TOWN OF NEDERLAND, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2019

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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, 2019, 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, 2019, 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.

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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 27 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 Cutler & Associates, LLC

July 31, 2020

Town of Nederland, Colorado
Management's Discussion and Analysis

Fiscal Year Ending December 31, 2019

This Management's Discussion and Analysis (MD&A) of the Town of Nederland's 2019 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 six separate funds, which are as follows:

A) General Fund
B) Community Center Fund
C) Conservation Trust Fund
D) Water Fund
E) Sewer Fund
F) Street 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.

<u>Overview of the Financial Statements</u>

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, Street, 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, 2019 the governmental funds held $1,009,731 in assets that were readily convertible to cash and $340,655 in current liabilities.

- As of December 31, 2019 the Town's governmental activities fund held $6,222,200 in capital assets, a 4.7% decrease; and $530,159 in long-term liabilities, a 19.9% decrease.

- 2019 Nederland sales tax revenue was up 21% compared to fiscal year 2018.

- 2019 use tax revenue decreased by 19.9% or $10,227 compared to fiscal year 2018.

- Total governmental activities net position increased by 5.4% or $375,013 during the 2019 fiscal year.

Business-type Activities

- As of December 31, 2019 total assets were $11,914,408, an increase of 11% over 2018. Current assets decreased by $181,640, 8.2%; Capital assets increased by $1,364,007, 16%.

- Total liabilities increased by 5.7% or $295,462 during 2019.

- 2019 service revenue from the water and wastewater services increased by $600 or 0.0% compared to fiscal year 2018. 2019 total program revenues increased $787,944 or 104% over 2018 total revenue.

- 2019 expenses from the water and wastewater funds increased $218,178 or 14.4% compared to fiscal year 2018.

- Total business-type activities net position increased by $886,905 during the 2019 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 2,862,701	$ 2,143,900	$ 2,031,093	$ 1,838,527	$ 4,893,794	$ 3,982,427
Capital assets	6,222,200	6,526,266	9,883,315	8,519,308	16,105,515	15,045,574
Total assets	9,084,901	8,670166	11,914,408	10,357,835	20,999,309	19,028,001
Long-term debt outstanding	384,292	520,791	4,918,214	4,252,869	5,302,506	4,773,660
Other liabilities	447,496	341,522	564,018	559,695	1,011,514	901,217
Total liabilities	831,788	862,313	5,482,232	4,812,564	6,314,020	5,674,877
Deferred Inflows	886,377	816,130			886,377	816,130
Liabilities & Deferred Inflows	1,718,165	1,678,443	5,482,232	4,812,564	7,200,397	6,491,007
Net position:						
Net Investment in capital assets	5,692,041	5,864,324	4,595,773	3,996,741	10,287,814	9,861,065
Restricted	1,025,702	443,213	245,000	245,000	1,270,702	688,213
Unrestricted	648,993	684,186	1,591,403	1,303,530	2,240,396	1,987,716
Total net position	$7,366,736	$6,991,723	$6,432,176	$5,545,271	$13,798,912	$12,536,994

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 2019 increased by 10% or $1,261,918. 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 $13,798,912 (net position).

The net funds invested in Capital assets (e.g. land, buildings, equipment, etc.) make up 76.7% 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 (9.2%) represents resources that are subject to various debt provisions, contracts and contingencies on how they may be used. The remaining balance $2,240,396 is unrestricted and can be used to meet the Town's ongoing obligations to its citizens and creditors.

At the end of 2019, 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 2019

	Government Activities		Business Type Activities		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Program Revenue						
Charges for Services	$ 399,779	$ 341,607	$ 1,069,820	$ 1,069,220	$ 1,469,599	$ 1,410,827
Operating Grants & Contributions	113,813	109,760			113,813	109,760
Capital Grants & Contributions	17,631	47,159	1,082,934	360,834	1,100,565	407,993
Total Program Revenue	531,223	498,526	2,152,754	1,430,054	2,683,977	1,928,580
General Revenues:						
Taxes	2,332,929	2,043,995	437,918	371,028	2,770,847	2,415,023
Franchise Taxes	46,526	50,452			46,526	50,452
Investment Income	15,747	11,023	9,521	10,907	25,268	21,930
Other Revenues	129,972	22,961	15,429	15,089	145,401	38,050
Total General Revenues	2,525,174	2,128,431	462,868	397,024	2,988,042	2,525,455
TOTAL REVENUES	**3,056,397**	**2,626,957**	**2,615,622**	**1,827,078**	**5,672,019**	**4,454,035**
Program Expenses:						
General Government	923,624	782,370			923,624	782,370
Public Safety	677,355	575,101			677,355	575,101
Public Works	639,200	557,183			639,200	557,183
Parks and Recreation	426,363	411,996			426,363	411,996
Interest on Long Term Debt	14,842	18,481	57,142	60,096	71,984	78,577
Water and Wastewater			1,671,575	1,450,443	1,671,575	1,450,443
TOTAL EXPENSES	**2,681,384**	**2,345,131**	**1,728,717**	**1,510,539**	**4,410,101**	**3,855,670**
Change in Net Position	**$ 375,013**	**$ 281,826**	**$ 886,905**	**$ 316,539**	**$ 1,261,918**	**$ 598,365**
Net Position, Beginning	*6,991,723*	*6,709,897*	*5,545,271*	*5,228,732*	*12,536,994*	*11,938,629*
Net Position, Ending	*7,366,736*	*6,991,723*	*6,432,176*	*5,545,271*	*13,798,912*	*12,536,994*

Governmental Activities

At the end of fiscal year 2019, The Town's governmental activities reported a combined position of $7,366,736, an increase of $375,013 during fiscal year 2019. The reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of governmental funds to the Statement of Activities can be found on page 5 of the Basic Financial Statements. On the Statement of Revenues, Expenditures and Changes in Fund Balance, the total fund balance for governmental funds is $1,662,800, an increase of $535,401 over 2018 fund balance.

Revenue increased $429,440 or 16.3% in 2019 compared to 2018 due to additional taxes received in 2019. In 2019, tax related revenue of $2,332,929 comprised 76.3% 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 2019 was $2,681,384 compared to $2,345,131 in 2018, a 14.3% increase.

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:

	2019	2018	% Change
General Government	**923,624**	**782,370**	**18.1%**
Public Works	**677,355**	**575,101**	**17.8%**
Public Safety	**639,200**	**557,183**	**14.7%**
Parks and Recreation	**426,363**	**411,996**	**3.5%**
Interest on Long Term Debt	**14,842**	**18,481**	**-19.7%**
Total	**$ 2,681,384**	**$ 2,345,131**	**1.4%**

Fund Balance

At the end of 2019, the Town's governmental funds reported a combined (General, Community Center, Non-Major) fund balance of $1,662,800. This is an increase of $535,401 compared to the prior year's ending balance.

Business Type Activities

At year-end, the business-type activities reported total net position of $6,432,176, an increase of $886,905.

Budgetary Highlights

For the General Fund, revenue was $992,782 less than budgeted primarily due to grant revenue budgeted in the General Fund but correctly recorded in the Sewer Fund. Tax revenue was $92,281 higher than budgeted. Expenditures for the General Fund were $1,324,719 less than budget primarily due to budgeted grant expenditures properly recorded to the Sewer Fund.

The Community Center revenues were higher than budget by $34,900 primarily due to additional sales tax revenue. Expenditures were $26,413 under budget due to savings in multiple operating expense lines and savings in the capital project.

Sewer Fund revenues were higher than budget by $898,481 primarily due to grant revenue for the Biosolids facility improperly budgeted in the General Fund. Total expenditures were $2,305,057 higher than budgeted due to capital outlay for the Biosolids project that is funded primarily through a grant and 0% interest loan that was budgeted for in the General Fund and the reporting of negative contra accounts for capital asset additions and debt service payments – a variance noted on the audit report.

Water Fund revenues were higher than budget by $182,045 primarily due to higher than budgeted Plant Investment Fees (PIFs) revenue. Total expenditures were $172,398 more than budgeted primarily due to the reporting of the reporting of negative contra accounts for capital asset additions and debt service payments – a variance noted on the audit report.

Voters approved a 0.25% sales tax increase in April 2018 to support in town road improvements. The Street Fund revenues were $7,268 higher than budgeted and expenses were $35,725 underbudget.

The Downtown Development Authority revenues were $92,780 overbudget and expenses were $22,639 underbudget. Proceeds from Loans was $53,434.

Capital Assets and Debt Administration

At year-end, the Town had $16,105,515 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 increase of $1,059,941, or 7%, from the 2018 is primarily due to completed construction of the Biosolids Plant partially offset by the increase in depreciation expense.

Capital Assets at Year-End

	Government Activities		Business Activities		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Land	$ 701,805	$ 719,364	$ 11,436	$ 11,436	$ 713,241	$ 730,800
Water Rights	-	-	35,000	35,000	35,000	35,000
Construction in Process	-	-	-	558,049	-	558,049
Plant, Land & Building	8,508,537	8,440,084	14,507,162	11,947,888	23,015,699	20,387,972
Equipment	745,141	745,141	776,396	743,338	1,521,537	1,488,479
Transportation Equipment	206,403	201,404	322,129	326,729	528,532	528,133
Less Acc Depreciation	(3,939,686)	(3,579,727)	(5,768,808)	(5,103,132)	(9,708,494)	(8,682,859)
Total Capital Assets	**$ 6,222,200**	**$ 6,526,266**	**$ 9,883,315**	**$ 8,519,308**	**$ 16,105,515**	**$ 15,045,574**

During 2019, the Town completed a remodel of the Town Hall kitchen and updates to the office space The Police Department purchased a used Tahoe. The Community Center fixed the roof over the Multi-Purpose Room. The Water and Sewer departments purchased a new truck, installed a generator at Town Hall, replaced hydrants, installed a fence around the Water Plant and nearly completed the construction of the Biosolids Plant.

Significant 2019 Capital Asset Additions

Kitchen/Office Remodel Completion	$ 6,794
Police Department used Tahoe	5,000
Community Center MPR Roof Replacement/Repair	44,100
Hydrant Replacement	6,015
Generator at Town Hall	5,915
Utilities F-150 Utility Truck	28,458
Fence around Water Plant	15,565
Utilities F-150 Utility Truck	28,458
Solids Handling Facility – Biosolids Plant	1,973,729
	$ 2,114,034

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, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS 2019	TOTALS 2018
ASSETS				
Cash and Investments	$ 1,714,892	$ 1,549,663	$ 3,264,555	$ 2,206,682
Receivables				
Taxes	1,104,108	-	1,104,108	984,349
Grants	11,475	61,093	72,568	53,350
Accounts	-	300,592	300,592	260,114
Other	46,945	91,445	138,390	467,172
Prepaid Expenses	2,281	540	2,821	-
Inventories	-	10,760	10,760	10,760
Interfund Amounts	(17,000)	17,000	-	-
Capital Assets, Not Depreciated	701,805	46,436	748,241	1,323,849
Capital Assets, Depreciated				
Net of Accumulated Depreciation	5,520,395	9,836,879	15,357,274	13,721,725
TOTAL ASSETS	9,084,901	11,914,408	20,999,309	19,028,001
LIABILITIES				
Accounts Payable	154,896	116,692	271,588	329,267
Accrued Liabilities	53,876	16,511	70,387	50,931
Unearned Revenue	696	2,932	3,628	2,893
Accrued Interest Payable	-	16,415	16,415	17,255
Deposits	92,161	-	92,161	50,188
Noncurrent Liabilities				
Due within One Year	145,867	411,468	557,335	450,683
Due in More Than One Year	384,292	4,918,214	5,302,506	4,773,660
TOTAL LIABILITIES	831,788	5,482,232	6,314,020	5,674,877
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	886,377	-	886,377	816,130
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,718,165	5,482,232	7,200,397	6,491,007
NET POSITION				
Net Investment in Capital Assets	5,692,041	4,595,773	10,287,814	9,861,065
Restricted for Emergencies	108,000	-	108,000	90,000
Restricted for Community Center	191,596	-	191,596	179,020
Restricted for Downtown Development	636,041	-	636,041	353,213
Restricted for Highways and Streets	100,196	-	100,196	49,837
Restricted for Parks and Recreation	(10,131)	-	(10,131)	133
Restricted by Debt Covenant	-	245,000	245,000	245,000
Unrestricted	648,993	1,591,403	2,240,396	1,758,726
TOTAL NET POSITION	$ 7,366,736	$ 6,432,176	$ 13,798,912	$ 12,536,994

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

		PROGRAM REVENUES		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 395,402	$ 92,004	$ 21,367	$ -
Administration and Finance	368,424	-	-	-
Municipal Court	21,949	4,208	-	-
Law Enforcement	655,406	40,699	-	-
Planning and Zoning	159,798	145,307	16,575	-
Highway and Streets	639,200	-	75,871	-
Parks and Recreation	426,363	117,561	-	17,631
Interest on Long Term Debt	14,842	-	-	-
Total Governmental Activities	2,681,384	399,779	113,813	17,631
Business-Type Activities				
Sewer	935,476	601,475	-	900,312
Water	736,099	468,345	-	182,622
Interest on Long-term Debt	57,142	-	-	-
Total Business-Type Activities	1,728,717	1,069,820	-	1,082,934
Total Primary Government	$ 4,410,101	$ 1,469,599	$ 113,813	$ 1,100,565

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

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 2019	TOTALS 2018
$ (282,031)	$ -	$ (282,031)	$ (248,890)
(368,424)	-	(368,424)	(352,578)
(17,741)	-	(17,741)	(16,035)
(614,707)	-	(614,707)	(497,475)
2,084	-	2,084	16,635
(563,329)	-	(563,329)	(480,236)
(291,171)	-	(291,171)	(249,545)
(14,842)	-	(14,842)	(18,481)
(2,150,161)	-	(2,150,161)	(1,846,605)
-	566,311	566,311	35,376
-	(85,132)	(85,132)	(55,765)
-	(57,142)	(57,142)	(60,096)
-	424,037	424,037	(80,485)
(2,150,161)	424,037	(1,726,124)	(1,927,090)
803,086	-	803,086	746,763
28,808	-	28,808	27,881
1,501,035	437,918	1,938,953	1,640,379
46,526	-	46,526	50,452
15,747	9,521	25,268	21,930
129,972	15,429	145,401	38,050
2,525,174	462,868	2,988,042	2,525,455
375,013	886,905	1,261,918	598,365
6,991,723	5,545,271	12,536,994	11,938,629
$ 7,366,736	$ 6,432,176	$ 13,798,912	$ 12,536,994

TOWN OF NEDERLAND, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	GENERAL FUND	COMMUNITY CENTER FUND	SPECIAL REVENUE DOWNTOWN DEVELOPMENT AUTHORITY	SPECIAL REVENUE NONMAJOR FUNDS
ASSETS				
Cash and Investments	$ 833,479	$ 150,074	$ 650,919	$ 80,420
Taxes Receivable	662,482	59,327	382,299	-
Grants Receivable	-	-	11,475	-
Other Receivables	14,697	-	577	31,671
Due from Other Funds	10,131	-	-	-
Prepaid Items	2,228	53	-	-
TOTAL ASSETS	$ 1,523,017	$ 209,454	$ 1,045,270	$ 112,091
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 134,732	$ 10,035	$ 10,129	$ -
Accrued Liabilities	47,102	6,774	-	-
Due to Other Funds	-	-	17,000	10,131
Unearned Revenues	-	696	-	11,895
Deposits	91,861	300	-	-
TOTAL LIABILITIES	273,695	17,805	27,129	22,026
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues - Property Taxes	504,277	-	382,100	-
FUND BALANCES				
Nonspendable	2,228	53	-	-
Restricted for Emergencies	108,000	-	-	-
Restricted for Community Center	-	191,596	-	-
Restricted for Downtown Development	-	-	636,041	-
Restricted for Highways and Streets	-	-	-	100,196
Restricted for Parks and Recreation	-	-	-	(10,131)
Unassigned	634,817	-	-	-
TOTAL FUND BALANCES	745,045	191,649	636,041	90,065
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 1,523,017	$ 209,454	$ 1,045,270	$ 112,091

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.

Some revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unearned revenues in the funds.

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 ($342,720), capital lease payable ($132,872), and accrued compensated absences ($54,567).

Net position of governmental activities

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

TOTAL GOVERNMENTAL FUNDS	
2019	2018
$ 1,714,892	$ 725,526
1,104,108	984,349
11,475	53,350
46,945	6,469
10,131	421,608
2,281	-
$ 2,889,832	$ 2,191,302
$ 154,896	$ 110,285
53,876	39,202
27,131	47,402
12,591	696
92,161	50,188
340,655	247,773
886,377	816,130
2,281	-
108,000	90,000
191,596	179,020
636,041	353,213
100,196	49,837
(10,131)	133
634,817	455,196
1,662,800	1,127,399
6,222,200	6,526,266
11,895	-
(530,159)	(661,942)
$ 7,366,736	$ 6,991,723

TOWN OF NEDERLAND, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	GENERAL FUND	COMMUNITY CENTER FUND	SPECIAL REVENUE FUNDS: DOWNTOWN DEVELOPMENT AUTHORITY	SPECIAL REVENUE FUNDS: NONMAJOR FUNDS
REVENUES				
Taxes	$ 1,584,084	$ 328,439	$ 357,453	$ 109,479
Licenses and Permits	145,307	-	-	-
Intergovernmental	98,183	-	11,475	9,891
Charges for Services	92,004	117,561	-	-
Fines and Forfeitures	44,907	-	-	-
Miscellaneous	126,841	3,131	-	-
Interest	9,295	-	6,452	-
TOTAL REVENUES	2,100,621	449,131	375,380	119,370
EXPENDITURES				
Current				
General Government	233,300	-	56,059	-
Administration and Finance	358,270	-	-	-
Municipal Court	21,949	-	-	-
Law Enforcement	647,889	-	-	-
Planning and Zoning	159,798	-	-	-
Highway and Streets	442,996	-	-	63,275
Parks and Recreation	-	283,394	-	-
Debt Service				
Principal	27,397	100,000	53,434	14,540
Interest	4,174	9,008	200	1,460
Capital Outlay	4,999	44,100	36,293	-
TOTAL EXPENDITURES	1,900,772	436,502	145,986	79,275
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	199,849	12,629	229,394	40,095
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Debt	-	-	53,434	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	53,434	-
NET CHANGE IN FUND BALANCES	199,849	12,629	282,828	40,095
FUND BALANCES, Beginning	545,196	179,020	353,213	49,970
FUND BALANCES, Ending	$ 745,045	$ 191,649	$ 636,041	$ 90,065

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

TOTAL GOVERNMENTAL FUNDS	
2019	2018
$ 2,379,455	$ 2,094,447
145,307	115,201
119,549	156,919
209,565	164,815
44,907	61,591
129,972	22,961
15,747	11,023
3,044,502	2,626,957
289,359	230,886
358,270	335,494
21,949	21,287
647,889	547,296
159,798	123,986
506,271	417,615
283,394	271,232
195,371	190,245
14,842	18,481
85,392	75,080
2,562,535	2,231,602
481,967	395,355
53,434	54,956
53,434	54,956
535,401	450,311
1,127,399	677,088
$ 1,662,800	$ 1,127,399

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, 2019

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Changes in Fund Balances - Total Governmental Funds	$ 535,401
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 depreciation ($359,959), exceeds capital outlay $55,893, in the current period.	(304,066)
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.	(53,434)
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 $195,371 and change in accrued compensated absences of ($10,154).	185,217
Some accounts receivable will be collected after year end, but are reported as unearned revenues in the governmental funds because they are not available soon enough to pay for the current period's expenditures.	11,895
Change in Net Position of Governmental Activities	$ 375,013

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, 2019

			TOTALS	
ASSETS	SEWER	WATER	2019	2018
Current Assets				
Cash and Investments	$ 434,391	$ 1,115,272	$ 1,549,663	$ 1,481,156
Accounts Receivable	164,096	136,496	300,592	260,114
Grants Receivable	61,093	-	61,093	173,759
Other Receivables	91,445	-	91,445	286,944
Due from Other Funds	-	17,000	17,000	-
Inventories	-	10,760	10,760	10,760
Prepaid Expense	270	270	540	-
Total Current Assets	751,295	1,279,798	2,031,093	2,212,733
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	6,798,650	3,084,665	9,883,315	8,519,308
Total Noncurrent Assets	6,798,650	3,084,665	9,883,315	8,519,308
TOTAL ASSETS	7,549,945	4,364,463	11,914,408	10,732,041
LIABILITIES				
Current Liabilities				
Accounts Payable	103,546	13,146	116,692	218,982
Accrued Liabilities	8,255	8,256	16,511	11,729
Due to Other Funds	-	-	-	374,206
Unearned Revenue	-	2,932	2,932	2,197
Accrued Interest Payable	11,695	4,720	16,415	17,255
Current Portion of Long-term Debt	295,800	115,668	411,468	309,532
Total Current Liabilities	419,296	144,722	564,018	933,901
Noncurrent Liabilities				
Loans Payable	3,583,490	1,292,584	4,876,074	4,213,035
Loan Premium	23,266	-	23,266	25,232
Compensated Absences	9,437	9,437	18,874	14,602
Total Noncurrent Liabilities	3,616,193	1,302,021	4,918,214	4,252,869
TOTAL LIABILITIES	4,035,489	1,446,743	5,482,232	5,186,770
NET POSITION				
Net Investment in Capital Assets	2,919,360	1,676,413	4,595,773	3,996,741
Restricted	130,000	115,000	245,000	245,000
Unreserved	465,096	1,126,307	1,591,403	1,303,530
TOTAL NET POSITION	$ 3,514,456	$ 2,917,720	$ 6,432,176	$ 5,545,271

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, 2019

	SEWER	WATER	TOTALS 2019	TOTALS 2018
OPERATING REVENUES				
Charges for Services	$ 601,475	$ 468,345	$ 1,069,820	$ 1,069,220
TOTAL OPERATING REVENUES	601,475	468,345	1,069,820	1,069,220
OPERATING EXPENSES				
Personnel	224,668	224,671	449,339	363,340
Operations	299,316	257,244	556,560	524,238
Depreciation	411,492	254,184	665,676	562,865
TOTAL OPERATING EXPENSES	935,476	736,099	1,671,575	1,450,443
OPERATING INCOME	(334,001)	(267,754)	(601,755)	(381,223)
NON-OPERATING REVENUES (EXPENSES)				
Sales and Use Taxes	218,959	218,959	437,918	371,028
Grants	776,241	-	776,241	173,760
Interest Income	1,242	8,279	9,521	10,907
Miscellaneous	-	15,429	15,429	15,089
Interest Expense	(27,273)	(29,869)	(57,142)	(60,096)
TOTAL NON-OPERATING REVENUES (EXPENSES)	969,169	212,798	1,181,967	510,688
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	635,168	(54,956)	580,212	129,465
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Transfers In	-	-	-	200
Transfers Out	-	-	-	(200)
Plant Investment Fees	117,321	176,122	293,443	164,074
Tap Fees	6,750	6,500	13,250	23,000
TOTAL CAPITAL CONTRIBUTIONS	124,071	182,622	306,693	187,074
CHANGE IN NET POSITION	759,239	127,666	886,905	316,539
NET POSITION, Beginning	2,755,217	2,790,054	5,545,271	5,228,732
NET POSITION, Ending	$ 3,514,456	$ 2,917,720	$ 6,432,176	$ 5,545,271

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, 2019
Increase (Decrease) in Cash and Cash Equivalents

	SEWER	WATER	TOTALS 2019	TOTALS 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 577,760	$ 452,317	$ 1,030,077	$ 1,061,668
Cash Paid to Employees	(220,141)	(220,144)	(440,285)	(358,662)
Cash Paid to Suppliers	(404,822)	(254,568)	(659,390)	(253,207)
Net Cash Provided by Operating Activities	(47,203)	(22,395)	(69,598)	449,799
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Sales Taxes Received	218,959	218,959	437,918	371,028
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Grants Received	888,907	-	888,907	-
Other Revenue Received	-	15,429	15,429	15,089
Capital Contributions	124,071	182,622	306,693	187,074
Purchase of Capital Assets	(1,987,959)	(41,724)	(2,029,683)	(518,212)
Payments (to) from Other Funds	(240,159)	(151,047)	(391,206)	235,112
Proceeds from Issuance of Long-term Debt	1,270,007	-	1,270,007	-
Loan Payments	(196,144)	(113,389)	(309,533)	(298,966)
Interest Payments	(29,727)	(30,221)	(59,948)	(64,324)
Net Cash Used by Capital and Related Financing Activities	(171,004)	(138,330)	(309,334)	(444,227)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	1,242	8,279	9,521	10,907
Net Increase (Decrease) in Cash and Cash Equivalents	1,994	66,513	68,507	387,507
CASH AND CASH EQUIVALENTS, Beginning	432,397	1,048,759	1,481,156	1,093,649
CASH AND CASH EQUIVALENTS, Ending	$ 434,391	$ 1,115,272	$ 1,549,663	$ 1,481,156
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	$ (334,001)	$ (267,754)	$ (601,755)	$ (381,223)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	411,492	254,184	665,676	562,865
Changes in Assets and Liabilities				
Accounts Receivable	(23,715)	(16,763)	(40,478)	(2,134)
Other Receivable	-	-	-	90,528
Prepaid Expense	(270)	(270)	(540)	-
Accounts Payable	(105,236)	2,946	(102,290)	181,464
Accrued Liabilities	2,391	2,391	4,782	2,554
Unearned Revenue	-	735	735	(6,379)
Accrued Compensated Absences	2,136	2,136	4,272	2,124
Total Adjustments	286,798	245,359	532,157	831,022
Net Cash Provided by Operating Activities	$ (47,203)	$ (22,395)	$ (69,598)	$ 449,799

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

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.

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.

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 *Downtown Development Fund* is a special revenue fund that accounts for the operations, capital improvements, and debt service for the Nederland Downtown Development Authority.

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.

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.

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.

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 in the Water and Sewer Funds.

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, 2019, the Town reports prepaid items 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.

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

Fund Balance Classification (Continued)

- <u>Committed</u> – 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, 2019.

- <u>Unassigned</u> – 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.

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, 2019 actual expenditures in the Sewer Fund exceeded budgeted amounts by $2,305,055. Actual expenditures in the Water Fund exceeded budgeted amounts by $172,398. This may be a violation of State statute.

NOTE 3: ***DEPOSITS AND INVESTMENTS***

A summary of deposits and investments as of December 31, 2019 follows:

Petty Cash	$ 548
Cash Deposits	3,264,007
Total	**$ 3,264,555**

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

Governmental Activities	$ 1,714,892
Business-type Activities	1,549,633
Total	**$ 3,264,555**

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, 2019, 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, 2019, the Town had deposits with financial institutions with a carrying amount of $3,264,007. The bank balances with the financial institutions were $3,286,136. Of these balances, $500,000 was covered by federal depository insurance and $2,786,136 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

NOTE 3: ***DEPOSITS AND INVESTMENTS*** (Continued)

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.

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, 2019.

NOTE 4: *CAPITAL ASSETS*

Capital assets activity for the year ended December 31, 2019 is summarized below:

	Balances 12/31/18	Additions	Deletions	Balances 12/31/19
Governmental Activities				
Capital Assets, not depreciated				
Land and Sites	$ 701,805	$ -	$ -	$ 701,805
Construction in Process	17,559	-	17,559	-
Total Capital Assets, not depreciated	719,364	-	17,559	701,805
Capital Assets, depreciated				
Land Improvements	480,265	-	-	480,265
Infrastructure	2,542,399	-	-	2,542,399
Buildings	5,417,420	68,453	-	5,485,873
Transportation Equipment	201,404	4,999	-	206,403
Other Equipment	745,141	-	-	745,141
Total Capital Assets, depreciated	9,386,629	73,452	-	9,460,081
Less Accumulated Depreciation				
Land Improvements	276,035	23,170	-	299,205
Infrastructure	780,882	117,646	-	898,528
Buildings	1,882,235	190,539	-	2,072,774
Transportation Equipment	195,527	4,885	-	200,412
Other Equipment	445,048	23,719	-	468,767
Total Accumulated Depreciation	3,579,727	359,959	-	3,939,686
Total Capital Assets, depreciated, Net	5,806,902	(286,507)	-	5,520,395
Governmental Activities, Capital Assets, Net	**$ 6,526,266**	**$ (286,507)**	**$ 17,559**	**$ 6,222,200**

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

Governmental Activities	
General Government	$ 76,544
Law Enforcement	7,517
Highway and Streets	132,929
Community Center	135,942
Parks and Recreation	7,027
Total	**$ 359,959**

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

	Balances 12/31/2018	Additions	Deletions	Balances 12/31/2019
Business-Type Activities				
Capital Assets, not depreciated				
Land	$ 11,436	$ -	$ -	$ 11,436
Water Rights	35,000	-	-	35,000
Construction in Process	558,049	-	558,049	-
Total Capital Assets, not depreciated	604,485	-	558,049	46,436
Capital Assets, depreciated				
Plant and Infrastructure	11,947,888	2,559,274	-	14,507,162
Equipment	776,396	-	-	776,396
Transportation Equipment	293,671	28,458	-	322,129
Total Capital Assets, depreciated	13,017,955	2,587,732	-	15,605,687
Less: Accumulated Depreciation				
Plant and Infrastructure	4,382,765	595,837	-	4,798,602
Equipment	453,676	53,384	-	507,060
Transportation Equipment	266,691	16,455	-	283,146
Total Accumulated Depreciation	5,103,132	665,676	-	5,768,808
Total Capital Assets, depreciated, Net	7,914,823	1,922,056	-	9,836,879
Business-Type Activities, Capital Assets, Net	**$ 8,519,308**	**$ 1,922,056**	**$ 558,049**	**$ 9,883,315**

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

Business-Type Activities	
Sewer Fund	$ 411,491
Water Fund	254,185
Total	**$ 665,676**

NOTE 5: ***INTERFUND BALANCES AND TRANSFERS***

Advances to Other Funds

During 2019, the Town loaned the Downtown Development Authority $53,434. During 2019, the Downtown Development Authority paid $36,434, toward the balance. At December 31, 2019, the outstanding balance is $17,000.

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.

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, 2019.

	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Due In One Year
2013 General Obligation Refunding Bonds	$ 430,000	$ -	$ 100,000	$ 330,000	$ 105,000
Land Purchase Note	27,260	-	14,540	12,720	12,720
Capital Lease	160,269	-	27,397	132,872	28,147
Compensated Absences	44,413	10,154	-	54,567	-
Total	$ 661,942	$ 10,154	$ 141,937	$ 530,159	$ 145,867

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

NOTE 6: *LONG-TERM DEBT* (Continued)

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.

Annual debt service requirements for the outstanding notes and bonds at December 31, 2019 are as follows:

Year Ended December 31,	Principal	Interest	Total
2020	$ 117,720	$ 10,194	$ 127,914
2021	110,000	4,714	114,714
2022	115,000	2,409	117,409
Total Debt Service Requirements	**$ 342,720**	**$ 17,317**	**$ 360,037**

NOTE 6: *LONG-TERM DEBT* (Continued)

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2019:

Year Ended December 31,	
2020	$ 31,571
2021	31,571
2022	31,571
2023	31,571
2024	15,785
Less: Interest	(9,197)
Present Value of Minimum Lease Payments	**$ 132,872**

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2019:

	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Due In One Year
CWRPDA Loan – Water	$ 1,521,641	$ -	$ 113,389	$ 1,408,252	$ 115,668
CWRPDA Loan – Sewer	2,713,983	-	187,811	2,526,172	193,664
CWRPDA Premium	25,232	-	1,966	23,266	-
CWRPDA Biosolids Loan – Sewer	286,943	1,074,508	8,333	1,353,118	102,136
Compensated Absences	14,602	4,272	-	18,874	-
Total	**$ 4,562,401**	**$ 1,078,780**	**$ 311,499**	**$ 5,329,682**	**$ 411,468**

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.

NOTE 6: *LONG-TERM DEBT* (Continued)

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.

CWRPDA Biosolids Loan - Sewer

In November 2018, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority ("CWRPDA"). Loan proceeds up to a maximum principal amount of $2,000,000 will be used to finance the construction of biosolids improvements at the wastewater treatment plant. This loan will be made on a draw down basis as requested by the Town. For the years ended December 31, 2018 and 2019, the Town has requested $286,943 and $1,074,508, respectively.

Payments of principal and interest are due semi-annually, beginning on November 1, 2019, through May 2039. Interest does not accrue on the loan if the finally constructed project is certified as a Green Project. If the project is not certified as a Green Project, interest will accrue at a rate of 2%.

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2019 are as follows:

Year Ended December 31,	Principal	Interest	Total
2020	$ 411,468	$ 55,718	$ 467,186
2021	413,793	52,346	466,139
2022	416,165	49,037	465,202
2023	418,585	45,725	464,310
2024	421,053	42,449	463,502
2025-2029	2,155,759	160,881	2,316,640
2030-2033	1,050,719	31,582	1,082,301
Total Debt Service Requirements	**$ 5,287,542**	**$ 437,738**	**$ 5,725,280**

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, 2019 and 2018, the Town contributed $30,816 and $34,393, 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, 2019, the emergency reserve of $108,000 was recorded as a restriction of fund balance in the General Fund.

NOTE 9: **DEFICIT FUND BALANCE**

As of December 31, 2019, the Conservation Trust Fund is reporting a deficit fund balance in the amount of ($10,131). This deficit is a result of a delay in the receipt of revenues related to current year's expenditures that are not considered to be currently available as funds were not received within 90 days after year end. The receipt of these funds is anticipated during the year ended December 31, 2020, and the Town anticipates that the Conservation Trust Fund will report a positive fund balance when the funds are received.

NOTE 10: SUBSEQUENT EVENTS

Potential subsequent events were considered through July 31, 2020. It was determined that the following event is required to be disclosed through this date.

COVID-19

As a result of the coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the Town. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time; however, the Town has been working diligently to address the potential impacts of the pandemic since March of 2020.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEDERLAND, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2018 ACTUAL
REVENUES				
Taxes	$ 1,491,803	$ 1,584,084	$ 92,281	$ 1,472,579
Licenses and Permits	102,675	145,307	42,632	115,201
Intergovernmental	1,361,950	98,183	(1,263,767)	115,388
Charges for Services	56,600	92,004	35,404	49,523
Fines and Forfeitures	64,875	44,907	(19,968)	61,591
Miscellaneous	11,500	126,841	115,341	21,056
Interest	4,000	9,295	5,295	7,157
TOTAL REVENUES	3,093,403	2,100,621	(992,782)	1,842,495
EXPENDITURES				
Current				
General Government	181,048	233,300	(52,252)	181,973
Administration and Finance	368,517	358,270	10,247	335,494
Municipal Court	21,525	21,949	(424)	21,287
Law Enforcement	691,624	647,889	43,735	547,296
Planning and Zoning	126,873	159,798	(32,925)	123,986
Highway and Streets	469,333	442,996	26,337	402,008
Capital Outlay	1,366,571	4,999	1,361,572	49,287
Debt Service				
Principal	-	27,397	(27,397)	26,666
Interest	-	4,174	(4,174)	4,905
TOTAL EXPENDITURES	3,225,491	1,900,772	1,324,719	1,692,902
NET CHANGE IN FUND BALANCE	(132,088)	199,849	331,937	149,593
FUND BALANCES, Beginning	377,214	545,196	167,982	395,603
FUND BALANCES, Ending	$ 245,126	$ 745,045	$ 499,919	$ 545,196

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

DOWNTOWN DEVELOPMENT AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2018 ACTUAL
REVENUES				
Taxes	$ 280,600	$ 357,453	$ 76,853	$ 292,463
Intergovernmental	-	11,475	11,475	11,475
Miscellaneous	-	-	-	625
Interest	2,000	6,452	4,452	3,866
TOTAL REVENUES	282,600	375,380	92,780	308,429
EXPENDITURES				
General Government	36,400	56,059	(19,659)	48,913
Debt Service				
Principal Payments	64,500	53,434	11,066	54,956
Interest Expense	3,225	200	3,025	200
Capital Outlay	64,500	36,293	28,207	25,793
TOTAL EXPENDITURES	168,625	145,986	22,639	129,862
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	113,975	229,394	115,419	178,567
OTHER FINANCING SOURCES (USES)				
Proceeds from Loan	64,500	53,434	(11,066)	54,956
TOTAL OTHER FINANCING SOURCES (USES)	64,500	53,434	(11,066)	54,956
NET CHANGE IN FUND BALANCE	178,475	282,828	104,353	233,523
FUND BALANCE, Beginning	306,962	353,213	46,251	119,690
FUND BALANCE, Ending	$ 485,437	$ 636,041	$ 150,604	$ 353,213

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

COMMUNITY CENTER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2018 ACTUAL
REVENUES				
Sales and Use Taxes	$ 304,625	$ 328,439	$ 23,814	$ 278,586
Charges for Services	109,106	117,561	8,455	115,292
Miscellaneous	500	3,131	2,631	1,280
TOTAL REVENUES	414,231	449,131	34,900	395,158
EXPENDITURES				
Community Center	303,907	283,394	20,513	271,232
Debt Service				
Principal	100,000	100,000	-	95,000
Interest	9,008	9,008	-	10,999
Capital Outlay	50,000	44,100	5,900	-
TOTAL EXPENDITURES	462,915	436,502	26,413	377,231
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(48,684)	12,629	61,313	17,927
FUND BALANCE, Beginning	161,093	179,020	17,927	161,093
FUND BALANCE, Ending	$ 112,409	$ 191,649	$ 79,240	$ 179,020

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF NEDERLAND, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2019

	SPECIAL REVENUE		TOTALS	
	CONSERVATION TRUST FUND	STREET FUND	2019	2018
ASSETS				
Cash and Investments	$ -	$ 80,420	$ 80,420	$ 41,272
Property Taxes Receivable	-	-	-	15,078
Other Receivables	11,895	19,776	31,671	-
Due from Other Funds	-	-	-	1,076
TOTAL ASSETS	$ 11,895	$ 100,196	$ 112,091	$ 57,426
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ 2,555
Due to Other Funds	10,131	-	10,131	4,901
Unearned Revenues	11,895	-	11,895	-
TOTAL LIABILITIES	22,026	-	22,026	7,456
FUND BALANCES				
Restricted	(10,131)	100,196	90,065	49,970
TOTAL LIABILITES AND FUND BALANCES	$ 11,895	$ 100,196	$ 112,091	$ 57,426

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, 2019

	SPECIAL REVENUE			
	CONSERVATION TRUST FUND	STREET FUND	TOTALS 2019	TOTALS 2018
REVENUES				
Taxes	$ -	$ 109,479	$ 109,479	$ 50,819
Intergovernmental	5,736	4,155	9,891	30,056
TOTAL REVENUES	5,736	113,634	119,370	80,875
EXPENDITURES				
Highway and Streets	-	63,275	63,275	15,607
Debt Service				
Principal	14,540	-	14,540	13,623
Interest	1,460	-	1,460	2,377
TOTAL EXPENDITURES	16,000	63,275	79,275	31,607
CHANGE IN FUND BALANCES	(10,264)	50,359	40,095	49,268
FUND BALANCES, Beginning	133	49,837	49,970	702
FUND BALANCES, Ending	$ (10,131)	$ 100,196	$ 90,065	$ 49,970

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2018 ACTUAL
REVENUES				
Intergovernmental	$ 16,000	$ 5,736	$ (10,264)	$ 15,431
TOTAL REVENUES	16,000	5,736	(10,264)	15,431
EXPENDITURES				
Parks and Recreation	16,000	16,000	-	16,000
NET CHANGE IN FUND BALANCE	-	(10,264)	(10,264)	(569)
FUND BALANCE, Beginning	-	133	133	702
FUND BALANCE, Ending	$ -	$ (10,131)	$ (10,131)	$ 133

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

STREET FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019 ORIGINAL AND FINAL BUDGET	2019 ACTUAL	2019 VARIANCE Positive (Negative)	2018 ACTUAL
REVENUES				
Taxes	$ 101,830	$ 109,479	$ 7,649	$ 50,819
Intergovernmental	4,536	4,155	(381)	14,625
TOTAL REVENUES	106,366	113,634	7,268	65,444
EXPENDITURES				
Highway and Streets	99,000	63,275	35,725	15,607
NET CHANGE IN FUND BALANCE	7,366	50,359	42,993	49,837
FUND BALANCE, Beginning	-	49,837	49,837	-
FUND BALANCE, Ending	$ 7,366	$ 100,196	$ 92,830	$ 49,837

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019 ORIGINAL AND FINAL BUDGET	2019 ACTUAL	2019 VARIANCE Positive (Negative)	2018 ACTUAL
REVENUES				
Charges for Services	$ 579,507	$ 601,475	$ 21,968	$ 573,825
Sales and Use Taxes	202,576	218,959	16,383	185,514
Grants	-	776,241	776,241	173,760
Interest	2,500	1,242	(1,258)	3,202
Tap Fees	5,000	6,750	1,750	9,000
Plant Investment Fees	33,924	117,321	83,397	67,848
Miscellaneous	-	-	-	1,796
TOTAL REVENUES	823,507	1,721,988	898,481	1,014,945
EXPENDITURES				
Personnel	217,789	224,668	(6,879)	181,669
Operations	296,713	299,316	(2,603)	296,695
Capital Outlay	-	1,987,958	(1,987,958)	474,217
Depreciation Expense	300,000	411,492	(111,492)	310,693
Debt Service				
Principal	-	196,144	(196,144)	187,810
Interest and Fiscal Charges	27,292	27,273	19	27,993
Transfers Out	-	-	-	200
TOTAL EXPENDITURES	841,794	3,146,851	(2,305,057)	1,479,277
NET INCOME, Budget Basis	$ (18,287)	(1,424,863)	$ (1,406,576)	(464,332)
GAAP BASIS ADJUSTMENTS				
Loan Principal Payments		196,144		187,810
Capital Outlay		1,987,958		474,217
NET INCOME, GAAP Basis		759,239		197,695
NET POSITION, Beginning		2,755,217		2,557,522
NET POSITION, Ending		$ 3,514,456		$ 2,755,217

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2018 ACTUAL
REVENUES				
Charges for Services	$ 464,013	$ 468,345	$ 4,332	$ 495,395
Sales and Use Taxes	202,576	218,959	16,383	185,514
Interest	6,000	8,279	2,279	7,705
Tap Fees	5,000	6,500	1,500	14,000
Plant Investment Fees	34,000	176,122	142,122	96,226
Miscellaneous	-	15,429	15,429	13,293
Transfers In	-	-	-	200
TOTAL REVENUES	711,589	893,634	182,045	812,333
EXPENDITURES				
Personnel	217,639	224,671	(7,032)	181,671
Operations	251,175	257,244	(6,069)	227,543
Capital Outlay	-	41,724	(41,724)	43,997
Depreciation Expense	250,000	254,184	(4,184)	252,172
Debt Service				
Principal	-	113,389	(113,389)	111,155
Interest and Fiscal Charges	29,869	29,869	-	32,103
TOTAL EXPENDITURES	748,683	921,081	(172,398)	848,641
NET INCOME, Budget Basis	$ (37,094)	(27,447)	$ 9,647	(36,308)
GAAP BASIS ADJUSTMENTS				
Principal Payments on Long Term Debt		113,389		111,155
Capital Outlay		41,724		43,997
NET INCOME, GAAP Basis		127,666		118,844
NET POSITION, Beginning		2,790,054		2,671,210
NET POSITION, Ending		$ 2,917,720		$ 2,790,054

See the accompanying independent auditors' report.

STATE COMPLIANCE

ANNUAL HIGHWAY FINANCE REPORT - CY19

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:	$	708,992.00
3. Other local imposts: (from A.3. 'Total' below)	$	26,575.00
4. Miscellaneous local receipts: (from A.4. 'Total' below)	$	31,932.00
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:	$	767,499.00
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:	$	26,575.00
Total: (a + b) carried to 'Other local imposts' above)	$	26,575.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	$	0.00
b. Traffic fines & Penalities:	$	24,021.00
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:	$	7,911.00
h. Other:	$	0.00
Total: (a through h) carried to 'Misc local receipts' above)	$	31,932.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	$	67,420.00
3. Other State funds:		
c. Motor Vehicle Registrations:	$	105,344.00
d. Other (Specify):		
Comments: undefined	$	0.00
e. Other (Specify):		
Comments: undefined	$	0.00
Total: (1-3c,d,e)	$	172,764.00

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:	$	371,220.00
3. Road and street services		
a. Traffic control operations:	$	0.00
b. Snow and ice removal:	$	62,614.00
c. Other:	$	23,494.00
4. General administration & miscellaneous	$	58,558.00
5. Highway law enforcement and safety	$	424,377.00
Total: (A.1-5)	$	940,263.00

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)	$	940,263.00

Please no commas or dollar signs for the input

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

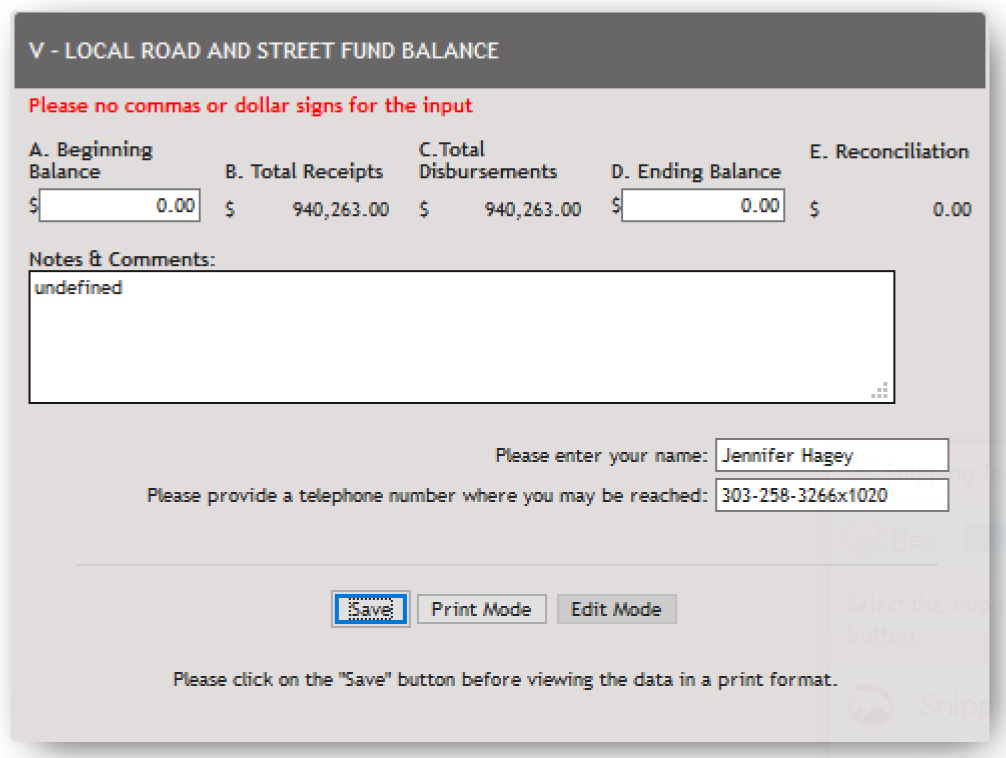
Please no commas or dollar signs for the input

	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: (Lines A.1.a. + 1.b. + 1.c.5)			$ 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	$ 940,263.00	$ 940,263.00	$ 0.00	$ 0.00

Notes & Comments:

undefined

Please enter your name: Jennifer Hagey

Please provide a telephone number where you may be reached: 303-258-3266x1020

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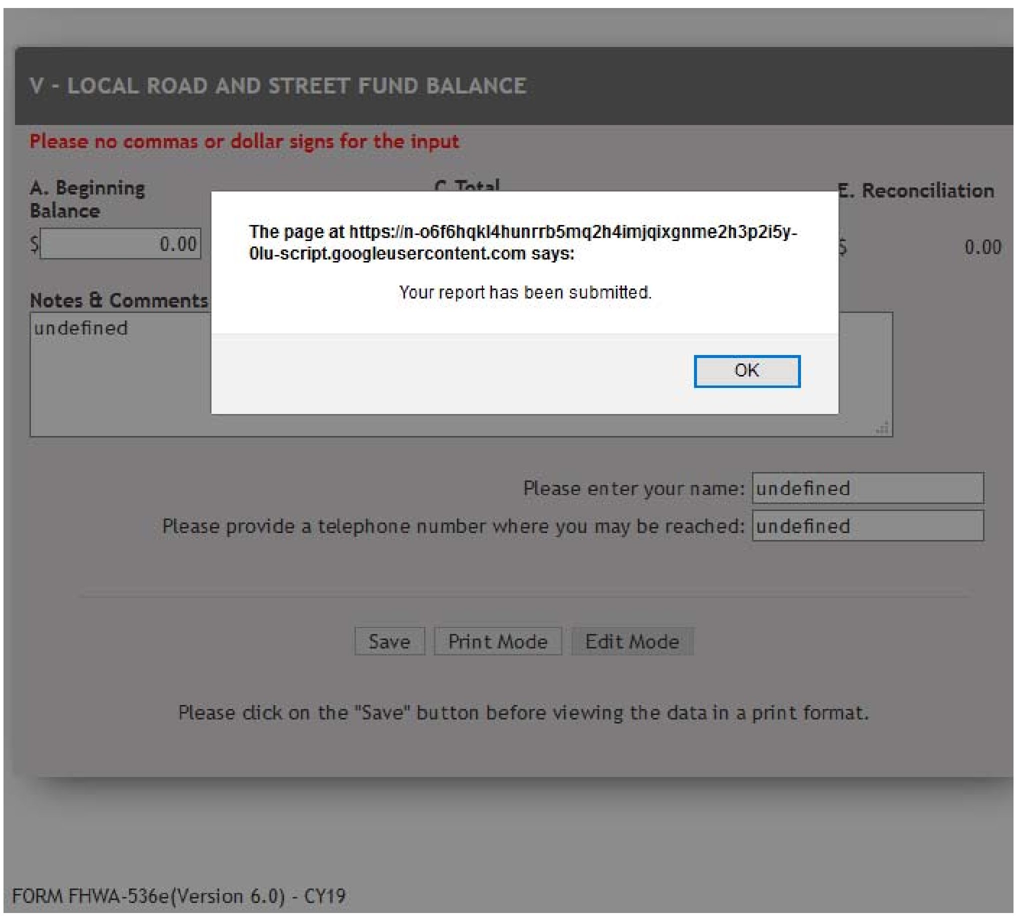

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance

$ 0.00

C.Total

E. Reconciliation

$ 0.00

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Your report has been submitted.

OK

Notes & Comments

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Please enter your name: undefined

Please provide a telephone number where you may be reached: undefined

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