

CITY OF CHERRY HILLS VILLAGE, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2020

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Title Page

Table of Contents

FINANCIAL SECTION

Independent Auditors' Report

Management's Discussion and Analysis

a - h

Basic Financial Statements

Government - Wide Financial Statements

Statement of Net Position

1

Statement of Activities

2

Fund Financial Statements

Balance Sheet - Governmental Funds

3

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds

4

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities

5

Statement of Net Position - Proprietary Fund Type

6

Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Fund Type

7

Statement of Cash Flows - Proprietary Fund Type

8

Statement of Fiduciary Net Position – Agency Fund

9

Notes to Financial Statements

10 – 26

TABLE OF CONTENTS

(Continued)

| | <u>PAGE</u> |
|---|--------------------|
| FINANCIAL SECTION (Continued) | |
| Required Supplementary Information | |
| General Fund - Budgetary Comparison Schedule | 27 |
| Parks and Recreation Fund - Budgetary Comparison Schedule | 28 |
| Combining and Individual Fund Schedules | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 29 |
| Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds | 30 |
| Land Donation Fund – Budgetary Comparison Schedule | 31 |
| Arapahoe County Open Space Fund – Budgetary Comparison Schedule | 32 |
| Conservation Trust Fund – Budgetary Comparison Schedule | 33 |
| CHV Charlou Park GID Fund – Budgetary Comparison Schedule | 34 |
| Capital Projects Fund – Budgetary Comparison Schedule | 35 |
| Water and Sewer Fund – Budgetary Comparison Schedule | 36 |
| Agency Fund – Budgetary Comparison Schedule | 37 |
| Statement of Changes in Assets and Liabilities – Agency Fund | 38 |
| STATE COMPLIANCE | |
| Local Highway Finance Report | 39 - 40 |

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

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 27 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

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

John Cutler & Associates, LLC

June 7, 2021

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, 2020. 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 2020 by \$43.2 million (net position). Of this amount, \$18.8 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of fiscal year 2020, the City of Cherry Hills Village governmental funds reported combined ending fund balances of \$20.9 million, an increase of \$558,501 in comparison with the prior year. Approximately 67% or \$14.0 million is available for spending at the government's discretion (unassigned fund balance).
- At the end of the fiscal year 2020, the fund balance for the general fund was \$17.0 million, of which \$2.6 million was committed for capital projects.
- General Fund actual revenues exceeded budgeted revenue by \$1 million for the fiscal year 2020 and actual expenditures were \$1.5 million 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 2020. 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 \$43,282,459 at the close of the 2020 fiscal year.

A portion of the City of Cherry Hills Village's net position (50%) 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 (4%) represents resources that are subject to external restrictions for how they may be used. The remaining balance of unrestricted net position (46% or \$20,121,122) 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 |
|---|----------------------------|----------------------------|-----------------------------|-----------------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$26,790,221 | \$27,049,533 | \$1,787,032 | \$1,165,360 |
| Capital assets | \$32,454,962 | \$30,480,617 | \$82,977 | \$106,589 |
| Total assets | \$59,245,183 | \$57,530,150 | \$1,870,009 | \$1,271,949 |
| Long-term liabilities outstanding | \$11,157,158 | \$11,486,156 | \$0 | \$0 |
| Other liabilities | \$6,157,678 | \$6,966,253 | \$517,897 | \$0 |
| Total liabilities | \$17,314,836 | \$18,452,409 | \$517,897 | \$0 |
| Net assets: | | | | |
| Invested in capital assets, net of related debt | \$21,348,418 | \$19,015,753 | \$82,977 | \$106,589 |
| Restricted | \$1,729,942 | \$1,515,869 | \$0 | \$0 |
| Unrestricted | \$18,851,987 | \$18,546,119 | \$1,269,135 | \$1,165,360 |
| Total net assets | \$41,930,347 | \$39,077,741 | \$1,352,112 | \$1,271,949 |

Changes in Net Position

Governmental activities

- Governmental-type activities increased the City’s total net position by \$2,852,606 from 2019.
- The increase in total net position is due to the purchase of equipment and vehicles for the Public Works Department, replacement video and mobile data system for Police Department vehicles and final construction of John Meade Park & Alan Hutto Memorial Commons.

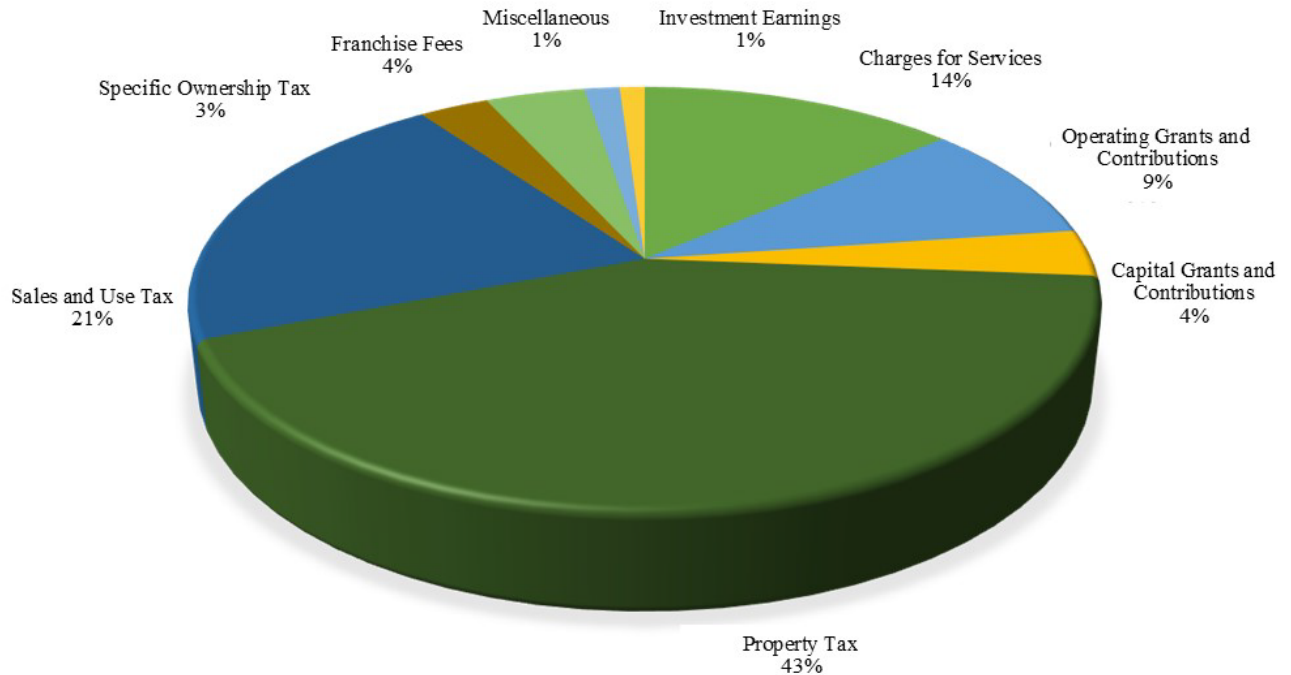
Business Type Activities

- Business-type activities increased the City’s total net position by \$80,163 from 2019.
- The increase 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 2020 | Governmental Activities 2019 | Business-type Activities 2020 | Business-type Activities 2019 |
|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Revenues | | | | |
| Program Revenues | | | | |
| Charges for services | \$1,719,560 | \$1,397,154 | \$83,420 | \$92,875 |
| Operating grants and contributions | \$1,173,230 | \$388,050 | \$0 | \$0 |
| Capital grants and contributions | \$452,491 | \$435,127 | \$20,100 | \$36,350 |
| General Revenues | | | | |
| Property taxes | \$5,426,645 | \$4,704,584 | \$0 | \$0 |
| Sales and Use taxes | \$2,701,021 | \$2,661,521 | \$0 | \$0 |
| Specific Ownership taxes | \$378,583 | \$369,436 | \$0 | \$0 |
| Franchise fees | \$540,959 | \$588,801 | \$0 | \$0 |
| Miscellaneous | \$191,482 | \$181,966 | \$0 | \$0 |
| Investment earnings | \$136,124 | \$498,535 | \$7,320 | \$23,508 |
| Total revenues | \$12,720,095 | \$11,225,174 | \$110,840 | \$152,733 |
| Expenses | | | | |
| General Government | \$1,439,822 | \$1,574,084 | \$0 | \$0 |
| Judicial | \$81,826 | \$98,823 | \$0 | \$0 |
| Public Safety | \$3,542,624 | \$3,475,419 | \$0 | \$0 |
| Public Works | \$1,209,393 | \$1,299,917 | \$0 | \$0 |
| Community Development | \$568,147 | \$609,712 | \$0 | \$0 |
| Parks, Recreation, and Open Space | \$2,561,028 | \$2,408,421 | \$0 | \$0 |
| Village Crier | \$33,707 | \$33,783 | \$0 | \$0 |
| Other | \$430,942 | \$472,368 | \$30,677 | \$32,335 |
| Total expenses | \$9,867,489 | \$9,972,527 | \$30,677 | \$32,335 |
| Increases in net position | \$2,852,606 | \$1,252,647 | \$80,163 | \$120,398 |
| Net position, beginning | \$39,077,741 | \$37,825,094 | \$1,271,949 | \$1,151,551 |
| Net position, ending | \$41,930,347 | \$39,077,741 | \$1,352,112 | \$1,271,949 |

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 2020, the City of Cherry Hills Village governmental funds reported combined ending fund balances of \$20.9 million, an increase of \$558,501 in comparison with the prior year. Approximately 67% of this total amount (\$14.0 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 2020, unassigned fund balance of the General Fund, combined with the Capital Fund, was \$14.0 million while total fund balance reached \$17.0 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 178% of total General Fund/Capital Fund expenditures, while total fund balance represents 82% of that same amount.

The Parks and Recreation Fund began receiving revenues in 2006. This fund had a balance of \$1,353,069 at the end of 2020 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 \$690,599 at the end of 2020. 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. Revenues exceeded expenditures in this fund by \$80,163 in 2020.

General Fund Budgetary Highlights

The General Fund expenditures in 2020 were \$1,541,900 under budget and revenues were \$1,050,930 over budget. The General Fund balance increased by \$1,364,694 and had an ending fund balance of \$17,017,141.

Capital Asset and Debt Administration

Capital assets. The City of Cherry Hills Village investment in capital assets as of December 31, 2020 amounts to \$32.4 million. This investment in capital assets includes land, buildings, vehicles, equipment, art and sewer lines.

Capital asset events during the 2020 fiscal year included the following:

- New Police Department equipment and vehicles in the amount of \$183,302
- New Public Works Department and Parks Division equipment and vehicle in the amount of \$145,243.
- Undergrounding utility project in progress in the amount of \$54,804.
- Construction in progress in the amount of \$3,742,811.

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

| | 2020 | 2019 |
|-----------------------------|---------------------|---------------------|
| Land | \$15,169,580 | \$15,169,580 |
| CIP | \$3,742,811 | \$1,627,787 |
| Buildings and Improvements | \$12,403,694 | \$12,563,309 |
| Software | \$143,463 | \$170,899 |
| Equipment | \$736,615 | \$710,743 |
| Art | \$258,799 | \$238,299 |
| Sewer Lines | \$82,977 | \$106,589 |
| Total Capital Assets | \$32,537,939 | \$30,587,206 |

Long-term debt. At the end of the 2020 fiscal year, the City of Cherry Hills Village had total long-term debt outstanding of \$11,482,158. This total debt represents accrued compensated absences (\$375,614), Certificates of Participation (\$10,742,123) 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 2020 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 2020 budget was adopted with a very slight increase in property tax revenues (less than 1%) from 2019 and also a small increase in sales tax and building permit revenue. All other revenues would remain constant or decrease slightly due to the uncertainty surrounding the COVID-19 pandemic.

During the 2019 fiscal year, the fund balance in the General Fund (to include the Capital Fund) increased to \$15.6 million (from \$14.6 million). The General Fund (to include the Capital Fund) balance is projected to end 2021 at approximately \$16.7 million.

The adopted 2020 fiscal year total budget appropriations are \$15.0 million, a decrease of \$1,752,766 from 2019. This decrease is due to the completion of the new City Hall and some expenditures for John Meade Park and Alan Hutto Memorial Commons in 2019, as well as the final payment for the South Suburban exclusion made in 2019.

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:

Jessica Sager
Director of Finance and Administration
(303) 783-2730
jsager@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, 2020

| | GOVERNMENTAL ACTIVITIES | BUSINESS TYPE ACTIVITIES | TOTALS | |
|--|----------------------------|--------------------------------|----------------------|----------------------|
| | | | 2020 | 2019 |
| ASSETS | | | | |
| Cash and Investments | \$ 19,956,296 | \$ 1,784,990 | \$ 21,741,286 | \$ 20,501,594 |
| Restricted Cash and Investments | 580,281 | - | 580,281 | 1,803,974 |
| Receivables | | | | |
| Property Taxes | 5,435,924 | - | 5,435,924 | 5,443,855 |
| Sales and Other | 581,496 | - | 581,496 | 134,527 |
| Accounts Receivable | 236,224 | 2,042 | 238,266 | 330,943 |
| Capital Assets, Not Depreciated | 18,912,391 | - | 18,912,391 | 16,797,367 |
| Capital Assets, Depreciated Net of Accumulated Depreciation | 13,542,571 | 82,977 | 13,625,548 | 13,789,839 |
| TOTAL ASSETS | 59,245,183 | 1,870,009 | 61,115,192 | 58,802,099 |
| LIABILITIES | | | | |
| Accounts Payable | 246,987 | 60 | 247,047 | 559,514 |
| Retainage Payable | - | - | - | 65,144 |
| Accrued Expenses | 18,830 | - | 18,830 | 20,346 |
| Unearned Revenue | 40,000 | - | 40,000 | 40,000 |
| Escrow Deposits | 55,417 | 517,837 | 573,254 | 487,240 |
| Accrued Interest Payable | 35,520 | - | 35,520 | 36,282 |
| Noncurrent Liabilities | | | | |
| Due within One Year | 325,000 | - | 325,000 | 315,000 |
| Due in More Than One Year | 11,157,158 | - | 11,157,158 | 11,486,156 |
| TOTAL LIABILITIES | 11,878,912 | 517,897 | 12,396,809 | 13,009,682 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Tax Revenue | 5,435,924 | - | 5,435,924 | 5,442,727 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 21,348,418 | 82,977 | 21,431,395 | 19,122,342 |
| Restricted for Parks and Recreation | 1,353,069 | - | 1,353,069 | 1,142,903 |
| Restricted for Emergencies | 345,000 | - | 345,000 | 330,000 |
| Restricted for Public Art | 31,873 | - | 31,873 | 42,966 |
| Unrestricted | 18,851,987 | 1,269,135 | 20,121,122 | 19,711,479 |
| TOTAL NET POSITION | \$ 41,930,347 | \$ 1,352,112 | \$ 43,282,459 | \$ 40,349,690 |

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

| <u>FUNCTIONS/PROGRAMS</u> | <u>EXPENSES</u> | <u>PROGRAM REVENUES</u> | | |
|---------------------------------|-----------------|-----------------------------|---|---|
| | | <u>CHARGES FOR SERVICES</u> | <u>OPERATING GRANTS AND CONTRIBUTIONS</u> | <u>CAPITAL GRANTS AND CONTRIBUTIONS</u> |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General Government | \$ 1,439,822 | \$ - | \$ 616,854 | \$ - |
| Judicial | 81,826 | 313,692 | - | - |
| Community Development | 568,147 | 1,361,056 | - | - |
| Village Crier | 33,707 | 14,565 | - | - |
| Public Safety | 3,542,624 | 44,812 | - | - |
| Public Works | 1,209,393 | - | 300,121 | - |
| Parks and Recreation | 2,561,028 | - | - | 739,867 |
| Interest on Long Term Debt | 430,942 | - | - | - |
| Total Governmental Activities | 9,867,489 | 1,734,125 | 916,975 | 739,867 |
| Business-Type Activities | | | | |
| Water and Sewer | 30,677 | 83,420 | - | 20,100 |
| Total Business-Type Activities | 30,677 | 83,420 | - | 20,100 |
| Total Primary Government | \$ 9,898,166 | \$ 1,817,545 | \$ 916,975 | \$ 759,967 |

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 | |
|----------------------------|-----------------------------|----------------------|----------------------|
| | | 2020 | 2019 |
| \$ (822,968) | \$ - | \$ (822,968) | \$ (1,574,084) |
| 231,866 | - | 231,866 | 185,115 |
| 792,909 | - | 792,909 | 396,474 |
| (19,142) | - | (19,142) | (19,281) |
| (3,497,812) | - | (3,497,812) | (3,382,891) |
| (909,272) | - | (909,272) | (911,867) |
| (1,821,161) | - | (1,821,161) | (1,973,294) |
| (430,942) | - | (430,942) | (472,368) |
| <u>(6,476,522)</u> | <u>-</u> | <u>(6,476,522)</u> | <u>(7,752,196)</u> |
| - | 72,843 | 72,843 | 96,890 |
| <u>-</u> | <u>72,843</u> | <u>72,843</u> | <u>96,890</u> |
| (6,476,522) | 72,843 | (6,403,679) | (7,655,306) |
| 5,426,645 | - | 5,426,645 | 4,704,584 |
| 378,583 | - | 378,583 | 369,436 |
| 2,701,021 | - | 2,701,021 | 2,661,521 |
| 540,959 | - | 540,959 | 588,801 |
| 136,124 | 7,320 | 143,444 | 522,043 |
| 145,796 | - | 145,796 | 181,966 |
| <u>9,329,128</u> | <u>7,320</u> | <u>9,336,448</u> | <u>9,028,351</u> |
| 2,852,606 | 80,163 | 2,932,769 | 1,373,045 |
| <u>39,077,741</u> | <u>1,271,949</u> | <u>40,349,690</u> | <u>38,976,645</u> |
| <u>\$ 41,930,347</u> | <u>\$ 1,352,112</u> | <u>\$ 43,282,459</u> | <u>\$ 40,349,690</u> |

CITY OF CHERRY HILLS VILLAGE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2020

| | General Fund | Parks and Recreation Fund | Capital Projects Fund | Other Governmental Funds |
|---|----------------------|---------------------------------|-----------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 16,292,051 | \$ 1,458,898 | \$ - | \$ 2,205,347 |
| Restricted Cash and Investments | - | - | 546,981 | 33,300 |
| Due From Other Funds | 80,701 | - | 224,319 | - |
| Property Taxes Receivable | 2,675,392 | 2,720,104 | - | 40,428 |
| Accounts Receivable | 236,224 | - | - | - |
| Other Receivables | 581,048 | 448 | - | - |
| TOTAL ASSETS | \$ 19,865,416 | \$ 4,179,450 | \$ 771,300 | \$ 2,279,075 |
| LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 98,636 | \$ 106,277 | \$ - | \$ 42,074 |
| Retainage Payable | - | - | - | - |
| Accrued Expenses | 18,830 | - | - | - |
| Due To Other Funds | - | - | 80,701 | 224,319 |
| Unearned Revenue | - | - | - | 40,000 |
| Escrow Deposits | 55,417 | - | - | - |
| TOTAL LIABILITIES | 172,883 | 106,277 | 80,701 | 306,393 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Tax Revenue | 2,675,392 | 2,720,104 | - | 40,428 |
| FUND EQUITY | | | | |
| Restricted | 376,873 | - | 690,599 | 1,932,254 |
| Committed | 2,608,298 | 1,353,069 | - | - |
| Unassigned | 14,031,970 | - | - | - |
| TOTAL FUND EQUITY | 17,017,141 | 1,353,069 | 690,599 | 1,932,254 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY | \$ 19,865,416 | \$ 4,179,450 | \$ 771,300 | \$ 2,279,075 |

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 (\$10,230,000), Premium on COPs Payable (\$512,123), Notes Payable (\$364,421) accrued interest payable (\$35,520), and Compensated Absences (\$375,614).

Net position of governmental activities

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

TOTAL
GOVERNMENTAL
FUNDS

| 2020 | 2019 |
|---------------|---------------|
| \$ 19,956,296 | \$ 19,337,281 |
| 580,281 | 1,803,974 |
| 305,020 | 305,020 |
| 5,435,924 | 5,443,855 |
| 236,224 | 329,896 |
| 581,496 | 134,527 |
| \$ 27,095,241 | \$ 27,354,553 |

| | |
|------------|------------|
| \$ 246,987 | \$ 559,514 |
| - | 65,144 |
| 18,830 | 20,346 |
| 305,020 | 305,020 |
| 40,000 | 40,000 |
| 55,417 | 487,240 |
| 666,254 | 1,477,264 |

| | |
|-----------|-----------|
| 5,435,924 | 5,442,727 |
|-----------|-----------|

| | |
|------------|------------|
| 2,999,726 | 4,012,178 |
| 3,961,367 | 4,741,955 |
| 14,031,970 | 11,680,429 |
| 20,993,063 | 20,434,562 |

| | |
|--------------|--------------|
| 32,454,962 | 30,480,617 |
| (11,517,678) | (11,837,438) |

| | |
|---------------|---------------|
| \$ 41,930,347 | \$ 39,077,741 |
|---------------|---------------|

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2020

| | General Fund | Parks and Recreation Fund | Capital Projects Fund | Other Governmental Funds |
|---|------------------|---------------------------------|-----------------------------|--------------------------------|
| REVENUES | | | | |
| Property Taxes | \$ 2,648,705 | \$ 2,737,333 | \$ - | \$ 40,607 |
| Specific Ownership Taxes | 378,583 | - | - | - |
| Sales and Use Taxes | 2,701,021 | - | - | - |
| Franchise Fees | 540,959 | - | - | - |
| Licenses and Permits | 1,361,056 | - | - | - |
| Intergovernmental | 946,115 | 403,511 | - | 307,216 |
| Charges for Services | 358,504 | - | - | - |
| Miscellaneous | 73,985 | - | 100,000 | 17,497 |
| Interest | 92,099 | 5,662 | 4,360 | 34,003 |
| TOTAL REVENUES | 9,101,027 | 3,146,506 | 104,360 | 399,323 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 1,271,498 | - | 3,668 | 109,187 |
| Judicial | 81,826 | - | - | - |
| Community Development | 568,147 | - | - | - |
| Village Crier | 33,707 | - | - | - |
| Public Safety | 3,394,048 | - | - | - |
| Public Works | 1,053,874 | - | - | - |
| Parks and Recreation | - | 1,458,849 | - | 422,164 |
| Debt Service | | | | |
| Principal | 137,250 | 167,750 | - | 10,350 |
| Interest | 195,774 | 239,280 | - | 20,275 |
| Capital Outlay | 1,143,924 | 926,746 | 954,398 | - |
| TOTAL EXPENDITURES | 7,880,048 | 2,792,625 | 958,066 | 561,976 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 1,220,979 | 353,881 | (853,706) | (162,653) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from the Issuance of Debt | - | - | - | - |
| Operating Transfers | 143,715 | (143,715) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 143,715 | (143,715) | - | - |
| NET CHANGE IN FUND BALANCES | 1,364,694 | 210,166 | (853,706) | (162,653) |
| FUND BALANCES, Beginning | 15,652,447 | 1,142,903 | 1,544,305 | 2,094,907 |
| FUND BALANCES, Ending | \$ 17,017,141 | \$ 1,353,069 | \$ 690,599 | \$ 1,932,254 |

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

TOTAL
GOVERNMENTAL
FUNDS

| 2020 | 2019 |
|----------------------|----------------------|
| \$ 5,426,645 | \$ 4,704,584 |
| 378,583 | 369,436 |
| 2,701,021 | 2,661,521 |
| 540,959 | 588,801 |
| 1,361,056 | 1,006,186 |
| 1,656,842 | 823,177 |
| 358,504 | 376,466 |
| 191,482 | 223,290 |
| 136,124 | 498,535 |
| <u>12,751,216</u> | <u>11,251,996</u> |
| 1,384,353 | 1,517,105 |
| 81,826 | 98,823 |
| 568,147 | 609,712 |
| 33,707 | 33,783 |
| 3,394,048 | 3,295,433 |
| 1,053,874 | 1,090,987 |
| 1,881,013 | 2,072,312 |
| 315,350 | 1,052,385 |
| 455,329 | 478,837 |
| <u>3,025,068</u> | <u>3,087,040</u> |
| <u>12,192,715</u> | <u>13,336,417</u> |
| <u>558,501</u> | <u>(2,084,421)</u> |
| - | 375,000 |
| - | - |
| <u>-</u> | <u>375,000</u> |
| 558,501 | (1,709,421) |
| <u>20,434,562</u> | <u>22,143,983</u> |
| <u>\$ 20,993,063</u> | <u>\$ 20,434,562</u> |

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, 2020

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

| | |
|--|---------------------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ 558,501 |
| 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 capital outlay \$2,432,847 exceeded depreciation (\$427,381) and loss on disposal of assets (\$31,121), in the current period. | 1,974,345 |
| 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 \$315,350, amortization of premium \$24,387, change in accrued compensated absences of (\$20,739), and change in accrued interest of \$762. | <u>319,760</u> |
| Change in Net Position of Governmental Activities | <u>\$ 2,852,606</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, 2020

| ASSETS | 2020 | 2019 |
|---|---------------------|---------------------|
| Current Assets | | |
| Cash and Investments | \$ 1,784,990 | \$ 1,164,313 |
| Accounts Receivable | 2,042 | 1,047 |
| Total Current Assets | <u>1,787,032</u> | <u>1,165,360</u> |
| Noncurrent Assets | | |
| Capital Assets, net of accumulated depreciation | <u>82,977</u> | <u>106,589</u> |
| TOTAL ASSETS | <u>1,870,009</u> | <u>1,271,949</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 60 | - |
| Unearned Revenues | <u>517,837</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>517,897</u> | <u>-</u> |
| NET POSITION | | |
| Investment in Capital Assets | 82,977 | 106,589 |
| Unrestricted | <u>1,269,135</u> | <u>1,165,360</u> |
| TOTAL NET POSITION | <u>\$ 1,352,112</u> | <u>\$ 1,271,949</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 NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2020

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| OPERATING REVENUES | | |
| Charges for Services | \$ 83,420 | \$ 92,875 |
| TOTAL OPERATING REVENUES | <u>83,420</u> | <u>92,875</u> |
| OPERATING EXPENSES | | |
| Operations | 6,614 | 6,435 |
| General and Administrative | 451 | 2,288 |
| Depreciation | 23,612 | 23,612 |
| TOTAL OPERATING EXPENSES | <u>30,677</u> | <u>32,335</u> |
| OPERATING INCOME | <u>52,743</u> | <u>60,540</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest Income | 7,320 | 23,508 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>7,320</u> | <u>23,508</u> |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS | <u>60,063</u> | <u>84,048</u> |
| Capital Contributions- Tap Fees | 20,100 | 36,350 |
| CHANGE IN NET POSITION | 80,163 | 120,398 |
| NET POSITION Beginning | <u>1,271,949</u> | <u>1,151,551</u> |
| NET POSITION, Ending | <u>\$ 1,352,112</u> | <u>\$ 1,271,949</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, 2020

Increase (Decrease) in Cash and Cash Equivalents

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Received from Customers | \$ 82,425 | \$ 93,548 |
| Cash Paid to Suppliers | 510,832 | (9,732) |
| Net Cash Provided (Used) by Operating Activities | <u>593,257</u> | <u>83,816</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital Contributions | <u>20,100</u> | <u>36,350</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received | <u>7,320</u> | <u>23,508</u> |
| Net Increase in Cash and Cash Equivalents | 620,677 | 143,674 |
| CASH AND CASH EQUIVALENTS, Beginning | <u>1,164,313</u> | <u>1,020,639</u> |
| CASH AND CASH EQUIVALENTS, Ending | <u>\$ 1,784,990</u> | <u>\$ 1,164,313</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating Income | <u>\$ 52,743</u> | <u>\$ 60,540</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 | (995) | 673 |
| Accounts Payable | 60 | (1,009) |
| Unearned Revenues | 517,837 | - |
| Total Adjustments | <u>540,514</u> | <u>23,276</u> |
| Net Cash Provided by Operating Activities | <u>\$ 593,257</u> | <u>\$ 83,816</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, 2020

| | <u>Agency Fund</u> |
|------------------------|------------------------|
| ASSETS | |
| Cash and Investments | \$ - |
| Accounts Receivable | <u>-</u> |
| TOTAL ASSETS | <u><u>\$ -</u></u> |
| LIABILITIES | |
| Due to Property Owners | <u>\$ -</u> |
| TOTAL LIABILITIES | <u><u>\$ -</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, 2020

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, 2019, 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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020, 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 \$345,000 are restricted because its use is restricted by State Statute for declared emergencies. In addition, donations in the amount of \$31,873 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, 2020, the City committed \$2,609,298 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, 2020

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, 2020, 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, 2020

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, 2020 follows:

| | |
|---------------|-----------------------------|
| Petty Cash | \$ 351 |
| Cash Deposits | 2,058,838 |
| Investments | <u>20,262,378</u> |
| Total | <u>\$ 22,321,567</u> |

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

| | |
|--|-----------------------------|
| Governmental Activities - Unrestricted | \$ 19,956,296 |
| Governmental Activities – Restricted | 580,281 |
| Business-type Activities | <u>1,784,990</u> |
| Total | <u>\$ 22,321,567</u> |

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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, 2020, 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, 2020, the City had deposits with financial institutions with a carrying amount of \$2,058,838. The bank balances with the financial institutions were \$2,198,133. Of these balances, \$578,949 was covered by federal depository insurance and \$1,619,184 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, 2020

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 \$361,287 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 AAAM 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.

The City had invested \$19,901,091 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM 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.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Local Government Investment Pools (Continued)

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, 2020, cash and investments in the amount of \$546,981 is restricted for capital expenditures in the Capital Projects Fund and cash in the amount of \$33,000 is restricted in the CHV Charlou Park GID fund as the debt reserve requirement per the Series 2019 Note agreement.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2020 is summarized below:

| | <u>Balances</u> 12/31/2019 | <u>Additions</u> | <u>Deletions</u> | <u>Balances</u> 12/31/2020 |
|---|-------------------------------|---------------------|------------------|-------------------------------|
| Governmental Activities | | | | |
| Capital Assets, not depreciated | | | | |
| Land | \$ 15,169,580 | \$ - | \$ - | \$ 15,169,580 |
| Construction in Progress | <u>1,627,787</u> | <u>2,115,024</u> | <u>-</u> | <u>3,742,811</u> |
| Total Capital Assets, not depreciated | <u>16,797,367</u> | <u>317,823</u> | <u>36,539</u> | <u>18,912,391</u> |
| Capital Assets, depreciated | | | | |
| Buildings | 13,261,020 | - | - | 13,261,020 |
| Software | 274,367 | - | - | 274,367 |
| Art | 395,000 | 60,000 | - | 455,000 |
| Machinery and Equipment | <u>3,102,808</u> | <u>257,823</u> | <u>36,539</u> | <u>3,324,092</u> |
| Total Capital Assets, depreciated | <u>17,033,195</u> | <u>317,823</u> | <u>36,539</u> | <u>17,314,479</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 697,711 | 159,615 | - | 857,326 |
| Software | 103,468 | 27,436 | - | 130,904 |
| Art | 156,701 | 39,500 | - | 196,201 |
| Machinery and Equipment | <u>2,392,065</u> | <u>200,830</u> | <u>5,418</u> | <u>2,587,477</u> |
| Total Accumulated Depreciation | <u>3,349,945</u> | <u>427,381</u> | <u>5,418</u> | <u>3,771,908</u> |
| Total Capital Assets, depreciated, Net | <u>13,683,250</u> | <u>(109,558)</u> | <u>31,121</u> | <u>13,542,571</u> |
| Governmental Activities, Capital Assets, Net | <u>\$ 30,480,617</u> | <u>\$ 2,005,466</u> | <u>\$ 31,121</u> | <u>\$ 32,454,962</u> |

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 4: CAPITAL ASSETS (Continued)

| | Balances <u>12/31/2019</u> | <u>Additions</u> | <u>Deletions</u> | Balances <u>12/31/2020</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 | 601,775 | 23,612 | - | 625,387 |
| Total Accumulated Depreciation | <u>601,775</u> | <u>23,612</u> | <u>-</u> | <u>625,387</u> |
| Business-Type Activities, Capital Assets, Net | <u>\$ 106,589</u> | <u>\$ (23,612)</u> | <u>\$ -</u> | <u>\$ 82,977</u> |

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

Governmental Activities

| | |
|----------------------|-------------------|
| General Government | \$ 35,492 |
| Public Safety | 148,576 |
| Public Works | 155,519 |
| Parks and Recreation | <u>87,794</u> |
| Total | <u>\$ 427,381</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, 2020.

| | Balance <u>12/31/2019</u> | <u>Additions</u> | <u>Payments</u> | Balance <u>12/31/2020</u> | Due In <u>One Year</u> |
|---|------------------------------|------------------|-------------------|------------------------------|---------------------------|
| General Obligation Debt: | | | | | |
| 2017 COPs | \$ 10,535,000 | \$ - | \$ 305,000 | \$ 10,230,000 | \$ 315,000 |
| 2017 COPs Premium | 536,510 | - | 24,387 | 512,123 | - |
| Debt from Direct Borrowings and Direct Placements: | | | | | |
| 2019 GID GO Note Payable | 374,771 | - | 10,350 | 364,421 | 10,000 |
| Other General Obligations: | | | | | |
| Compensated Absences | <u>354,875</u> | <u>39,371</u> | <u>18,632</u> | <u>375,614</u> | <u>-</u> |
| Total | <u>\$ 11,801,156</u> | <u>\$ 39,371</u> | <u>\$ 358,369</u> | <u>\$ 11,482,158</u> | <u>\$ 325,000</u> |

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: LONG-TERM DEBT (Continued)

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.

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 2019, 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 2019 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, 2020

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, 2020 are as follows:

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------------|----------------------------|----------------------------|
| 2021 | \$ 315,000 | \$ 426,238 | \$ 741,238 |
| 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 |
| 2026-2030 | 2,090,000 | 1,609,938 | 3,699,438 |
| 2031-2035 | 2,560,000 | 1,138,074 | 3,698,074 |
| 2036-2040 | 3,185,000 | 508,874 | 3,693,874 |
| 2041 | <u>715,000</u> | <u>26,812</u> | <u>741,812</u> |
| Total Debt Service Requirements | <u>\$10,230,000</u> | <u>\$ 5,310,486</u> | <u>\$15,540,486</u> |

Annual debt service requirements for the direct borrowings and direct placements at December 31, 2020 are as follows:

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|--------------------------|--------------------------|--------------------------|
| 2021 | \$ 10,000 | \$ 20,075 | \$ 30,075 |
| 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 |
| 2026-2030 | 75,000 | 77,000 | 152,000 |
| 2031-2035 | 100,000 | 53,625 | 153,625 |
| 2036-2040 | <u>134,421</u> | <u>23,100</u> | <u>157,521</u> |
| Total Debt Service Requirements | <u>\$ 364,421</u> | <u>\$ 248,600</u> | <u>\$ 613,021</u> |

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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, 2020 the City contributed \$177,064 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, 2020, the City contributed \$33,162 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, 2020 were \$264,094. 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, 2020

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

Special Improvement District No. 7

In 2000, the Special Improvement District No. 7 (the “District”) issued \$595,000 Special Assessment Bonds, Taxable Series 2000A and \$930,000 Special Assessment Bonds, Tax Exempt Series 2000B. These bonds were issued to finance improvements within the District. The bonds accrued interest at rates ranging from 5.8% to 8.75% per year.

The Series 2000A bonds were paid in full as of December 31, 2011. During the year ended December 31, 2012, the District issued \$585,000 Special Improvement District Revenue Refunding Note, Series 2012 to advance refund the Special Assessment Bonds, Tax Exempt Series 2000B. The note accrues interest at a rate of 2.6% per year. Interest payments are due semi-annually on June 15 and December 15. Principal payments on the note is 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. The activities of the District are recorded in the City’s Agency Fund and the outstanding debt is not recorded on the City’s financial statements. The outstanding debt was paid in full in and the Agency Fund closed to the General Fund as of December 31, 2020.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

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.

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, 2020, the South Metro Fire Rescue Authority paid \$27,112 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, 2020, the emergency reserve of \$345,000 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHERRY HILLS VILLAGE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2020

| | 2020 | | | VARIANCE | 2019 ACTUAL |
|---|----------------------|----------------------|----------------------|------------------------|----------------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | Positive (Negative) | |
| REVENUES | | | | | |
| Property Taxes | \$ 2,683,099 | \$ 2,683,099 | \$ 2,648,705 | \$ (34,394) | \$ 2,492,366 |
| Specific Ownership Taxes | 295,000 | 295,000 | 378,583 | 83,583 | 369,436 |
| Sales and Use Taxes | 2,117,298 | 2,117,298 | 2,701,021 | 583,723 | 2,661,521 |
| Franchise Fees | 500,000 | 500,000 | 540,959 | 40,959 | 588,801 |
| Licenses and Permits | 960,200 | 960,200 | 1,361,056 | 400,856 | 1,006,186 |
| Intergovernmental | 375,246 | 992,100 | 946,115 | (45,985) | 416,269 |
| Charges for Services | 357,500 | 357,500 | 358,504 | 1,004 | 376,466 |
| Miscellaneous | 132,900 | 132,900 | 73,985 | (58,915) | 69,541 |
| Interest | 12,000 | 12,000 | 92,099 | 80,099 | 307,868 |
| TOTAL REVENUES | 7,433,243 | 8,050,097 | 9,101,027 | 1,050,930 | 8,288,454 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | 1,901,456 | 2,518,310 | 1,271,498 | 1,246,812 | 1,122,625 |
| Judicial | 91,558 | 91,558 | 81,826 | 9,732 | 98,823 |
| Community Development | 699,235 | 699,235 | 568,147 | 131,088 | 609,712 |
| Village Crier | 36,052 | 36,052 | 33,707 | 2,345 | 33,783 |
| Public Safety | 3,310,986 | 3,310,986 | 3,394,048 | (83,062) | 3,295,433 |
| Public Works | 1,048,782 | 1,048,782 | 1,053,874 | (5,092) | 1,090,987 |
| Debt Service | | | | | |
| Principal | 137,250 | 137,250 | 137,250 | - | 133,150 |
| Interest | 195,925 | 195,925 | 195,774 | 151 | 199,133 |
| Capital Outlay | 1,383,850 | 1,383,850 | 1,143,924 | 239,926 | 686,967 |
| TOTAL EXPENDITURES | 8,805,094 | 9,421,948 | 7,880,048 | 1,541,900 | 7,270,613 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,371,851) | (1,371,851) | 1,220,979 | 2,592,830 | 1,017,841 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 161,650 | 161,500 | 143,715 | (17,785) | 16,997 |
| NET CHANGE IN FUND BALANCE | (1,210,201) | (1,210,351) | 1,364,694 | 2,575,045 | 1,034,838 |
| FUND BALANCE, Beginning | 14,714,730 | 14,714,730 | 15,652,447 | 937,717 | 14,617,609 |
| FUND BALANCE, Ending | <u>\$ 13,504,529</u> | <u>\$ 13,504,379</u> | <u>\$ 17,017,141</u> | <u>\$ 3,512,762</u> | <u>\$ 15,652,447</u> |

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

PARKS AND RECREATION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

| | 2020 | | VARIANCE Positive (Negative) | 2019 ACTUAL |
|---|---------------------------------|---------------------|------------------------------------|---------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 2,724,687 | \$ 2,737,333 | \$ 12,646 | \$ 2,212,218 |
| Intergovernmental | 500,000 | 403,511 | (96,489) | - |
| Interest | 30,000 | 5,662 | (24,338) | 26,427 |
| TOTAL REVENUES | <u>3,254,687</u> | <u>3,146,506</u> | <u>(108,181)</u> | <u>2,238,645</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Personal Services | 1,199,928 | 1,063,717 | 136,211 | 1,093,490 |
| Supplies and Materials | 47,842 | 40,424 | 7,418 | 20,958 |
| Utilities | 51,817 | 40,649 | 11,168 | 29,846 |
| Contractual Services | 208,072 | 114,182 | 93,890 | 102,426 |
| Maintenance | 59,800 | 48,156 | 11,644 | 44,249 |
| Other | 377,256 | 151,721 | 225,535 | 244,456 |
| Capital Outlay | 1,073,293 | 926,746 | 146,547 | 29,722 |
| Debt Service | | | | |
| Principal | 167,750 | 167,750 | - | 918,949 |
| Interest | 239,463 | 239,280 | 183 | 265,954 |
| TOTAL EXPENDITURES | <u>3,425,221</u> | <u>2,792,625</u> | <u>632,596</u> | <u>2,750,050</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(170,534)</u> | <u>353,881</u> | <u>524,415</u> | <u>(511,405)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(161,500)</u> | <u>(143,715)</u> | <u>(17,785)</u> | <u>(16,997)</u> |
| NET CHANGE IN FUND BALANCE | <u>(332,034)</u> | <u>210,166</u> | <u>542,200</u> | <u>(528,402)</u> |
| FUND BALANCE, Beginning | <u>1,108,200</u> | <u>1,142,903</u> | <u>34,703</u> | <u>1,671,305</u> |
| FUND BALANCE, Ending | <u>\$ 776,166</u> | <u>\$ 1,353,069</u> | <u>\$ 576,903</u> | <u>\$ 1,142,903</u> |

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, 2020

| | LAND DONATION FUND | ARAPAHOE COUNTY OPEN SPACE FUND | CONSERVATION TRUST FUND | CHV CHARLOU PARK GID FUND |
|--|--------------------------|--|-------------------------------|---------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 381,198 | \$ 1,342,811 | \$ 432,444 | \$ 48,894 |
| Restricted Cash and Investments | - | - | - | 33,300 |
| Accounts Receivable | - | - | - | - |
| Property Taxes Receivable | - | - | - | 40,428 |
| TOTAL ASSETS | <u>\$ 381,198</u> | <u>\$ 1,342,811</u> | <u>\$ 432,444</u> | <u>\$ 122,622</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 2,268 | \$ 22,656 | \$ 17,150 | \$ - |
| Due To Other Funds | - | 224,319 | - | - |
| Unearned Revenue | - | 40,000 | - | - |
| TOTAL LIABILITIES | <u>2,268</u> | <u>286,975</u> | <u>17,150</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Tax Revenue | - | - | - | 40,428 |
| FUND BALANCES | | | | |
| Restricted | <u>378,930</u> | <u>1,055,836</u> | <u>415,294</u> | <u>82,194</u> |
| TOTAL FUND BALANCES | <u>378,930</u> | <u>1,055,836</u> | <u>415,294</u> | <u>82,194</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 381,198</u> | <u>\$ 1,342,811</u> | <u>\$ 432,444</u> | <u>\$ 122,622</u> |

See the accompanying independent auditors' report.

TOTALS

| <u>2020</u> | <u>2019</u> |
|---------------------|---------------------|
| \$ 2,205,347 | \$ 2,348,386 |
| 33,300 | 33,000 |
| - | 45,456 |
| <u>40,428</u> | <u>38,141</u> |
| <u>\$ 2,279,075</u> | <u>\$ 2,464,983</u> |

| | |
|----------------|----------------|
| \$ 42,074 | \$ 67,616 |
| 224,319 | 224,319 |
| <u>40,000</u> | <u>40,000</u> |
| <u>306,393</u> | <u>331,935</u> |

| | |
|---------------|---------------|
| <u>40,428</u> | <u>38,141</u> |
|---------------|---------------|

| | |
|------------------|------------------|
| <u>1,932,254</u> | <u>2,094,907</u> |
|------------------|------------------|

| | |
|------------------|------------------|
| <u>1,932,254</u> | <u>2,094,907</u> |
|------------------|------------------|

| | |
|---------------------|---------------------|
| <u>\$ 2,279,075</u> | <u>\$ 2,464,983</u> |
|---------------------|---------------------|

CITY OF CHERRY HILLS VILLAGE, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2020

| | LAND DONATION FUND | ARAPAHOE COUNTY OPEN SPACE FUND | CONSERVATION TRUST FUND | CHV CHARLOU PARK GID FUND |
|---|--------------------------|--|-------------------------------|---------------------------------|
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 40,607 |
| Intergovernmental | - | 238,613 | 68,603 | - |
| Other | 12,691 | 4,806 | - | - |
| Interest | 9,011 | 23,084 | 1,671 | 237 |
| TOTAL REVENUES | <u>21,702</u> | <u>266,503</u> | <u>70,274</u> | <u>40,844</u> |
| EXPENDITURES | | | | |
| General Government | 108,725 | - | - | 462 |
| Parks and Recreation | - | 353,987 | 68,177 | - |
| Debt Service | | | | |
| Principal | - | - | - | 10,350 |
| Interest | - | - | - | 20,275 |
| TOTAL EXPENDITURES | <u>108,725</u> | <u>353,987</u> | <u>68,177</u> | <u>31,087</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(87,023)</u> | <u>(87,484)</u> | <u>2,097</u> | <u>9,757</u> |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from the Issuance of Debt | - | - | - | - |
| CHANGE IN FUND BALANCES | (87,023) | (87,484) | 2,097 | 9,757 |
| FUND BALANCES, Beginning | <u>465,953</u> | <u>1,143,320</u> | <u>413,197</u> | <u>72,437</u> |
| FUND BALANCES, Ending | <u>\$ 378,930</u> | <u>\$ 1,055,836</u> | <u>\$ 415,294</u> | <u>\$ 82,194</u> |

See the accompanying independent auditors' report.

TOTALS

| 2020 | 2019 |
|--------------|--------------|
| \$ 40,607 | \$ - |
| 307,216 | 406,908 |
| 17,497 | 28,724 |
| 34,003 | 104,756 |
| 399,323 | 540,388 |
| 109,187 | 366,755 |
| 422,164 | 536,887 |
| 10,350 | 286 |
| 20,275 | 13,750 |
| 561,976 | 917,678 |
| (162,653) | (377,290) |
| - | 375,000 |
| (162,653) | (2,290) |
| 2,094,907 | 2,097,197 |
| \$ 1,932,254 | \$ 2,094,907 |

CITY OF CHERRY HILLS VILLAGE, COLORADO

LAND DONATION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

| | 2020 | | VARIANCE Positive (Negative) | 2019 ACTUAL |
|----------------------------|---------------------------------|------------|------------------------------------|----------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ 157,831 |
| Other | 5,000 | 12,691 | 7,691 | 25,276 |
| Interest | 8,500 | 9,011 | 511 | 26,925 |
| TOTAL REVENUES | 13,500 | 21,702 | 8,202 | 210,032 |
| EXPENDITURES | | | | |
| General and Administrative | 150,921 | 108,725 | 42,196 | 366,755 |
| TOTAL EXPENDITURES | 150,921 | 108,725 | 42,196 | 366,755 |
| NET CHANGE IN FUND BALANCE | (137,421) | (87,023) | 50,398 | (156,723) |
| FUND BALANCE, Beginning | 438,781 | 465,953 | 27,172 | 622,676 |
| FUND BALANCE, Ending | \$ 301,360 | \$ 378,930 | \$ 77,570 | \$ 465,953 |

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

ARAPAHOE COUNTY OPEN SPACE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

| | 2020 | | VARIANCE Positive (Negative) | 2019 ACTUAL |
|----------------------------|---------------------------------|--------------|------------------------------------|----------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Open Space Shareback | \$ 160,000 | \$ 187,543 | \$ 27,543 | \$ 173,455 |
| Intergovernmental | 225,000 | 51,070 | (173,930) | - |
| Other | 3,000 | 4,806 | 1,806 | 3,448 |
| Interest | 20,000 | 23,084 | 3,084 | 72,466 |
| TOTAL REVENUES | 408,000 | 266,503 | (141,497) | 249,369 |
| EXPENDITURES | | | | |
| Parks and Recreation | 893,090 | 353,987 | 539,103 | 73,781 |
| TOTAL EXPENDITURES | 893,090 | 353,987 | 539,103 | 73,781 |
| NET CHANGE IN FUND BALANCE | (485,090) | (87,484) | 397,606 | 175,588 |
| FUND BALANCE, Beginning | 1,110,221 | 1,143,320 | 33,099 | 967,732 |
| FUND BALANCE, Ending | \$ 625,131 | \$ 1,055,836 | \$ 430,705 | \$ 1,143,320 |

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

| | 2020 | | VARIANCE Positive (Negative) | 2019 ACTUAL |
|----------------------------|---------------------------------|-------------------|------------------------------------|-------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Intergovernmental | \$ 60,000 | \$ 68,603 | \$ 8,603 | \$ 75,622 |
| Interest | 1,700 | 1,671 | (29) | 5,365 |
| TOTAL REVENUES | <u>61,700</u> | <u>70,274</u> | <u>8,574</u> | <u>80,987</u> |
| EXPENDITURES | | | | |
| Parks and Recreation | <u>101,000</u> | <u>68,177</u> | <u>32,823</u> | <u>174,579</u> |
| TOTAL EXPENDITURES | <u>101,000</u> | <u>68,177</u> | <u>32,823</u> | <u>174,579</u> |
| NET CHANGE IN FUND BALANCE | (39,300) | 2,097 | (24,249) | (93,592) |
| FUND BALANCE, Beginning | <u>388,076</u> | <u>413,197</u> | <u>25,121</u> | <u>506,789</u> |
| FUND BALANCE, Ending | <u>\$ 348,776</u> | <u>\$ 415,294</u> | <u>\$ 66,518</u> | <u>\$ 413,197</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, 2020

| | 2020 | | VARIANCE Positive (Negative) | 2019 ACTUAL |
|---|---------------------------------|------------------|------------------------------------|------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 38,141 | \$ 38,368 | \$ 227 | \$ - |
| Specific Ownership Taxes | 3,051 | 2,239 | (812) | - |
| Interest | - | 237 | 237 | - |
| TOTAL REVENUES | <u>41,192</u> | <u>40,844</u> | <u>(348)</u> | <u>-</u> |
| EXPENDITURES | | | | |
| General and Administrative | 10,572 | 462 | 10,110 | - |
| Capital Outlay | 13,000 | - | 13,000 | 288,527 |
| Debt Service | | | | |
| Principal | 3,000 | 10,350 | (7,350) | 286 |
| Interest | 20,625 | 20,275 | 350 | 13,750 |
| TOTAL EXPENDITURES | <u>47,197</u> | <u>31,087</u> | <u>16,110</u> | <u>302,563</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(6,005)</u> | <u>9,757</u> | <u>15,762</u> | <u>(302,563)</u> |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from Issuance of Debt | - | - | - | 375,000 |
| NET CHANGE IN FUND BALANCE | (6,005) | 9,757 | 15,762 | 72,437 |
| FUND BALANCE, Beginning | <u>26,827</u> | <u>72,437</u> | <u>45,610</u> | <u>-</u> |
| FUND BALANCE, Ending | <u>\$ 20,822</u> | <u>\$ 82,194</u> | <u>\$ 61,372</u> | <u>\$ 72,437</u> |

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

| | 2020 | | VARIANCE Positive (Negative) | 2019 ACTUAL |
|----------------------------|---------------------------------|------------|------------------------------------|----------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Interest | \$ 40,000 | \$ 4,360 | \$ (35,640) | \$ 59,484 |
| Other | 100,000 | 100,000 | - | 125,025 |
| TOTAL REVENUES | 140,000 | 104,360 | (35,640) | 184,509 |
| EXPENDITURES | | | | |
| General and Administrative | 13,000 | 3,668 | 9,332 | 27,725 |
| Capital Outlay | 1,006,448 | 954,398 | 52,050 | 2,370,351 |
| TOTAL EXPENDITURES | 1,019,448 | 958,066 | 61,382 | 2,398,076 |
| NET CHANGE IN FUND BALANCE | (879,448) | (853,706) | 25,742 | (2,213,567) |
| FUND BALANCE, Beginning | 565,358 | 1,544,305 | 978,947 | 3,757,872 |
| FUND BALANCE, Ending | \$ (314,090) | \$ 690,599 | \$ 1,004,689 | \$ 1,544,305 |

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

WATER AND SEWER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

| | 2020 | | VARIANCE Positive (Negative) | 2019 ACTUAL |
|------------------------------------|---------------------------------|---------------------|------------------------------------|---------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Tap Fees | \$ 5,000 | \$ 20,100 | \$ 15,100 | \$ 36,350 |
| Sewer Repairs and Maintenance Fees | 69,660 | 83,420 | 13,760 | 92,875 |
| Miscellaneous | - | - | - | - |
| Interest | 8,000 | 7,320 | (680) | 23,508 |
| TOTAL REVENUES | <u>82,660</u> | <u>110,840</u> | <u>28,180</u> | <u>152,733</u> |
| EXPENDITURES | | | | |
| Legal Fees | 2,000 | 195 | 1,805 | 338 |
| Contractual Services | 20,000 | - | 20,000 | 1,950 |
| Repairs and Maintenance | 500,000 | 6,614 | 493,386 | 6,435 |
| Other | 1,000 | 256 | 744 | - |
| Depreciation Expense | 23,612 | 23,612 | - | 23,612 |
| TOTAL EXPENDITURES | <u>546,612</u> | <u>30,677</u> | <u>515,935</u> | <u>32,335</u> |
| NET INCOME | <u>\$ (463,952)</u> | 80,163 | <u>\$ 544,115</u> | 120,398 |
| NET POSITION, Beginning | | <u>1,271,949</u> | | <u>1,151,551</u> |
| NET POSITION, Ending | | <u>\$ 1,352,112</u> | | <u>\$ 1,271,949</u> |

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

AGENCY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

| | 2020 | | VARIANCE Positive (Negative) | 2019 ACTUAL |
|---|---------------------------------|-----------------|------------------------------------|------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Assessment Revenue | \$ 69,183 | \$ 68,372 | \$ (811) | \$ 73,280 |
| Interest on Assessments | 2,145 | 242 | (1,903) | 4,375 |
| Interest Income | 500 | 466 | (34) | 1,891 |
| TOTAL REVENUES | <u>71,828</u> | <u>69,080</u> | <u>(2,748)</u> | <u>79,546</u> |
| EXPENDITURES | | | | |
| Treasurer's Fees | 713 | 827 | (114) | 777 |
| Debt Service | | | | |
| Principal | 80,000 | 59,179 | 20,821 | 80,000 |
| Interest Expense | 2,080 | 1,889 | 191 | 3,639 |
| TOTAL EXPENDITURES | <u>82,793</u> | <u>61,895</u> | <u>20,898</u> | <u>84,416</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(10,965)</u> | <u>7,185</u> | <u>18,150</u> | <u>(4,870)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers Out | <u>-</u> | <u>(19,893)</u> | <u>(19,893)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (10,965) | (12,708) | (1,743) | (4,870) |
| FUND BALANCE, Beginning | <u>10,965</u> | <u>12,708</u> | <u>1,743</u> | <u>17,578</u> |
| FUND BALANCE, Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12,708</u> |

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, 2020

| | BALANCE DECEMBER 31, 2019 | ADDITIONS | DEDUCTIONS | BALANCE DECEMBER 31, 2020 |
|--------------------------|---------------------------------|------------------|-------------------|---------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 92,606 | \$ 69,080 | \$ 161,686 | \$ - |
| Due from Others | 103 | - | 103 | - |
| TOTAL ASSETS | \$ 92,709 | \$ 69,080 | \$ 161,789 | \$ - |
| LIABILITIES | | | | |
| Due Property Owners | 12,709 | 69,080 | 81,789 | - |
| Accounts Payable | 80,000 | - | 80,000 | - |
| TOTAL LIABILITIES | \$ 92,709 | \$ 69,080 | \$ 161,789 | \$ - |

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 2020 |
| This Information From The Records Of (example - City of _ or County of City of Cherry Hills Village) | Prepared By: Phone: | Jessica Sager 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) | 610,144 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 617,130 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | 11,361 |
| 2. General fund appropriations | 1,048,782 | b. Snow and ice removal | 69,077 |
| 3. Other local imposts (from page 2) | 440,432 | c. Other | 3,639 |
| 4. Miscellaneous local receipts (from page 2) | 0 | d. Total (a. through c.) | 84,078 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | 226,181 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | 292,411 |
| a. Bonds - Original Issues | 0 | 6. Total (1 through 5) | 1,829,943 |
| 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) | 1,489,214 | b. Redemption | 0 |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 234,258 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 0 | a. Interest | 0 |
| E. Total receipts (A.7 + B + C + D) | 1,723,472 | 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) | 1,829,943 |

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 | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | 0 | 1,723,472 | 1,829,943 | 0 | (106,472) |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2020

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 | 440,432 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 440,432 | h. Other | |
| c. Total (a. + b.) | 440,432 | 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 | 211,831 | 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 | 22,427 | d. Federal Transit Admin | |
| d. Other (Specify) | | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | |
| f. Total (a. through e.) | 22,427 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 234,258 | 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 | | 8,342 | 8,342 |
| c. Construction: | | | |
| (1). New Facilities | | | 0 |
| (2). Capacity Improvements | | | 0 |
| (3). System Preservation | | 601,802 | 601,802 |
| (4). System Enhancement & Operation | | | 0 |
| (5). Total Construction (1) + (2) + (3) + (4) | 0 | 601,802 | 601,802 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0 | 610,144 | 610,144 |
| | | | (Carry forward to page 1) |

Notes and Comments: