

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**Arapahoe County, Colorado**

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 and 2023**

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## SCHILLING & COMPANY, INC.

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### **Independent Auditor's Report**

Board of Directors  
Cherry Creek Village Water District  
Arapahoe County, Colorado

#### ***Opinion***

We have audited the accompanying financial statements of the Cherry Creek Village Water District (District) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cherry Creek Village Water District, as of December 31, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
September 11, 2025

## **FINANCIAL STATEMENTS**

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**STATEMENTS OF NET POSITION**  
**December 31, 2024 and 2023**

| <b>ASSETS</b>                            | <b>2024</b>         | <b>2023</b>         |
|------------------------------------------|---------------------|---------------------|
| <b>CURRENT ASSETS</b>                    |                     |                     |
| Cash and cash equivalents - unrestricted | \$ 2,391,079        | \$ 2,212,150        |
| Cash and cash equivalents - restricted   | 2,900               | 2,790               |
| Prepaid insurance                        | 450                 | 4,776               |
| Receivable from county treasurer         | 506                 | 368                 |
| Accounts receivable                      | 37,435              | 37,658              |
| Property tax receivable                  | 91,445              | 86,704              |
| Total current assets                     | <u>2,523,815</u>    | <u>2,344,446</u>    |
| <b>CAPITAL ASSETS, NET</b>               | <u>1,256,432</u>    | <u>1,309,691</u>    |
| Total assets                             | <u>3,780,247</u>    | <u>3,654,137</u>    |
| <b>LIABILITIES</b>                       |                     |                     |
| <b>CURRENT LIABILITIES</b>               |                     |                     |
| Accounts payable and accrued expenses    | 41,157              | 228,562             |
| Retainage payable                        | -                   | 32,816              |
| Unearned water service fees              | 13,327              | 57,103              |
| Total current liabilities                | <u>54,484</u>       | <u>318,481</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                     |                     |
| Deferred property tax revenue            | <u>91,445</u>       | <u>86,704</u>       |
| Total deferred inflows of resources      | <u>91,445</u>       | <u>86,704</u>       |
| <b>NET POSITION</b>                      |                     |                     |
| Net investment in capital assets         | 1,256,432           | 1,309,691           |
| Restricted for emergencies               | 2,900               | 2,790               |
| Unrestricted                             | 2,374,986           | 1,936,471           |
| Total net position                       | <u>\$ 3,634,318</u> | <u>\$ 3,248,952</u> |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Years Ended December 31, 2024 and 2023**

|                                            | <u>2024</u>                | <u>2023</u>                |
|--------------------------------------------|----------------------------|----------------------------|
| <b>WATER OPERATIONS</b>                    |                            |                            |
| Water service fees                         | \$ 1,223,923               | \$ 895,827                 |
| Miscellaneous                              | 1,382                      | 1,084                      |
| Direct water expenses                      | (867,831)                  | (649,959)                  |
| Depreciation                               | (53,259)                   | (40,542)                   |
| Income from water operations               | <u>304,215</u>             | <u>206,410</u>             |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES</b> | <u>119,266</u>             | <u>109,181</u>             |
| <b>OPERATING INCOME</b>                    | <u>184,949</u>             | <u>97,229</u>              |
| <b>NONOPERATING REVENUES</b>               |                            |                            |
| Property taxes                             | 91,279                     | 86,798                     |
| Specific ownership taxes                   | 5,105                      | 5,892                      |
| Net investment income                      | 105,404                    | 118,306                    |
| Total nonoperating revenues                | <u>201,788</u>             | <u>210,996</u>             |
| <b>NONOPERATING EXPENSES</b>               |                            |                            |
| County treasurer fees                      | <u>1,371</u>               | <u>1,307</u>               |
| Total nonoperating expenses                | <u>1,371</u>               | <u>1,307</u>               |
| <b>CHANGE IN NET POSITION</b>              | 385,366                    | 306,918                    |
| <b>NET POSITION - BEGINNING OF YEAR</b>    | <u>3,248,952</u>           | <u>2,942,034</u>           |
| <b>NET POSITION - END OF YEAR</b>          | <u><u>\$ 3,634,318</u></u> | <u><u>\$ 3,248,952</u></u> |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2024 and 2023**

|                                                                                             | <u>2024</u>                | <u>2023</u>                |
|---------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                 |                            |                            |
| Receipts from customers                                                                     | \$ 1,181,752               | \$ 956,189                 |
| Payments to suppliers                                                                       | (1,009,406)                | (722,680)                  |
| Net cash provided by operating activities                                                   | <u>172,346</u>             | <u>233,509</u>             |
| <b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>                                     |                            |                            |
| Property tax collections for operations                                                     | 91,279                     | 86,798                     |
| Specific ownership taxes                                                                    | 4,967                      | 5,895                      |
| County treasurer fees                                                                       | (1,371)                    | (1,307)                    |
| Net cash provided by non capital financing activities                                       | <u>94,875</u>              | <u>91,386</u>              |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                             |                            |                            |
| Acquisition of capital assets                                                               | (193,586)                  | (599,682)                  |
| Net cash required by capital and related financing activities                               | <u>(193,586)</u>           | <u>(599,682)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                 |                            |                            |
| Interest received                                                                           | 105,404                    | 118,306                    |
| Net cash provided by investing activities                                                   | <u>105,404</u>             | <u>118,306</u>             |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                 | 179,039                    | (156,481)                  |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>                                        | <u>2,214,940</u>           | <u>2,371,421</u>           |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                                              | <u><u>\$ 2,393,979</u></u> | <u><u>\$ 2,214,940</u></u> |
| <b>Reconciliation of loss from operations to net cash required by operating activities</b>  |                            |                            |
| Operating Income                                                                            | \$ 184,949                 | \$ 97,229                  |
| Adjustments to reconcile loss from operations to net cash required by operating activities: |                            |                            |
| Depreciation                                                                                | 53,259                     | 40,542                     |
| (Increase) decrease in:                                                                     |                            |                            |
| Accounts receivable                                                                         | 223                        | 5,970                      |
| Prepaid expenses                                                                            | 4,326                      | 199                        |
| Increase (decrease) in:                                                                     |                            |                            |
| Accounts payable and accrued expenses                                                       | (26,635)                   | 36,261                     |
| Unearned water service fees                                                                 | (43,776)                   | 53,308                     |
| Net cash provided by operating activities                                                   | <u><u>\$ 172,346</u></u>   | <u><u>\$ 233,509</u></u>   |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Cherry Creek Village Water District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court of Arapahoe County and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely in Arapahoe County, Colorado. The District was established to provide water services. The District purchases water from the Denver Water Board under a master meter contract and bills its users.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

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

The more significant accounting policies of the District are described as follows:

**Basis of Accounting**

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities. Tap fees and contributions of water lines are recorded as revenue when received.

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Operating Revenues and Expenses**

The District distinguishes between operating revenues and expenses and nonoperating items in the Statements of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**Budgets**

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

**Cash Equivalents**

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the county assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county commissioners to put the tax lien on the individual properties as of January 1 of the following year. The county treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the District.

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue and reported as a deferred inflow of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets reported by the District include distribution systems. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. 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 the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

|              |          |
|--------------|----------|
| Water system | 35 years |
|--------------|----------|

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The revenue continues to be recognized when earned in the government-wide statements. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2024 and 2023 are classified in the accompanying financial statements as follows:

|                                          | <u>2024</u>                | <u>2023</u>                |
|------------------------------------------|----------------------------|----------------------------|
| Statement of Net Position:               |                            |                            |
| Cash and cash equivalents - unrestricted | \$ 2,391,079               | \$ 2,212,150               |
| Cash and cash equivalents - restricted   | <u>2,900</u>               | <u>2,790</u>               |
| Total cash and investments               | <u><u>\$ 2,393,979</u></u> | <u><u>\$ 2,214,940</u></u> |

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 3 - CASH AND INVESTMENTS (continued)**

Cash and investments as of December 31, 2024 and 2023 consist of the following:

|                                      | <u>2024</u>         | <u>2023</u>         |
|--------------------------------------|---------------------|---------------------|
| Deposits with financial institutions | \$ 390,585          | \$ 58,208           |
| Investments                          | 2,003,394           | 2,156,732           |
|                                      | <u>\$ 2,393,979</u> | <u>\$ 2,214,940</u> |

**Deposits with Financial Institutions**

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

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

As of December 31, 2024 and 2023, the District's cash deposits had bank and carrying balances of \$390,585 and \$58,208, respectively.

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 3 - CASH AND INVESTMENTS (continued)**

**Investments**

**Credit Risk**

The District has not adopted a formal investment policy however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 3 - CASH AND INVESTMENTS (continued)**

As of December 31, 2024 and 2023, the District had the following investments:

| <b>Investment</b> | <b>Maturity</b>                 | <b>Carrying Value</b> |                     |
|-------------------|---------------------------------|-----------------------|---------------------|
|                   |                                 | <b>2024</b>           | <b>2023</b>         |
| ColoTrust PLUS+   | Weighted average under 60 days  | \$ 1,440,836          | \$ 1,623,088        |
| ColoTrust EDGE    | Weighted average under one year | 562,558               | 533,644             |
|                   |                                 | <u>\$ 2,003,394</u>   | <u>\$ 2,156,732</u> |

**ColoTrust**

During 2024 and 2023, the District invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. The District invested in COLOTRUST PLUS+ and COLOTRUST EDGE, two of the three portfolios offered by ColoTrust. COLOTRUST PLUS+ operates similarly to a money market fund and each share is equal in value to \$1.00. Allowable investments in the COLOTRUST PLUS+ portfolio include U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Investments in the COLOTRUST EDGE portfolio include securities that are legal pursuant to the Legal Investments Act and the PDPA.

A designated custodial bank serves as custodian for ColoTrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by ColoTrust.

**Investment Valuation**

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

ColoTrust records its investments at fair value and the District records its investments in ColoTrust at net asset value as determined by fair value. Each share COLOTRUST PLUS+ is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. COLOTRUST EDGE'S net asset value is managed to approximate a \$10.00 transactional share

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 3 - CASH AND INVESTMENTS (continued)**

price and the redemption frequency is five business days. The principal value of a COLOTRUST EDGE investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase prior to redemption, and at the time of redemption. There are no unfunded commitments.

**Cash and Investments – Restricted and Designated**

For the years ended December 2024 and 2023, the District had the following restricted and designated cash and cash equivalents and investments:

|                                                                                | <u>2024</u>         | <u>2023</u>         |
|--------------------------------------------------------------------------------|---------------------|---------------------|
| Restricted for emergencies (Note 7)                                            | \$ 2,900            | \$ 2,790            |
| Designated for future repairs and line replacements                            | <u>1,941,374</u>    | <u>1,888,364</u>    |
| Total cash and cash equivalents and investments -<br>restricted and designated | <u>\$ 1,944,274</u> | <u>\$ 1,891,154</u> |

**Cash and Investments – Restricted and Designated**

The District has aging infrastructure including service lines that are nearing 50 years old, including cast iron pipes which are experiencing increased water breaks each year. Additionally, the District expects there will be other planned and unplanned infrastructure repairs and replacements in future years. The Board of Directors has internally designated a portion of the District's cash and investments to be used for these purposes.

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 4 – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2024 and 2023 follows:

|                                             | <b>Balance at<br/>December 31,<br/>2023</b> | <b>Increases</b>          | <b>Decreases</b>   | <b>Balance at<br/>December 31,<br/>2024</b> |
|---------------------------------------------|---------------------------------------------|---------------------------|--------------------|---------------------------------------------|
| Capital assets, being depreciated:          |                                             |                           |                    |                                             |
| Water system                                | \$ 2,157,386                                | \$ -                      | \$ -               | \$ 2,157,386                                |
| Total capital assets being depreciated      | <u>2,157,386</u>                            | <u>-</u>                  | <u>-</u>           | <u>2,157,386</u>                            |
| Less accumulated depreciation for:          |                                             |                           |                    |                                             |
| Water system                                | (847,695)                                   | (53,259)                  | -                  | (900,954)                                   |
| Total accumulated depreciation              | <u>(847,695)</u>                            | <u>(53,259)</u>           | <u>-</u>           | <u>(900,954)</u>                            |
| Total capital assets being depreciated, net | <u>1,309,691</u>                            | <u>(53,259)</u>           | <u>-</u>           | <u>1,256,432</u>                            |
| Total capital assets, net                   | <u><u>\$ 1,309,691</u></u>                  | <u><u>\$ (53,259)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,256,432</u></u>                  |

|                                             | <b>Balance at<br/>December 31,<br/>2022</b> | <b>Increases</b>         | <b>Decreases</b>          | <b>Balance at<br/>December 31,<br/>2023</b> |
|---------------------------------------------|---------------------------------------------|--------------------------|---------------------------|---------------------------------------------|
| Capital assets, not being depreciated:      |                                             |                          |                           |                                             |
| Construction in progress                    | \$ 32,237                                   | \$ -                     | \$ (32,237)               | \$ -                                        |
| Total capital assets being not depreciated  | <u>32,237</u>                               | <u>-</u>                 | <u>(32,237)</u>           | <u>-</u>                                    |
| Capital assets, being depreciated:          |                                             |                          |                           |                                             |
| Water system                                | 1,343,377                                   | 814,009                  | -                         | 2,157,386                                   |
| Total capital assets being depreciated      | <u>1,343,377</u>                            | <u>814,009</u>           | <u>-</u>                  | <u>2,157,386</u>                            |
| Less accumulated depreciation for:          |                                             |                          |                           |                                             |
| Water system                                | (807,153)                                   | (40,542)                 | -                         | (847,695)                                   |
| Total accumulated depreciation              | <u>(807,153)</u>                            | <u>(40,542)</u>          | <u>-</u>                  | <u>(847,695)</u>                            |
| Total capital assets being depreciated, net | <u>536,224</u>                              | <u>773,467</u>           | <u>-</u>                  | <u>1,309,691</u>                            |
| Total capital assets, net                   | <u><u>\$ 568,461</u></u>                    | <u><u>\$ 773,467</u></u> | <u><u>\$ (32,237)</u></u> | <u><u>\$ 1,309,691</u></u>                  |

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 5 – WATER LEASE**

On January 25, 1995, the District entered into a Water Lease with the City of Greenwood Village, Colorado (City) whereby the District leased to the City certain adjudicated District water rights in the Denver and Laramie Fox Hills aquifers for a dollar a year for a base term of 99 years.

**NOTE 6 - RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability and boiler and machinery coverage to its members. The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**NOTE 7 - TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

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

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 7 - TAX, SPENDING AND DEBT LIMITATIONS (continued)**

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2024 and 2023 the District had restricted net position of \$2,900 and \$2,790, respectively for the TABOR emergency reserves.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an enterprise will require judicial interpretation. Internally, the District maintains its records in three funds – the General Fund, the Enterprise Fund and the Capital Replacement Fund.

This information is an integral part of the accompanying financial statements.

## **SUPPLEMENTARY INFORMATION**

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUNDS AVAILABLE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2024**

|                                            | Budget<br>Amounts<br><u>Original and Final</u> | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------|------------------------------------------------|---------------------|---------------------------------------------------------|
| <b>REVENUES</b>                            |                                                |                     |                                                         |
| Water service fees                         | \$ 1,064,134                                   | \$ 1,223,923        | \$ 159,789                                              |
| Fire hydrant permit fees                   | 6,000                                          | -                   | (6,000)                                                 |
| Property taxes                             | 86,704                                         | 91,279              | 4,575                                                   |
| Specific ownership taxes                   | 4,335                                          | 5,105               | 770                                                     |
| Net investment income                      | 110,000                                        | 105,404             | (4,596)                                                 |
| Miscellaneous                              | 1,000                                          | 1,382               | 382                                                     |
| Total revenues                             | <u>1,272,173</u>                               | <u>1,427,093</u>    | <u>154,920</u>                                          |
| <b>EXPENDITURES</b>                        |                                                |                     |                                                         |
| <b>General and administrative</b>          |                                                |                     |                                                         |
| Accounting and management                  | 58,405                                         | 58,996              | (591)                                                   |
| District management - special services     | 8,000                                          | 8,358               | (358)                                                   |
| Audit                                      | 7,000                                          | 8,687               | (1,687)                                                 |
| Conferences/training                       | 2,500                                          | -                   | 2,500                                                   |
| County treasurer fees                      | 1,301                                          | 1,371               | (70)                                                    |
| Directors' fees                            | 6,000                                          | 5,800               | 200                                                     |
| Dues and membership                        | 1,400                                          | 1,238               | 162                                                     |
| Insurance and bonds                        | 6,000                                          | 7,775               | (1,775)                                                 |
| Legal                                      | 35,000                                         | 19,453              | 15,547                                                  |
| Payroll taxes                              | 750                                            | 459                 | 291                                                     |
| Miscellaneous                              | 5,500                                          | 8,500               | (3,000)                                                 |
| <b>Operations and maintenance</b>          |                                                |                     |                                                         |
| Engineering and consulting                 | 70,000                                         | 33,972              | 36,028                                                  |
| GIS services                               | 7,500                                          | 2,625               | 4,875                                                   |
| Fire hydrant permit expense                | 5,700                                          | -                   | 5,700                                                   |
| Meter reading and billing                  | 20,000                                         | 14,368              | 5,632                                                   |
| Repairs and maintenance                    | 200,000                                        | 119,158             | 80,842                                                  |
| Water purchases                            | 741,153                                        | 697,708             | 43,445                                                  |
| <b>Capital Outlay</b>                      | 17,000                                         | -                   | 17,000                                                  |
| <b>Contingency</b>                         | 20,000                                         | -                   | 20,000                                                  |
| Total expenditures                         | <u>1,213,209</u>                               | <u>988,468</u>      | <u>224,741</u>                                          |
| <b>NET CHANGE IN FUNDS AVAILABLE</b>       | 58,964                                         | 438,625             | 379,661                                                 |
| <b>FUNDS AVAILABLE - BEGINNING OF YEAR</b> | <u>1,897,963</u>                               | <u>1,939,261</u>    | <u>41,298</u>                                           |
| <b>FUNDS AVAILABLE - END OF YEAR</b>       | <u>\$ 1,956,927</u>                            | <u>\$ 2,377,886</u> | <u>\$ 420,959</u>                                       |

**Funds available are defined as follows:**

|                                    |                     |
|------------------------------------|---------------------|
| Current assets                     | \$ 2,523,815        |
| Less current liabilities           | (54,484)            |
| Less deferred inflows of resources | (91,445)            |
| Funds available                    | <u>\$ 2,377,886</u> |

**CHERRY CREEK VILLAGE WATER DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
Year Ended December 31, 2024**

**Reconciliation of budgetary basis (actual) to Statement of Revenues,**

Expenses and Change in Net Position:

|                                                                                  |                              |
|----------------------------------------------------------------------------------|------------------------------|
| Revenues (budgetary basis)                                                       | <u>\$ 1,427,093</u>          |
| Total revenues per Statement of Revenues, Expenses and<br>Change in Net Position | <u>1,427,093</u>             |
| <br>Expenditures (budgetary basis)                                               | <br>988,468                  |
| Depreciation                                                                     | <u>53,259</u>                |
| Total expenses per Statement of Revenues, Expenses and<br>Change in Net Position | <u>1,041,727</u>             |
| <br>Change in net position                                                       | <br><u><u>\$ 385,366</u></u> |

**CHERRY CREEK VILLAGE WATER DISTRICT**  
**SCHEDULES OF OPERATING EXPENSES**  
**Years Ended December 31, 2024 and 2023**

|                                                | <u>2024</u>       | <u>2023</u>       |
|------------------------------------------------|-------------------|-------------------|
| <b>DIRECT WATER EXPENSES</b>                   |                   |                   |
| Meter reading and billing                      | \$ 14,368         | \$ 27,749         |
| Maintenance and engineering                    | 153,130           | 105,358           |
| Miscellaneous expense                          | -                 | 2,559             |
| GIS services                                   | 2,625             | 2,625             |
| Hydrant replacement                            | -                 | 18,316            |
| Water purchase                                 | 697,708           | 493,352           |
| Total direct water expenses                    | <u>\$ 867,831</u> | <u>\$ 649,959</u> |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>     |                   |                   |
| Accounting, audit and district management fees | \$ 76,041         | \$ 70,352         |
| Directors' fees                                | 5,800             | 5,700             |
| Dues and memberships                           | 1,238             | 301               |
| Insurance                                      | 7,775             | 4,982             |
| Legal                                          | 19,453            | 23,850            |
| Miscellaneous                                  | 8,959             | 3,996             |
| Total general and administrative expenses      | <u>\$ 119,266</u> | <u>\$ 109,181</u> |

## **OTHER INFORMATION**

**CHERRY CREEK VILLAGE WATER DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY  
AND PROPERTY TAXES COLLECTED  
Year Ended December 31, 2024**

| <b>Year Ended<br/>December 31,</b> | <b>Prior Year<br/>Assessed<br/>Valuation<br/>for Current<br/>Year Property<br/>Tax Levy</b> | <b>Mills Levied</b> | <b>Property Taxes</b> |                  | <b>Percentage<br/>Collected<br/>to Levied</b> |
|------------------------------------|---------------------------------------------------------------------------------------------|---------------------|-----------------------|------------------|-----------------------------------------------|
|                                    |                                                                                             |                     | <b>Levied</b>         | <b>Collected</b> |                                               |
| 2008                               | \$ 21,563,460                                                                               | 2.592               | \$ 55,893             | \$ 55,703        | 99.7%                                         |
| 2009                               | \$ 22,077,220                                                                               | 2.613               | \$ 57,688             | \$ 57,653        | 99.9%                                         |
| 2010                               | \$ 21,636,810                                                                               | 2.755               | \$ 59,609             | \$ 55,485        | 93.1%                                         |
| 2011                               | \$ 21,672,920                                                                               | 2.800               | \$ 60,684             | \$ 60,427        | 99.6%                                         |
| 2012                               | \$ 19,426,020                                                                               | 2.800               | \$ 54,393             | \$ 54,272        | 99.8%                                         |
| 2013                               | \$ 19,376,620                                                                               | 2.800               | \$ 54,255             | \$ 54,238        | 100.0%                                        |
| 2014                               | \$ 19,136,040                                                                               | 2.800               | \$ 53,581             | \$ 53,458        | 99.8%                                         |
| 2015                               | \$ 19,474,715                                                                               | 2.800               | \$ 54,529             | \$ 54,432        | 99.8%                                         |
| 2016                               | \$ 25,171,555                                                                               | 2.285               | \$ 57,517             | \$ 57,616        | 100.2%                                        |
| 2017                               | \$ 25,113,971                                                                               | 2.417               | \$ 60,700             | \$ 60,629        | 99.9%                                         |
| 2018                               | \$ 27,573,051                                                                               | 2.324               | \$ 64,080             | \$ 63,910        | 99.7%                                         |
| 2019                               | \$ 27,676,943                                                                               | 2.458               | \$ 68,030             | \$ 68,011        | 100.0%                                        |
| 2020                               | \$ 29,308,459                                                                               | 2.424               | \$ 71,044             | \$ 70,808        | 99.7%                                         |
| 2021                               | \$ 29,380,763                                                                               | 2.567               | \$ 75,420             | \$ 75,309        | 99.9%                                         |
| 2022                               | \$ 30,937,267                                                                               | 2.572               | \$ 79,570             | \$ 78,954        | 99.2%                                         |
| 2023                               | \$ 30,768,955                                                                               | 2.822               | \$ 86,830             | \$ 86,798        | 100.0%                                        |
| 2024                               | \$ 37,961,417                                                                               | 2.284               | \$ 86,704             | \$ 91,279        | 105.3%                                        |

Estimated for  
year ending  
December 31,  
2025

\$ 38,054,471      2.403      \$ 91,445

**NOTE:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information received from the county treasurer does not permit identification of specific year of levy.