
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 39,401	\$ 78,943	\$ 24,277	\$ 142,621	\$ 145,555
Deferred Revenues	2,479,796	1,978,116	-	4,457,912	3,759,129
Escrow Accounts	77,284	-	-	77,284	28,840
Advance from Other Funds	-	1,542,491	-	1,542,491	1,542,491
TOTAL LIABILITIES	2,596,481	3,599,550	24,277	6,220,308	5,476,015
FUND BALANCES					
Reserved for Prepaid Items	1,637	275	-	1,912	12,091
Reserved for Parks	-	59,723	682,251	741,974	563,840
Reserved for Emergencies	253,000	-	-	253,000	251,500
Unreserved, Reported in					
General Fund	10,498,923	-	-	10,498,923	9,467,419
Special Revenue Fund	-	-	-	-	(1,158,277)
Capital Projects Fund	-	-	162,940	162,940	122,452
TOTAL FUND BALANCES	10,753,560	59,998	845,191	11,658,749	9,259,025
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,350,041	\$ 3,659,548	\$ 869,468	\$ 17,879,057	\$ 14,735,040

Amounts Reported for Governmental Activities in the Statement of Net Assets are Difference Because:

Total Fund Balances of Governmental Funds	\$ 11,658,749	\$ 9,259,025
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	15,260,394	15,260,455
Long-term liabilities, including long-term debt (\$9,149,492) and accrued compensated absences (\$223,990), are not due and payable in the current year and therefore are not reported in the funds.	(9,373,482)	(9,343,865)
Total Net Assets of Governmental Activities	\$ 17,545,661	\$ 15,175,615

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 Year Ended December 31, 2007

	GENERAL	PARKS AND RECREATION	OTHER GOVERNMENTAL FUNDS	TOTAL	
				2007	2006
REVENUES					
Taxes	\$ 4,304,955	\$ 1,762,945	\$ -	\$ 6,067,900	\$ 5,910,794
Licenses and Permits	988,941	-	-	988,941	1,246,543
Intergovernmental	356,922	-	188,312	545,234	555,648
Cash in Lieu of Land	-	-	-	-	56,934
Charges for Services	391,460	-	-	391,460	304,069
Investment Income	353,437	150,476	50,605	554,518	450,939
Miscellaneous	58,235	-	15,394	73,629	46,859
TOTAL REVENUES	<u>6,453,950</u>	<u>1,913,421</u>	<u>254,311</u>	<u>8,621,682</u>	<u>8,571,786</u>
EXPENDITURES					
Current					
General Government	1,165,356	-	615	1,165,971	1,190,284
Judicial	86,461	-	-	86,461	36,759
Data Processing	67,874	-	-	67,874	25,118
Community Development	449,926	-	-	449,926	410,330
Village Crier	13,861	-	-	13,861	14,337
Public Safety	1,858,291	-	-	1,858,291	1,754,378
Public Works	645,738	-	-	645,738	498,898
Parks, Recreation, and Open Space	-	695,741	94,797	790,538	672,076
Capital Outlay	1,143,298	-	-	1,143,298	846,266
Debt Service					
Principal	-	-	-	-	511,346
Interest	-	-	-	-	431,839
TOTAL EXPENDITURES	<u>5,430,805</u>	<u>695,741</u>	<u>95,412</u>	<u>6,221,958</u>	<u>6,391,631</u>
NET CHANGE IN FUND BALANCES	1,023,145	1,217,680	158,899	2,399,724	2,180,155
FUND BALANCES, Beginning	<u>9,730,415</u>	<u>(1,157,682)</u>	<u>686,292</u>	<u>9,259,025</u>	<u>7,078,870</u>
FUND BALANCES, Ending	<u>\$ 10,753,560</u>	<u>\$ 59,998</u>	<u>\$ 845,191</u>	<u>\$ 11,658,749</u>	<u>\$ 9,259,025</u>

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

Net Change in Fund Balances of Governmental Funds	\$ 2,399,724	\$ 2,180,155
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statements of activities. This is the amount that capital outlay \$242,781 was exceeded by depreciation expense (\$200,913) and asset disposals (\$41,929) in the current year.	(61)	(33,848)
Payments of debt principal and compensated absences are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	(29,617)	524,664
Change in Net Assets of Governmental Activities	<u>\$ 2,370,046</u>	<u>\$ 2,670,971</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF NET ASSETS
PROPRIETARY FUND
 December 31, 2007

	<u>WATER AND SEWER</u>	
	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash and Investments	\$ 1,129,887	\$ 1,065,540
Accounts Receivable	5,363	1,409
TOTAL CURRENT ASSETS	<u>1,135,250</u>	<u>1,066,949</u>
CAPITAL ASSETS		
Capital Assets, Net of Accumulated Depreciation	<u>399,347</u>	<u>426,097</u>
TOTAL ASSETS	<u>1,534,597</u>	<u>1,493,046</u>
CURRENT LIABILITIES		
Escrow Accounts	<u>24,922</u>	<u>29,140</u>
TOTAL LIABILITIES	<u>24,922</u>	<u>29,140</u>
NET ASSETS		
Invested in Capital Assets	399,347	426,097
Unrestricted	<u>1,110,328</u>	<u>1,037,809</u>
TOTAL NET ASSETS	<u>\$ 1,509,675</u>	<u>\$ 1,463,906</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

Year Ended December 31, 2007

	<u>WATER AND SEWER</u>	
	<u>2007</u>	<u>2006</u>
OPERATING REVENUES		
Charges for Services	\$ 30,135	\$ 32,262
 TOTAL OPERATING REVENUES	 <u>30,135</u>	 <u>32,262</u>
OPERATING EXPENSES		
Operations	1,974	1,894
Administrative	-	1,265
Depreciation	<u>26,750</u>	<u>26,750</u>
 TOTAL OPERATING EXPENSES	 <u>28,724</u>	 <u>29,909</u>
 OPERATING INCOME	 1,411	 2,353
NONOPERATING REVENUES		
Investment Income	<u>35,283</u>	<u>31,806</u>
 NET INCOME BEFORE CAPITAL CONTRIBUTIONS	 36,694	 34,159
CAPITAL CONTRIBUTIONS		
Tap Fees	<u>9,075</u>	<u>49,225</u>
 CHANGE IN NET ASSETS	 45,769	 83,384
NET ASSETS, Beginning	<u>1,463,906</u>	<u>1,380,522</u>
NET ASSETS, Ending	<u>\$ 1,509,675</u>	<u>\$ 1,463,906</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

Increase (Decrease) in Cash and Cash Equivalents
Year Ended December 31, 2007

	<u>WATER AND SEWER</u>	
	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 26,181	\$ 31,015
Cash Payments to Suppliers	<u>(6,192)</u>	<u>(4,159)</u>
Net Cash Provided by Operating Activities	19,989	26,856
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Tap Fees Received	9,075	49,225
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>35,283</u>	<u>31,806</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	64,347	107,887
CASH AND CASH EQUIVALENTS, Beginning	<u>1,065,540</u>	<u>957,653</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,129,887</u>	<u>\$ 1,065,540</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 1,411	\$ 2,353
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	26,750	26,750
Changes in Assets and Liabilities		
Accounts Receivable	(3,954)	(1,247)
Accounts Payable	-	(1,000)
Escrow Accounts	<u>(4,218)</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>\$ 19,989</u>	<u>\$ 26,856</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUND
 December 31, 2007

	SPECIAL IMPROVEMENT DISTRICT NO.7	
	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and Investments	\$ 113,135	\$ 107,313
Assessment Receivable	<u>62,373</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 175,508</u>	<u>\$ 107,313</u>
LIABILITIES		
Due to Property Owners	<u>\$ 175,508</u>	<u>\$ 107,313</u>
TOTAL LIABILITIES	<u>\$ 175,508</u>	<u>\$ 107,313</u>

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cherry Hills Village (the "City") is a continuation of the Town of Cherry Hills Village after adoption of its Home Rule Charter on November 8, 1966. The City is governed by a Mayor and six-member council elected by the residents. The City provides the following services: public safety, public works, public improvements, parks and recreation, planning and zoning, municipal court, water and sewer, and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

In accordance with governmental accounting standards, the City has considered the possibility of inclusion of additional entities in its 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 organizations that are fiscally dependent upon it.

Based on the application of this criteria, the City does not include additional organizations within its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *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.

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the City's government-wide financial statements. Major individual 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. The agency fund utilizes the accrual basis of accounting. 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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

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 except those required to be accounted for in another fund.

The *Parks and Recreation Fund* accounts for the City's parks and recreation activities, which are financed with a dedicated property tax.

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund type:

The *Agency Fund* accounts for assets held by the City in a trustee capacity for residents and bondholders of the Special Improvement District No. 7.

Assets, Liabilities and Net Assets/Fund Balances

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents. Investments are reported at fair value.

Accounts Receivable - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets/Fund Balances (Continued)

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *due from other funds* and *due to other funds* if they are short-term in nature. Interfund receivables or payables not expected to be liquidated within one year are classified as *advances to other funds* and *advances from other funds*.

Residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

Capital Assets - Capital assets, which include buildings, equipment, water and sewer systems, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or greater, 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 estimated fair market value at the date of donation. Infrastructure assets, which include streets, bridges, sidewalks, drainage systems and trails, purchased prior to January 1, 2004, have not been reported in the financial statements.

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

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives.

Sewer Lines	25 - 50 years
Buildings and Improvements	70 years
Equipment	15 - 25 years
Vehicles	5 - 10 years

Deferred Revenues - Deferred revenues include property taxes earned but levied for a subsequent year.

Long-Term Debt - In the government-wide financial statements, and the proprietary fund 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 statement of net assets.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets/Fund Balances (Continued)

Compensated Absences - Employees of the City are allowed to accumulate unused vacation and sick time. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time and, if the employee has completed between 10 and 15 years of continuous service, will be compensated for 25% of accrued sick time at their final hourly rate or, if the employee has completed over 15 years of continuous service, will be compensated for 50% of accrued sick time at their final hourly rate.

These compensated absences are recognized when due in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Net Assets/Fund Balances - In the government-wide financial statements and the proprietary fund in the fund financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following 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.

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.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2007, follows:

Petty Cash	\$	350
Cash Deposits		329,382
Investments		<u>12,504,976</u>
Total	\$	<u>12,834,708</u>

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

Governmental Activities	\$	11,591,686
Business-Type Activities		1,129,887
Agency Fund		<u>113,135</u>
Total	\$	<u>12,834,708</u>

Cash Deposits

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. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed 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. At December 31, 2007, the City had bank deposits of \$328,748 collateralized with securities held by the financial institution's agent but not in the City's name.

Investments

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, including the following. State statutes do not address custodial risk.

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pools - At December 31, 2007, the City had 11,641,136 and \$863,840, respectively, invested in the Colorado Local Government Liquid Asset Trust and the Colorado Surplus Asset Fund Trust (the "Trusts"). The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00. Both Trusts are rated AAAM by Standard and Poor's. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services to the Trusts in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: INTERFUND BALANCES

<u>Advance To</u>	<u>Advance From</u>	<u>Amount</u>
Parks and Recreation Fund	General Fund	<u>\$ 1,542,491</u>

The General Fund has temporarily covered the negative cash balance of the Parks and Recreation Fund. Future property tax revenues will be used to repay the advance.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, is summarized below:

	<u>Balances</u> <u>12/31/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/07</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 13,459,981	\$ -	\$ -	\$ 13,459,981
Construction in Progress	<u>403,682</u>	<u>-</u>	<u>-</u>	<u>403,682</u>
Total Capital Assets, Not Being Depreciated	<u>13,863,663</u>	<u>-</u>	<u>-</u>	<u>13,863,663</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	955,300	-	-	955,300
Equipment	<u>1,814,081</u>	<u>242,781</u>	<u>184,628</u>	<u>1,872,234</u>
Total Capital Assets, Being Depreciated	<u>2,769,381</u>	<u>242,781</u>	<u>184,628</u>	<u>2,827,534</u>
Less Accumulated Depreciation				
Buildings and Improvements	(364,649)	(14,611)	-	(379,260)
Equipment	<u>(1,007,940)</u>	<u>(186,302)</u>	<u>(142,699)</u>	<u>(1,051,543)</u>
Total Accumulated Depreciation	<u>(1,372,589)</u>	<u>(200,913)</u>	<u>(142,699)</u>	<u>(1,430,803)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,396,792</u>	<u>41,868</u>	<u>41,929</u>	<u>1,396,731</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,260,455</u>	<u>\$ 41,868</u>	<u>\$ 41,929</u>	<u>\$ 15,260,394</u>

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 4: CAPITAL ASSETS (Continued)

	<u>Balances</u> <u>12/31/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/07</u>
Business-Type Activities				
Capital Assets, Being Depreciated				
Sewer Lines	\$ 708,364	\$ -	\$ -	\$ 708,364
Total Capital Assets, Being Depreciated	<u>708,364</u>	<u>-</u>	<u>-</u>	<u>708,364</u>
Less Accumulated Depreciation				
Sewer Lines	<u>(282,267)</u>	<u>(26,750)</u>	<u>-</u>	<u>(309,017)</u>
Total Accumulated Depreciation	<u>(282,267)</u>	<u>(26,750)</u>	<u>-</u>	<u>(309,017)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 426,097</u>	<u>\$ (26,750)</u>	<u>\$ -</u>	<u>\$ 399,347</u>

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

Governmental Activities		
General Government		\$ 15,985
Public Safety		34,769
Public Works		74,240
Parks, Recreation, and Open Space		<u>75,919</u>
Total		<u>\$ 200,913</u>
Business-Type Activities		
Water and Sewer		<u>\$ 26,750</u>

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2007:

	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/07</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
South Suburban Obligation	\$ 9,149,492	\$ -	\$ -	\$ 9,149,492	\$ 1,070,528
Accrued Compensated Absences	<u>194,373</u>	<u>40,886</u>	<u>11,269</u>	<u>223,990</u>	<u>-</u>
Total	<u>\$ 9,343,865</u>	<u>\$ 40,886</u>	<u>\$ 11,269</u>	<u>\$ 9,373,482</u>	<u>\$ 1,070,528</u>

South Suburban Parks and Recreation District Obligation

The City initiated exclusion from the South Suburban Parks and Recreation District (the "District"). The resulting litigation produced an order from the District Court dated November, 2004. The order requires the City to pay the District \$9,660,838 for the conveyance and transfer of facilities, water rights and other considerations, primarily parks and trails.

The City has agreed to make annual installments, including interest accruing at the two-year Treasury bill rate, currently 4.47%, for fifteen years. Principal and interest payments are due annually beginning December 1, 2006, through 2019.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 5: LONG-TERM DEBT (Continued)

South Suburban Parks and Recreation District Obligation (Continued)

The City is in the appeals process regarding the court order. As a result, no payments were made on this obligation during the year ended December 31, 2007. The outcome of this process is currently unknown.

The obligation payments are estimated to be as follows, based on the current interest rate:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,070,528	\$ 855,752	\$ 1,926,280
2009	574,219	388,921	963,140
2010	601,862	361,278	963,140
2011	630,835	332,305	963,140
2012	661,204	301,936	963,140
2013-2017	3,815,247	1,000,453	4,815,700
2018-2019	<u>1,795,597</u>	<u>130,669</u>	<u>1,926,266</u>
Total	<u>\$ 9,149,492</u>	<u>\$ 3,371,314</u>	<u>\$ 12,520,806</u>

Accrued Compensated Absences

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

2000 Special Assessment Bonds

\$595,000 Special Assessment Bonds, Taxable Series 2000A, and \$930,000 Special Assessment Bonds, Tax-Exempt Series 2000B, were issued to finance improvements within Special Improvement District No. 7. The bonds accrue interest at rates ranging from 5.80% to 8.75% per annum. Payments are due semi-annually on June 15 and December 15. Principal payments on the Series 2000A bonds are due annually on December 15, through 2011. Principal payments on the Series 2000B are due annually on December 15, through 2020.

The City is not obligated for this debt and is only acting as an agent for the property owners in collecting assessments and paying the required debt service. Therefore, the debt activity is recorded in the Special Improvement District No. 7 Agency Fund and the outstanding debt is not reported in the City's financial statements. Outstanding bonds at December 31, 2007, totaled \$1,072,000.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 6: RISK MANAGEMENT

Public Entity Risk Pool

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the City does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

NOTE 7: RETIREMENT COMMITMENTS

Police Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of police officers. All police officers 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 8% of each participating employee's compensation and each employee must contribute a matching amount. Employees vest in 20% of the City contributions after three years of employment, and an additional 20% each year thereafter. Employees fully vest after seven years of participation in the Plan.

During the year ended December 31, 2007, the City contributed \$115,272 to the Plan, equal to the required contributions. All Plan assets are managed by the International City/County Management Association Retirement Corporation (ICMARC).

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 7: RETIREMENT COMMITMENTS (Continued)

Non-Sworn Managers Pension Plan

The City contributes to a single-employer defined contribution money purchase pension 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% of each participating employee's compensation, and each employee must contribute 11% of their compensation. Employees fully vest in the Plan immediately.

During the year ended December 31, 2007, the City contributed \$20,121 to the Plan, equal to the required contributions. All Plan assets are managed by the International City/County Management Association Retirement Corporation (ICMARC).

Deferred 457 Compensation Plan

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by ICMARC. Participation in the Plan is optional for employees. The Plan allows employees to defer a portion of their salary until future years. The City matches the contributions 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, 2007, were \$132,296.

NOTE 8: CONSOLIDATION OF WATER AND SANITATION DISTRICTS

The City has taken action to dissolve certain water and sanitation districts and other entities which have provided service to areas within the City's 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) and the City of Englewood (Englewood).

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. Denver is responsible for all operations and maintenance, including all replacements, of the facilities and bills users directly.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 8: CONSOLIDATION OF WATER AND SANITATION DISTRICTS (Continued)

Englewood

The City has sewer service and maintenance contracts with Englewood to provide sanitation services to certain areas within the City. Under the terms of the contracts, Englewood treats City sewage and provides routine maintenance services. Englewood bills City residents for these routine services and retains all billing collections. Non-routine or major repairs are billed directly to the City. The City retains title to all sewer lines which have been contributed to it and is responsible for major maintenance and future costs of those lines.

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 9: CONTINGENCIES

Conduit Debt Obligation

In October 2003, the City issued Denver Christian Schools Project Revenue Bonds to provide financial assistance to a private-sector entity to acquire equipment, construct and renovate certain buildings and educational facilities deemed to be in the public interest.

Neither the City, State nor any political subdivision there of is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Outstanding bonds at December 31, 2007, totaled \$2,973,501.

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 the State and local governments. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the City.

Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. In November, 1999, voters within the City authorized the City to collect, retain and expend all City revenues received in 1998 and each year thereafter for expenditure on lawful municipal purposes. The City's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 9: CONTINGENCIES (Continued)

Tabor Amendment (Continued)

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2007, the emergency reserve of \$253,000 was reported as a reservation of fund balance in the General Fund.

Litigation

The City is involved in various litigation. The outcome of this litigation cannot be determined at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHERRY HILLS VILLAGE, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2007

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Taxes			
Property Taxes	\$ 2,049,907	\$ 2,056,013	\$ 6,106
Specific Ownership Taxes	180,000	179,750	(250)
Sales and Use Taxes	1,320,000	1,596,912	276,912
Other Taxes	<u>350,000</u>	<u>472,280</u>	<u>122,280</u>
Total Taxes	<u>3,899,907</u>	<u>4,304,955</u>	<u>405,048</u>
Licenses and Permits			
Building Permits	700,000	654,574	(45,426)
Other Permits and Licenses	<u>366,100</u>	<u>334,367</u>	<u>(31,733)</u>
Total Licenses and Permits	<u>1,066,100</u>	<u>988,941</u>	<u>(77,159)</u>
Intergovernmental			
Auto Registrations	20,000	24,151	4,151
Highway Users Taxes	192,043	207,235	15,192
Road and Bridge Fees	122,917	121,225	(1,692)
Cigarette Taxes	<u>2,000</u>	<u>4,311</u>	<u>2,311</u>
Total Intergovernmental	<u>336,960</u>	<u>356,922</u>	<u>19,962</u>
Charges for Services			
Municipal Court Fines	300,000	258,868	(41,132)
Other Charges for Services	<u>67,000</u>	<u>132,592</u>	<u>65,592</u>
Total Charges for Services	<u>367,000</u>	<u>391,460</u>	<u>24,460</u>
Investment Income	<u>200,000</u>	<u>353,437</u>	<u>153,437</u>
Other	<u>35,750</u>	<u>58,235</u>	<u>22,485</u>
TOTAL REVENUES	<u>\$ 5,905,717</u>	<u>\$ 6,453,950</u>	<u>\$ 548,233</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2007

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
EXPENDITURES			
Current			
General Government	\$ 1,343,789	\$ 1,165,356	\$ 178,433
Judicial	107,706	86,461	21,245
Data Processing	53,480	67,874	(14,394)
Community Development	497,250	449,926	47,324
Village Crier	13,500	13,861	(361)
Public Safety	1,951,882	1,858,291	93,591
Public Works	728,392	645,738	82,654
Capital Outlay	1,193,778	1,143,298	50,480
Contingencies	10,000	-	10,000
TOTAL EXPENDITURES	<u>5,899,777</u>	<u>5,430,805</u>	<u>468,972</u>
NET CHANGE IN FUND BALANCE	5,940	1,023,145	1,017,205
FUND BALANCE, Beginning	<u>8,339,240</u>	<u>9,730,415</u>	<u>1,391,175</u>
FUND BALANCE, Ending	<u>\$ 8,345,180</u>	<u>\$ 10,753,560</u>	<u>\$ 2,408,380</u>

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION FUND
 Year Ended December 31, 2007

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property Taxes	\$ 1,639,921	\$ 1,621,713	\$ (18,208)
Specific Ownership Taxes	60,000	141,232	81,232
Investment Income	2,000	150,476	148,476
TOTAL REVENUES	<u>1,701,921</u>	<u>1,913,421</u>	<u>211,500</u>
EXPENDITURES			
Current			
Personal Services	279,527	281,070	(1,543)
Supplies and Materials	46,400	8,545	37,855
Utilities	8,750	9,382	(632)
Contractual Services	95,899	5,381	90,518
Maintenance	32,250	95,944	(63,694)
Recreational Reimbursement Program	125,000	179,959	(54,959)
Equipment	5,500	41,739	(36,239)
Other	56,475	73,721	(17,246)
Capital Outlay	45,000	-	45,000
Debt Service			
Principal	522,683	-	522,683
Interest	440,457	-	440,457
TOTAL EXPENDITURES	<u>1,657,941</u>	<u>695,741</u>	<u>962,200</u>
NET CHANGE IN FUND BALANCE	43,980	1,217,680	1,173,700
FUND BALANCE, Beginning	<u>(1,329,155)</u>	<u>(1,157,682)</u>	<u>171,473</u>
FUND BALANCE, Ending	<u>\$ (1,285,175)</u>	<u>\$ 59,998</u>	<u>\$ 1,345,173</u>

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2007

NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

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

- In September, the City Administration 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.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- 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 governmental and agency funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise fund are presented on a non-GAAP budgetary basis. Tap fees are recognized as revenue for budget purposes. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Legal Compliance

For the year ended December 31, 2007, the Agency Fund had expenditures in excess of the budgeted amounts of \$44. This may be a violation of State statutes.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF CHERRY HILLS VILLAGE, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2007

	<u>CONSERVATION TRUST</u>	<u>ARAPAHOE COUNTY OPEN SPACE</u>	<u>LAND DONATION</u>	<u>TOTAL</u>
ASSETS				
Cash and Investments	\$ 368,139	\$ 338,389	\$ 160,526	\$ 867,054
Other Receivables	-	-	2,414	2,414
TOTAL ASSETS	<u>\$ 368,139</u>	<u>\$ 338,389</u>	<u>\$ 162,940</u>	<u>\$ 869,468</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 9,871	\$ 14,406	-	\$ 24,277
FUND BALANCES				
Reserved for Parks	358,268	323,983	-	682,251
Unreserved, Reported in Capital Projects Fund	-	-	162,940	162,940
TOTAL FUND BALANCES	<u>358,268</u>	<u>323,983</u>	<u>162,940</u>	<u>845,191</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 368,139</u>	<u>\$ 338,389</u>	<u>\$ 162,940</u>	<u>\$ 869,468</u>

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**
Year Ended December 31, 2007

	<u>CONSERVATION TRUST</u>	<u>ARAPAHOE COUNTY OPEN SPACE</u>	<u>LAND DONATION</u>	<u>TOTAL</u>
REVENUES				
Intergovernmental	\$ 62,094	\$ 126,218	\$ -	\$ 188,312
Investment Income	8,052	13,162	29,391	50,605
Miscellaneous	-	3,682	11,712	15,394
	<u>70,146</u>	<u>143,062</u>	<u>41,103</u>	<u>254,311</u>
TOTAL REVENUES				
EXPENDITURES				
General Government	-	-	615	615
Parks, Recreation, and Open Space	48,015	46,782	-	94,797
	<u>48,015</u>	<u>46,782</u>	<u>615</u>	<u>95,412</u>
TOTAL EXPENDITURES				
NET CHANGE IN FUND BALANCES	22,131	96,280	40,488	158,899
FUND BALANCES, Beginning	<u>336,137</u>	<u>227,703</u>	<u>122,452</u>	<u>686,292</u>
FUND BALANCES, Ending	<u>\$ 358,268</u>	<u>\$ 323,983</u>	<u>\$ 162,940</u>	<u>\$ 845,191</u>

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
 Year Ended December 31, 2007

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Lottery	\$ 54,000	\$ 62,094	\$ 8,094
Investment Income	<u>4,000</u>	<u>8,052</u>	<u>4,052</u>
TOTAL REVENUES	<u>58,000</u>	<u>70,146</u>	<u>12,146</u>
EXPENDITURES			
Trail Improvements	<u>79,500</u>	<u>48,015</u>	<u>31,485</u>
NET CHANGE IN FUND BALANCE	(21,500)	22,131	43,631
FUND BALANCE, Beginning	<u>288,825</u>	<u>336,137</u>	<u>47,312</u>
FUND BALANCE, Ending	<u>\$ 267,325</u>	<u>\$ 358,268</u>	<u>\$ 90,943</u>

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

BUDGETARY COMPARISON SCHEDULE
ARAPAHOE COUNTY OPEN SPACE FUND
 Year Ended December 31, 2007

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Open Space Shareback	\$ 100,000	\$ 126,218	\$ 26,218
Investment Income	2,000	13,162	11,162
Miscellaneous	2,000	3,682	1,682
	<u>104,000</u>	<u>143,062</u>	<u>39,062</u>
TOTAL REVENUES			
EXPENDITURES			
Park and Trail Improvements	83,902	46,782	37,120
	<u>83,902</u>	<u>46,782</u>	<u>37,120</u>
TOTAL EXPENDITURES			
NET CHANGE IN FUND BALANCE	20,098	96,280	76,182
FUND BALANCE, Beginning	92,647	227,703	135,056
FUND BALANCE, Ending	<u>\$ 112,745</u>	<u>\$ 323,983</u>	<u>\$ 211,238</u>

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

BUDGETARY COMPARISON SCHEDULE

LAND DONATION FUND

Year Ended December 31, 2007

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Investment Income	\$ 900	\$ 29,391	\$ 28,491
Miscellaneous	<u>-</u>	<u>11,712</u>	<u>11,712</u>
TOTAL REVENUES	<u>900</u>	<u>41,103</u>	<u>40,203</u>
EXPENDITURES			
Water Rights Purchases	<u>615</u>	<u>615</u>	<u>-</u>
TOTAL EXPENDITURES	<u>615</u>	<u>615</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	285	40,488	40,203
FUND BALANCE, Beginning	<u>28,643</u>	<u>122,452</u>	<u>93,809</u>
FUND BALANCE, Ending	<u>\$ 28,928</u>	<u>\$ 162,940</u>	<u>\$ 134,012</u>

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

BUDGETARY COMPARISON SCHEDULE

WATER AND SEWER FUND

Year Ended December 31, 2007

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Administration Fees	\$ 1,812	\$ -	\$ (1,812)
Repair and Replacement Fees	22,650	30,135	7,485
Tap Fees	10,000	9,075	(925)
Investment Income	15,000	35,283	20,283
TOTAL REVENUES	<u>49,462</u>	<u>74,493</u>	<u>25,031</u>
EXPENDITURES			
Legal	5,000	-	5,000
Fire Hydrant	1,200	-	1,200
Other Contractual	9,000	-	9,000
Repair and Maintenance	10,000	-	10,000
Miscellaneous	500	1,974	(1,474)
TOTAL EXPENDITURES	<u>25,700</u>	<u>1,974</u>	<u>23,726</u>
CHANGE IN NET ASSETS, Budgetary Basis	<u>\$ 23,762</u>	72,519	<u>\$ 48,757</u>
ADJUSTMENT TO GAAP BASIS			
Depreciation		<u>(26,750)</u>	
CHANGE IN NET ASSETS, GAAP Basis		<u>\$ 45,769</u>	

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

BUDGETARY COMPARISON SCHEDULE

AGENCY FUND

Year Ended December 31, 2007

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Assessment Revenue	\$ 50,527	\$ 93,132	\$ 42,605
Assessment Interest	79,759	76,470	(3,289)
Investment Income	11,000	27,803	16,803
TOTAL REVENUES	141,286	197,405	56,119
EXPENDITURES			
County Treasurer's Fees	1,303	1,696	(393)
Principal Payments	55,000	55,000	-
Interest Expense	72,863	72,514	349
TOTAL EXPENDITURES	129,166	129,210	(44)
NET CHANGE IN DUE TO PROPERTY OWNERS	12,120	68,195	56,075
DUE TO PROPERTY OWNERS, Beginning	106,874	107,313	439
DUE TO PROPERTY OWNERS, Ending	<u>\$ 118,994</u>	<u>\$ 175,508</u>	<u>\$ 56,514</u>

See the accompanying Independent Auditors' Report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2007

	<u>BALANCE</u> <u>12/31/06</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/07</u>
ASSETS				
Cash and Investments	\$ 107,313	\$ 135,032	\$ 129,210	\$ 113,135
Assessment Receivable	-	62,373	-	62,373
TOTAL ASSETS	<u>\$ 107,313</u>	<u>\$ 197,405</u>	<u>\$ 129,210</u>	<u>\$ 175,508</u>
LIABILITIES				
Due to Property Owners	\$ 107,313	\$ 197,405	\$ 129,210	\$ 175,508
TOTAL LIABILITIES	<u>\$ 107,313</u>	<u>\$ 197,405</u>	<u>\$ 129,210</u>	<u>\$ 175,508</u>

See the accompanying Independent Auditors' Report.

STATE COMPLIANCE

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Arapahoe		
		YEAR ENDING : December 2007		
This Information From The Records Of (example - City of _ or County of _)		Prepared By: Karen L. Proctor		
		Phone: 303-783-2723		
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)	870,007	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	364,501	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a.+b.)		a. Traffic control operations	17,442	
2. General fund appropriations	1,144,125	b. Snow and ice removal	13,144	
3. Other local imposts (from page 2)	300,975	c. Other	2,915	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	33,500	
5. Transfers from toll facilities		4. General administration & miscellaneous	138,103	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	270,375	
a. Bonds - Original Issues		6. Total (1 through 5)	1,676,486	
b. Bonds - Refunding Issues		B. Debt service on local obligations:		
c. Notes		1. Bonds:		
d. Total (a. + b. + c.)	0	a. Interest		
7. Total (1 through 6)	1,445,100	b. Redemption		
B. Private Contributions		c. Total (a. + b.)	0	
C. Receipts from State government (from page 2)	231,385	2. Notes:		
D. Receipts from Federal Government (from page 2)	0	a. Interest		
E. Total receipts (A.7 + B + C + D)	1,676,486	b. Redemption		
		c. Total (a. + b.)	0	
		3. Total (1.c + 2.c)	0	
		C. Payments to State for highways		
		D. Payments to toll facilities		
		E. Total disbursements (A.6 + B.3 + C + D)	1,676,486	
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
		1,676,486	1,676,486	
				E. Reconciliation
				(0)
Notes and Comments:				

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2007

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	300,975	g. Other Misc. Receipts	
6. Total (1. through 5.)	300,975	h. Other	
c. Total (a. + b.)	300,975	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	207,235	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	24,151	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	24,151	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	231,385	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		3,406	3,406
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		866,600	866,600
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	866,600	866,600
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	870,007	870,007
			(Carry forward to page 1)

Notes and Comments: