CITY OF CHERRY HILLS VILLAGE, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2018

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FINANCIAL SECTION

JOHN CUTLER
& ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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, 2018, and the related notes to the financial statements, which collectively comprise the Authority'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, 2018, 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

May 9, 2019

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, 2018. 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 2018 by $39.0 million (net position). Of this amount, $20.7 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of fiscal year 2018, the City of Cherry Hills Village governmental funds reported combined ending fund balances of $22.1 million, a decrease of $3.7 million in comparison with the prior year. Approximately 45% or $10 million is available for spending at the government's discretion (unassigned fund balance).
- At the end of the fiscal year 2018, fund balance for the general fund was $14 million, of which $4.2 million was committed to capital expenditures.
- General Fund actual revenues exceeded budgeted revenue by $1.4 million for the fiscal year 2018 and actual expenditures were $530,057 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 of the City's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The ***statement of net position*** presents information on all of 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 2018. 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 or not there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided that explains the relationship 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 $38,976,645 at the close of the 2018 fiscal year.

A portion of the City of Cherry Hills Village's net assets (42%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The City of Cherry Hills Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City of Cherry Hills Village net position (5%) represents resources that are subject to external restrictions for how they may be used. The remaining balance of unrestricted net assets (53% or $20,741,952) may be used to meet the City's obligations to citizens and creditors.

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

City of Cherry Hills Village Net Position

Current and other assets	$28,273,740	$32,123,452	$1,022,359	$923,681
Capital assets	$28,220,986	$24,275,574	$130,201	$153,813
Total assets	**$56,494,726**	**$56,399,026**	**$1,152,560**	**$1,077,494**
Long-term liabilities outstanding	$11,432,189	$12,470,856	$1,009	$0
Other liabilities	$7,237,443	$7,303,670	$0	$0
Total liabilities	**$18,669,632**	**$19,774,526**	**$1,009**	**$0**
Net assets:				
Invested in capital assets, net of related debt	$16,072,933	$11,051,412	$130,201	$153,813
Restricted	$2,031,559	$2,435,513	$0	$0
Unrestricted	$19,720,602	$23,137,575	$1,021,350	$923,681
Total net assets	**$37,825,094**	**$36,624,500**	**$1,151,551**	**$1,077,494**

Changes in Net Position

Governmental activities

- Governmental-type activities increased the City's total net position by $1,200,594 from 2017.
- The increase in total net position is due to the purchase of equipment and vehicles for the Police Department and the Public Works Department equipment. Also, the construction of a new City Hall, in addition to a decrease in liabilities resulting from the South Suburban asset payment for 2018.

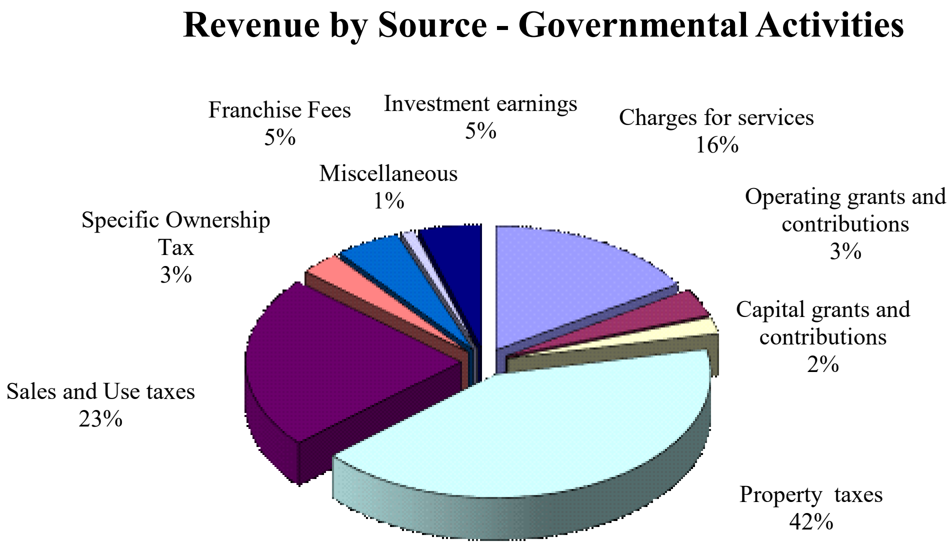
Business Type Activities

- Business-type activities increased the City's total net position by $74,057 from 2017.
- The increase is primarily due to additional tap fee revenues collected.

City of Cherry Hills Village Changes in Net Position

	Governmental Activities 2018	Governmental Activities 2017	Business-type Activities 2018	Business-type Activities 2017
Revenues				
Program Revenues				
Charges for services	$1,765,772	$1,592,499	$83,987	$95,439
Operating grants and contributions	$397,879	$353,993	$0	$0
Capital grants and contributions	$234,579	$220,457	$25,100	$31,100
General Revenues				
Property taxes	$4,607,972	$4,547,811	$0	$0
Sales and Use taxes	$2,504,618	$2,345,487	$0	$0
Specific Ownership taxes	$335,343	$389,520	$0	$0
Franchise fees	$541,160	$588,307	$0	$0
Miscellaneous	$111,623	$229,394	$0	$0
Investment earnings	$520,712	$280,908	$15,843	$8,296
Special Item, Donation of Land	$0	$0	$0	$0
Total revenues	$11,019,658	$10,548,376	$124,930	$134,835
Expenses				
General Government	$1,816,313	$1,628,583	$0	$0
Judicial	$91,342	$88,587	$0	$0
Public Safety	$3,240,895	$3,374,876	$0	$0
Public Works	$1,152,899	$1,132,499	$0	$0
Community Development	$585,674	$480,076	$0	$0
Parks, Recreation, and Open Space	$2,389,747	$1,976,775	$0	$0
Village Crier	$32,959	$31,585	$0	$0
Other	$509,235	$344,346	$50,873	$45,205
Total expenses	$9,819,064	$9,057,327	$50,873	$45,205
Increases in net position	$1,200,594	$1,491,049	$74,057	$89,630
Net position, beginning	$36,624,500	$35,133,451	$1,077,494	$987,864
Net position, ending	$37,825,094	$36,624,500	$1,151,551	$1,077,494

Financial Analysis of the City's Funds



The City of Cherry Hills Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 2018, the City of Cherry Hills Village governmental funds reported combined ending fund balances of $22.1 million, a decrease of $3.7 million in comparison with the prior year. Approximately 45% of this total amount ($10 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 2018, unassigned fund balance of the General Fund, combined with the Capital Fund, was $10 million; while total fund balance reached $14.6 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 146% of total General Fund/Capital Fund expenditures, while total fund balance represents 47% of that same amount.

The Parks and Recreation Fund began receiving revenues in 2006. This fund had a positive balance of $1,671,305 at the end of 2018 and will continue to receive revenues 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 $3,757,872 at the end of 2018. The only revenue this fund will receive is interest earnings.

South Suburban Exclusion

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

Both parties appealed the trial judge's order. Under the Court of Appeals decision, the exclusion stands, but the Court held that Colorado law does not require payment of fair market value as a condition for exclusion under these circumstances. Upon appeal, the trial judge was to reconsider the evidence and make new findings to support any judgment awarding compensation to South Suburban. In May 2008, the trial court issued a second opinion, again ordering the City to pay South Suburban the sum of $9,660,838. This second opinion contained virtually no explanation of how the trial court arrived at the precise figure it had previously determined was the fair market value of the parks in the City and made no specific findings on the other factors that the Court of Appeals directed the trial court to consider.

As a result, in May 2008 the City filed an appeal with the Colorado Court of Appeals. Also in the spring of 2008, the City filed a motion to stay payment of the $9,660,838 judgment pending the decision by the Colorado Court of Appeals. The court granted the City's motion, but stipulated that the City must pay the District the 2007 asset payment plus interest from December 1, 2007 to the date of payment, which was August 1, 2008.

The City received an unfavorable ruling by the Colorado Court of Appeals in 2009 and was required to make the principal and interest payments on the assets for 2008 and 2009.

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 2018, 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 $74,057 in 2018.

General Fund Budgetary Highlights

A supplemental appropriation was made to the Conservation Trust Fund in 2018 to pay the City's portion of the Hampden Underpass project.

The General Fund expenditures in 2018 were $892,062 under budget and revenues were $1,350,680 over budget. The General Fund balance increased by $1,567,042 and had an ending fund balance of $14,617,609.

Capital Asset and Debt Administration

Capital assets**.** The City of Cherry Hills Village investment in capital assets as of December 31, 2018 amounts to $28.3 million. This investment in capital assets includes land, buildings, vehicles, equipment, art and sewer lines.

Capital asset events during the 2018 fiscal year included the following:

- New police motorcycle and vehicle in the amount of $83,905
- Construction in progress in the amount of $3,989,856

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

	2018	2017
Land	$15,169,580	$15,393,400
CIP	$4,537,738	$3,963,553
Buildings and Improvements	$7,456,877	$3,628,612
Software	$18,268	$46,576
Equipment	$760,724	$926,134
Art	$277,799	$317,299
Sewer Lines	$130,201	$153,813
Total Capital Assets	$28,351,187	$24,429,387

Long-term debt. At the end of the 2018 fiscal year, the City of Cherry Hills Village had total long-term debt outstanding of $12,484,345. This total debt represents the South Suburban obligation ($757,156), accrued compensated absences ($336,292) and Certificates of Participation ($11,390,897).

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 2019 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 2019 budget was adopted with a very slight increase in property tax revenues (less than 1%) from 2017 and also a small increase in sales tax, use tax, building permit revenue and interest income. All other revenues would remain constant or increase slightly.

During the 2018 fiscal year, fund balance in the General Fund (to include the Capital Fund) increased to $14.6 million (from $13 million). The General Fund (to include the Capital Fund) balance is projected to end 2019 at approximately $12.8 million.

The adopted 2019 fiscal year total budget appropriations are $16.7 million, a decrease of $2,752,714 from 2018. This decrease is due to the completion of the Public Works Facility at the beginning of 2018 and the majority of the expenditures for the new City Hall at the end of 2018. Two of the three major projects; a new Public Works Facility, a new City Hall and improvements to John Meade Park/Alan Hutto Memorial Commons, will continue into 2019. The City financed these three projects with the proceeds from Certificates of Participation (COP's) in the amount of $11.8 million.

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

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

Or
jsager@cherryhillsvillage.com

BASIC FINANCIAL STATEMENTS

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF NET POSITION
As of December 31, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS 2018	TOTALS 2017
ASSETS				
Cash and Investments	$ 18,669,715	$ 1,020,639	$ 19,690,354	$ 19,439,394
Restricted Cash and Investments	4,474,848	-	4,474,848	8,461,752
Receivables				
Property Taxes	4,712,324	-	4,712,324	4,614,575
Sales and Other	220,782	-	220,782	211,793
Accounts Receivable	196,071	1,720	197,791	319,619
Capital Assets, Not Depreciated	19,707,318	-	19,707,318	19,356,953
Capital Assets, Depreciated				
Net of Accumulated Depreciation	8,513,668	130,201	8,643,869	5,072,434
TOTAL ASSETS	56,494,726	1,152,560	57,647,286	57,476,520
LIABILITIES				
Accounts Payable	977,735	1,009	978,744	1,475,659
Retainage Payable	179,160	-	179,160	24,650
Accrued Expenses	26,974	-	26,974	33,362
Unearned Revenue	40,000	-	40,000	40,000
Escrow Deposits	193,564	-	193,564	85,815
Accrued Interest Payable	55,530	-	55,530	-
Noncurrent Liabilities				
Due within One Year	1,052,156	-	1,052,156	1,029,609
Due in More Than One Year	11,432,189	-	11,432,189	12,470,856
TOTAL LIABILITIES	13,957,308	1,009	13,958,317	15,159,951
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	4,712,324	-	4,712,324	4,614,575
NET POSITION				
Investment in Capital Assets	16,072,933	130,201	16,203,134	11,205,225
Restricted for Parks and Recreation	1,671,305	-	1,671,305	2,095,734
Restricted for Emergencies	328,000	-	328,000	314,000
Restricted for Public Art	32,254	-	32,254	25,779
Unrestricted	19,720,602	1,021,350	20,741,952	24,061,256
TOTAL NET POSITION	$ 37,825,094	$ 1,151,551	$ 38,976,645	$ 37,701,994

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 1,816,313	$ -	$ -	$ -
Judicial	91,342	279,377	-	-
Community Development	585,674	1,378,783	-	-
Village Crier	32,959	16,067	-	-
Public Safety	3,240,895	91,545	-	-
Public Works	1,152,899	-	397,879	-
Parks and Recreation	2,389,747	-	-	234,579
Interest on Long Term Debt	509,235	-	-	-
Total Governmental Activities	9,819,064	1,765,772	397,879	234,579
Business-Type Activities				
Water and Sewer	50,873	83,987	-	25,100
Total Business-Type Activities	50,873	83,987	-	25,100
Total Primary Government	$ 9,869,937	$ 1,849,759	$ 397,879	$ 259,679

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 2018	TOTALS 2017
$ (1,816,313)	$ -	$ (1,816,313)	$ (1,628,583)
188,035	-	188,035	255,792
793,109	-	793,109	658,695
(16,892)	-	(16,892)	(15,077)
(3,149,350)	-	(3,149,350)	(3,282,035)
(755,020)	-	(755,020)	(778,506)
(2,155,168)	-	(2,155,168)	(1,756,318)
(509,235)	-	(509,235)	(344,346)
(7,420,834)	-	(7,420,834)	(6,890,378)
-	58,214	58,214	81,334
-	58,214	58,214	81,334
(7,420,834)	58,214	(7,362,620)	(6,809,044)
4,607,972	-	4,607,972	4,547,811
335,343	-	335,343	389,520
2,504,618	-	2,504,618	2,345,487
541,160	-	541,160	588,307
520,712	15,843	536,555	289,204
111,623	-	111,623	229,394
8,621,428	15,843	8,637,271	8,389,723
1,200,594	74,057	1,274,651	1,580,679
36,624,500	1,077,494	37,701,994	36,121,315
$ 37,825,094	$ 1,151,551	$ 38,976,645	$ 37,701,994

CITY OF CHERRY HILLS VILLAGE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2018

	General Fund	Parks and Recreation Fund	Capital Projects Fund	Other Governmental Funds
ASSETS				
Cash and Investments	$ 14,417,750	$ 1,755,136	$ -	$ 2,496,829
Restricted Cash and Investments	-	-	4,474,848	-
Due From Other Funds	80,701	-	224,319	-
Property Taxes Receivable	2,497,532	2,214,792	-	-
Accounts Receivable	194,942	1,129	-	-
Other Receivables	204,976	15,806	-	-
TOTAL ASSETS	$ 17,395,901	$ 3,986,863	$ 4,699,167	$ 2,496,829
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY				
LIABILITIES				
Accounts Payable	$ 61,805	$ 99,183	$ 681,434	$ 135,313
Retainage Payable	-	-	179,160	-
Accrued Expenses	25,391	1,583	-	-
Due To Other Funds			80,701	224,319
Unearned Revenue	-	-	-	40,000
Escrow Deposits	193,564	-	-	-
TOTAL LIABILITIES	280,760	100,766	941,295	399,632
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	2,497,532	2,214,792	-	-
FUND EQUITY				
Restricted	360,254	-	3,757,872	2,097,197
Committed	4,226,361	1,671,305	-	-
Unassigned	10,030,994	-	-	-
TOTAL FUND EQUITY	14,617,609	1,671,305	3,757,872	2,097,197
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	$ 17,395,901	$ 3,986,863	$ 4,699,167	$ 2,496,829

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 a long term obligation of ($757,156), COPs Payable ($10,830,000), Premium on COPs Payable ($560,897), accrued interest payable ($55,530), and Compensated Absences ($336,292).

Net position of governmental activities

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

TOTAL GOVERNMENTAL FUNDS	
2018	2017
$ 18,669,715	$ 18,516,343
4,474,848	8,461,752
305,020	-
4,712,324	4,614,575
196,071	318,989
220,782	211,793
$ 28,578,760	$ 32,123,452
$ 977,735	$ 1,475,659
179,160	24,650
26,974	33,362
305,020	-
40,000	40,000
193,564	85,815
1,722,453	1,659,486
4,712,324	4,614,575
6,215,323	11,042,869
5,897,666	6,828,541
10,030,994	7,977,981
22,143,983	25,849,391
28,220,986	24,275,574
(12,539,875)	(13,500,465)
$ 37,825,094	$ 36,624,500

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	General Fund	Parks and Recreation Fund	Capital Projects Fund	Other Governmental Funds
REVENUES				
Property Taxes	$ 2,491,738	$ 2,116,234	$ -	$ -
Specific Ownership Taxes	335,343	-	-	-
Sales and Use Taxes	2,477,617	-	-	-
Franchise Fees	541,160	-	-	-
Licenses and Permits	1,378,783	-	-	-
Intergovernmental	424,880	-	-	234,579
Charges for Services	370,922	-	-	-
Miscellaneous	112,729	-	-	14,961
Interest	288,508	30,246	134,055	67,903
TOTAL REVENUES	8,421,680	2,146,480	134,055	317,443
EXPENDITURES				
Current				
General Government	1,224,006	-	16,120	51,622
Judicial	91,342	-	-	-
Community Development	585,674	-	-	-
Village Crier	32,959	-	-	-
Public Safety	3,078,303	-	-	-
Public Works	975,153	-	-	-
Parks and Recreation	-	1,391,766	-	511,226
Debt Issuance Costs	-	-	-	-
Debt Service				
Principal	128,250	901,359	-	-
Interest	203,754	274,338	-	-
Capital Outlay	535,197	3,446	4,720,551	-
TOTAL EXPENDITURES	6,854,638	2,570,909	4,736,671	562,848
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,567,042	(424,429)	(4,602,616)	(245,405)
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Debt	-	-	-	-
NET CHANGE IN FUND BALANCES	1,567,042	(424,429)	(4,602,616)	(245,405)
FUND BALANCES, Beginning	13,050,567	2,095,734	8,184,481	2,518,609
Prior Period Adjustment	-	-	176,007	(176,007)
FUND BALANCES, Ending	$ 14,617,609	$ 1,671,305	$ 3,757,872	$ 2,097,197

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

TOTAL GOVERNMENTAL FUNDS	
2018	2017
$ 4,607,972	$ 4,547,811
335,343	389,520
2,477,617	2,316,683
541,160	588,307
1,378,783	1,138,771
659,459	603,254
370,922	437,220
127,690	245,902
520,712	280,908
11,019,658	10,548,376
1,291,748	1,363,234
91,342	88,587
585,674	480,076
32,959	31,585
3,078,303	3,157,440
975,153	995,603
1,902,992	1,256,422
-	204,671
1,029,609	1,019,804
478,092	368,733
5,259,194	4,650,515
14,725,066	13,616,670
(3,705,408)	(3,068,294)
-	12,004,671
(3,705,408)	8,936,377
25,849,391	16,913,014
-	-
$ 22,143,983	$ 25,849,391

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, 2018

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Changes in Fund Balances - Total Governmental Funds	$ (3,705,408)
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 $4,849,025 exceeded depreciation ($445,607) and loss on disposal of assets ($458,006) in the current period.	3,945,412
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 $1,029,609, amortization of premium $24,387, change in accrued compensated absences of ($37,876), and change in accrued interest of ($55,530).	960,590
Change in Net Position of Governmental Activities	$ 1,200,594

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, 2018

ASSETS	2018	2017
Current Assets		
Cash and Investments	$ 1,020,639	$ 923,051
Accounts Receivable	1,720	630
Total Current Assets	1,022,359	923,681
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	130,201	153,813
TOTAL ASSETS	1,152,560	1,077,494
LIABILITIES		
Current Liabilities		
Accounts Payable	1,009	-
TOTAL LIABILITIES	1,009	-
NET POSITION		
Investment in Capital Assets	130,201	153,813
Unrestricted	1,021,350	923,681
TOTAL NET POSITION	$ 1,151,551	$ 1,077,494

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, 2018

	2018	2017
OPERATING REVENUES		
Charges for Services	$ 83,987	$ 95,439
TOTAL OPERATING REVENUES	83,987	95,439
OPERATING EXPENSES		
Operations	18,044	7,252
General and Administrative	9,217	14,341
Depreciation	23,612	23,612
TOTAL OPERATING EXPENSES	50,873	45,205
OPERATING INCOME	33,114	50,234
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	15,843	8,296
TOTAL NON-OPERATING REVENUES (EXPENSES)	15,843	8,296
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	48,957	58,530
Capital Contributions- Tap Fees	25,100	31,100
CHANGE IN NET POSITION	74,057	89,630
NET POSITION Beginning	1,077,494	987,864
NET POSITION, Ending	$ 1,151,551	$ 1,077,494

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, 2018
Increase (Decrease) in Cash and Cash Equivalents

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 82,897	$ 95,205
Cash Paid to Suppliers	(26,252)	(21,593)
Net Cash Provided (Used) by Operating Activities	56,645	73,612
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions	25,100	31,100
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	15,843	8,296
Net Increase in Cash and Cash Equivalents	97,588	113,008
CASH AND CASH EQUIVALENTS, Beginning	923,051	810,043
CASH AND CASH EQUIVALENTS, Ending	$ 1,020,639	$ 923,051
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 33,114	$ 50,234
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	23,612	23,612
Changes in Assets and Liabilities		
Accounts Receivable	(1,090)	(234)
Accounts Payable	1,009	-
Total Adjustments	23,531	23,378
Net Cash Provided by Operating Activities	$ 56,645	$ 73,612

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

CITY OF CHERRY HILLS VILLAGE, COLORADO

STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND- SPECIAL IMPROVEMENT DISTRICT NO.7
December 31, 2018

	Agency Fund
ASSETS	
Cash and Investments	$ 17,475
Accounts Receivable	103
TOTAL ASSETS	$ 17,578
LIABILITIES	
Due to Property Owners	17,578
TOTAL LIABILITIES	$ 17,578

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

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 City does not include additional organizations in its reporting entity.

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.

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.

NOTE 1: ***<u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>*** (Continued)

Government-Wide and Fund Financial Statements (Continued)

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.

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.

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 estimated fair market 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.

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.

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, 2018, 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 $328,000 are restricted because their use is restricted by State Statute for declared emergencies. In addition donations in the amount of $32,254 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 their use is restricted by donors.
    4. Open Space Fund: The fund balance in this fund is restricted because their use is restricted by vote.
    5. Conservation Trust Fund: The fund balance in this fund is restricted because their use is restricted by State statute.

- 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, 2018, the City committed $4,226,361 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.

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, 2018, 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.

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, 2018 follows:

Petty Cash	$ 350
Cash Deposits	2,121,334
Investments	22,060,993
Total	**$ 24,182,677**

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

Governmental Activities - Unrestricted	$ 18,669,715
Governmental Activities – Restricted	4,474,848
Business-type Activities	1,020,639
Fiduciary Funds	17,475
Total	**$ 24,182,677**

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, 2018, 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, 2018, the City had deposits with financial institutions with a carrying amount of $2,121,334. The bank balances with the financial institutions were $2,295,983. Of these balances, $500,915 was covered by federal depository insurance and $1,795,068 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.

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 $351,124 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 Statues, 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 statues, 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 $21,709,869 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.

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, 2018, cash in the amount of $4,474,848 is restricted for capital expenditures in the Capital Projects Fund.

NOTE 4: *CAPITAL ASSETS*

Capital assets activity for the year ended December 31, 2018 is summarized below:

	Balances 12/31/17	Additions	Deletions	Balances 12/31/18
Governmental Activities				
Capital Assets, not depreciated				
Land	$ 15,393,400	$ -	$ 223,820	$ 15,169,580
Construction in Progress	3,963,553	3,989,856	3,415,671	4,537,738
Total Capital Assets, not depreciated	19,356,953	3,989,856	3,639,491	19,707,318
Capital Assets, depreciated				
Buildings	4,515,361	4,195,889	730,532	7,980,718
Software	104,367	-	36,526	67,841
Art	395,000	-	-	395,000
Machinery and Equipment	2,817,997	78,951	35,121	2,861,807
Total Capital Assets, depreciated	7,832,705	4,274,840	802,179	11,305,366
Less Accumulated Depreciation				
Buildings	886,749	159,614	522,522	523,841
Software	57,791	2,632	10,850	49,573
Art	77,701	39,500	-	117,201
Machinery and Equipment	1,891,843	243,861	34,621	2,101,083
Total Accumulated Depreciation	2,914,084	445,607	567,993	2,791,698
Total Capital Assets, depreciated, Net	4,918,621	3,829,233	234,186	8,513,668
Governmental Activities, Capital Assets, Net	**$ 24,275,574**	**$ 7,819,089**	**$ 3,873,677**	**$ 28,220,986**

NOTE 4: ***CAPITAL ASSETS*** (Continued)

	Balances 12/31/17	Additions	Deletions	Balances 12/31/18
Business-Type Activities				
Capital Assets, depreciated				
Sewer Lines	$ 708,364	$ -	$ -	$ 708,364
Total Capital Assets, depreciated	708,364	-	-	708,364
Less: Accumulated Depreciation				
Sewer Lines	554,551	23,612	-	578,163
Total Accumulated Depreciation	554,551	23,612	-	578,163
Business-Type Activities, Capital Assets, Net	**$ 153,813**	**$ (23,612)**	**$ -**	**$ 130,201**

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

Governmental Activities

General Government	$ 29,183
Public Safety	162,092
Public Works	177,746
Parks and Recreation	76,586
Total	**$ 445,607**

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, 2018.

	Balance 12/31/17	Additions	Payments	Balance 12/31/18	Due In One Year
South Suburban Obligation	$ 1,501,765	$ -	$ 744,609	$ 757,156	$ 757,156
2017 COPs	11,115,000	-	285,000	10,830,000	295,000
2017 COPs Premium	585,284	-	24,387	560,897	-
Accrued Compensated Absences	298,416	37,876	-	336,292	-
Total	**$ 13,500,465**	**$ 38,876**	**$ 1,053,996**	**$ 12,484,345**	**$ 1,052,156**

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

NOTE 5: *LONG-TERM DEBT* (Continued)

South Suburban Obligation

The City initiated exclusion from the South Suburban Parks and Recreation District (the "District'). The resulting litigation produced an order from the District Court dated November 2004. The order requires the City to pay the District $9,660,838 for the conveyance and transfer of facilities, including water rights, parks, trails, and other considerations. The City's appeals process ended in November 2009 with a final decision by the Colorado Supreme Court, denying the appeal. The City is required to make annual principal and interest payments, beginning in December 2006 through 2019. Interest on the obligation accrues at the two-year Treasury bill rate.

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.

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.

Annual debt service requirements for the outstanding debt at December 31, 2018 are as follows:

Year Ended December 31,	Principal	Interest	Total
2019	$ 1,052,156	$ 444,884	$ 1,497,040
2020	305,000	435,388	740,388
2021	315,000	426,238	741,238
2022	325,000	416,788	741,788
2023	335,000	407,036	742,036
2024-2028	1,895,000	1,804,188	3,699,188
2029-2033	2,370,000	1,330,926	3,700,926
2034-2038	2,930,000	768,748	3,698,748
2039-2041	2,060,000	156,562	2,216,562
Total Debt Service Requirements	**$11,587,156**	**$ 6,190,758**	**$17,777,914**

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, 2018 the City contributed $170,452 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, 2018, the City contributed $33,207 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, 2018 were $254,838. The Plan is administered by the International City/County Management Association Retirement Corporation.

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. Outstanding bonds at December 31, 2018 totaled $140,000.

NOTE 8: *COMMITMENTS AND CONTINGENCIES* (Continued)

Denver Christian Schools

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

Neither the City, State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as a liability in the City's financial statements. Outstanding bonds at December 31, 2018 totaled $883,421.

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 buildings utility costs and 20 percent of the building telephone and internet services. During the year ended December 31, 2018, the South Metro Fire Rescue Authority paid $20,185 to the City for reimbursement of these operating costs under the terms of the agreement.

NOTE 8: ***COMMITMENTS AND CONTINGENCIES*** (Continued)

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, 2018, the emergency reserve of $328,000 was recorded in the General Fund.

NOTE 9: ***PRIOR PERIOD ADJUSTMENT***

The beginning fund balance of the Arapahoe County Open Space Fund was decreased and the beginning fund balance of the Capital Project Fund was increased by $176,007. This adjustment was necessary to properly record prior year capital expenditures in the correct fund.

NOTE 10: ***SUBSEQUENT EVENT***

Citizens of the City approved the creation of the Cherry Hills Village Charlou Park 3rd Filing General Improvement District (the "District") 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. Debt proceeds will be used to fund improvements related to underground existing overhead electrical distribution lines. The financial information of the District will be reported in the City's financial statements as a blended component unit beginning in 2019.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHERRY HILLS VILLAGE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	2018				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES					
Property Taxes	$ 2,488,931	$ 2,488,931	$ 2,491,738	$ 2,807	$ 2,504,841
Specific Ownership Taxes	295,000	295,000	335,343	40,343	389,520
Sales and Use Taxes	1,967,201	1,967,201	2,477,617	510,416	2,316,683
Franchise Fees	495,000	495,000	541,160	46,160	588,307
Licenses and Permits	941,829	941,829	1,378,783	436,954	1,138,771
Intergovernmental	379,639	379,639	424,880	45,241	382,797
Charges for Services	359,000	359,000	370,922	11,922	437,220
Miscellaneous	54,400	54,400	112,729	58,329	100,136
Interest	90,000	90,000	288,508	198,508	103,231
TOTAL REVENUES	7,071,000	7,071,000	8,421,680	1,350,680	7,961,506
EXPENDITURES					
Current					
General Government	1,930,734	1,930,734	1,224,006	706,728	1,278,831
Judicial	85,131	85,131	91,342	(6,211)	88,587
Community Development	534,349	534,349	585,674	(51,325)	480,076
Village Crier	36,075	36,075	32,959	3,116	31,585
Public Safety	3,175,762	3,175,762	3,078,303	97,459	3,157,440
Public Works	966,945	966,945	975,153	(8,208)	995,603
Debt Service					
Principal	128,250	128,250	128,250	-	126,000
Interest	203,754	203,754	203,754	-	155,893
Capital Outlay	655,700	685,700	535,197	150,503	828,799
TOTAL EXPENDITURES	7,716,700	7,746,700	6,854,638	892,062	7,142,814
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(645,700)	(675,700)	1,567,042	2,242,742	818,692
OTHER FINANCING (USES)					
Proceeds from Issuance of Debt	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(645,700)	(675,700)	1,567,042	2,242,742	818,692
FUND BALANCE, Beginning	12,815,010	4,871,214	13,050,567	8,179,353	12,231,875
FUND BALANCE, Ending	$ 12,169,310	$ 4,195,514	$ 14,617,609	$ 10,422,095	$ 13,050,567

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

PARKS AND RECREATION FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	2018			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES				
Property Taxes	$ 2,130,144	$ 2,116,234	$ (13,910)	$ 2,042,970
Interest	30,000	30,246	246	29,979
TOTAL REVENUES	2,160,144	2,146,480	(13,664)	2,072,949
EXPENDITURES				
Current				
Personal Services	1,076,376	887,706	188,670	763,049
Supplies and Materials	28,000	22,981	5,019	8,243
Utilities	41,200	21,340	19,860	19,301
Contractual Services	91,800	96,301	(4,501)	30,958
Maintenance	56,500	77,723	(21,223)	69,589
Other	388,258	285,715	102,543	301,461
Capital Outlay	-	3,446	(3,446)	-
Debt Service				
Principal	744,609	901,359	(156,750)	893,804
Interest	431,088	274,338	156,750	212,840
TOTAL EXPENDITURES	2,857,831	2,570,909	286,922	2,299,245
NET CHANGE IN FUND BALANCE	(697,687)	(424,429)	273,258	(226,296)
FUND BALANCE, Beginning	2,060,336	2,095,734	35,398	2,322,030
FUND BALANCE, Ending	$ 1,362,649	$ 1,671,305	$ 308,656	$ 2,095,734

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, 2018

	LAND DONATION FUND	ARAPAHOE COUNTY OPEN SPACE FUND	CONSERVATION TRUST FUND	TOTALS 2018	TOTALS 2017
ASSETS					
Cash and Investments	$ 623,149	$ 1,247,632	$ 626,048	$ 2,496,829	$ 2,612,560
TOTAL ASSETS	$ 623,149	$ 1,247,632	$ 626,048	$ 2,496,829	$ 2,612,560
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	$ 473	$ 15,581	$ 119,259	$ 135,313	$ 53,951
Due To Other Funds	-	224,319	-	224,319	-
Unearned Revenue	-	40,000	-	40,000	40,000
TOTAL LIABILITIES	473	279,900	119,259	399,632	93,951
FUND BALANCES					
Restricted	622,676	967,732	506,789	2,097,197	2,359,109
TOTAL FUND BALANCES	622,676	967,732	506,789	2,097,197	2,359,109
TOTAL LIABILITIES AND FUND BALANCES	$ 623,149	$ 1,247,632	$ 626,048	$ 2,496,829	$ 2,453,060

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2018

	LAND DONATION FUND	ARAPAHOE COUNTY OPEN SPACE FUND	CONSERVATION TRUST FUND	TOTALS 2018	TOTALS 2017
REVENUES					
Intergovernmental	$ 5,950	$ 163,543	$ 65,086	$ 234,579	$ 220,457
Other	12,386	2,575	-	14,961	45,766
Interest	17,547	46,740	3,616	67,903	33,753
TOTAL REVENUES	35,883	212,858	68,702	317,443	299,976
EXPENDITURES					
General Government	51,622	-	-	51,622	76,655
Parks and Recreation	-	53,642	457,584	511,226	63,821
TOTAL EXPENDITURES	51,622	53,642	457,584	562,848	140,476
CHANGE IN FUND BALANCES	(15,739)	159,216	(388,882)	(245,405)	159,500
FUND BALANCES, Beginning	638,415	984,523	895,671	2,518,609	2,359,109
Prior Period Adjustment	-	(176,007)	-	(176,007)	-
FUND BALANCES, Ending	$ 622,676	$ 967,732	$ 506,789	$ 2,097,197	$ 2,518,609

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

LAND DONATION FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	2018			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES				
Interest	$ 8,500	$ 17,547	$ 9,047	$ 9,188
Intergovernmental	187,800	5,950	(181,850)	-
Other	5,000	12,386	7,386	43,011
TOTAL REVENUES	201,300	35,883	(165,417)	52,199
EXPENDITURES				
General and Administrative	431,720	51,622	380,098	76,655
TOTAL EXPENDITURES	431,720	51,622	380,098	76,655
NET CHANGE IN FUND BALANCE	(230,420)	(15,739)	214,681	(24,456)
FUND BALANCE, Beginning	680,720	638,415	(42,305)	662,871
FUND BALANCE, Ending	$ 450,300	$ 622,676	$ 172,376	$ 638,415

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

ARAPAHOE COUNTY OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	2018			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES				
Open Space Shareback	$ 150,000	$ 163,543	$ 13,543	$ 156,954
Other	3,000	2,575	(425)	2,755
Interest	9,000	46,740	37,740	22,672
TOTAL REVENUES	162,000	212,858	50,858	182,381
EXPENDITURES				
Parks and Recreation	225,000	53,642	171,358	58,191
TOTAL EXPENDITURES	225,000	53,642	171,358	58,191
NET CHANGE IN FUND BALANCE	(63,000)	159,216	222,216	124,190
FUND BALANCE, Beginning	984,297	984,523	226	860,333
Prior Period Adjustment	-	(176,007)	(176,007)	-
FUND BALANCE, Ending	$ 921,297	$ 967,732	$ 46,435	$ 984,523

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	2018				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES					
Intergovernmental	$ 60,000	$ 60,000	$ 65,086	$ 5,086	$ 63,503
Interest	1,600	1,600	3,616	2,016	1,893
TOTAL REVENUES	61,600	61,600	68,702	7,102	65,396
EXPENDITURES					
Parks and Recreation	417,500	692,500	457,584	234,916	5,630
NET CHANGE IN FUND BALANCE	(355,900)	(630,900)	(388,882)	242,018	59,766
FUND BALANCE, Beginning	896,227	869,481	895,671	26,190	835,905
FUND BALANCE, Ending	$ 540,327	$ 238,581	$ 506,789	$ 268,208	$ 895,671

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	2018 ORIGINAL AND FINAL BUDGET	2018 ACTUAL	2018 VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES				
Interest	$ 60,000	$ 134,055	$ 74,055	$ 113,945
Other	-	-	-	100,000
TOTAL REVENUES	60,000	134,055	74,055	213,945
EXPENDITURES				
General and Administrative	10,000	16,120	(6,120)	7,748
Debt Issuance Costs	-	-	-	204,671
Capital Outlay	7,220,000	4,720,551	2,499,449	3,821,716
TOTAL EXPENDITURES	7,230,000	4,736,671	2,493,329	4,034,135
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,170,000)	(4,602,616)	2,567,384	(3,820,190)
OTHER FINANCING SOURCES				
Proceeds from Issuance of Debt	-	-	-	12,004,671
NET CHANGE IN FUND BALANCE	(7,170,000)	(4,602,616)	2,567,384	8,184,481
FUND BALANCE, Beginning	7,280,260	8,184,481	904,221	-
Prior Period Adjustment	-	176,007	176,007	-
FUND BALANCE, Ending	$ 110,260	$ 3,757,872	$ 3,647,612	$ 8,184,481

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

WATER AND SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	2018 ORIGINAL AND FINAL BUDGET	2018 ACTUAL	2018 VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES				
Tap Fees	$ 5,000	$ 25,100	$ 20,100	$ 31,100
Sewer Administration Fees	2,328	-	(2,328)	50
Sewer Repairs and Maintenance Fees	69,660	83,420	13,760	95,389
Miscellaneous	-	567	567	-
Interest	8,000	15,843	7,843	8,296
TOTAL REVENUES	84,988	124,930	39,942	134,835
EXPENDITURES				
Legal Fees	2,500	292	2,208	1,959
Contractual Services	20,000	8,925	11,075	11,870
Repairs and Maintenance	500,000	18,044	481,956	7,252
Other	1,000	-	1,000	512
Depreciation Expense	23,612	23,612	-	23,612
TOTAL EXPENDITURES	547,112	50,873	496,239	45,205
NET INCOME	$ (462,124)	74,057	$ 536,181	89,630
NET POSITION, Beginning		1,077,494		987,864
NET POSITION, Ending		$ 1,151,551		$ 1,077,494

See the accompanying independent auditors' report.

CITY OF CHERRY HILLS VILLAGE, COLORADO

AGENCY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	2018			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES				
Assessment Revenue	$ 72,726	$ 63,330	$ (9,396)	$ 68,763
Interest on Assessments	6,975	6,048	(927)	8,713
Interest Income	500	629	129	515
TOTAL REVENUES	80,201	70,007	(10,194)	77,991
EXPENDITURES				
Treasurer's Fees	797	694	103	775
Debt Service				
Principal	100,000	80,000	20,000	90,000
Interest Expense	8,000	4,698	3,302	6,935
TOTAL EXPENDITURES	108,797	85,392	23,405	97,710
NET CHANGE IN FUND BALANCE	(28,596)	(15,385)	13,211	(19,719)
FUND BALANCE, Beginning	42,234	32,963	(9,271)	52,682
FUND BALANCE, Ending	$ 13,638	$ 17,578	$ 3,940	$ 32,963

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, 2018

	BALANCE DECEMBER 31, 2017	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31, 2018
ASSETS				
Cash and Investments	$ 32,860	$ 70,006	$ 85,391	$ 17,475
Due from Others	103			103
TOTAL ASSETS	$ 32,963	$ 70,006	$ 85,391	$ 17,578
LIABILITIES				
Due Property Owners	32,963	70,006	85,391	17,578
TOTAL LIABILITIES	$ 32,963	$ 70,006	$ 85,391	$ 17,578

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 2016
This Information From The Records Of (example - City of _ or County of City of Cherry Hills Village	Prepared By: Phone:	Karen L. Proctor 303-783-2723

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	876,488
3. Other local imposts (from page 2)	431,828
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,308,316
B. Private Contributions	
C. Receipts from State government	
(from page 2)	325,337
D. Receipts from Federal Government	
(from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,633,652

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	387,852
2. Maintenance:	755,713
3. Road and street services:	
a. Traffic control operations	14,482
b. Snow and ice removal	43,852
c. Other	5,722
d. Total (a. through c.)	64,056
4. General administration & miscellaneous	222,093
5. Highway law enforcement and safety	292,411
6. Total (1 through 5)	1,722,124
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,722,124

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	1,633,652	1,722,124	0	(88,472)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2016

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 & Penalities	
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	431,828	g. Other Misc. Receipts	
6. Total (1. through 5.)	431,828	h. Other	
c. Total (a. + b.)	431,828	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	301,394	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	23,943	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	23,943	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	325,337	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		9,285	9,285
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		378,567	378,567
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	378,567	378,567
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	387,852	387,852
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE