

TOWN OF NEDERLAND, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2017

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July 30, 2018

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Board of Trustees
Town of Nederland
Nederland, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nederland, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nederland, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules on pages 25 and 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund schedules and State Compliance listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

John Luther & Associates, LLC

July 27, 2018



Town of Nederland, Colorado Management's Discussion and Analysis

Fiscal Year Ending December 31, 2017

This Management's Discussion and Analysis (MD&A) of the Town of Nederland's 2017 financial statements is offered to provide an overview and analysis of the government's financial activities. The MD&A should be read in conjunction with the Town's basic financial statements.

The Town of Nederland is a Statutory Municipality incorporated in 1874. The Town has seven elected officials who are responsible for all policy decisions that affect the government's financial condition. The appointed Town Administrator is responsible for preparing the annual budget which is adopted by the Board of Trustees every December. The Town Administrator and appointed Town Treasurer are responsible for financial reporting to the Town's Board of Trustees and to the public at large. The Town maintains five separate funds, which are as follows:

- A) General Fund
- B) Community Center Fund
- C) Conservation Trust Fund
- D) Water Fund
- E) Sewer Fund

Additionally, the Town maintains a Downtown Development Authority (DDA) Fund which acts as a component unit and is reflected as a non major fund in Town's financial statements.

Overview of the Financial Statements

The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements:

The government-wide financial statements, which consist of the Statement of Net Position and the Statement of Activities, give readers a broad overview of the entire Town's financial position and changes in financial position in a manner similar to a private-sector business. These statements report information about the Town as a whole and include all assets and liabilities using the accrual basis of accounting, which reports all of the current year's revenues and expenses regardless of when the cash is received or paid.

The ***statement of net position*** presents information on all of the Town's 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 Town is improving or deteriorating. Other non-financial factors, however, such as changes in the Town's property tax base, are needed to assess the overall financial condition of the Town.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. 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 (accrual basis of accounting). Thus, some revenues and expenses reported in this statement will result in cash flows in future periods (e.g., uncollected taxes).

The government-wide financial statements distinguish the different functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from the other functions that are intended to recover all or a significant portion of their costs through user fees or charges for services (Business Type Activities). The Governmental Activities of the Town of Nederland include general government, administration and finance, municipal court, public safety, public works, and parks and recreation. The Business Type Activities include water and wastewater.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary fund.

Governmental Funds - The activity of the Town's General, Community Center, Downtown Development Authority, and Special Revenue (Conservation Trust) funds are reported as governmental funds, which are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary (Business Like) Fund - The Town of Nederland maintains two proprietary (enterprise) funds, which reports the same functions as the business-type activities in the government-wide financial statements. The Town uses the proprietary funds to account for the activities associated with its water and sewer utilities that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs, including depreciation, of providing goods or services to the public be financed or recovered primarily through user fees or charges.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and certain additional supplemental information.

Financial Highlights

Governmental Activities

- As of December 31, 2017 the governmental funds held \$772,089 in assets that were readily convertible to cash and \$660,195 in current liabilities.
- As of December 31, 2017 the Town's governmental activities fund held \$6,812,956 in capital assets, a 1.3% increase; and \$780,147 in long-term liabilities, a 15% decrease.
- 2017 Nederland sales tax revenue was up 9.9% compared to fiscal year 2016.
- 2017 use tax revenue increased by 69.4% or \$20,421 compared to fiscal year 2016.
- Total governmental activities net position increased by 6.9% or \$431,576 during the 2017 fiscal year.

Business-type Activities

- As of December 31, 2017 total assets were \$10,016,877, a decrease of 8% over 2016. Current assets decreased by \$584,853, 28.7% Capital assets decreased by \$281,039, 3.2%.
- Total liabilities decreased by 16.5% or \$948,757 during 2017 due to less accounts payable due at year end as well as the additional loan payments made during 2017 reducing loans payable.
- 2017 service revenue from the water and wastewater services increased by \$82,262 or 8.9% compared to fiscal year 2016. 2017 total program revenues increased \$41,590 or 2.9% over 2016 total revenue.
- 2017 expenses from the water and wastewater funds increased \$39,460 or 2.7% compared to fiscal year 2016.
- Total business-type activities net position increased by \$113,281 during the 2017 fiscal year.

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior fiscal year.

	Government Activities		Business Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 2,083,362	\$ 2,394,280	\$ 1,452,916	\$ 2,037,769	\$ 3,536,278	\$ 4,432,049
Capital assets	6,812,956	6,719,118	8,563,961	8,845,000	15,376,917	15,564,118
Total assets	8,896,318	9,113,398	10,016,877	10,882,769	18,913,195	19,996,167
Long-term debt outstanding	780,147	918,336	4,275,300	4,571,876	5,055,447	5,490,212
Other liabilities	660,195	1,279,043	512,845	1,165,026	1,173,040	2,444,069
Total liabilities	1,440,342	2,197,379	4,788,145	5,736,902	6,228,487	7,934,281
Deferred Inflows	746,079	637,698			746,079	637,698
Liabilities & Deferred Inflows	2,186,421	2,835,077	4,788,145	5,736,902	6,974,566	8,571,979
Net position:						
Net Investment in capital assets	6,032,809	6,005,722	4,029,372	4,013,637	10,062,181	10,019,359
Restricted	199,690	370,808	185,000	185,000	384,690	555,808
Unrestricted	477,398	(98,209)	1,014,360	947,230	1,491,758	849,021
Total net position	\$6,709,897	\$6,278,321	\$5,228,732	\$5,145,867	\$11,938,629	\$11,424,188

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

Net Results of Activities – will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – will reduce current assets and increase capital assets. A second impact results in an increase in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital – will (1) reduce current assets and increase capital assets and (2) will reduce restricted and or unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt – will (1) reduce current assets and reduce long-term debt and (2) reduce unrestricted net position and increase the net invested in capital assets.

Reduction of Capital Assets Through Depreciation – will reduce capital assets and net investment in capital assets.

The Town's total net position for fiscal year 2017 increased by 4.5% or \$514,441. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets exceed liabilities by \$11,938,629 (net position).

The net funds invested in Capital assets (e.g. land, buildings, equipment, etc.) make up 85% of net position. The Town uses these capital assets to provide services to citizens; therefore these assets are not available for future spending. Although the Town's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to retire these liabilities.

The restricted net position (3.5%) represents resources that are subject to various debt provisions, contracts and contingencies on how they may be used. The remaining balance \$1,491,758 is unrestricted and can be used to meet the Town's ongoing obligations to its citizens and creditors.

At the end of 2017, the Town is able to report positive balances in all net positions.

STATEMENT OF ACTIVITIES

The Statement of Activities takes into consideration the Town as a whole and reflects the change in net position for fiscal year 2017.

	Government Activities		Business Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program Revenue						
Charges for Services	\$ 155,028	\$ 142,670	\$ 1,081,621	\$ 1,043,683	\$ 1,236,649	\$ 1,186,353
Operating Grants & Contributions	146,000	847,688			146,000	847,688
Capital Grants & Contributions	331,899	1,010,949	87,944	174,456	419,843	1,185,405
Total Program Revenue	632,927	2,001,307	1,169,565	1,218,139	1,802,492	3,219,446
General Revenues:						
Property Taxes	1,722,676	1,651,470	342,606	312,310	2,065,282	1,963,780
Franchise Taxes	52,548	56,597			52,548	56,597
Investment Income	2,725	4,465	4,639	8,950	7,364	13,415
Other Revenues	257,537	236,656	27,750	7,895	285,287	244,551
Total General Revenues	2,035,486	1,949,188	374,995	329,155	2,410,481	2,278,343
TOTAL REVENUES	2,668,413	3,950,495	1,544,560	1,547,294	4,212,973	5,497,789
Program Expenses:						
General Government	1,211,282	2,335,120			1,306,282	2,522,400
Public Safety	469,533	607,138			469,533	607,138
Public Works	476,793	887,729			476,793	887,729
Parks and Recreation	319,839	410,803			224,839	223,523
Interest on Long Term Debt	21,833	24,752	\$63,755	72,635	85,588	97,387
Water and Wastewater			1,367,524	1,274,860	1,367,524	1,274,860
TOTAL EXPENSES	2,499,280	4,265,542	1,431,279	1,347,495	3,930,559	5,613,037
Change in Net Position	\$ 169,133	(\$ 315,047)	\$ 113,281	\$ 199,799	\$ 282,414	(\$ 115,248)
<i>Net Position, Beginning</i>	<i>507,955</i>	<i>823,002</i>	<i>5,115,451</i>	<i>4,915,652</i>	<i>5,623,406</i>	<i>5,738,654</i>
<i>Net Position, Ending</i>	<i>677,088</i>	<i>507,955</i>	<i>5,228,732</i>	<i>5,115,451</i>	<i>5,905,820</i>	<i>5,623,406</i>

Governmental Activities

At the end of fiscal year 2017, The Town's governmental funds reported a combined ending fund balance of \$677,088, an increase of \$169,133 during fiscal year 2017.

Revenue was down \$1,282,082 or 32.5% in 2017 compared to 2016 due to additional grant revenue received in 2016. In 2017, tax related revenue of \$1,722,676 comprised 64.6% of total revenues from governmental activities. The Town's major sources of revenue are sales tax, use tax, ownership tax, franchise taxes and grants.

The cost of governmental activities in 2017 was \$2,499,280 compared to \$4,265,542 in 2016, a 41.4% decrease.

Expenses by Type – Governmental Activities

General Government includes Town Board of Trustees, Town Administrator, Town Clerk, Finance and General Administration. Public Safety includes both Law Enforcement and Municipal Court. Parks & Recreation include expenses associated with the Town's Community Center and general park maintenance. Public Works accounts for streets and building maintenance. Planning & zoning accounts for costs associated with building permit and plan review activity.

Year-to-year changes by type of activity:

	2017	2016	% Change
General Government	1,211,282	2,335,120	-48.1%
Public Works	476,793	887,729	-46.3%
Public Safety	469,533	607,138	-22.7%
Parks and Recreation	319,839	410,803	-22.1%
Interest on Long Term Debt	21,833	24,752	-11.8%
Total	\$ 2,499,280	\$ 4,265,542	-41.4%

Fund Balance

At the end of 2017, the Town's governmental funds reported a combined (General, Community Center, Non-Major) fund balance of \$677,088. This is an increase of \$169,133 compared to the prior year's ending balance.

Business Type Activities

At year-end, the business-type activities reported total net position of \$5,228,731, an increase of \$113,281.

Budgetary Highlights

For the General Fund, revenue compared to budget was up \$439,486 primarily due to unbudgeted grant activity and higher sales tax revenue than budgeted. Expenditures for the General Fund were \$212,667 higher than budget primarily due to unbudgeted grant expenditures and additional expenses for the Ned Peds project which was partially offset by lower expenses in Law Enforcement primarily due to reduced staffing. Revenues and expenditures also included the addition of the loan for the purchase of the new Public Works plow.

The Community Center revenues were higher than budget by \$61,115 primarily due to sales tax receipts and additional fitness center receipts over budgeted amounts. Expenditures were \$10,044 under budget due to savings in multiple operating expense lines.

Sewer Fund revenues were higher than budget by \$119,816 primarily due to additional grant revenue from past projects not budgeted, additional sales tax revenue and user fee revenue over budgeted amounts. Total expenditures were \$2,188 less than budget.

Water Fund revenues were higher than budget by \$101,843 due to the large number of new housing starts which contributed to more Plant Investment Fees (PIFs) than planned and higher than budgeted revenue in sales tax and user fees. Total expenditures \$147,176 more than budgeted primarily due to the addition of the Backwash capital improvement project and higher depreciation expense than budgeted.

For Downtown Development Authority revenues were \$440,620 under budget and expenses were \$553,484 under budget. The grant revenue and expenses of \$505,000 were incorrectly budgeted. TIF tax revenue was \$39,000 over the budgeted amount.

Capital Assets and Debt Administration

At year-end, the Town had \$15,376,914 invested in a broad range of capital assets including land and improvements, buildings, parks and equipment, vehicles, equipment, and water and sewer plants and distribution and collection systems. This decrease of \$187,201, or 1.2%, from the 2016 is primarily due to the additional depreciation recorded for 2017.

	Capital Assets at Year-End					
	Government Activities		Business Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 701,805	\$ 701,805	\$ 11,436	\$ 11,436	\$ 713,241	\$ 713,241
Water Rights			35,000	35,000	35,000	35,000
Construction in Process	-	2,627,491	97,346	725,316	97,346	3,352,807
Plant, Land & Building	8,382,562	5,543,202	11,917,403	11,023,684	20,299,965	16,566,886
Equipment	745,141	614,679	776,396	787,141	1,521,537	1,401,820
Transportation Equipment	221,405	221,405	266,645	266,645	488,050	488,050
<i>Less Acc Depreciation</i>	<i>(3,237,957)</i>	<i>(2,989,464)</i>	<i>(4,540,268)</i>	<i>(4,004,225)</i>	<i>(7,778,225)</i>	<i>(6,993,689)</i>
Total Capital Assets	\$ 6,812,956	\$ 6,719,118	\$ 8,563,958	\$ 8,844,997	\$ 15,376,914	\$ 15,564,115

During 2017, the Town completed the NedPeds project and Town Shop project moving the assets from Construction in Process to Plant, Land & Building. The Town also purchased a new plow for Public Works and radios for the Police Department, made upgrades to the water treatment facility backwash facility, made improvements to the sanitary sewer facility and began design on the Biosolids project for the sewer plant.

Significant 2017 Capital Asset Additions

Public Works Street Plow	\$ 200,000
Ned Peds Street Project	235,000
Police Radios	34,900
Water Treatment Facility Backwash Project	77,600
Sanitary Sewer Rehab III	73,000
Waste Water Treatment Facility Design & Feasibility	80,000
	\$ 700,500

Financial Contact

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at: PO Box 396, Nederland, Colorado 80466; or telephone (303) 258-3266.

BASIC FINANCIAL STATEMENTS

TOWN OF NEDERLAND, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2017

	GOVERNMENTAL	BUSINESS TYPE	TOTALS	
	ACTIVITIES	ACTIVITIES	2017	2016
ASSETS				
Cash and Investments	\$ 611,545	\$ 1,093,649	\$ 1,705,194	\$ 1,214,775
Receivables				
Taxes	889,040	-	889,040	778,255
Grants	340,055	-	340,055	472,233
Accounts	-	257,980	257,980	199,182
Other	75,137	90,527	165,664	606,459
Prepaid Expenses	7,041	-	7,041	-
Inventories	-	10,760	10,760	10,760
Interfund Amounts	139,094	(139,094)	-	-
Capital Assets, Not Depreciated	701,805	143,782	845,587	4,101,048
Capital Assets, Depreciated Net of Accumulated Depreciation	6,111,151	8,420,179	14,531,330	11,463,070
TOTAL ASSETS	8,874,868	9,877,783	18,752,651	18,845,782
LIABILITIES				
Accounts Payable	551,595	37,518	589,113	1,109,580
Accrued Liabilities	28,944	9,175	38,119	28,119
Unearned Revenue	-	8,576	8,576	-
Accrued Interest Payable	-	19,517	19,517	19,516
Deposits	58,206	-	58,206	44,635
Noncurrent Liabilities				
Due within One Year	135,289	298,965	434,254	404,586
Due in More Than One Year	644,858	4,275,300	4,920,158	5,177,460
TOTAL LIABILITIES	1,418,892	4,649,051	6,067,943	6,783,896
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	746,079	-	746,079	637,698
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,164,971	4,649,051	6,814,022	7,421,594
NET POSITION				
Net Investment in Capital Assets	6,032,809	4,029,372	10,062,181	10,019,359
Restricted for Downtown Development	119,690	-	119,690	293,808
Restricted for Emergencies	80,000	-	80,000	77,000
Restricted by Debt Covenant	-	185,000	185,000	185,000
Unrestricted	477,398	1,014,360	1,491,758	849,021
TOTAL NET POSITION	\$ 6,709,897	\$ 5,228,732	\$ 11,938,629	\$ 11,424,188

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR</u>	<u>OPERATING</u>	<u>CAPITAL</u>
		<u>SERVICES</u>	<u>GRANTS AND</u>	<u>GRANTS AND</u>
			<u>CONTRIBUTIONS</u>	<u>CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 374,917	\$ 20,153	\$ -	\$ 212,492
Administration and Finance	340,169	-	-	-
Municipal Court	13,952	5,113	-	-
Law Enforcement	467,556	55,552	77,537	-
Planning and Zoning	116,726	77,601	-	-
Highway and Streets	555,673	-	146,919	-
Parks and Recreation	376,427	155,028	-	40,950
Interest on Long Term Debt	21,833	-	-	-
Total Governmental Activities	2,267,253	313,447	224,456	253,442
Business-Type Activities				
Sewer	711,751	547,451	-	109,993
Water	655,773	455,032	-	57,089
Interest on Long-term Debt	63,755	-	-	-
Total Business-Type Activities	1,431,279	1,002,483	-	167,082
Total Primary Government	\$ 3,698,532	\$ 1,315,930	\$ 224,456	\$ 420,524

GENERAL REVENUES

Property Taxes
Specific Ownership Taxes
Sales and Use Taxes
Franchise Taxes
Interest
Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

Prior Period Adjustment

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2017	2016
\$ (142,272)	\$ -	\$ (142,272)	\$ 563,395
(340,169)	-	(340,169)	(320,714)
(8,839)	-	(8,839)	(14,009)
(334,467)	-	(334,467)	(470,555)
(39,125)	-	(39,125)	(103,106)
(408,754)	-	(408,754)	637,246
(180,449)	-	(180,449)	(170,273)
(21,833)	-	(21,833)	(24,752)
(1,475,908)	-	(1,475,908)	97,232
-	(54,307)	(54,307)	15,267
-	(143,652)	(143,652)	(71,988)
-	(63,755)	(63,755)	(72,635)
-	(261,714)	(261,714)	(129,356)
(1,475,908)	(261,714)	(1,737,622)	(32,124)
455,449	-	455,449	413,341
26,849	-	26,849	20,863
1,292,927	342,606	1,635,533	1,529,576
52,548	-	52,548	56,597
2,725	4,639	7,364	13,415
46,570	27,750	74,320	64,120
1,877,068	374,995	2,252,063	2,097,912
401,160	113,281	514,441	2,065,788
6,278,321	5,145,867	11,424,188	9,358,400
30,416	(30,416)	-	-
<u>\$ 6,709,897</u>	<u>\$ 5,228,732</u>	<u>\$ 11,938,629</u>	<u>\$ 11,424,188</u>

TOWN OF NEDERLAND, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2017

	GENERAL FUND	COMMUNITY CENTER FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	
				2017	2016
ASSETS					
Cash and Investments	\$ 163,500	\$ 149,514	\$ 298,531	\$ 611,545	\$ 406,833
Taxes Receivable	554,871	39,785	294,384	889,040	778,255
Grants Receivable	263,710	-	76,345	340,055	342,692
Other Receivables	72,995	2,086	56	75,137	555,680
Due from Other Funds	159,468	-	1,076	160,544	310,820
Prepaid Expenses	5,602	1,439	-	7,041	-
TOTAL ASSETS	<u>\$ 1,220,146</u>	<u>\$ 192,824</u>	<u>\$ 670,392</u>	<u>\$ 2,083,362</u>	<u>\$ 2,394,280</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 277,397	\$ 6,150	\$ 268,048	\$ 551,595	\$ 690,031
Accrued Liabilities	24,739	4,205	-	28,944	25,682
Due to Other Funds	-	21,076	374	21,450	518,695
Deposits	57,906	300	-	58,206	44,635
TOTAL LIABILITIES	<u>360,042</u>	<u>31,731</u>	<u>268,422</u>	<u>660,195</u>	<u>1,279,043</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues - Property Taxes	<u>464,501</u>	<u>-</u>	<u>281,578</u>	<u>746,079</u>	<u>637,698</u>
FUND BALANCES					
Nonspendable	5,602	1,439	-	7,041	-
Restricted for Emergencies	80,000	-	-	80,000	77,000
Restricted for Community Center	-	159,654	-	159,654	118,642
Restricted for Downtown Development	-	-	119,690	119,690	293,808
Restricted for Parks and Recreation	-	-	702	702	702
Unassigned	310,001	-	-	310,001	(12,613)
TOTAL FUND BALANCES	<u>395,603</u>	<u>161,093</u>	<u>120,392</u>	<u>677,088</u>	<u>477,539</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 1,220,146</u>	<u>\$ 192,824</u>	<u>\$ 670,392</u>		

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.	6,812,956	6,719,118
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include long term obligation of (\$565,883), capital lease payable (\$186,935), and accrued compensated absences (\$27,329).	(780,147)	(918,336)
Net position of governmental activities	<u>\$ 6,709,897</u>	<u>\$ 6,278,321</u>

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	GENERAL FUND	COMMUNITY CENTER FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	
				2017	2016
REVENUES					
Taxes	\$ 1,288,479	\$ 257,598	\$ 229,147	\$ 1,775,224	\$ 1,708,067
Licenses and Permits	150,302	-	-	150,302	117,284
Intergovernmental	436,949	2,086	38,864	477,899	1,858,637
Charges for Services	52,233	102,795	-	155,028	142,670
Fines and Forfeitures	60,665	-	-	60,665	63,147
Miscellaneous	24,684	14,886	7,000	46,570	56,225
Interest	1,931	-	794	2,725	4,465
TOTAL REVENUES	2,015,243	377,365	275,805	2,668,413	3,950,495
EXPENDITURES					
Current					
General Government	272,508	-	42,015	314,523	230,670
Administration and Finance	340,169	-	-	340,169	320,714
Municipal Court	13,952	-	-	13,952	14,009
Law Enforcement	455,581	-	-	455,581	575,974
Planning and Zoning	116,726	-	-	116,726	109,106
Highway and Streets	411,531	-	-	411,531	362,946
Parks and Recreation	-	224,839	-	224,839	223,523
Debt Service					
Principal	13,065	95,000	217,752	325,817	306,116
Interest	2,720	12,989	6,124	21,833	24,752
Capital Outlay	287,115	2,086	185,108	474,309	2,437,732
TOTAL EXPENDITURES	1,913,367	334,914	450,999	2,699,280	4,605,542
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	101,876	42,451	(175,194)	(30,867)	(655,047)
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	200,000	-	-	200,000	340,000
Transfers In	-	-	1,076	1,076	-
Transfers Out	(1,076)	-	-	(1,076)	-
TOTAL OTHER FINANCING SOURCES (USES)	198,924	-	1,076	200,000	340,000
NET CHANGE IN FUND BALANCES	300,800	42,451	(174,118)	169,133	(315,047)
FUND BALANCES, Beginning	64,387	118,642	294,510	477,539	792,586
Prior Period Adjustment	30,416	-	-	30,416	-
FUND BALANCES, Ending	\$ 395,603	\$ 161,093	\$ 120,392	\$ 677,088	\$ 477,539

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

TOWN OF NEDERLAND, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 169,133
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 \$460,313, exceeded depreciation (\$366,475) in the current period.	93,838
Debt proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities.	(200,000)
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 payments of \$325,817 and change in accrued compensated absences of \$12,372.	<u>338,189</u>
Change in Net Position of Governmental Activities	<u>\$ 401,160</u>

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2017

ASSETS	SEWER	WATER	TOTALS	
			2017	2016
Current Assets				
Cash and Investments	\$ 309,550	\$ 784,099	\$ 1,093,649	\$ 807,942
Accounts Receivable	137,816	120,164	257,980	199,182
Grant Receivable	-	-	-	129,541
Other Receivables	89,566	961	90,527	50,779
Due from Other Funds	-	-	-	634,625
Inventories	-	10,760	10,760	10,760
Total Current Assets	536,932	915,984	1,452,916	1,832,829
Noncurrent Assets				
Advance to Downtown Development Authority	-	-	-	204,940
Capital Assets, net of accumulated depreciation	5,058,660	3,505,301	8,563,961	8,845,000
Total Noncurrent Assets	5,058,660	3,505,301	8,563,961	9,049,940
TOTAL ASSETS	5,595,592	4,421,285	10,016,877	10,882,769
LIABILITIES				
Current Liabilities				
Accounts Payable	6,843	30,675	37,518	419,549
Accrued Liabilities	4,587	4,588	9,175	2,437
Due to Other Funds	78,369	60,725	139,094	426,750
Unearned Revenue	-	8,576	8,576	-
Accrued Interest Payable	13,042	6,475	19,517	19,516
Current Portion of Long-term Debt	187,810	111,155	298,965	296,774
Total Current Liabilities	290,651	222,194	512,845	1,165,026
Noncurrent Liabilities				
Loans Payable	2,713,982	1,521,642	4,235,624	4,534,589
Loan Premium	27,198	-	27,198	29,163
Compensated Absences	6,239	6,239	12,478	8,124
Total Noncurrent Liabilities	2,747,419	1,527,881	4,275,300	4,571,876
TOTAL LIABILITIES	3,038,070	1,750,075	4,788,145	5,736,902
NET POSITION				
Net Investment in Capital Assets	2,156,868	1,872,504	4,029,372	4,013,637
Restricted	100,000	85,000	185,000	185,000
Unreserved	300,654	713,706	1,014,360	947,230
TOTAL NET POSITION	\$ 2,557,522	\$ 2,671,210	\$ 5,228,732	\$ 5,145,867

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2017

			TOTALS	
	SEWER	WATER	2017	2016
OPERATING REVENUES				
Charges for Services	\$ 547,451	\$ 455,032	\$ 1,002,483	\$ 920,221
TOTAL OPERATING REVENUES	547,451	455,032	1,002,483	920,221
OPERATING EXPENSES				
Personnel	167,951	167,420	335,371	284,886
Operations	235,809	232,683	468,492	516,661
Depreciation	307,991	255,670	563,661	473,313
TOTAL OPERATING EXPENSES	711,751	655,773	1,367,524	1,274,860
OPERATING INCOME	(164,300)	(200,741)	(365,041)	(354,639)
NON-OPERATING REVENUES (EXPENSES)				
Sales and Use Taxes	171,303	171,303	342,606	312,310
Grants	87,944	-	87,944	174,456
Interest Income	469	4,170	4,639	8,950
Miscellaneous	-	27,750	27,750	7,895
Interest Expense	(29,462)	(34,293)	(63,755)	(72,635)
TOTAL NON-OPERATING REVENUES (EXPENSES)	230,254	168,930	399,184	430,976
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	65,954	(31,811)	34,143	76,337
CAPITAL CONTRIBUTIONS				
Plant Investment Fees	20,299	54,339	74,638	123,462
Tap Fees	1,750	2,750	4,500	-
TOTAL CAPITAL CONTRIBUTIONS	22,049	57,089	79,138	123,462
CHANGE IN NET POSITION	88,003	25,278	113,281	199,799
NET POSITION, Beginning	2,480,878	2,664,989	5,145,867	4,946,068
Prior Period Adjustment	(11,359)	(19,057)	(30,416)	-
NET POSITION, Ending	\$ 2,557,522	\$ 2,671,210	\$ 5,228,732	\$ 5,145,867

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES

Year Ended December 31, 2017

Increase (Decrease) in Cash and Cash Equivalents

			TOTALS	
	SEWER	WATER	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 506,878	\$ 469,811	\$ 976,689	\$ 893,038
Cash Paid to Employees	(161,187)	(163,092)	(324,279)	(292,114)
Cash Paid to Suppliers	(565,027)	(380,088)	(945,115)	(175,652)
Net Cash Provided by Operating Activities	(219,336)	(73,369)	(292,705)	425,272
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Sales Taxes Received	171,303	171,303	342,606	312,310
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Grants Received	217,485	-	217,485	370,669
Other Revenue Received	-	27,750	27,750	7,895
Capital Contributions	22,049	57,089	79,138	123,462
Purchase of Capital Assets	(164,535)	(118,087)	(282,622)	(1,086,130)
Payment Received from Downtown Development Authority	-	204,940	204,940	204,077
Loan Made to Downtown Development Authority	-	-	-	(340,000)
Payments (to) from Other Funds	194,299	152,670	346,969	(207,875)
Loan Payments	(187,810)	(108,964)	(296,774)	(294,628)
Interest Payments	(31,426)	(34,293)	(65,719)	(69,528)
Net Cash Used by Capital and Related Financing Activities	50,062	181,105	231,167	(1,292,058)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	469	4,170	4,639	8,950
Net Increase (Decrease) in Cash and Cash Equivalents	2,498	283,209	285,707	(545,526)
CASH AND CASH EQUIVALENTS, Beginning	307,052	500,890	807,942	1,353,468
CASH AND CASH EQUIVALENTS, Ending	\$ 309,550	\$ 784,099	\$ 1,093,649	\$ 807,942
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ (164,300)	\$ (200,741)	\$ (365,041)	\$ (354,639)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	307,991	255,670	563,661	473,313
Changes in Assets and Liabilities				
Accounts Receivable	(40,573)	(18,225)	(58,798)	(24,545)
Other Receivable	(64,176)	24,428	(39,748)	(5,277)
Accounts Payable	(265,042)	(147,405)	(412,447)	343,648
Accrued Liabilities	4,587	2,151	6,738	(6,676)
Unearned Revenue	-	8,576	8,576	-
Accrued Compensated Absences	2,177	2,177	4,354	(552)
Total Adjustments	(55,036)	127,372	72,336	779,911
Net Cash Provided by Operating Activities	\$ (219,336)	\$ (73,369)	\$ (292,705)	\$ 425,272

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

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Nederland, Colorado (the “Town”) was incorporated in 1874 and is governed by a Mayor and six-member council elected by the residents.

The accounting policies of the Town of Nederland, 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 Town of Nederland 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 Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town 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 Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town includes the following organization in its reporting entity:

Downtown Development Authority - The Nederland Downtown Development Authority (the Authority”) was established by the Town’s Board of Trustees to halt and prevent deterioration of property values within its district and to assist in the development and redevelopment of its district and to use its power to promote the general welfare of the district by use of its direct and supplemental powers. The Authority has a separate Board with members appointed by the Town’s Board of Trustees. Although the Authority is legally separate from the Town, the Authority’s primary revenue source, property taxes, can only be levied by the Town. The Authority is reported as a blended component unit of the Town.

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 Town. 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.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The *Community Center Fund* accounts for the operations, capital improvements, and debt service for the Town's Community Center.

The Town reports the following major proprietary funds:

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

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

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Infrastructure assets used to support governmental activities, which include streets, bridges, sidewalks, drainage systems and trails, are excluded from the financial statements except for additions since January 1, 2004. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

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 Town is depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	20 years
Building	40 years
Utility Plants	20-50 years
Machinery and Equipment	5-10 years
Vehicles	5-10 years

Compensated Absences

Employees of the Town are allowed to accumulate paid time off to a maximum of 320 hours. Upon retirement or separation from the Town, employees will be paid for any accumulated paid time off.

These compensated absences are recognized as current salary costs when earned in the proprietary funds and when paid in the governmental funds. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “Internal Amounts”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

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 of resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position and fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position and fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Net Position

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. The Town considers amounts required by the debt covenant to be restricted.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town 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, 2017, the Town reports prepaid expense balances as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves and amounts held by the Community Center Fund, Conservation Trust Fund, and the Downtown Development Authority as being restricted because their use is restricted by State Statute for declared emergencies, and for parks and recreation, and for urban renewal.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees 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 Town did not have any committed resources as of December 31, 2017.
- 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 Town would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- In October, the Town staff submits to the Board of Trustees 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 Town 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 Board of Trustees.
- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Trustees. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

State Compliance

At December 31, 2017 actual expenditures in the General Fund exceeded budgeted amounts by \$212,668. Actual expenditures in the Sewer Fund exceeded budgeted amounts by \$92,812. Actual expenditures in the Water Fund exceeded budgeted amounts by \$117,609. This may be a violation of State statute.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2017 follows:

Petty Cash	\$ 587
Cash Deposits	<u>1,704,607</u>
Total	<u>\$ 1,705,194</u>

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

Governmental Activities	\$ 611,545
Business-type Activities	<u>1,093,649</u>
Total	<u>\$ 1,705,194</u>

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, 2017, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town 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 Town has no policy regarding custodial credit risk for deposits.

At December 31, 2017, the Town had deposits with financial institutions with a carrying amount of \$1,704,607. The bank balances with the financial institutions were \$1,759,270. Of these balances, \$500,000 was covered by federal depository insurance and \$1,259,270 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

The Town 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.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

The Town had no investments at December 31, 2017.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 is summarized below:

	Balances <u>12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/17</u>
Governmental Activities				
Capital Assets, not depreciated				
Land and Sites	\$ 701,805	\$ -	\$ -	\$ 701,805
Construction in Process	<u>2,627,491</u>	<u>-</u>	<u>2,627,491</u>	<u>-</u>
Total Capital Assets, not depreciated	<u>3,329,296</u>	<u>-</u>	<u>2,627,491</u>	<u>701,805</u>
 Capital Assets, depreciated				
Land Improvements	480,265	-	-	480,265
Infrastructure	1,193,013	1,317,658	-	2,510,671
Buildings	3,869,925	1,533,142	11,440	5,391,627
Transportation Equipment	221,404	-	-	221,404
Other Equipment	<u>614,679</u>	<u>237,004</u>	<u>106,542</u>	<u>745,141</u>
Total Capital Assets, depreciated	<u>6,379,286</u>	<u>3,087,804</u>	<u>117,982</u>	<u>9,349,108</u>

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2017</u>
Less Accumulated Depreciation				
Land Improvements	229,694	23,170	-	252,864
Infrastructure	548,763	114,473	-	663,236
Buildings	1,520,836	186,128	11,440	1,695,524
Transportation Equipment	189,022	15,981	-	205,003
Other Equipment	<u>501,149</u>	<u>26,723</u>	<u>106,542</u>	<u>421,330</u>
Total Accumulated Depreciation	<u>2,989,464</u>	<u>366,475</u>	<u>117,982</u>	<u>3,237,957</u>
Total Capital Assets, depreciated, Net	<u>3,389,822</u>	<u>2,721,329</u>	<u>-</u>	<u>6,111,151</u>
Governmental Activities, Capital Assets, Net	<u>\$ 6,719,118</u>	<u>\$ 2,721,329</u>	<u>\$ 2,627,491</u>	<u>\$ 6,812,956</u>

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

Governmental Activities

General Government	\$ 72,766
Law Enforcement	11,975
Highway and Streets	144,142
Community Center	133,737
Parks and Recreation	<u>3,855</u>

Total **\$ 366,475**

	Balances <u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2017</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 11,436	\$ -	\$ -	\$ 11,436
Water Rights	35,000	-	-	35,000
Construction in Process	<u>725,316</u>	<u>80,043</u>	<u>708,013</u>	<u>97,346</u>
Total Capital Assets, not depreciated	<u>771,752</u>	<u>80,043</u>	<u>708,013</u>	<u>143,782</u>
Capital Assets, depreciated				
Plant and Infrastructure	11,023,685	893,720	-	11,917,405
Equipment	754,083	16,872	27,617	743,338
Transportation Equipment	<u>299,703</u>	<u>-</u>	<u>-</u>	<u>299,703</u>
Total Capital Assets, depreciated	<u>12,077,471</u>	<u>910,592</u>	<u>27,617</u>	<u>12,960,446</u>

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/17</u>
Less: Accumulated Depreciation				
Plant and Infrastructure	3,403,740	486,944	-	3,890,684
Equipment	363,188	51,498	27,617	387,069
Transportation Equipment	<u>237,295</u>	<u>25,219</u>	<u>-</u>	<u>262,514</u>
Total Accumulated Depreciation	<u>4,004,223</u>	<u>563,661</u>	<u>-</u>	<u>4,540,267</u>
Total Capital Assets, depreciated, Net	<u>8,073,248</u>	<u>346,931</u>	<u>-</u>	<u>8,420,179</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 8,845,000</u>	<u>\$ 426,974</u>	<u>\$ 708,013</u>	<u>\$ 8,563,961</u>

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

Business-Type Activities

Sewer Fund	\$ 307,991
Water Fund	<u>255,670</u>
Total	<u>\$ 563,661</u>

NOTE 5: INTERFUND BALANCES AND TRANSFERS

Advances to Other Funds

In 2016, the Water Fund loaned the Downtown Development Authority \$340,000. The balance is being repaid with monthly installments with interest accruing at a fixed rate of 3%. During 2016 and 2017, the Downtown Development Authority paid \$135,060 and \$204,940, respectively, toward the balance. At December 31, 2017, the outstanding balance is \$0.

Due to and Due from Other Funds

The balances reported as Due to and Due from Other Funds are the result the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. It is anticipated that these amounts will clear after year end.

Transfers

During the year ended December 31, 2017, the General Fund transferred \$1,076 to the Conservation Trust Fund to cover park and recreation expenditures.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 6: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2017.

	Balance <u>12/31/2016</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/2017</u>	Due In <u>One Year</u>
2013 General Obligation					
Refunding Bonds	\$ 620,000	\$ -	\$ 95,000	\$ 525,000	\$ 95,000
Land Purchase Note	53,695	-	12,812	40,883	13,623
Capital Lease	-	200,000	13,065	186,935	26,666
Compensated Absences	<u>39,701</u>	<u>-</u>	<u>12,372</u>	<u>27,329</u>	<u>-</u>
 Total	 <u>\$ 713,396</u>	 <u>\$ 200,000</u>	 <u>\$ 133,249</u>	 <u>\$ 780,147</u>	 <u>\$ 135,289</u>

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

2013 General Obligation Refunding Bonds

In July 2013, the Town issued General Obligation Refunding Bonds in the amount of \$960,000 to refund the 2003 General Obligation Bonds. Interest accrues on the bonds at a rate of 2.095% per annum. Interest payments are due on June 1 and December 1. Principal payments are due on December 1, through 2022.

Land Purchase Note

During 2000, the Town entered into a loan agreement to purchase land for \$152,500. Quarterly principal and interest payments of \$4,000 are required through October, 2020, including interest accruing at 6.3%. All payments will be made from the Conservation Trust Fund.

Capital Lease

In January 2017, the Town entered into a capital lease agreement for the purchase of equipment. The lease carries an interest rate of 2.72%. The Town is required to make semi-annual lease payments in the amount of \$15,785 through January 2024.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Annual debt service requirements for the outstanding notes and bonds at December 31, 2017 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 108,623	\$ 13,376	\$ 121,999
2019	114,485	10,523	125,008
2020	117,775	8,745	126,520
2021	110,000	4,714	114,714
2022	<u>115,000</u>	<u>2,409</u>	<u>117,409</u>
Total Debt Service Requirements	<u>\$ 565,883</u>	<u>\$ 39,767</u>	<u>\$ 605,650</u>

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2017:

<u>Year Ended December 31,</u>	
2018	\$ 31,571
2019	31,571
2020	31,571
2021	31,571
Thereafter	47,356
Less: Interest	<u>(18,276)</u>
Present Value of Minimum Lease Payments	<u>\$ 186,935</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2017:

	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/17</u>	<u>Due In</u> <u>One Year</u>
CWRPDA Loan – Water	\$ 1,741,761	\$ -	\$ 108,964	\$ 1,632,797	\$ 111,155
CWRPDA Loan – Sewer	3,089,602	-	187,810	2,901,792	187,810
CWRPDA Premium	29,163	-	1,965	27,198	-
Compensated Absences	<u>8,124</u>	<u>4,354</u>	<u>-</u>	<u>12,478</u>	<u>-</u>
Total	<u>\$ 4,868,650</u>	<u>\$ 4,354</u>	<u>\$ 298,739</u>	<u>\$ 4,574,265</u>	<u>\$ 298,965</u>

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 6: LONG-TERM DEBT (Continued)

CWRPDA Loan - Water

On January 30, 2009, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority ("CWRPDA"). Loan proceeds were used to finance the cost of upgrades and improvements to the Town's water treatment facility. Payments of principal and interest are due semi-annually on May 1 and November 1, beginning on May 1, 2011, through November, 2030. Interest accrues at 2% per annum. This loan is payable from a 1% sales and use tax, and from revenues of the water utility system after deducting operation and maintenance expenses.

CWRPDA Loan - Sewer

In November 2011, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority ("CWRPDA"). Loan proceeds were used to finance the cost of upgrades and improvements to the Town's wastewater treatment facility. Payments of principal and interest are due semi-annually, beginning on February 2012, through August, 2032. Interest accrues at an effective rate of 2.24% per annum on \$1,961,090, which is reported net of a discount of \$38,910. Interest does not accrue on the remaining \$2,000,000. This loan is payable from a 1% sales and use tax, and from revenues of the sewer utility system after deducting operation and maintenance expenses.

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2017 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 298,965	\$ 62,061	\$ 361,026
2019	301,199	59,106	360,305
2020	309,332	55,718	365,050
2021	311,657	52,346	364,003
2022	314,029	49,037	363,066
2023-2027	1,607,423	195,980	1,803,403
2028-2032	<u>1,391,984</u>	<u>84,657</u>	<u>1,476,641</u>
Total Debt Service Requirements	<u>\$ 4,534,589</u>	<u>\$ 558,905</u>	<u>\$ 5,093,494</u>

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 7: EMPLOYEE PENSION PLAN

Deferred 457 Compensation Plan

The Town offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is available to all employees and permits them to defer a portion of their salary until future years. The Board of Trustees determines the Town's contributions to the plan, currently a matching contribution up to a maximum of 4% of each employee's salary. During the years ended December 31, 2017 and 2016, the Town contributed \$38,643 and \$19,596, respectively, to the plan. The plan is administered by the International City/County Management Association Retirement Corporation (ICMA-RC), and all plan assets are held in trust for the exclusive benefit of the participants.

NOTE 8: COMMITMENTS AND CONTINGENCIES

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 Town approved the collection, retention and expenditure of the full revenues generated by the Town 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 Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve of \$80,000 was recorded as a restriction of fund balance in the General Fund.

NOTE 9: PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the General Fund was increased by \$30,416 and the beginning net position of the Sewer Fund and Water Fund were decreased by \$11,359 and \$19,057, respectively, to record 2016 expenditures in the proper fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEDERLAND, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes	\$ 1,295,000	\$ 1,295,000	\$ 1,288,479	\$ (6,521)	\$ 1,263,213
Licenses and Permits	107,775	107,775	150,302	42,527	117,284
Intergovernmental	317,956	234,956	436,949	201,993	1,162,525
Charges for Services	41,500	41,500	52,233	10,733	40,196
Fines and Forfeitures	76,425	76,425	60,665	(15,760)	63,147
Miscellaneous	20,100	20,100	24,684	4,584	55,476
Interest	-	-	1,931	1,931	3,869
TOTAL REVENUES	<u>1,858,756</u>	<u>1,775,756</u>	<u>2,015,243</u>	<u>239,487</u>	<u>2,705,710</u>
EXPENDITURES					
Current					
General Government	183,605	176,105	272,508	(96,403)	209,244
Administration and Finance	324,141	324,141	340,169	(16,028)	320,714
Municipal Court	12,525	12,525	13,952	(1,427)	14,009
Law Enforcement	559,216	562,216	455,581	106,635	575,974
Planning and Zoning	108,911	108,911	116,726	(7,815)	109,106
Highway and Streets	390,073	395,373	411,531	(16,158)	362,946
Capital Outlay	259,804	120,804	287,115	(166,311)	1,520,317
Debt Service					
Principal	-	-	13,065	(13,065)	-
Interest	-	-	2,720	(2,720)	-
TOTAL EXPENDITURES	<u>1,838,275</u>	<u>1,700,075</u>	<u>1,913,367</u>	<u>(213,292)</u>	<u>3,112,310</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>20,481</u>	<u>75,681</u>	<u>101,876</u>	<u>26,195</u>	<u>(406,600)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	-	-	200,000	200,000	-
Transfers Out	<u>(1,700)</u>	<u>(1,700)</u>	<u>(1,076)</u>	<u>624</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,700)</u>	<u>(1,700)</u>	<u>198,924</u>	<u>200,624</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	18,781	73,981	300,800	226,819	(406,600)
FUND BALANCES, Beginning	129,385	129,385	64,387	(64,998)	470,987
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>30,416</u>	<u>30,416</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 148,166</u>	<u>\$ 203,366</u>	<u>\$ 395,603</u>	<u>\$ 192,237</u>	<u>\$ 64,387</u>

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

COMMUNITY CENTER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2016 ACTUAL
REVENUES					
Sales and Use Taxes	\$ 224,000	\$ 224,000	\$ 257,598	\$ 33,598	\$ 237,479
Intergovernmental	-	-	2,086	2,086	66,350
Charges for Services	91,200	91,200	102,795	11,595	102,474
Miscellaneous	1,050	1,050	14,886	13,836	749
TOTAL REVENUES	316,250	316,250	377,365	61,115	407,052
EXPENDITURES					
Community Center	233,414	235,468	224,839	10,629	223,523
Debt Service					
Principal	107,990	107,990	95,000	12,990	90,000
Interest	-	-	12,989	(12,989)	14,875
Capital Outlay	1,500	1,500	2,086	(586)	97,280
TOTAL EXPENDITURES	342,904	344,958	334,914	10,044	425,678
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,654)	(28,708)	42,451	71,159	(18,626)
FUND BALANCE, Beginning	100,535	100,535	118,642	18,107	137,268
FUND BALANCE, Ending	\$ 73,881	\$ 71,827	\$ 161,093	\$ 89,266	\$ 118,642

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF NEDERLAND, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2017

	SPECIAL REVENUE		TOTALS	
	CONSERVATION	DOWNTOWN		
	TRUST FUND	DEVELOPMENT AUTHORITY	2017	2016
ASSETS				
Cash and Investments	\$ -	\$ 298,531	\$ 298,531	\$ 289,369
Property Taxes Receivable	-	294,384	294,384	224,519
Grants Receivable	-	76,345	76,345	63,405
Other Receivables	-	56	56	399,590
Due from Other Funds	1,076	-	1,076	142,012
TOTAL ASSETS	<u>\$ 1,076</u>	<u>\$ 669,316</u>	<u>\$ 670,392</u>	<u>\$ 1,118,895</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 268,048	\$ 268,048	\$ 81,614
Due to Other Funds	374	-	374	518,695
TOTAL LIABILITIES	<u>374</u>	<u>268,048</u>	<u>268,422</u>	<u>600,309</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues - Property Taxes	-	281,578	281,578	224,076
FUND BALANCES				
Restricted	702	119,690	120,392	294,510
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 1,076</u>	<u>\$ 669,316</u>	<u>\$ 670,392</u>	<u>\$ 1,118,895</u>

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2017

	SPECIAL REVENUE		TOTALS	
	CONSERVATION	DOWNTOWN		
	TRUST FUND	DEVELOPMENT AUTHORITY	2017	2016
REVENUES				
Taxes	\$ -	\$ 229,147	\$ 229,147	\$ 207,375
Intergovernmental	14,924	23,940	38,864	629,762
Miscellaneous	-	7,000	7,000	-
Interest	-	794	794	596
 TOTAL REVENUES	 14,924	 260,881	 275,805	 837,733
EXPENDITURES				
General Government	-	42,015	42,015	21,426
Debt Service				
Principal	12,812	204,940	217,752	216,116
Interest	3,188	2,936	6,124	9,877
Capital Outlay	-	185,108	185,108	820,135
 TOTAL EXPENDITURES	 16,000	 434,999	 450,999	 1,067,554
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (1,076)	 (174,118)	 (175,194)	 (229,821)
OTHER FINANCING SOURCES (USES)				
Proceeds from Loan	-	-	-	340,000
Transfers In	1,076	-	1,076	-
 TOTAL OTHER FINANCING SOURCES (USES)	 1,076	 -	 1,076	 340,000
 CHANGE IN FUND BALANCES	 -	 (174,118)	 (174,118)	 110,179
 FUND BALANCES	 702	 293,808	 294,510	 184,331
 FUND BALANCES, Ending	 \$ 702	 \$ 119,690	 \$ 120,392	 \$ 294,510

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 14,300	\$ 14,924	\$ 624	\$ 16,702
TOTAL REVENUES	14,300	14,924	624	16,702
EXPENDITURES				
Parks and Recreation	16,000	16,000	-	16,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,700)	(1,076)	624	702
OTHER FINANCING SOURCES (USES)				
Transfers In	1,700	1,076	(624)	-
NET CHANGE IN FUND BALANCE	-	-	-	702
FUND BALANCE, Beginning	-	702	702	-
FUND BALANCE, Ending	\$ -	\$ 702	\$ 702	\$ 702

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

DOWNTOWN DEVELOPMENT AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes	\$ 189,000	\$ 189,000	\$ 229,147	\$ 40,147	\$ 207,375
Intergovernmental	505,000	505,000	23,940	(481,060)	613,060
Miscellaneous	-	7,000	7,000	-	-
Interest	500	500	794	294	596
TOTAL REVENUES	694,500	701,500	260,881	(440,619)	821,031
EXPENDITURES					
General Government	24,250	31,250	42,015	(10,765)	21,426
Debt Service					
Principal Payments	210,277	210,277	204,940	5,337	204,077
Interest Expense	-	-	2,936	(2,936)	5,916
Capital Outlay	746,956	746,956	185,108	561,848	820,135
TOTAL EXPENDITURES	981,483	988,483	434,999	553,484	1,051,554
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(286,983)	(286,983)	(174,118)	112,865	(230,523)
OTHER FINANCING SOURCES (USES)					
Proceeds from Loan	-	-	-	-	340,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	340,000
NET CHANGE IN FUND BALANCE	(286,983)	(286,983)	(174,118)	112,865	109,477
FUND BALANCE, Beginning	399,727	399,727	293,808	(105,919)	184,331
FUND BALANCE, Ending	\$ 112,744	\$ 112,744	\$ 119,690	\$ 6,946	\$ 293,808

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			VARIANCE	2016
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Charges for Services	\$ 529,600	\$ 529,600	\$ 547,451	\$ 17,851	\$ 471,316
Sales and Use Taxes	154,000	154,000	171,303	17,303	156,155
Grants	-	-	87,944	87,944	174,456
Interest	800	800	469	(331)	635
Tap Fees	-	-	1,750	1,750	-
Plant Investment Fees	25,000	25,000	20,299	(4,701)	49,442
TOTAL REVENUES	709,400	709,400	829,216	119,816	852,004
EXPENDITURES					
Personnel	160,080	162,580	167,951	(5,371)	142,442
Operations	280,584	279,884	235,809	44,075	272,191
Capital Outlay	-	33,000	164,535	(131,535)	454,899
Debt Service					
Principal	217,291	217,291	187,810	29,481	187,810
Interest and Fiscal Charges	-	-	29,462	(29,462)	36,195
TOTAL EXPENDITURES	657,955	692,755	785,567	(92,812)	1,093,537
NET INCOME, Budget Basis	\$ 51,445	\$ 16,645	43,649	\$ 27,004	(241,533)
GAAP BASIS ADJUSTMENTS					
Depreciation Expense			(307,991)		(265,314)
Loan Principal Payments			187,810		187,810
Capital Outlay			164,535		454,899
NET INCOME, GAAP Basis			88,003		135,862
NET POSITION, Beginning			2,480,878		2,345,016
Prior Period Adjustment			(11,359)		-
NET POSITION, Ending			\$ 2,557,522		\$ 2,480,878

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 438,500	\$ 438,500	\$ 455,032	\$ 16,532	\$ 448,905
Sales and Use Taxes	154,000	154,000	171,303	17,303	156,155
Interest	4,000	4,000	4,170	170	8,315
Tap Fees	-	-	2,750	2,750	-
Plant Investment Fees	15,000	15,000	54,339	39,339	74,020
Miscellaneous	2,000	2,000	27,750	25,750	7,895
TOTAL REVENUES	613,500	613,500	715,344	101,844	695,290
EXPENDITURES					
Personnel	158,080	160,580	167,420	(6,840)	142,444
Operations	223,200	222,500	232,683	(10,183)	244,470
Capital Outlay	17,500	17,500	118,087	(100,587)	631,231
Debt Service					
Principal	143,258	143,258	108,964	34,294	106,818
Interest and Fiscal Charges	-	-	34,293	(34,293)	36,440
TOTAL EXPENDITURES	542,038	543,838	661,447	(117,609)	1,161,403
NET INCOME, Budget Basis	\$ 71,462	\$ 69,662	53,897	\$ (15,765)	(466,113)
GAAP BASIS ADJUSTMENTS					
Depreciation Expense			(255,670)		(207,999)
Principal Payments on Long Term Debt			108,964		106,818
Capital Outlay			118,087		631,231
NET INCOME, GAAP Basis			25,278		63,937
NET POSITION, Beginning			2,664,989		2,601,052
Prior Period Adjustment			(19,057)		-
NET POSITION, Ending			\$ 2,671,210		\$ 2,664,989

See the accompanying independent auditors' report.

STATE COMPLIANCE

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: acctg@nederlandco.org

City/County: Nederland

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	500,192.00
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	25,087.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	37,254.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 562,533.00

B. Private Contributions

\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00

2. Infrastructure and Impact Fees:	\$ 0.00
3. Liens:	\$ 0.00
4. Licenses:	\$ 0.00
5. Specific Ownership and/or Other:	\$ 25,087.00
Total: (a + b) carried to 'Other local imposts' above	\$ 25,087.00

A.4. Miscellaneous local receipts**Please no commas or dollar signs for the input**

a. Interest on Investments:	\$ 0.00
b. Traffic fines & Penalties:	\$ 29,580.00
c. Parking Garage Fees:	\$ 0.00
d. Parking Meter Fees:	\$ 0.00
e. Sale of Surplus Property:	\$ 0.00
f. Charges for Services:	\$ 0.00
g. Other Misc. Receipts:	\$ 7,674.00
h. Other:	\$ 0.00
Total: (a through h) carried to 'Misc local receipts' above	\$ 37,254.00

C. Receipts from State Government**Please no commas or dollar signs for the input**

1. Highway User Taxes:	\$ 55,196.00
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ 85,056.00
d. Other (Specify):	
Comments: undefined	\$ 0.00
e. Other (Specify):	
Comments: undefined	\$ 0.00
Total: (1+3c,d,e)	\$ 140,252.00

D. Receipts from Federal Government**Please no commas or dollar signs for the input**

2. Other Federal Agencies	
a. Forest Service:	\$ 0.00
b. FEMA:	\$ 0.00
c. HUD:	\$ 0.00
d. Federal Transit Administration:	\$ 0.00
e. U.S. Corp of Engineers	\$ 0.00
f. Other Federal:	\$ 0.00

Total: (2a-f) \$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$ 0.00
2. Maintenance:	\$ 253,383.00
3. Road and street services	
a. Traffic control operations:	\$ 0.00
b. Snow and ice removal:	\$ 57,604.00
c. Other:	\$ 21,886.00
4. General administration & miscellaneous	\$ 51,088.00
5. Highway law enforcement and safety	\$ 318,824.00

Total: (A.1-5) \$ 702,785.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds	
a. Interest	\$ 0.00
b. Redemption	\$ 0.00
2. Notes	
a. Interest	\$ 0.00
b. Redemption	\$ 0.00

SubTotal: (1+2) \$ 0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$ 0.00
D. Payments to Toll Facilities:	\$ 0.00

Total Disbursements: (A+B+C+D) \$ 702,785.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 0.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 0.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 702,785.00	\$ 702,785.00	\$ 0.00	\$ 0.00

Notes & Comments:

undefined

Please enter your name: Jennifer Hagey

Please provide a telephone number where you may be reached: 303-258-3266 x 26

Please click on the "Save" button before viewing the data in a print format.

FORM FHWA-536e (Version 4.5) - CY17