CITY OF CHERRY HILLS VILLAGE, COLORADO

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cherry Hills Village (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the beginning net position of the Water & Sewer Fund was restated to correct an error in the prior year. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules for the General Fund and Parks and Recreation Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 nonmajor fund financial statements, supplementary budgetary comparison schedules, and the local highway finance report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements, supplementary budgetary comparison schedules, and the local highway finance report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the City's 2024 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated August 8, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
May 13, 2026

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, 2025. 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 2025 by $72.7 million (net position). Of this amount, $45.9 million (unrestricted net position) may be used to meet the City's ongoing financial obligations.
- Compared to 2024, total Governmental Fund revenues (net of Other Financing Sources) decreased by $0.3 million or 2%. This decrease is attributable to a decrease in Intergovernmental revenues decreasing by $1.7 million or 70%. Governmental Fund expenditures were higher than last year by $0.3 million or 2% due to higher Public Safety and Parks and Recreation costs.
- At the close of fiscal year 2025, the City of Cherry Hills Village Governmental Funds reported combined ending fund balances of $48.7 million, an increase of $5.7 million in comparison with the 2024 fund balance. Approximately 80% or $39.1 million is available for spending at the government's discretion (unassigned fund balance).
- At the end of the fiscal year 2025, the fund balance for the General Fund was $39.8 million, of which $34,593 was nonspendable, $598,000 was restricted for TABOR and $40,000 committed for Arts from donations.
- General Fund actual revenues exceeded budgeted revenue by $1.7 million or 13% for the fiscal year 2025 and actual expenditures were $0.4 million or 4% less than budgeted expenditures.

Overview of the Financial Statements

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

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

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

The ***statement of activities*** presents information showing how the City of Cherry Hills Village net position changed during fiscal year 2025. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

Financial Analysis of the City as a Whole

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cherry Hills Village, assets exceeded liabilities by $72,659,220 at the close of the 2025 fiscal year.

A portion of the City of Cherry Hills Village's net position (32% or $23.2 million) 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% or $3.5 million) represents resources that are subject to legal restrictions on how they may be used. The remaining balance of unrestricted net position (63% or $45.9 million) may be used to meet the City's obligations to citizens and creditors.

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

City of Cherry Hills Village Net Position

	Governmental Activities 2025	Governmental Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024
Assets				
Current Assets	$ 57,600,361	$ 51,424,315	$ 892,932	$ 1,149,536
Capital Assets	32,244,179	31,939,185	512,451	-
Total Assets	89,844,540	83,363,500	1,405,383	1,149,536
Liabilities				
Long-Term Liabilities Outstanding	9,335,728	9,734,591	-	-
Other Liabilities	1,295,726	1,311,346	65,501	36,193
Total liabilities	10,631,454	11,045,937	65,501	36,193
Deferred Inflows of Property Taxes	990,674	7,650,929	-	-
Net Position				
Net Investment in Capital Assets	22,791,853	22,013,110	457,242	-
Restricted	3,463,665	3,423,823	-	-
Unrestricted	45,063,820	39,398,466	882,640	1,149,458
Total Net Position	$ 71,319,338	$ 64,835,399	$ 1,339,882	$ 1,149,458

Changes in Net Position

Governmental activities

- Governmental-type activities increased the City's total net position by $6.5 million from 2024.
- The increase in total net position is due to increased current assets such as cash and investments and accounts receivable.

Business Type Activities

- Business-type activities increased the City's total net position by $0.2 million from 2024.
- The increase is primarily due to increased interest income and program revenues.

Deferred Inflows of Resources

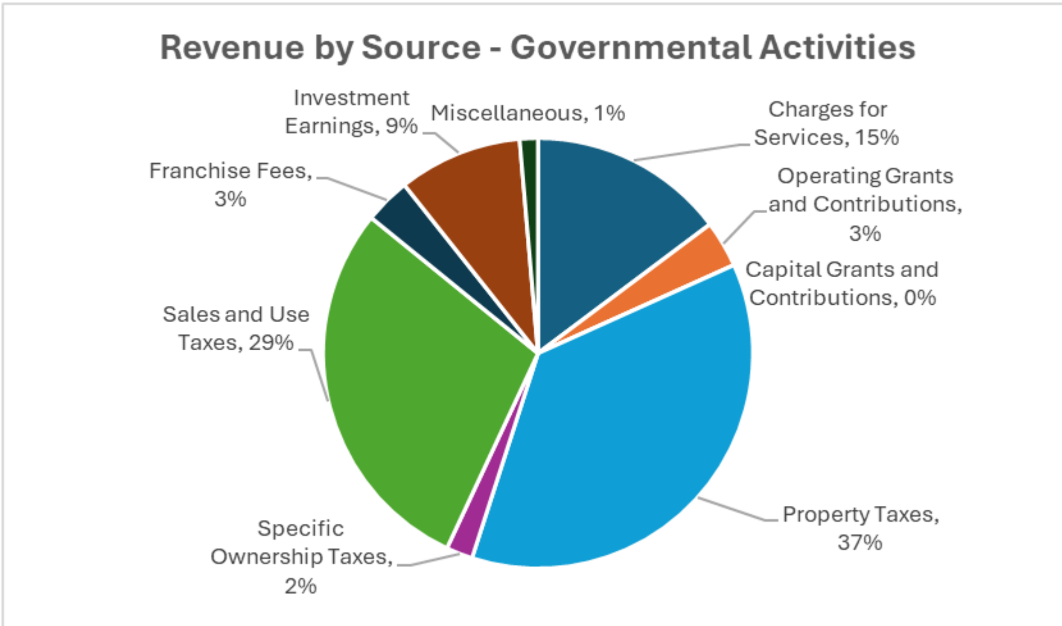
The deferred inflows of resources are recognized by the City as property taxes levied in 2025 to finance the subsequent year's budget.

City of Cherry Hills Village Changes in Net Position

	Governmental Activities 2025	Governmental Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024
Program Revenues				
Charges for Services	$ 3,076,890	$ 2,604,586	$ 82,465	$ 81,378
Operating Grants and Contributions	729,046	2,377,712	-	-
Capital Grants and Contributions	-	140,500	37,840	60,620
General Revenues				
Property Taxes	7,646,725	7,571,327	-	-
Specific Ownership Taxes	416,082	443,759	-	-
Sales and Use Taxes	6,015,901	5,229,167	-	-
Franchise Fees	720,487	670,000	-	-
Investment Earnings	1,940,406	2,070,777	43,806	51,957
Miscellaneous	286,078	135,146	40,000	-
Total Revenues	20,831,615	21,242,974	204,111	193,955
Expenses				
General Government	3,321,287	2,396,114	-	-
Judicial	134,830	133,060	-	-
Community Development	658,514	596,601	-	-
Village Crier	35,833	35,215	-	-
Public Safety	5,451,832	5,155,938	-	-
Public Works	1,518,096	1,533,554	-	-
Parks and Recreation	2,851,845	2,295,734	-	-
Other	375,439	390,166	13,687	35,007
Total Expenses	14,347,676	12,536,382	13,687	35,007
Change in Net Position	6,483,939	8,706,592	190,424	158,948
Net Position - Beginning Balance, As Restated *	64,835,399	56,128,807	1,149,458	990,510
Net Position - Ending Balance	$ 71,319,338	$ 64,835,399	$ 1,339,882	$ 1,149,458

* See Footnote 10 for restatement.

Financial Analysis of the City's Funds



The City of Cherry Hills Village uses fund accounting to segregate resources for the purpose of a specific activity or attaining certain objectives in accordance with regulations, restrictions, or limitations on the use of the funds.

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. 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 2025, the City of Cherry Hills Village Governmental Funds reported combined ending fund balances of $48.7 million, an increase of $5.7 million in comparison with the 2024 fund balance. Approximately 80% of this total amount ($39.1 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. At the end of fiscal year 2025, unassigned fund balance of the General Fund was $39.1 million while total fund balance reached $39.8 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 412% of total General Fund expenditures, while total fund balance represents 419% of that same amount.

The Parks and Recreation Fund had a fund balance of $3.9 million at the end of 2025 and will continue to receive property tax revenue as ordered by the court-approved South Suburban exclusion agreement.

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. The fund balance was used for the COP debt service and dissolved in 2025.

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 2025, sewer repairs and maintenance fees of $430 per year were charged to residents under the Englewood total service agreement. For 2025, operating revenues exceeded the operating expenses by $68,778.

General Fund Budgetary Highlights

The General Fund revenues (net of Operating Transfers) were over budget by $1.7 million mainly due to Sales and Use Taxes, Property Taxes, and Licenses and Permits. The General Fund expenditures were under budget by $0.4 million. The General Fund ending fund balance increased by $4.2 million and had an ending fund balance of $39.8 million.

Capital Asset and Debt Administration

Capital assets. The City of Cherry Hills Village investment in capital assets as of December 31, 2025, amounts to $23.2 million. This investment in capital assets includes land, buildings, vehicles, equipment, art and sewer lines.

Capital asset events during the 2025 fiscal year included the following:

- Purchase of parks equipment, including three replacement mowers, for $74,380.
- Purchase of an additional K9 vehicle and repurpose and upfitting for a second K9 vehicle for Public Safety for $99,727.
- Purchase of an additional truck for Public Works including a plow attachment for $64,016.
- Construction in progress on Quincy Farm pond of $302,519.

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

	2025	2024
Land	$ 17,008,135	$ 17,008,135
Construction in Progress	488,672	654,747
Buildings and Improvements	12,575,024	11,992,464
Software	51,000	68,000
Equipment	1,943,771	1,988,995
Art	177,577	226,844
Construction in Progress - Sewer Lines	512,451	36,115
Total Capital Assets	$ 32,756,630	$ 31,975,300

Long-term debt. At the end of the 2025 fiscal year, the City of Cherry Hills Village had total long-term debt outstanding of $9,807,935. This total debt represents accrued compensated absences ($475,326), Certificates of Participation ($8,940,188), Charlou Park 3rd Filing General Improvement District bond payable ($242,421), and Southmoor/Hudson Parkway Filing General Improvement District bond payable ($150,000).

Economic Factors, Next Year's Budget and Tax Rates

The proposed 2026 Budget for the City of Cherry Hills Village reflects a continued commitment to long-term financial stability, conservative revenue forecasting, strategic infrastructure investment, and maintaining high-quality municipal services. The proposed budget totals approximately $19.1 million across all funds, representing a modest overall increase of approximately $240 thousand from the 2025 adopted budget. The budget continues the City's strong fiscal management practices while addressing operational needs, capital infrastructure priorities, employee retention, and evolving service demands.

The General Fund remains financially strong, with projected revenues of approximately $13.8 million and projected expenditures of approximately $12.0 million, including a $1.0 million transfer to the Capital Improvement Program (CIP) Fund. The City's General Fund balance is projected to increase to by approximately $1.8 million by year-end 2026, demonstrating continued financial resiliency and sustainability.

Revenue projections for 2026 reflect a cautious but stable outlook. Property tax revenues are expected to remain relatively flat due to the potential State legislation impacts, while sales tax revenues are expected to stabilize following significant gains realized through implementation of the State's SUTS sales tax collection platform and increased business licensing activity. Motor vehicles use tax revenues are projected to decline approximately 15% as vehicle purchasing activity continues to soften. Investment earnings are forecasted to be slightly lower due to expectations that the Federal Reserve may continue gradual interest rate reductions in 2026.

Expenditure increases within the General Fund are primarily driven by personnel-related costs, public safety investments, insurance increases, and strategic operational enhancements. The proposed budget includes a 2% cost-of-living adjustment and up to 2% merit increase for eligible employees, with additional targeted compensation adjustments for Police Department personnel to remain competitive within the regional law enforcement market. The budget also includes the addition of a new Communications and Outreach position to enhance resident engagement and City-wide communication efforts.

The 2026 Capital Improvement Program continues the City's "pay-as-you-go" funding strategy and includes approximately $3.2 million in capital projects and equipment investments. Major projects include roadway mill and overlay improvements, Quincy Farm rehabilitation and parking improvements, traffic calming and transportation studies, stormwater infrastructure mapping, bridge maintenance, municipal security upgrades, and replacement of critical public safety and public works equipment.

From a broader economic perspective, the 2026 budget has been developed amid continued economic uncertainty nationally and regionally. National economic forecasts for 2026 generally anticipate slower but stable economic growth, moderating inflation, and gradual reductions in interest rates by the Federal Reserve. While recession concerns have lessened compared to prior years, economists continue to caution consumer spending, housing activity, and sales tax growth may soften as higher borrowing costs and inflationary pressures continue to impact households and businesses.

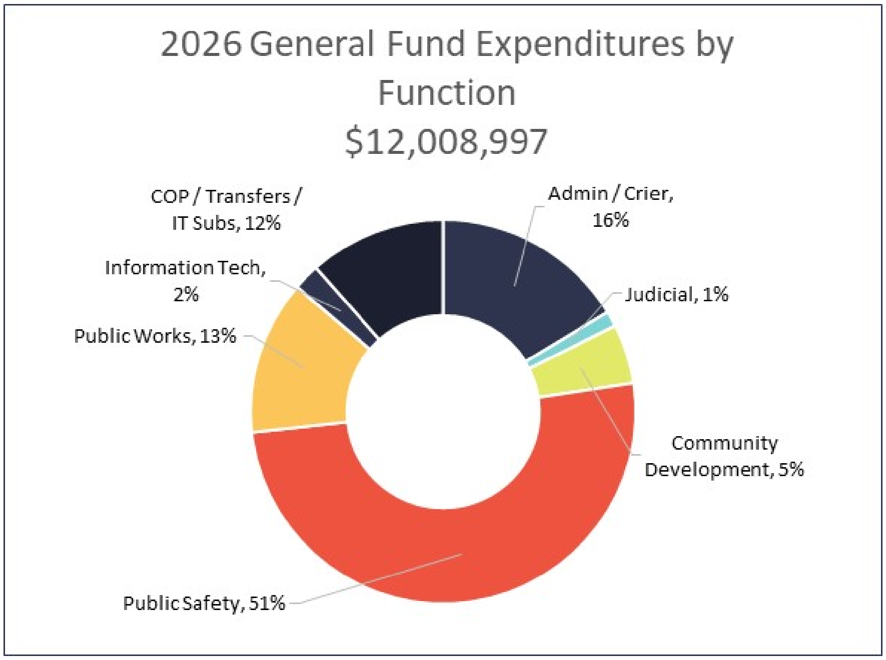
Overall, the proposed 2026 Budget positions the City to remain financially stable while continuing to invest strategically in infrastructure, public safety, operational efficiency, employee retention, and quality-of-life initiatives for the Cherry Hills Village community.

In total, the 2026 General Fund revenues are estimated at 2% above the 2025 Adopted Budget:

Revenue Source	2025 Adopted	2026 Adopted	$ Change	% Change
Property taxes	$ 3,700,000	$ 3,700,000	$ -	0%
Motor Vehicle Use Taxes	$ 1,445,000	$ 1,228,250	$ (216,750)	-15%
Retail Sales Taxes	$ 3,843,750	$ 4,500,000	$ 656,250	17%
Building Permits	$ 1,450,000	$ 1,450,000	$ -	0%
Electric Utility Franchise	$ 510,000	$ 510,000	$ -	0%
Municipal Court Fees	$ 180,000	$ 180,000	$ -	0%
Other Revenues	$ 2,429,480	$ 2,253,980	$ (175,500)	-7%
Total Revenue Sources	$ 13,558,230	$ 13,822,230	$ 264,000	2%

The City of Cherry Hills Village sales tax rate is 3.5%, motor vehicle use tax is 3.0%, and the mill levy is 14.722.

<u>General Fund Expenditures</u>
The 2026 expenditure is proposed to increase modestly to $12M including a $1M transfer to the Capital Projects fund. Personnel costs represent a majority of the 2026 Proposed General Fund Expenditures and are projected to increase by approximately 4.0% in 2026; this increase includes salary adjustments as well as increased health and dental/vision costs. The largest increase to the General Fund budgeted expenditures in 2026 is the addition of the City's first Communication and Outreach position and salary adjustments for Public Safety personnel.



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:

Kelly Newman, CPA
Director of Finance and Administration
(303) 783-2730
knewman@cherryhillsvillage.com

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

CITY OF CHERRY HILLS VILLAGE
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

	Governmental Activities	Business-Type Activities	Totals 2025	Totals 2024
ASSETS				
Cash and Investments	$ 48,097,949	$ 890,767	$ 48,988,716	$ 43,592,291
Restricted Cash and Investments	57,007	-	57,007	247,578
Receivables:				
Property Taxes	8,206,482	-	8,206,482	7,650,929
Sales and Other	1,043,492	-	1,043,492	835,781
Accounts Receivable	159,511	2,165	161,676	75,193
Interest	-	-	-	129,831
Prepaid Items	35,920	-	35,920	42,248
Capital Assets, Not Depreciated	17,496,807	512,451	18,009,258	17,698,997
Capital Assets, Depreciated				
Net of Accumulated Depreciation	14,747,372	-	14,747,372	14,276,303
Total Assets	89,844,540	1,405,383	91,249,923	84,549,151
DEFERRED OUTFLOWS OF RESOURCES				
Pension Plan	1,236,472	-	1,236,472	132,572
Total Deferred Outflows of Resources	1,236,472	-	1,236,472	132,572
LIABILITIES				
Current Liabilities:				
Accounts Payable	505,310	65,501	570,811	591,475
Accrued Expenses	220,589	-	220,589	210,714
Due to Other Governments	53	-	53	23,584
Accrued Interest Payable	32,066	-	32,066	33,634
Noncurrent Liabilities:				
Due within One Year	472,207	-	472,207	451,939
Due in More Than One Year	9,335,728	-	9,335,728	9,734,591
Total Liabilities	10,565,953	65,501	10,631,454	11,045,937
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	8,205,047	-	8,205,047	7,650,929
Pension Plan	990,674	-	990,674	-
Total Deferred Inflows of Resources	9,195,721	-	9,195,721	7,650,929
NET POSITION				
Net Investment in Capital Assets	22,791,853	457,242	23,249,095	22,013,110
Restricted for:				
Parks and Recreation	2,691,139	-	2,691,139	2,478,038
Emergencies	598,000	-	598,000	606,000
Debt Service	22,168	-	22,168	198,920
Capital Projects	152,358	-	152,358	140,865
Unrestricted	45,063,820	882,640	45,946,460	40,547,924
Total Net Position	$ 71,319,338	$ 1,339,882	$ 72,659,220	$ 65,984,857

See accompanying Notes to Financial Statements.

CITY OF CHERRY HILLS VILLAGE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

		Program Revenues			Net Revenue (Expense) and Changes in Net Position			
					Primary Government			
			Operating	Capital			Totals	
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	2025	2024
Primary Government:								
Governmental Activities:								
General Government	$ 3,321,287	$ 135,371	$ 9,542	$ -	$ (3,176,374)	$ -	$ (3,176,374)	$ (599,635)
Judicial	134,830	4,449	-	-	(130,381)	-	(130,381)	(133,060)
Community Development	658,514	2,479,414	-	-	1,820,900	-	1,820,900	1,405,325
Community Outreach	35,833	-	-	-	(35,833)	-	(35,833)	(35,215)
Public Safety	5,451,832	354,727	3,217	-	(5,093,888)	-	(5,093,888)	(4,767,758)
Public Works	1,518,096	102,929	380,490	-	(1,034,677)	-	(1,034,677)	(1,067,124)
Parks and Recreation	2,851,845	-	335,797	-	(2,516,048)	-	(2,516,048)	(1,825,951)
Interest on Long Term Debt	375,439	-	-	-	(375,439)	-	(375,439)	(390,166)
Total Governmental Activities	14,347,676	3,076,890	729,046	-	(10,541,740)	-	(10,541,740)	(7,413,584)
Business-Type Activities								
Water and Sewer	13,687	82,465	-	37,840	-	106,618	106,618	106,991
Total Business-Type Activities	13,687	82,465	-	37,840	-	106,618	106,618	106,991
Total Primary Government	$ 14,361,363	$ 3,159,355	$ 729,046	$ 37,840	(10,541,740)	106,618	(10,435,122)	(7,306,593)
General Revenues								
Property Taxes					7,646,725	-	7,646,725	7,571,327
Specific Ownership Taxes					416,082	-	416,082	443,759
Sales and Use Taxes					6,015,901	-	6,015,901	5,229,167
Franchise Fees					720,487	-	720,487	670,000
Interest					1,940,406	43,806	1,984,212	2,122,734
Miscellaneous					286,078	40,000	326,078	135,146
Total General Revenues					17,025,679	83,806	17,109,485	16,172,133
CHANGE IN NET POSITION					6,483,939	190,424	6,674,363	8,865,540
Net Position - Beginning, As Restated*					64,835,399	1,149,458	65,984,857	57,119,317
NET POSITION - END OF YEAR					$ 71,319,338	$ 1,339,882	$ 72,659,220	$ 65,984,857

* See Footnote 10 for restatement in Business-Type Activities.

See accompanying Notes to Financial Statements.

CITY OF CHERRY HILLS VILLAGE
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

	General Fund	Parks and Recreation Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds 2025	Total Governmental Funds 2024
ASSETS						
Cash and Investments	$ 38,981,569	$ 4,128,924	$ 2,050,857	$ 2,936,599	$ 48,097,949	$ 42,444,628
Restricted Cash and Investments	-	-	-	57,007	57,007	247,578
Receivables:						
Property Taxes	4,043,724	4,111,317	-	51,441	8,206,482	7,650,929
Sales Taxes	848,868	-	-	-	848,868	617,834
Billed Accounts	69,637	-	-	89,874	159,511	73,320
Interest	-	-	-	-	-	129,831
Other	171,689	-	22,935	-	194,624	217,947
Prepaid Items	34,593	1,327	-	-	35,920	42,248
Total Assets	$ 44,150,080	$ 8,241,568	$ 2,073,792	$ 3,134,921	$ 57,600,361	$ 51,424,315
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 171,588	$ 147,973	$ -	$ 185,749	$ 505,310	$ 555,282
Accrued Expenses	176,394	44,195	-	-	220,589	210,714
Due to Other Governments	53	-	-	-	53	23,584
Total Liabilities	348,035	192,168	-	185,749	725,952	789,580
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	4,043,021	4,110,585	-	51,441	8,205,047	7,650,929
FUND BALANCES						
Nonspendable	34,593	1,327	-	-	35,920	42,248
Restricted	598,000	-	-	2,897,731	3,495,731	3,457,457
Committed	40,000	3,937,488	2,073,792	-	6,051,280	4,579,684
Unassigned	39,086,431	-	-	-	39,086,431	34,904,417
Total Fund Balances	39,759,024	3,938,815	2,073,792	2,897,731	48,669,362	42,983,806
Total Liabilities, Deferred Inflows, and Fund Balances	$ 44,150,080	$ 8,241,568	$ 2,073,792	$ 3,134,921		
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.					32,244,179	31,939,185
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include COPs Payable ($8,550,000), Premium on COPs Payable ($390,188), Notes Payable ($392,421), accrued interest payable ($32,066), and Compensated Absences ($475,326).					(9,840,001)	(10,220,164)
Items related to pensions are considered to be long-term items and are therefore, not reported in the governmental funds. This includes Deferred Pension Outflows $1,236,472 and Deferred Pension Inflows ($990,674).					245,798	132,572
Net Position of Governmental Activities					$ 71,319,338	$ 64,835,399

See accompanying Notes to Financial Statements.

CITY OF CHERRY HILLS VILLAGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	General Fund	Parks and Recreation Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds 2025	Total Governmental Funds 2024
REVENUES						
Property Taxes	$ 3,769,821	$ 3,826,309	$ -	$ 50,595	$ 7,646,725	$ 7,571,327
Specific Ownership Taxes	-	-	413,526	2,556	416,082	443,759
Sales and Use Taxes	6,015,901	-	-	-	6,015,901	5,229,167
Franchise Fees	720,487	-	-	-	720,487	670,000
Licenses and Permits	2,597,791	-	-	-	2,597,791	2,128,706
Intergovernmental	12,759	-	380,490	335,797	729,046	2,395,712
Charges for Services	479,099	-	-	-	479,099	475,880
Miscellaneous	140,307	21,987	27,898	95,886	286,078	165,320
Interest Income	1,522,244	205,566	80,687	131,909	1,940,406	2,070,777
Total Revenues	15,258,409	4,053,862	902,601	616,743	20,831,615	21,150,648
EXPENDITURES						
Current:						
General Government	1,784,368	-	1,393,953	11,105	3,189,426	2,175,732
Judicial	134,830	-	-	-	134,830	133,060
Community Development	658,514	-	-	-	658,514	596,601
Community Outreach	35,833	-	-	-	35,833	35,215
Public Safety	5,486,284	-	-	-	5,486,284	4,975,274
Public Works	1,246,235	-	-	-	1,246,235	1,314,411
Parks and Recreation	-	2,524,032	-	100,392	2,624,424	2,274,546
Debt Service						
Principal	151,878	208,122	-	25,303	385,303	365,678
Interest	-	195,734	-	205,660	401,394	415,821
Capital Outlay	-	-	785,633	228,009	1,013,642	2,580,494
Total Expenditures	9,497,942	2,927,888	2,179,586	570,469	15,175,885	14,866,832
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,760,467	1,125,974	(1,276,985)	46,274	5,655,730	6,283,816
OTHER FINANCING SOURCES (USES)						
Insurance Recoveries	-	-	-	-	-	92,326
Proceeds from the Sale of Assets	11,150	-	18,676	-	29,826	34,556
Transfers In	-	-	2,422,500	-	2,422,500	2,561,000
Transfers Out	(1,600,000)	(822,500)	-	-	(2,422,500)	(2,561,000)
Total Other Financing Sources (Uses)	(1,588,850)	(822,500)	2,441,176	-	29,826	126,882
NET CHANGE IN FUND BALANCES	4,171,617	303,474	1,164,191	46,274	5,685,556	6,410,698
Fund Balance - Beginning	35,587,407	3,635,341	909,601	2,851,457	42,983,806	36,573,108
FUND BALANCES - END OF YEAR	$ 39,759,024	$ 3,938,815	$ 2,073,792	$ 2,897,731	$ 48,669,362	$ 42,983,806

See accompanying Notes to Financial Statements.

CITY OF CHERRY HILLS VILLAGE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Changes in Fund Balances - Total Governmental Funds	$ 5,685,556
Amounts reported for governmental activities in the statement of activities are different because:	
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 $1,091,741 exceeded depreciation ($733,249) and disposal of of assets of ($53,498) in the current period.	304,994
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 $385,303, amortization of premium $24,387, change in accrued compensated absences of ($31,095), and change in accrued interest of $1,568.	380,163
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes change in pension deferred outflows of resources of $1,103,900 and change in pension deferred inflows of ($990,674).	113,226
Change in Net Position of Governmental Activities	$ 6,483,939

See accompanying Notes to Financial Statements.

CITY OF CHERRY HILLS VILLAGE
STATEMENT OF NET POSITION - PROPRIETARY FUND
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

	Water and Sewer Fund 2025	Water and Sewer Fund 2024
ASSETS		
Current Assets:		
Cash and Investments	$ 890,767	$ 1,147,663
Accounts Receivable	2,165	1,873
Total Current Assets	892,932	1,149,536
Noncurrent Assets:		
Capital Assets, Nondepreciable	512,451	36,115
Total Noncurrent Assets	512,451	36,115
Total Assets	1,405,383	1,185,651
LIABILITIES		
Current Liabilities:		
Accounts Payable	65,501	36,193
Total Liabilities	65,501	36,193
NET POSITION		
Net Investment in Capital Assets	457,242	-
Unrestricted	882,640	1,149,458
Total Net Position	$ 1,339,882	$ 1,149,458

See accompanying Notes to Financial Statements.

CITY OF CHERRY HILLS VILLAGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Water and Sewer Fund 2025	Water and Sewer Fund 2024
OPERATING REVENUES		
Charges for Services	$ 82,465	$ 81,378
Total Operating Revenues	82,465	81,378
OPERATING EXPENSES		
Operations	12,817	12,304
General and Administrative	870	10,562
Depreciation	-	12,141
Total Operating Expenses	13,687	35,007
OPERATING INCOME	68,778	46,371
NONOPERATING REVENUES		
Investment Income	43,806	51,957
Miscellaneous	40,000	-
Total Nonoperating Revenues	83,806	51,957
INCOME BEFORE CAPITAL CONTRIBUTIONS	152,584	98,328
CAPITAL CONTRIBUTIONS - TAP FEES	37,840	60,620
CHANGE IN NET POSITION	190,424	158,948
Net Position - Beginning, As Restated*	1,149,458	990,510
NET POSITION - END OF YEAR	$ 1,339,882	$ 1,149,458

* See footnote 10 for restatement.

See accompanying Notes to Financial Statements.

CITY OF CHERRY HILLS VILLAGE
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Water and Sewer Fund 2025	Water and Sewer Fund 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 82,173	$ 96,522
Cash Payments to Suppliers	(3,475)	(22,788)
Net Cash Provided by Operating Activities	78,698	73,734
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions	37,840	60,620
Acquisition and Construction of Capital Assets	(457,240)	-
Cash Flows Provided (Used) by Capital and Related Financing Activities	(419,400)	60,620
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	43,806	51,957
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Miscellaneous	40,000	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(256,896)	186,311
Cash and Cash Equivalents - Beginning of Year	1,147,663	961,352
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 890,767	$ 1,147,663
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 68,778	$ 46,371
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	-	12,141
Changes in Assets and Liabilities:		
Accounts Receivable	(292)	15,574
Accounts Payable	10,212	78
Unearned Revenues	-	(430)
Total Adjustments	9,920	27,363
Net Cash Provided by Operating Activities	$ 78,698	$ 73,734
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION CASH AND CASH EQUIVALENTS		
Unrestricted Cash and Cash Equivalents	$ 890,767	$ 1,147,663
Total Cash and Cash Equivalents	$ 890,767	$ 1,147,663
Noncash items:		
Capital Assets Related Amounts in Account Payable	$ (19,096)	$ (36,115)

See accompanying Notes to 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. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Based on the application of these criteria, the following organizations are included in the City's reporting entity as blended component units:

Cherry Hills Village Charlou Park 3rd Filing General Improvement District

The Cherry Hills Village Charlou Park 3rd Filing General Improvement District (the District) was established by voters in the November 2018 election. On January 15, 2019, City Council passed an Ordinance declaring the District organized. The purpose of the District is to obtain financing to be repaid with property taxes levied by the District. The District is blended into the City's financial statements as a special revenue fund. City Council serves as the Board of the District and has significant operational responsibility of the component unit.

Cherry Hills Village Southmoor Circle and Hudson Parkway General Improvement District

The Cherry Hills Village Southmoor Circle and Hudson Parkway General Improvement District (the District) was established by voters in the November 2021 election. On January 4, 2022, City Council passed an Ordinance declaring the District organized. The purpose of the District is to obtain financing to be repaid with property taxes levied by the District. The District is blended into the City's financial statements as a special revenue fund. City Council serves as the Board of the District and has significant operational responsibility of the component unit.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, sales 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 an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's practice is to generally apply restricted resources first, consistent with externally imposed legal, contractual, or regulatory requirements. Unrestricted net position may be used thereafter as determined appropriate by management. Management retains discretion to determine the most appropriate funding source when permitted by law or regulation and may deviate from this general practice based on operational needs, financial considerations, or long-term planning objectives.

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* is a special revenue fund. It accounts for allocated property tax revenues for parks and recreation activities, which are committed through board resolution.

The *Capital Fund* is a capital projects fund. It accounts for capital projects across the City, including infrastructure improvements (parks, trails, right of way, stormwater, etc.), equipment and vehicles, facility major component repair and replacement (open spaces, parks city hall, etc.) and City master plan projects.

The City reports the following major proprietary fund:

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

Cash and Investments

The City's cash and investments include cash on hand, demand deposits, and investments. Cash balances, unless a separate account is required, are pooled for investments purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund.

For the purposes of the statement of cash flows for the proprietary fund, cash and investments consists of operating cash and highly liquid securities with an initial maturity of three months or less.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (Continued)

Money market funds and state investment pool funds are stated at amortized cost and net asset value. All other investments are stated at fair value based on quoted market values.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Buildings and Improvements	30 to 50 Years
Machinery and Equipment	5 to 25 Years
Vehicles	5 to 15 Years
Infrastructure (Sewer Lines)	25 to 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.

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

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.

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 inflow of resources are recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow of resources is recognized as revenue and the receivable is reduced.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension

The City contributes to the Statewide Retirement Plan (SRP), a cost-sharing multiemployer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA).The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by FPPA are reported at fair value.

Fund Balances

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, 2025, the City classifies prepaid items as 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 imposed by law through constitutional provisions or enabling legislation. The City has classified the following amounts as restricted:

1. General Fund: Emergency Reserves of $598,000 is restricted by State Statute for declared emergencies.
2. Certificates of Participation Projects Fund: The fund balance in this fund is restricted for debt service payments.
3. Land Donation Fund: The fund balance in this fund is restricted because its use is restricted by donors.
4. Open Space Fund: The fund balance in this fund is restricted because its use is restricted by vote.
5. Conservation Trust Fund: The fund balance in this fund is restricted because its use is restricted by State statute.
6. CHV Charlou Park GID Fund: The fund balance in this fund is restricted as its use is restricted by vote.
7. CHV Southmoor Hudson GID Fund. The fund balance in this fund is restricted as its use is restricted by vote.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

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. The City has classified the following amounts as committed:

1. Parks and Recreation Fund: The fund balance in this fund is committed to be used for parks and open space projects and maintenance.
2. Capital Fund: The fund balance in this fund is committed to capital expenditures.
3. General Fund: The City has committed donations in the amount of $40,000 for art purchases.

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, 2025, 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.

Net Position

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position - Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted Net Position - Is the amount of net position that does not meet the definition of the two preceding categories.

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

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Summarized Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

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. The 2024 balances are representative of the restatements and adjustments described in Note 10.

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.
- 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgets and Budgetary Accounting (Continued)

- 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.

Budget Compliance

For the fiscal year ended December 31, 2025, actual expenditures exceeded budgeted expenditures by $3,286 in the Capital Projects Fund. The Capital Projects may be in violation of state statutes due to expenditures exceeding the budgeted amount.

NOTE 3 DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2025 follows:

Petty Cash	$ 150
Cash Deposits	1,674,853
Investments	47,370,720
Total	$ 49,045,723

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

Governmental Activities - Unrestricted	$ 48,097,949
Governmental Activities – Restricted	57,007
Business-Type Activities	890,767
Total	$ 49,045,723

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, 2025, 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, 2025, the City had deposits with financial institutions with a carrying amount of $1,674,853. The bank balances with the financial institutions were $1,835,441. Of these balances, $250,000 was covered by federal depository insurance and $1,585,441 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.

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.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle for any one type of security to 5% of the total portfolio, except for U.S. Treasury obligations. The City had investments at December 31, 2025 of 5% or more in Federal Home Loan Bank (11%).

Local Government Investment Pools

As of December 31, 2025, the City had invested $6,789,783 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 City has $4,676,635 invested in CSAFE Cash and $2,113,148 invested in Colorado CORE, an enhanced cash fund through CSAFE. CSAFE Cash is a highly liquid Fund operating like a money market fund with a $1.00 transactional share price. CSAFE Cash operates under GASB 79 amortized cost basis method of determining transactional share price. CSAFE Colorado Core Fund (Core) is an ultra-short duration, enhanced cash fund intended for short to intermediate term minimum investment with a $2.00 transactional share price. Core has a minimum investment of $10,000 and allows maximum of three redemptions per month. Core operates under GASB 31 and 72 method of fair market valuation. CSAFE Cash is rated AAAmmf by Fitch and CSAFE Core is rated AAAf/S1 by Fitch.

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.

As of December 31, 2025, the City had invested $22,266,788 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 measured at net asset value, equal to $1.00 per share. 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)

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.

As of December 31, 2025, the City had invested $5,294,256 in the Centennial State Local Investment Program (CSLIP), 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. CSLIP is rated AAAm by Standard and Poor's.

These funds operate similarly to money market funds and each share is measured at net asset value, equal to $1.00 per share. Fund investments include U.S. Treasury bills, notes, note strips, repurchase agreements collateralized by U.S. Treasury securities and commercial paper. Designated custodial banks provide safekeeping and depository services to these funds in connection with the funds' direct investment and withdrawal functions. The custodians' internal records identify investments owned by the funds.

Money Market

As of December 31, 2025, the City had $2,981,327 in money market funds. The City's money market investments consist of shares in the Goldman Sachs Financial Square Government Fund – Institutional Shares, which are held and managed by an external investment manager. The fund is a government money market fund that is measured at net asset value, equal to $1.00 per share. Fund is rated AAAm by Standard and Poor's.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1 – Quoted prices for identical investments in active markets;

Level 2 – Observable inputs other than quoted market prices; and,

Level 3 – Unobservable inputs.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments (Continued)

As of December 31, 2025, the City had the following carrying value measurements:

Investments by Fair Value Level	2025	Level 1	Level 2	Level 3
U.S. Treasury Securities	$ 3,029,590	$ 3,029,590	$ -	$ -
U.S. Agency Securities	7,008,976	7,008,976	-	-
Total Investments by Fair Value	10,038,566	$ 10,038,566	$ -	$ -

Investments Measured at Net Asset Value	
ColoTrust	$ 22,266,788
CSAFE Cash (Amortized Cost)	4,676,635
CSAFE Core	2,113,148
CSLIP	5,294,256
Money Market	2,981,327
Total Investments	$ 47,370,720

The investment balances were as follows:

Investment	Rating	Percent of Total	Value	Less than 1 Year	1-3 Years	3-5 Years
U.S. Treasury Securities	AA+ by S & P	6.4 %	$ 3,029,590	$ -	$ 1,509,902	$ 1,519,688
U.S. Agency Securities	AA+ by S & P	14.8	7,008,976	-	-	7,008,976
Money Market	AAAm by S & P	6.3	2,981,327	2,981,327	-	-
ColoTrust	AAAm by S & P	47.0	22,266,788	22,266,788		
CSAFE Cash	AAAmmf by Fitch	9.8	4,676,635	4,676,635		
CSAFE Core	AAAf/S1 by Fitch	4.5	2,113,148	2,113,148		
CSLIP	AAAm by S & P	11.2	5,294,256	5,294,256		
Total		100.0	$ 47,370,720	$ 37,332,154	$ 1,509,902	$ 8,528,664

Restricted Cash and Investments

At December 31, 2025, cash in the amount of $39,182 is restricted in the CHV Charlou Park GID fund as the debt reserve requirement per the Series 2019 Note agreement, and cash in the amount of $17,825 is restricted in the Southmoor Hudson GID fund as the debt reserve requirement per the Series 2022 Note agreement.

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2025 is summarized below:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 17,008,135	$ -	$ -	$ 17,008,135
Construction in Progress	654,747	222,553	(388,628)	488,672
Total Capital Assets, Not Being Depreciated	17,662,882	222,553	(388,628)	17,496,807
Capital Assets, Being Depreciated:				
Buildings	13,871,640	905,094	-	14,776,734
Software	274,367	-	-	274,367
Art	591,500	-	-	591,500
Machinery and Equipment	4,887,099	316,607	(147,654)	5,056,052
Total Capital Assets, Being Depreciated	19,624,606	1,221,701	(147,654)	20,698,653
Less Accumulated Depreciation:				
Buildings	1,879,176	322,534	-	2,201,710
Software	206,367	17,000	-	223,367
Art	364,656	49,267	-	413,923
Machinery and Equipment	2,898,104	344,448	(130,271)	3,112,281
Total Accumulated Depreciation	5,348,303	733,249	(130,271)	5,951,281
Total Capital Assets, Being Depreciated, Net	14,276,303	488,452	(17,383)	14,747,372
Total Governmental Activities Capital Assets, Net	$ 31,939,185	$ 711,005	$ (406,011)	$ 32,244,179

	Balance, As Restated 12/31/2024	Additions	Deletions	Balance 12/31/2025
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress - Sewer Lines	$ 36,115	$ 476,336	$ -	$ 512,451
Total Capital Assets, Not Being Depreciated	36,115	476,336	-	512,451
Capital Assets, Being Depreciated:				
Sewer Lines	$ 708,364	$ -	$ -	$ 708,364
Total Capital Assets, Being Depreciated	708,364	-	-	708,364
Less Accumulated Depreciation:				
Sewer Lines	708,364	-	-	708,364
Total Accumulated Depreciation	708,364	-	-	708,364
Total Business-Type Activities Capital Assets, Net	$ 36,115	$ 476,336	$ -	$ 512,451

See Note 10 for details on restatement of beginning CIP balance within the Business-Type Activities table. The table above reflects the corrected beginning balance.

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

Governmental Activities:	
General Government	$ 155,193
Public Safety	78,774
Public Works	271,861
Parks and Recreation	227,421
Total	$ 733,249

NOTE 5 LONG-TERM DEBT

Government Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2025.

	Balance 12/31/2024	Additions	Payments	Balance 12/31/2025	Due In One Year
2017 COPs	$ 8,910,000	$ -	$ 360,000	$ 8,550,000	$ 380,000
2017 COPs Premium	414,575	-	24,387	390,188	-
Debt from Direct Borrowings and Direct Placements:					
2019 Charlou GID GO Note Payable	257,421	-	15,000	242,421	15,000
2022 Southmoor GID GO Note Payable	160,303	-	10,303	150,000	5,908
Other General Obligations:					
Compensated Absences	444,231	31,095	-	475,326	71,299
Total	$ 10,186,530	$ 31,095	$ 409,690	$ 9,807,935	$ 472,207

The change in the compensated absence liability is presented as a net change.

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.

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

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

Certificates maturing on December 1, 2036 are also subject to mandatory sinking fund redemption by lot on December 1 of each year at a redemption price equal to the principal amount plus accrued interest to the redemption date.

NOTE 5 LONG-TERM DEBT (CONTINUED)

Debt from Direct Borrowings and Direct Placements

2019 GID General Obligation Note Payable

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

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

2022 GID General Obligation Note Payable

On May 3, 2022, the Southmoor General Improvement District (the District), a blended component unit of the City, issued the General Obligation Note, Series 2022, in the amount of $182,061. Proceeds are used to finance the construction fund improvements related to underground existing overhead electrical distribution lines. The Series 2022 Note carries interest at a rate of 4.00%. Principal payments are due annually on December 1 and interest payments are due on June 1 and December 1 through 2042.

Debt Service Requirements

Annual debt service requirements for the general obligation debt at December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 380,000	$ 361,738	$ 741,738
2027	395,000	342,737	737,737
2028	415,000	322,988	737,988
2029	440,000	302,237	742,237
2030	460,000	280,238	740,238
2031-2035	2,560,000	1,138,075	3,698,075
2036-2040	3,185,000	508,875	3,693,875
2041	715,000	26,812	741,812
Total Debt Service Requirements	$ 8,550,000	$ 3,283,700	$ 11,833,700

NOTE 5 LONG-TERM DEBT (CONTINUED)

Debt Service Requirements (Continued)

Annual debt service requirements for the Charlou GID GO Note Payable (direct borrowing and direct placement) at December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 15,000	$ 17,050	$ 32,050
2027	15,000	16,225	31,225
2028	15,000	15,400	30,400
2029	15,000	14,575	29,575
2030	15,000	13,750	28,750
2031-2035	100,000	53,625	153,625
2036-2040	67,421	23,100	90,521
Total Debt Service Requirements	$ 242,421	$ 153,725	$ 396,146

Annual debt service requirements for the Southmoor GID GO Note Payable (direct borrowing and direct placement) at December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 5,908	$ 6,000	$ 11,908
2027	6,144	5,764	11,908
2028	6,390	5,518	11,908
2029	6,645	5,262	11,907
2030	6,911	4,997	11,908
2031-2035	38,931	20,608	59,539
2036-2040	47,366	12,173	59,539
2041-2042	31,705	2,111	33,816
Total Debt Service Requirements	$ 150,000	$ 62,433	$ 212,433

INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2025 were as follows:

	Transfers Out		
Transfers In	General Fund	Parks & Recreation Fund	Total
Capital Fund	$ 1,600,000	$ 822,500	$ 2,422,500
Total Out	$ 1,600,000	$ 822,500	$ 2,422,500

Transfers are used to move unrestricted revenues from the General Fund and Parks & Recreation Fund to the Capital Fund for capital needs – both general government capital assets and park related capital expenditures.

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 ended December 31, 2025, the City contributed $99,687 to the Plan, equal to the required contributions. All Plan assets are managed by the International City/County Management Association Retirement Corporation.

Nonsworn Managers Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan (the Plan) on behalf of nonsworn managers. All nonsworn 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, 2025, the City contributed $182,077 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 nonmanagement employee salaries. Total contributions to the Plan during the year ended December 31, 2025 were $254,235. The Plan is administered by the International City/County Management Association Retirement Corporation.

NOTE 7 RETIREMENT COMMITMENTS (CONTINUED)

State of Colorado Fire and Police Pension Association – Statewide Retirement Plan

Plan Description

The City contributes to the Statewide Retirement Plan (SRP), a cost-sharing multiemployer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA) for firefighters hired on or after April 8, 1978 New Hires), provided that they are not already covered by a statutorily exempt plan. The SRP became effective January 1, 1980. As of August 5, 2003, the SRP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. Most full-time, paid firefighters of the City are members of the SRP, and all newly hired firefighters have to be enrolled in the SRP. Effective January 1, 2023, the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan were combined to form the Statewide Retirement Plan based on House Bill 22-1034. The Statewide Defined Benefit Plan became the Defined Benefit Component of the Statewide Retirement Plan and the Statewide Hybrid Plan became the Hybrid Component of the Statewide Retirement Plan.

The SRP assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members). The SRP is administered by FPPA. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Description of Benefits

SRP provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the Normal Retirement Age. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances, with the Normal Retirement Age being not less than age 55 and not more than age 60. A member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

NOTE 7 RETIREMENT COMMITMENTS (CONTINUED)

Description of Benefits (Continued)

The annual normal retirement benefit for the Defined Benefit Component is 2% of the average of the member’s highest three years’ base salary for each year of credited service up to ten years, plus 2.5% of the average member’s highest three years’ base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0% of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25% of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9% of the average of the member’s highest three years’ base salary for each year of credited service through December 31, 2022 and 1.5% of the average of the member’s highest three years’ base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or noncompounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Noncompounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0% as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

Contribution rates for the SRP are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

NOTE 7 RETIREMENT COMMITMENTS (CONTINUED)

Contributions (Continued)

Members of the Defined Benefit Component contribute 12.0% of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5% annually through 2030 to a total of 13.0% of base salary. These increases result in a combined contribution rate of 25.0% of base salary in 2030. In 2025, the total combined member and employer contribution rate was 22.5%.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5% annually. These increases result in a minimum combined contribution rate of 25.2% in 2030. In 2025, the total minimum required member and employer contribution rate was 22.7%.

Members of the Social Security Component contribute 6.0% of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25% annually through 2030 to a total of 6.5% of base salary. These increases result in a combined contribution rate of 12.5% of base salary in 2030. In 2025, the total combined member and employer contribution rate was 11.25%.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125% annually until they reach a minimum rate of 9% each and at least a combined rate of 18% in 2030. In 2025, the total minimum combined member and employer contribution rate was 16.75$.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20% per year after the first year of service and to be 100% vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members. A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan.

Employer contributions are recognized by SRP in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to SRP. Contributions to the Defined Benefit Component and Hybrid Component of the SRP from the District were $307,557 for the year ended December 31, 2025.

NOTE 7 RETIREMENT COMMITMENTS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the City reported a net pension liability of $0 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The City's proportion of the net pension liability was based on City contributions to the SRP relative to the total contributions of participating employers to the SRP based upon the January 1, 2024 actuarial valuation. At December 31, 2024, the City's proportion was 0.25772 percent, which was an increase of 0.25772% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense (benefit) of ($194,331). At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 619,297	$ 19,371
Changes of Assumptions or other Inputs	221,641	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	87,977	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	-	971,303
Contributions Subsequent to the Measurement Date	307,557	-
Total	$ 1,236,472	990,674

The $307,557 reported as deferred outflows of resources relating to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred inflows and outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2026	$ 120,312
2027	241,279
2028	(106,506)
2029	(93,718)
2030	(46,695)
Thereafter	(176,431)
Total	$ (61,759)

NOTE 7 RETIREMENT COMMITMENTS (CONTINUED)

Actuarial Assumptions

The actuarial valuations for the SRP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25 - 11.75%	4.25 - 11.75%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability , the post-retirement mortality tables for nondisabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement nonduty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for nondisabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

NOTE 7 RETIREMENT COMMITMENTS (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%) Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	33.00 %	7.00 %
Equity Long/Short	6.00	6.20
Private Markets	34.00	8.80
Fixed Income - Rates	7.00	5.00
Fixed Income - Credit	7.00	6.50
Absolute Return	9.00	5.70
Cash	4.00	4.20
Total	100.00 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SRP fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%.

NOTE 7 RETIREMENT COMMITMENTS (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 1,257,648	$ -	$ -

The COLA assumption reflects the true nature of the FPPA Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with FPPA Board's policy, the COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

NOTE 8 CONSOLIDATION OF WATER AND SANITATION DISTRICTS

In a previous year, 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 9 COMMITMENTS AND CONTINGENCIES

South Metro Fire Rescue Authority

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

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

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

Under the terms of the operations agreement, South Metro Fire Rescue Authority is responsible for paying 50% of the building's utility costs and 20% of the building telephone and internet services. During the year ended December 31, 2025, the South Metro Fire Rescue Authority paid $35,894 to the City for reimbursement of these operating costs under the terms of the agreement.

Tabor Amendment

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

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $598,000 was recorded in the General Fund.

NOTE 10 RESTATEMENT OF BEGINNING NET POSITION

Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the City incurred $36,115 in capital costs related to construction in progress within the Water & Sewer Fund (Business-Type Activities). These costs were incorrectly expensed rather than capitalized as capital assets. The costs were recorded in the operations line under operating expenses in 2024. As a result, the prior year ending net position was understated by $36,115. The prior year capital asset balance was also understated by $36,115 as there was no balance reflected in CIP. The error has been corrected by restating beginning net position, reflected in the table below, and beginning capital assets.

Restatement of Beginning Balance

During fiscal year 2025, the error correction resulted in a restatement of beginning net position, as follows:

	Business-Type Activities
December 31, 2024, As Previously Reported	$ 1,113,343
Error Correction - Capital Assets	36,115
December 31, 2024, As Restated	$ 1,149,458

CITY OF CHERRY HILLS VILLAGE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Property Taxes	$ 3,701,000	$ 3,769,821	$ 68,821	$ 3,711,055
Specific Ownership Taxes	-	-	-	441,238
Sales and Use Taxes	5,288,750	6,015,901	727,151	5,229,167
Franchise Fees	664,000	720,487	56,487	670,000
Licenses and Permits	1,827,000	2,597,791	770,791	2,128,706
Intergovernmental	9,000	12,759	3,759	1,883,671
Charges for Services	572,680	479,099	(93,581)	475,880
Miscellaneous	95,800	140,307	44,507	24,671
Interest	1,400,000	1,522,244	122,244	1,628,744
Total Revenues	13,558,230	15,258,409	1,700,179	16,193,132
EXPENDITURES				
Current:				
General Government	1,966,540	1,784,368	182,172	1,741,853
Judicial	144,940	134,830	10,110	133,060
Community Development	609,340	658,514	(49,174)	596,601
Village Crier	42,880	35,833	7,047	35,215
Public Safety	5,441,810	5,486,284	(44,474)	4,975,274
Public Works	1,496,660	1,246,235	250,425	1,314,411
Debt Service:				
Principal	152,165	151,878	287	-
Total Expenditures	9,854,335	9,497,942	356,393	8,796,414
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,703,895	5,760,467	2,056,572	7,396,718
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,600,000)	(1,600,000)	-	(1,200,000)
Proceeds from the Sale of Assets	-	11,150	11,150	-
Total Other Financing Sources (Uses)	(1,600,000)	(1,588,850)	11,150	(1,200,000)
NET CHANGE IN FUND BALANCE	2,103,895	4,171,617	2,067,722	6,196,718
Fund Balance - Beginning of Year	35,093,924	35,587,407	493,483	29,390,689
FUND BALANCE - END OF YEAR	$ 37,197,819	$ 39,759,024	$ 2,561,205	$ 35,587,407

CITY OF CHERRY HILLS VILLAGE
PARKS AND RECREATION FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES					
Property Taxes	$ 3,750,000	$ 3,750,000	$ 3,826,309	$ 76,309	$ 3,819,507
Intergovernmental	-	-	-	-	114,775
Other	1,000	1,000	21,987	20,987	3,600
Interest	148,750	148,750	205,566	56,816	303,080
Total Revenues	3,899,750	3,899,750	4,053,862	154,112	4,240,962
EXPENDITURES					
Current:					
Personnel Services	1,870,120	1,870,120	1,659,806	210,314	1,458,476
Supplies and Materials	69,660	69,660	37,617	32,043	45,048
Utilities	69,900	69,900	51,153	18,747	40,474
Contractual Services	380,250	380,250	222,437	157,813	318,804
Maintenance	383,900	383,900	292,391	91,509	77,403
Other	332,310	332,310	260,628	71,682	267,461
Capital Outlay	-	-	-	-	17,184
Debt Service:					
Principal	198,000	198,000	208,122	(10,122)	189,750
Interest	208,856	208,856	195,734	13,122	218,343
Total Expenditures	3,512,996	3,512,996	2,927,888	585,108	2,632,943
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	386,754	386,754	1,125,974	739,220	1,608,019
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	150,000
Transfers Out	(822,500)	(960,417)	(822,500)	137,917	(1,361,000)
Total Other Financing Sources (Uses)	(822,500)	(960,417)	(822,500)	137,917	(1,211,000)
NET CHANGE IN FUND BALANCE	(435,746)	(573,663)	303,474	877,137	397,019
Fund Balance - Beginning of Year	4,156,532	4,156,532	3,635,341	(521,191)	3,238,322
FUND BALANCE - END OF YEAR	$ 3,720,786	$ 3,582,869	$ 3,938,815	$ 355,946	$ 3,635,341

CITY OF CHERRY HILLS VILLAGE
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FPPA STATEWIDE RETIREMENT PLAN
LAST TEN FISCAL YEARS

Fiscal Year	2025
Plan Measurement Date Ending December 31,	2024
City's Proportion of the Net Pension Liability (Asset)	0.25772%
City's Proportionate Share of the Net Pension Liability (Asset)	$ -
City's Covered Payroll	$ 1,274,686
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%

*Additional years will be presented as they become available.

CITY OF CHERRY HILLS VILLAGE
SCHEDULE OF CITY CONTRIBUTIONS – FPPA STATEWIDE RETIREMENT PLAN
LAST TEN FISCAL YEARS

Fiscal Year	2025	2024
Contractually Required Contribution	$ 295,735	$ 148,636
Contributions in Relation to the Contractually Required Contribution	295,735	148,636
Contribution Deficiency (Excess)	$ -	$ -
City's Covered Payroll	$ 2,460,066	$ 1,274,686
Contributions as a Percentage of Covered Payroll	12.0%	11.7%

*The amounts presented for each fiscal year were determined as of December 31.
*Additional years will be presented as they become available.

CITY OF CHERRY HILLS VILLAGE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

	Certificates of Participation Projects Fund	Land Donation Fund	Arapahoe County Open Space Fund	Conservation Trust Fund
ASSETS				
Cash and Investments	$ -	$ 150,508	$ 2,211,189	$ 574,902
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	1,850	-	87,797
Property Taxes Receivable	-	-	-	-
Total Assets	$ -	$ 152,358	$ 2,211,189	$ 662,699
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ -	$ -	$ 63,032	$ 119,717
Total Liabilities	-	-	63,032	119,717
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	-
FUND BALANCES				
Restricted	-	152,358	2,148,157	542,982
Total Fund Balances	-	152,358	2,148,157	542,982
Total Liabilities and Fund Balances	$ -	$ 152,358	$ 2,211,189	$ 662,699

CITY OF CHERRY HILLS VILLAGE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

CHV Charlou Park GID Fund	Southmoor Hudson GID Fund	Totals 2025	Totals 2024
$ -	$ -	$ 2,936,599	$ 2,662,198
39,182	17,825	57,007	247,578
155	72	89,874	250
35,899	15,542	51,441	48,284
$ 75,236	$ 33,439	$ 3,134,921	$ 2,958,310
$ -	$ 3,000	$ 185,749	$ 58,569
-	3,000	185,749	58,569
35,899	15,542	51,441	48,284
39,337	14,897	2,897,731	2,851,457
39,337	14,897	2,897,731	2,851,457
$ 75,236	$ 33,439	$ 3,134,921	$ 2,958,310

CITY OF CHERRY HILLS VILLAGE
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Certificates of Participation Projects Fund	Land Donation Fund	Arapahoe County Open Space Fund	Conservation Trust Fund
REVENUES				
Property Taxes	$ -	$ -	$ -	$ -
Specific Ownership Taxes	-	-	-	-
Intergovernmental	-	-	260,418	75,379
Other	-	8,089	-	87,797
Interest Income	-	13,404	89,232	28,676
Total Revenues	-	21,493	349,650	191,852
EXPENDITURES				
General Government	-	10,000	-	-
Parks and Recreation	-	-	33,824	66,568
Capital Outlay	-	-	-	228,009
Debt Service:				
Principal	-	-	-	-
Interest	184,003	-	-	-
Total Expenditures	184,003	10,000	33,824	294,577
CHANGE IN FUND BALANCES	(184,003)	11,493	315,826	(102,725)
Fund Balance - Beginning	184,003	140,865	1,832,331	645,707
FUND BALANCES - END OF YEAR	$ -	$ 152,358	$ 2,148,157	$ 542,982

CITY OF CHERRY HILLS VILLAGE
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

CHV Charlou Park GID Fund	Southmoor Hudson GID Fund	Totals 2025	Totals 2024
$ 35,311	$ 15,284	$ 50,595	$ 40,765
1,725	831	2,556	2,521
-	-	335,797	329,283
-	-	95,886	14,549
-	597	131,909	118,910
37,036	16,712	616,743	506,028
850	255	11,105	88,298
-	-	100,392	66,880
-	-	228,009	39,088
15,000	10,303	25,303	175,928
14,190	7,467	205,660	197,478
30,040	18,025	570,469	567,672
6,996	(1,313)	46,274	(61,644)
32,341	16,210	2,851,457	2,913,101
$ 39,337	$ 14,897	$ 2,897,731	$ 2,851,457

CITY OF CHERRY HILLS VILLAGE
LAND DONATION FUND
BUDGETARY COMPARISON FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Intergovernmental	$ 1,000	$ -	$ (1,000)	$ -
Other	7,500	8,089	589	11,268
Interest	1,200	13,404	12,204	12,868
Total Revenues	9,700	21,493	11,793	24,136
EXPENDITURES				
General and Administrative	16,621	10,000	6,621	86,182
Capital Outlay	-	-	-	39,088
Total Expenditures	16,621	10,000	6,621	125,270
NET CHANGE IN FUND BALANCE	(6,921)	11,493	18,414	(101,134)
Fund Balance - Beginning of Year	54,689	140,865	86,176	241,999
FUND BALANCE - END OF YEAR	$ 47,768	$ 152,358	$ 104,590	$ 140,865

CITY OF CHERRY HILLS VILLAGE
ARAPAHOE COUNTY OPEN SPACE FUND
BUDGETARY COMPARISON FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Open Space Shareback	$ 219,440	$ 243,881	$ 24,441	$ 243,824
Intergovernmental	7,000	16,537	9,537	8,352
Interest	72,000	89,232	17,232	86,711
Total Revenues	298,440	349,650	51,210	338,887
EXPENDITURES				
Parks and Recreation	117,500	33,824	83,676	13,766
Total Expenditures	117,500	33,824	83,676	13,766
NET CHANGE IN FUND BALANCE	180,940	315,826	134,886	325,121
Fund Balance - Beginning of Year	1,783,030	1,832,331	49,301	1,507,210
FUND BALANCE - END OF YEAR	$ 1,963,970	$ 2,148,157	$ 184,187	$ 1,832,331

CITY OF CHERRY HILLS VILLAGE
CONSERVATION TRUST FUND
BUDGETARY COMPARISON FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Intergovernmental	$ 75,600	$ 75,379	$ (221)	$ 77,107
Other	-	87,797	87,797	-
Interest	24,000	28,676	4,676	19,331
Total Revenues	99,600	191,852	92,252	96,438
EXPENDITURES				
Parks and Recreation	639,500	66,568	572,932	53,114
Capital Outlay	-	228,009	(228,009)	-
Total Expenditures	639,500	294,577	344,923	53,114
OTHER FINANCING SOURCES				
Transfers In	137,917	-	(137,917)	-
Total Other Financing Sources	137,917	-	(137,917)	-
NET CHANGE IN FUND BALANCE	(401,983)	(102,725)	437,175	43,324
Fund Balance - Beginning of Year	676,382	645,707	(30,675)	602,383
FUND BALANCE - END OF YEAR	$ 274,399	$ 542,982	$ 268,583	$ 645,707

CITY OF CHERRY HILLS VILLAGE
CHV CHARLOU PARK GID FUND
BUDGETARY COMPARISON FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Property Taxes	$ 33,001	$ 35,311	$ 2,310	$ 22,321
Specific Ownership Taxes	1,400	1,725	325	1,432
Interest	100	-	(100)	-
Total Revenues	34,501	37,036	2,535	23,753
EXPENDITURES				
General and Administrative	1,430	850	580	1,087
Principal	15,000	15,000	-	10,000
Interest	14,190	14,190	-	14,740
Total Expenditures	30,620	30,040	580	25,827
NET CHANGE IN FUND BALANCE	3,881	6,996	3,115	(2,074)
Fund Balance - Beginning of Year	31,013	32,341	1,328	34,415
FUND BALANCE - END OF YEAR	$ 34,894	$ 39,337	$ 4,443	$ 32,341

CITY OF CHERRY HILLS VILLAGE
SOUTHMOOR HUDSON GID FUND
BUDGETARY COMPARISON FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Property Taxes	$ 15,283	$ 15,284	$ 1	$ 18,444
Specific Ownership Taxes	1,100	831	(269)	1,089
Interest	20	597	577	-
Total Revenues	16,403	16,712	309	19,533
EXPENDITURES				
General and Administrative	1,230	255	975	1,029
Debt Service:				
Principal	10,310	10,303	7	10,678
Interest	7,470	7,467	3	4,093
Total Expenditures	19,010	18,025	985	15,800
NET CHANGE IN FUND BALANCE	(2,607)	(1,313)	1,294	3,733
Fund Balance - Beginning of Year	13,665	16,210	2,545	12,477
FUND BALANCE - END OF YEAR	$ 11,058	$ 14,897	$ 3,839	$ 16,210

CITY OF CHERRY HILLS VILLAGE
CAPITAL FUND
BUDGETARY COMPARISON FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Specific Ownership Taxes	$ 400,000	$ 413,526	$ 13,526	$ -
Intergovernmental	322,000	380,490	58,490	67,983
Other	-	27,898	27,898	122,500
Interest	10,000	80,687	70,687	20,043
Total Revenues	732,000	902,601	170,601	210,526
EXPENDITURES				
Repairs and Maintenance	-	1,393,953	(1,393,953)	345,581
Capital Outlay	2,881,380	785,633	2,095,747	2,524,222
Total Expenditures	2,881,380	2,179,586	701,794	2,869,803
OTHER FINANCING SOURCES				
Insurance Recoveries	-	-	-	92,326
Proceeds from the Sale of Assets	-	18,676	18,676	34,556
Transfers In	2,422,500	2,422,500	-	2,411,000
Total Other Financing Sources	2,422,500	2,441,176	-	2,537,882
NET CHANGE IN FUND BALANCE	273,120	1,164,191	891,071	(121,395)
Fund Balance - Beginning of Year	197,913	909,601	711,688	1,030,996
FUND BALANCE - END OF YEAR	$ 471,033	$ 2,073,792	$ 1,602,759	$ 909,601

CITY OF CHERRY HILLS VILLAGE
CERTIFICATES OF PARTICIPATION PROJECTS FUND
BUDGETARY COMPARISON FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			
	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
REVENUES				
Other	$ -	$ -	$ -	$ 3,281
Total Revenues	-	-	-	3,281
EXPENDITURES				
Debt Service				
Principal	-	-	-	155,250
Interest	180,717	184,003	(3,286)	178,645
Total Expenditures	180,717	184,003	(3,286)	333,895
NET CHANGE IN FUND BALANCE	(180,717)	(184,003)	(3,286)	(330,614)
Fund Balance - Beginning of Year	180,717	184,003	3,286	514,617
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ 184,003

CITY OF CHERRY HILLS VILLAGE
WATER AND SEWER FUND
BUDGETARY COMPARISON FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025 Original and Final Budget	2025 Actual	2025 Variance Positive (Negative)	2024 Actual
REVENUES				
Tap Fees	$ 5,000	$ 37,840	$ 32,840	$ 60,620
Sewer Repairs and Maintenance Fees	83,420	82,465	(955)	81,378
Miscellaneous	-	40,000	40,000	-
Interest	36,000	43,806	7,806	51,957
Total Revenues	124,420	204,111	79,691	193,955
EXPENDITURES				
Legal Fees	2,000	513	1,487	-
Contractual Services	100,000	12,817	87,183	12,102
Repairs and Maintenance	500,000	-	500,000	202
Other	500	357	143	10,562
Depreciation Expense	24,000	-	24,000	12,141
Total Expenditures	626,500	13,687	612,813	35,007
CHANGE IN NET POSITION	$ (502,080)	190,424	$ 692,504	158,948
Net Position - Beginning, As Restated*		1,149,458		990,510
NET POSITION - END OF YEAR		$ 1,339,882		$ 1,149,458

* See Footnote 10 for restatement.

CITY OF CHERRY HILLS VILLAGE
STATE COMPLIANCE
LOCAL HIGHWAY FINANCE REPORT

Financial Planning 02/01
Form # 350-050-36

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

LOCAL HIGHWAY FINANCE REPORT	City or County:	Cherry Hills Village
	YEAR ENDING : December 2025	
This Information from the Records of the City of Cherry Hills Village	Prepared By: Phone:	Kelly Newman 303-783-2730

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

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	2,400,285
3. Other local imposts (from page 2)	413,526
4. Miscellaneous local receipts (from page 2)	127,001
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	0
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,940,811
B. Private Contributions	
C. Receipts from State government (from page 2)	284,928
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	3,225,739

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,261,695
2. Maintenance:	1,030,126
3. Road and street services:	
a. Traffic control operations	12,081
b. Snow and ice removal	3,594
c. Other	
d. Total (a. through c.)	15,675
4. General administration & miscellaneous	95,300
5. Highway law enforcement and safety	822,943
6. Total (1 through 5)	3,225,740
B. Debt service on local obligations:	
1. Bonds:	
a. Interest & Costs of Issuance	
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)	3,225,740

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				
1. Bonds (Refunding Portion)				
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	3,225,739	3,225,740	(0)	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2025

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	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	31,439
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	413,526	g. Other Misc. Receipts Co. Rd & Bridge	95,562
6. Total (1. through 5.)	413,526	h. Other	0
c. Total (a. + b.)	413,526	i. Total (a. through h.)	127,001
	(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	263,316	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	21,612	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	21,612	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	284,928	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			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			
(3). System Preservation		1,261,695	1,261,695
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,261,695	1,261,695
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,261,695	1,261,695
			(Carry forward to page 1)

Notes and Comments:

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

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