

TOWN OF NEDERLAND, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2022

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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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nederland (the "Town") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nederland as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 25-27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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.

Supplementary and 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 information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The combining and individual fund schedules and State Compliance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

July 26, 2023



Town of Nederland, Colorado Management's Discussion and Analysis

Fiscal Year Ending December 31, 2022

This Management's Discussion and Analysis (MD&A) of the Town of Nederland's 2022 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 (includes Health & Human Services 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.

Overview of the Financial Statements

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

Government-wide Financial Statements:

The government-wide financial statements, 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 report 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, 2022 the governmental funds held \$2,967,060 in cash & investments and \$504,356 in current liabilities.
- As of December 31, 2022, the Town's governmental activities fund held \$5,956,862 in capital assets, a 2.5% increase; and \$64,798 in long-term liabilities, a 58.07% decrease.
- 2022 Nederland tax revenue was up 6.9% compared to fiscal year 2021.
- Total governmental activities net position increased by 4.9 % or \$420,928 during the 2022 fiscal year.

Business-type Activities

- As of December 31, 2022 total assets were \$11,642,062, a decrease of 1.5% over 2021. Current and other assets increased by \$312,581, or 10.3%; Capital assets decreased by \$483,736, or 5.5%.
- Total liabilities decreased by 8.5% or \$409,482 during 2022.
- 2022 service revenue from the water and wastewater services increased by \$113,251 compared to fiscal year 2021. Total program revenues for 2022 decreased by \$80,313 or 5.3% when compared to 2021 total program revenue.
- 2022 expenses from the water and wastewater funds increased \$15,454 or 0.9% compared to fiscal year 2021.
- Total business-type activities net position increased by 3.4% or \$238,327 during the 2022 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 4,942,428	\$ 4,581,841	\$ 3,361,539	\$ 3,048,958	\$ 8,303,967	\$ 7,630,799
Capital assets	5,956,862	5,813,487	8,280,523	8,764,259	14,237,385	14,577,746
Total assets	10,899,290	10,395,328	11,642,062	11,813,217	22,541,352	22,208,545
Long-term debt outstanding	64,798	111,583	3,885,156	4,285,754	4,373,060	4,397,337
Other liabilities	504,356	486,860	510,458	519,342	591,708	1,006,202
Total liabilities	569,154	598,443	4,395,614	4,805,096	4,964,768	5,403,539
Deferred Inflows	1,259,274	1,146,951	-	-	1,259,274	1,146,951
Liabilities & Deferred Inflows	1,828,428	1,745,394	4,395,614	4,805,096	6,224,042	6,550,490
Net position:						
Net Investment in capital assets	5,861,541	5,557,194	4,024,884	4,118,456	9,886,425	9,675,650
Restricted	1,975,632	1,945,325	250,000	250,000	2,225,632	2,195,325
Unrestricted	1,233,689	1,147,415	2,971,564	2,639,665	4,205,253	3,787,080
Total net position	\$ 9,070,862	\$ 8,649,934	\$ 7,246,448	\$ 7,008,121	\$16,317,310	\$15,658,055

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 2022 increased by 4.2% or \$659,255. 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 \$16,317,310 (net position).

The net funds invested in Capital assets (e.g. land, buildings, equipment, etc.) make up 60.6 % 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 (13.6%) represents resources that are subject to various debt provisions, contracts and contingencies on how they may be used. The remaining balance \$4,205,253 is unrestricted and can be used to meet the Town's ongoing obligations to its citizens and creditors. At the end of 2022, the Town reported 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 2022.

	Government Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program Revenue						
Charges for Services	\$ 298,178	\$ 513,095	\$ 1,231,497	\$ 1,118,246	\$ 1,529,675	\$1,631,341
Operating Grants & Contributions	154,365	150,744	-	-	154,365	150,744
Capital Grants & Contributions	128,809	141,037	201,178	394,742	329,987	535,779
Total Program Revenue	581,352	804,876	1,432,675	1,512,988	2,014,027	2,317,864
General Revenues:						
Taxes	3,045,156	2,847,404	547,498	543,278	3,592,654	3,390,682
Investment Income	9,777	4,516	1,433	433	11,210	4,949
Other Revenues	367,422	259,289	17,244	16,344	384,666	275,633
Transfers	43,158	-	(43,158)	-	-	-
Total General Revenues	3,465,513	3,111,209	523,017	560,055	3,988,530	3,671,264
TOTAL REVENUES	4,046,865	3,916,085	1,955,692	2,073,043	6,002,557	5,989,128
Program Expenses:						
General Government	1,579,070	1,370,189	-	-	1,579,070	1,370,189
Public Safety	851,343	724,057	-	-	851,343	724,057
Public Works	739,421	619,901	-	-	739,421	619,901
Parks and Recreation	447,615	381,727	-	-	447,615	381,727
Interest on Long Term Debt	8,488	7,638	42,889	51,979	51,377	59,617
Water and Wastewater	-	-	1,674,476	1,649,932	1,674,476	1,649,932
TOTAL EXPENSES	3,625,937	3,103,512	1,717,365	1,701,911	5,343,302	4,805,423
Change in Net Position	\$ 420,928	\$ 812,573	\$ 238,327	\$ 371,132	\$ 659,255	\$1,183,705
<i>Net Position, Beginning</i>	<i>8,649,934</i>	<i>7,837,361</i>	<i>7,008,121</i>	<i>6,636,989</i>	<i>15,658,055</i>	<i>14,474,350</i>
<i>Net Position, Ending</i>	<i>9,070,862</i>	<i>8,649,934</i>	<i>7,246,448</i>	<i>7,008,121</i>	<i>16,317,310</i>	<i>15,658,055</i>

Governmental Activities

At the end of fiscal year 2022, The Town's governmental activities reported a combined net position of \$9,070,862, an increase of \$420,928 during fiscal year 2022. 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 \$3,209,321, an increase of \$116,581 over the 2021 fund balance.

Revenue increased \$130,780 or 3.3% in 2022 compared to 2021. Tax related revenue of \$3,045,156 in 2022 comprised 75.3% of total revenues from governmental activities. The Town's major sources of revenue are sales tax, property tax, use tax, motor vehicle tax and grants.

The cost of governmental activities in 2022 was \$3,625,937 compared to \$3,103,512 in 2021, a 16.8% increase.

Expenses by Type – Governmental Activities

General Government includes Town Board of Trustees, Town Administrator, Town Clerk, Planning & Zoning, 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.

Year-to-year changes by type of activity:

	2022	2021	% Change
General Government	\$ 1,579,070	\$ 1,370,189	15.2%
Public Safety	851,343	724,057	17.6%
Public Works	739,421	619,901	19.3%
Parks and Recreation	447,615	381,727	17.3%
Interest on Long Term Debt	8,488	7,638	11.1%
Total	\$ 3,625,937	\$ 3,103,512	16.8%

Fund Balance

At the end of 2022, the Town's governmental funds reported a combined (General, Community Center, DDA, Non-Major) fund balance of \$3,209,321. This is an increase of \$116,581 compared to the prior year's ending balance.

Business Type Activities

At year-end, the business-type activities reported total net position of \$7,246,448, an increase of \$238,327.

Budgetary Highlights

In the General Fund, total revenue was \$1,554,259 less than budgeted, this is mainly due to grants budgeted at \$2,105,086 versus actual received in the amount of \$283,174. Tax revenue was \$87,962 higher than the budgeted amount and Licenses and Permits were \$96,299 higher than budgeted. Total expenditures for the General Fund were \$1,815,329 less than budgeted. Each department is reporting lower than budgeted expenses, the biggest savings being in the General Government, which does include the grants.

The Community Center revenues were higher than budgeted by \$48,430 primarily due to additional sales tax revenue received. Expenditures were \$33,331 under budget due to savings in multiple operating expense lines.

Sewer Fund revenues were lower than budgeted by \$30,215, this is mainly due to Plant Investment Fees budgeted at \$139,916 versus actual received in the amount of \$65,508. Sales and use taxes received were \$30,810 higher than budgeted. Total expenditures were \$164,942 lower than budgeted.

Water Fund revenues were slightly higher than budget by \$3,767 and total expenditures were \$341,674 less than the budgeted amount. Capital Outlay was budgeted at \$263,000 compared to actual \$5,004 spent.

Voters approved a 0.25% sales tax increase in April 2018 to support in town road improvements. The Street Fund revenues were \$15,492 higher than budgeted and expenses were \$49,983 under budget due to savings in multiple expense accounts and savings in the capital outlay project.

The Downtown Development Authority's actual change in fund balance was higher than budgeted by \$232,980, primarily due to capital outlay budgeted at \$609,019 compared to actual \$406,013 spent, a savings of \$203,006.

Capital Assets and Debt Administration

At year-end, the Town had \$14,237,385 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. The decrease of \$340,361, or 2.3% from 2021 is primarily due to a combination of an increase in construction in process and plant, land & building and the increase in accumulated depreciation.

	Capital Assets at Year-End					
	Government Activities		Business Activities		Total	
	2022	2021	2022	2021	2022	2021
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	549,525	124,113	-	-	549,525	124,113
Plant, Land & Building	8,629,477	8,574,109	14,880,086	14,675,078	23,509,563	23,249,187
Equipment	892,909	819,910	812,292	807,288	1,705,201	1,627,198
Transportation Equipment	260,977	260,977	352,120	352,120	613,097	613,096
<i>Less Acc Depreciation</i>	<i>(5,077,831)</i>	<i>(4,667,427)</i>	<i>(7,810,411)</i>	<i>(7,116,663)</i>	<i>(12,888,242)</i>	<i>(11,784,090)</i>
Total Capital Assets	\$ 5,956,862	\$ 5,813,487	\$ 8,280,523	\$ 8,764,259	\$ 14,237,385	\$ 14,577,746

During 2022, the Parks Department purchased a new John Deere Gator. They continue making improvements to Barker Meadows Park. The Community Center purchased a new water heater and installed new automatic doors, which are handicap accessible. The Nederland Downtown Development Authority continues their Big Springs Parking Project. The Streets Department secured a Level III EV fast-charger to be installed at the Visitor Center lot and continued forward with designing the sidewalks, which will be developed under the Transportation Improvement Project. The Water and Sewer Department purchased 2 wastewater SAM pumps and they continue making infrastructure improvements including the grit removal project.

Significant 2022 Capital Asset Additions

Parks-John Deere Gator	\$ 36,205
Community Center-Indirect Water Heater	12,731
-Automatic Doors	10,598
Nederland Downtown Sidewalk Improvement Project-(CDOT TIP) Design Phase	37,071
Barker Meadows Improvements	55,368
Nederland Downtown Development Authority-Big Springs Parking Project	315,911
Grit Removal System	<u>160,691</u>
	\$ 628,575

Long-Term Debt

At year-end the Town's governmental funds had outstanding capital leases and accrued compensated absences, which totaled \$95,321.

The Town's business-type funds had outstanding debt from direct borrowings and accrued compensated absences totaling \$4,277,739 at December 31, 2022.

Additional information on the Town's long-term debt can be found in Note 6 on pages 21-23 of this report.

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, 2022

	GOVERNMENTAL	BUSINESS TYPE	TOTALS	
	ACTIVITIES	ACTIVITIES	2022	2021
ASSETS				
Cash and Investments	\$ 2,967,060	\$ 3,462,940	\$ 6,430,000	\$ 5,782,949
Receivables				
Taxes	1,223,278	-	1,223,278	1,222,344
Grants	144,720	-	144,720	154,132
Accounts Receivable	-	425,181	425,181	388,460
Other	60,501	-	60,501	58,706
Prepaid Expenses	7,207	2,320	9,527	13,448
Inventories	-	10,760	10,760	10,760
Interfund Amounts	539,662	(539,662)	-	-
Capital Assets, Not Depreciated	1,251,330	46,436	1,297,766	872,354
Capital Assets, Depreciated Net of Accumulated Depreciation	4,705,532	8,234,087	12,939,619	13,705,392
TOTAL ASSETS	10,899,290	11,642,062	22,541,352	22,208,545
LIABILITIES				
Accounts Payable	119,544	97,626	217,170	221,047
Accrued Liabilities	182,248	7,454	189,702	85,706
Unearned Revenue	48,233	2,119	50,352	49,011
Accrued Interest Payable	-	10,676	10,676	-
Deposits	123,808	-	123,808	115,564
Noncurrent Liabilities				
Due within One Year	30,523	392,583	423,106	534,874
Due in More Than One Year	64,798	3,885,156	3,949,954	4,397,337
TOTAL LIABILITIES	569,154	4,395,614	4,964,768	5,403,539
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues	271,696	-	271,696	-
Deferred Property Tax Revenue	987,578	-	987,578	1,146,951
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,828,428	4,395,614	6,224,042	6,550,490
NET POSITION				
Net Investment in Capital Assets	5,861,541	4,024,884	9,886,425	9,675,650
Restricted for Emergencies	130,000	-	130,000	133,000
Restricted for Community Center	347,717	-	347,717	311,323
Restricted for Downtown Development	1,191,645	-	1,191,645	1,222,335
Restricted for Highways and Streets	291,944	-	291,944	253,490
Restricted for Parks and Recreation	14,326	-	14,326	25,177
Restricted by Debt Covenant	-	250,000	250,000	250,000
Unrestricted	1,233,689	2,971,564	4,205,253	3,787,080
TOTAL NET POSITION	\$ 9,070,862	\$ 7,246,448	\$ 16,317,310	\$ 15,658,055

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

<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	\$ 1,014,652	\$ 29,943	\$ 113,902	\$ -
Administration and Finance	405,933	-	-	-
Municipal Court	23,600	-	-	-
Law Enforcement	827,743	19,715	13,463	-
Planning and Zoning	158,485	133,124	27,000	-
Highway and Streets	739,421	-	-	71,441
Parks and Recreation	447,615	115,396	-	57,368
Interest on Long Term Debt	8,488	-	-	-
Total Governmental Activities	3,625,937	298,178	154,365	128,809
Business-Type Activities				
Sewer	942,019	682,801	-	75,924
Water	732,457	548,696	-	125,254
Interest on Long-term Debt	42,889	-	-	-
Total Business-Type Activities	1,717,365	1,231,497	-	201,178
Total Primary Government	\$ 5,343,302	\$ 1,529,675	\$ 154,365	\$ 329,987

GENERAL REVENUES

Property Taxes
Specific Ownership Taxes
Sales and Use Taxes
Other Taxes
Interest
Miscellaneous
Transfers

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	
		2022	2021
\$ (870,807)	\$ -	\$ (870,807)	\$ (528,685)
(405,933)	-	(405,933)	(573,738)
(23,600)	-	(23,600)	(25,211)
(794,565)	-	(794,565)	(471,697)
1,639	-	1,639	79,147
(667,980)	-	(667,980)	(556,667)
(274,851)	-	(274,851)	(214,147)
(8,488)	-	(8,488)	(7,638)
(3,044,585)	-	(3,044,585)	(2,298,636)
-	(183,294)	(183,294)	(155,554)
-	(58,507)	(58,507)	18,610
-	(42,889)	(42,889)	(51,979)
-	(284,690)	(284,690)	(188,923)
(3,044,585)	(284,690)	(3,329,275)	(2,487,559)
693,030	-	693,030	901,978
32,166	-	32,166	27,886
1,921,850	547,498	2,469,348	2,326,849
398,110	-	398,110	133,969
9,777	1,433	11,210	4,949
367,422	17,244	384,666	275,633
43,158	(43,158)	-	-
3,465,513	523,017	3,988,530	3,671,264
420,928	238,327	659,255	1,183,705
8,649,934	7,008,121	15,658,055	14,474,350
\$ 9,070,862	\$ 7,246,448	\$ 16,317,310	\$ 15,658,055

TOWN OF NEDERLAND, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2022

			SPECIAL REVENUE	
	GENERAL	COMMUNITY	DOWNTOWN	NONMAJOR
	FUND	CENTER	DEVELOPMENT	FUNDS
		FUND	AUTHORITY	
ASSETS				
Cash and Investments	\$ 1,047,948	\$ 403,256	\$ 1,191,723	\$ 324,133
Taxes Receivable	779,961	64,282	379,035	-
Grants Receivable	144,720	-	-	-
Other Receivables	7,116	-	31,958	21,427
Due from Other Funds	622,443	-	-	-
Prepaid Items	7,116	91	-	-
TOTAL ASSETS	<u>\$ 2,609,304</u>	<u>\$ 467,629</u>	<u>\$ 1,602,716</u>	<u>\$ 345,560</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 65,069	\$ 24,328	\$ 355	\$ 29,792
Accrued Liabilities	176,590	5,658	-	-
Due to Other Funds	-	73,283	-	9,498
Unearned Revenues	-	16,552	31,681	-
Deposits	123,808	-	-	-
TOTAL LIABILITIES	<u>365,467</u>	<u>119,821</u>	<u>32,036</u>	<u>39,290</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues	271,696	-	-	-
Deferred Property Tax Revenue	608,543	-	379,035	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>880,239</u>	<u>-</u>	<u>379,035</u>	<u>-</u>
FUND BALANCES				
Nonspendable	7,116	91	-	-
Restricted for Emergencies	130,000	-	-	-
Restricted for Community Center	-	347,717	-	-
Restricted for Downtown Development	-	-	1,191,645	-
Restricted for Highways and Streets	-	-	-	291,944
Restricted for Parks and Recreation	-	-	-	14,326
Unassigned	1,226,482	-	-	-
TOTAL FUND BALANCES	<u>1,363,598</u>	<u>347,808</u>	<u>1,191,645</u>	<u>306,270</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 2,609,304</u>	<u>\$ 467,629</u>	<u>\$ 1,602,716</u>	<u>\$ 345,560</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.

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

These include capital lease payable (\$46,096), and accrued compensated absences (\$49,225).

Net position of governmental activities

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

TOTAL
GOVERNMENTAL FUNDS

2022	2021
\$ 2,967,060	\$ 2,800,134
1,223,278	1,222,344
144,720	154,132
60,501	58,706
622,443	392,862
7,207	13,224
<u>\$ 5,025,209</u>	<u>\$ 4,641,402</u>

\$ 119,544	\$ 111,544
182,248	66,031
82,781	59,561
48,233	49,011
<u>123,808</u>	<u>115,564</u>

<u>556,614</u>	<u>401,711</u>
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271,696	-
<u>987,578</u>	<u>1,146,951</u>
1,259,274	1,146,951

7,207	13,224
130,000	133,000
347,717	311,323
1,191,645	1,222,335
291,944	253,490
14,326	25,177
<u>1,226,482</u>	<u>1,134,191</u>
<u>3,209,321</u>	<u>3,092,740</u>

5,956,862	5,813,487
<u>(95,321)</u>	<u>(256,293)</u>
<u>\$ 9,070,862</u>	<u>\$ 8,649,934</u>

TOWN OF NEDERLAND, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2022

			SPECIAL REVENUE FUNDS	
	GENERAL	COMMUNITY	DOWNTOWN	NONMAJOR
	FUND	CENTER	DEVELOPMENT	FUNDS
		FUND	AUTHORITY	
REVENUES				
Taxes	\$ 2,074,038	\$ 410,623	\$ 404,680	\$ 136,874
Licenses and Permits	133,124	-	-	-
Intergovernmental	283,174	-	-	18,941
Charges for Services	29,943	115,396	-	-
Fines and Forfeitures	19,715	-	-	-
Miscellaneous	366,872	550	-	-
Interest	3,102	-	6,578	97
TOTAL REVENUES	2,909,968	526,569	411,258	155,912
EXPENDITURES				
Current				
General Government	781,211	-	35,585	-
Administration and Finance	405,933	-	-	-
Municipal Court	23,600	-	-	-
Law Enforcement	817,954	-	-	-
Planning and Zoning	158,485	-	-	-
Highway and Streets	636,081	-	-	79,275
Parks and Recreation	-	341,575	-	29,792
Debt Service				
Principal	38,874	112,879	-	-
Interest	3,607	4,531	350	-
Capital Outlay	4,116	31,181	406,013	19,242
TOTAL EXPENDITURES	2,869,861	490,166	441,948	128,309
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	40,107	36,403	(30,690)	27,603
OTHER FINANCING SOURCES (USES)				
Transfers In	43,158	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	43,158	-	-	-
NET CHANGE IN FUND BALANCES	83,265	36,403	(30,690)	27,603
FUND BALANCES, Beginning	1,280,333	311,405	1,222,335	278,667
FUND BALANCES, Ending	\$ 1,363,598	\$ 347,808	\$ 1,191,645	\$ 306,270

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

TOTAL
GOVERNMENTAL FUNDS

2022	2021
\$ 3,026,215	\$ 2,847,404
133,124	243,947
302,115	291,781
145,339	168,585
19,715	100,563
367,422	259,289
9,777	4,516
<u>4,003,707</u>	<u>3,916,085</u>
816,796	504,804
405,933	573,738
23,600	25,211
817,954	689,763
158,485	184,120
715,356	532,969
371,367	294,803
151,753	138,918
8,488	7,638
460,552	159,196
<u>3,930,284</u>	<u>3,111,160</u>
73,423	804,925
43,158	-
<u>43,158</u>	<u>-</u>
116,581	804,925
<u>3,092,740</u>	<u>2,287,815</u>
<u>\$ 3,209,321</u>	<u>\$ 3,092,740</u>

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, 2022

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

Net Changes in Fund Balances - Total Governmental Funds	\$	116,581
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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 \$553,779, exceeds depreciation (\$410,404), in the current period.	143,375
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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 \$144,710, and change in accrued compensated absences of \$16,262.	<u>160,972</u>
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Change in Net Position of Governmental Activities	<u>\$</u>	<u>420,928</u>
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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, 2022

ASSETS	SEWER	WATER	TOTALS	
			2022	2021
Current Assets				
Cash and Investments	\$ 1,072,274	\$ 2,390,666	\$ 3,462,940	\$ 2,982,815
Accounts Receivable	219,945	205,236	425,181	388,460
Inventories	-	10,760	10,760	10,760
Prepaid Expense	78	2,242	2,320	224
Total Current Assets	1,292,297	2,608,904	3,901,201	3,382,259
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	5,913,315	2,367,208	8,280,523	8,764,259
Total Noncurrent Assets	5,913,315	2,367,208	8,280,523	8,764,259
TOTAL ASSETS	7,205,612	4,976,112	12,181,724	12,146,518
LIABILITIES				
Current Liabilities				
Accounts Payable	48,239	49,387	97,626	109,503
Accrued Liabilities	3,727	3,727	7,454	19,675
Due to Other Funds	303,617	236,045	539,662	333,301
Unearned Revenue	-	2,119	2,119	-
Accrued Interest Payable	7,123	3,553	10,676	-
Current Portion of Long-term Debt	269,799	122,784	392,583	390,164
Total Current Liabilities	632,505	417,615	1,050,120	852,643
Noncurrent Liabilities				
Loans Payable	2,931,614	931,442	3,863,056	4,255,639
Loan Premium	17,366	-	17,366	19,333
Compensated Absences	2,367	2,367	4,734	10,782
Total Noncurrent Liabilities	2,951,347	933,809	3,885,156	4,285,754
TOTAL LIABILITIES	3,583,852	1,351,424	4,935,276	5,138,397
NET POSITION				
Net Investment in Capital Assets	2,711,902	1,312,982	4,024,884	4,118,456
Restricted	130,000	120,000	250,000	250,000
Unreserved	779,858	2,191,706	2,971,564	2,639,665
TOTAL NET POSITION	\$ 3,621,760	\$ 3,624,688	\$ 7,246,448	\$ 7,008,121

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, 2022

			TOTALS	
	SEWER	WATER	2022	2021
OPERATING REVENUES				
Charges for Services	\$ 682,801	\$ 548,696	\$ 1,231,497	\$ 1,118,246
TOTAL OPERATING REVENUES	682,801	548,696	1,231,497	1,118,246
OPERATING EXPENSES				
Personnel	191,505	191,508	383,013	418,476
Operations	296,402	301,313	597,715	553,042
Depreciation	454,112	239,636	693,748	678,414
TOTAL OPERATING EXPENSES	942,019	732,457	1,674,476	1,649,932
OPERATING INCOME	(259,218)	(183,761)	(442,979)	(531,686)
NON-OPERATING REVENUES (EXPENSES)				
Sales and Use Taxes	273,749	273,749	547,498	543,278
Interest Income	298	1,135	1,433	433
Miscellaneous	188	17,056	17,244	16,344
Interest Expense	(20,402)	(22,487)	(42,889)	(51,979)
TOTAL NON-OPERATING REVENUES (EXPENSES)	253,833	269,453	523,286	508,076
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(5,385)	85,692	80,307	(23,610)
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Transfers Out	(43,158)	-	(43,158)	-
Plant Investment Fees	65,508	112,438	177,946	339,088
Tap Fees	10,416	12,816	23,232	55,654
TOTAL CAPITAL CONTRIBUTIONS	32,766	125,254	158,020	394,742
CHANGE IN NET POSITION	27,381	210,946	238,327	371,132
NET POSITION, Beginning	3,594,379	3,413,742	7,008,121	6,636,989
NET POSITION, Ending	\$ 3,621,760	\$ 3,624,688	\$ 7,246,448	\$ 7,008,121

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, 2022
 Increase (Decrease) in Cash and Cash Equivalents

			TOTALS	
	SEWER	WATER	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 631,823	\$ 482,952	\$ 1,114,775	\$ 1,043,159
Cash Paid to Employees	(195,370)	(195,373)	(390,743)	(410,299)
Cash Paid to Suppliers	(266,798)	(345,296)	(612,094)	(488,929)
Net Cash Provided by Operating Activities	169,655	(57,717)	111,938	143,931
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Sales Taxes Received	273,749	273,749	547,498	543,278
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Grants Received	-	2,841	2,841	(1,968)
Other Revenue Received	188	17,056	17,244	16,344
Capital Contributions	32,766	125,254	158,020	394,742
Purchase of Capital Assets	(205,008)	(5,004)	(210,012)	(113,107)
Payments (to) from Other Funds	128,717	157,644	286,361	253,557
Loan Payments	(269,799)	(120,365)	(390,164)	(387,792)
Interest Payments	(22,548)	(22,487)	(45,035)	(67,594)
Net Cash Used by Capital and Related Financing Activities	(335,684)	154,939	(180,745)	94,182
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	298	1,136	1,434	433
Net Increase (Decrease) in Cash and Cash Equivalents	108,018	372,107	480,125	781,824
CASH AND CASH EQUIVALENTS, Beginning	964,256	2,018,559	2,982,815	2,200,991
CASH AND CASH EQUIVALENTS, Ending	\$ 1,072,274	\$ 2,390,666	\$ 3,462,940	\$ 2,982,815
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ (259,218)	\$ (183,761)	\$ (442,979)	\$ (531,686)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation and Amortization	454,112	239,636	693,748	676,446
Changes in Assets and Liabilities				
Accounts Receivable	(50,978)	(65,744)	(116,722)	(75,087)
Other Receivable	-	-	-	-
Prepaid Expense	34	(2,130)	(2,096)	(91)
Accounts Payable	29,570	(41,853)	(12,283)	66,172
Accrued Liabilities	(840)	(840)	(1,680)	12,993
Unearned Revenue	-	-	-	-
Accrued Compensated Absences	(3,025)	(3,025)	(6,050)	(4,816)
Total Adjustments	428,873	126,044	554,917	675,617
Net Cash Provided by Operating Activities	\$ 169,655	\$ (57,717)	\$ 111,938	\$ 143,931

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

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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, 2022

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, 2022

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 *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 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, 2022

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 with a maximum of 320 hours to be carried forward at year end. Upon retirement or separation from the Town, employees will be paid for any accumulated paid time off up to the maximum amount allowed.

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, 2022

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 “Interfund 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, 2022

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, 2022, 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.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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, 2022.
- 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, 2022

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.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2022 follows:

Petty Cash	\$ 798
Cash Deposits	<u>6,429,202</u>
Total	<u>\$ 6,430,000</u>

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

Governmental Activities	\$ 2,967,060
Business-type Activities	<u>3,462,940</u>
Total	<u>\$ 6,430,000</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, 2022, 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, 2022, the Town had deposits with financial institutions with a carrying amount of \$6,429,202. The bank balances with the financial institutions were \$6,550,311. Of these balances, \$500,000 was covered by federal depository insurance and \$6,050,311 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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, 2022.

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2022 is summarized below:

	Balances <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2022</u>
Governmental Activities				
Capital Assets, not depreciated				
Land and Sites	\$ 701,805	\$ -	\$ -	\$ 701,805
Construction in Process	<u>124,113</u>	<u>425,412</u>	<u>-</u>	<u>549,525</u>
Total Capital Assets, not depreciated	<u>825,918</u>	<u>425,412</u>	<u>-</u>	<u>1,251,330</u>
Capital Assets, depreciated				
Land Improvements	480,265	-	-	480,265
Infrastructure	2,607,971	55,368	-	2,663,339
Buildings	5,485,873	-	-	5,485,873
Transportation Equipment	260,977	-	-	260,977
Other Equipment	<u>819,910</u>	<u>72,999</u>	<u>-</u>	<u>892,909</u>
Total Capital Assets, depreciated	<u>9,654,996</u>	<u>128,367</u>	<u>-</u>	<u>9,783,363</u>
Less Accumulated Depreciation				
Land Improvements	345,545	23,171	-	368,716
Infrastructure	1,140,378	129,740	-	1,270,118
Buildings	2,453,852	190,540	-	2,644,392
Transportation Equipment	215,345	11,910	-	227,255
Other Equipment	<u>512,307</u>	<u>55,043</u>	<u>-</u>	<u>567,350</u>
Total Accumulated Depreciation	<u>4,667,427</u>	<u>410,404</u>	<u>-</u>	<u>5,077,831</u>
Total Capital Assets, depreciated, Net	<u>4,987,569</u>	<u>(282,037)</u>	<u>-</u>	<u>4,705,532</u>
Governmental Activities, Capital Assets, Net	<u>\$ 5,813,487</u>	<u>\$ 143,375</u>	<u>\$ -</u>	<u>\$ 5,956,862</u>

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

Governmental Activities	
General Government	\$ 76,544
Law Enforcement	30,351
Highway and Streets	133,567
Community Center	143,577
Parks and Recreation	<u>26,365</u>
Total	<u>\$ 410,404</u>

TOWN OF NEDERLAND, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2022</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 11,436	\$ -	\$ -	\$ 11,436
Water Rights	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Total Capital Assets, not depreciated	<u>46,436</u>	<u>-</u>	<u>-</u>	<u>46,436</u>
Capital Assets, depreciated				
Plant and Infrastructure	14,675,078	205,008	-	14,880,086
Equipment	807,288	5,004	-	812,292
Transportation Equipment	<u>352,120</u>	<u>-</u>	<u>-</u>	<u>352,120</u>
Total Capital Assets, depreciated	<u>15,834,486</u>	<u>210,012</u>	<u>-</u>	<u>16,044,498</u>
Less: Accumulated Depreciation				
Plant and Infrastructure	6,193,890	626,396	-	6,820,286
Equipment	611,436	50,257	-	661,693
Transportation Equipment	<u>311,337</u>	<u>17,095</u>	<u>-</u>	<u>328,432</u>
Total Accumulated Depreciation	<u>7,116,663</u>	<u>693,748</u>	<u>-</u>	<u>7,810,411</u>
Total Capital Assets, depreciated, Net	<u>8,717,823</u>	<u>(483,736)</u>	<u>-</u>	<u>8,234,087</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 8,764,259</u>	<u>\$ (483,736)</u>	<u>\$ -</u>	<u>\$ 8,280,523</u>

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

Business-Type Activities	
Sewer Fund	\$ 454,112
Water Fund	<u>239,636</u>
Total	<u>\$ 693,748</u>

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: INTERFUND BALANCES AND TRANSFERS

Advances to Other Funds

During 2022, the Town loaned the Downtown Development Authority \$521,063. During 2022, the Downtown Development Authority paid this loan in full. At December 31, 2022, there was no outstanding balance.

Due to and Due from Other Funds

The balances reported as Due to and Due from Other Funds are the result of 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, 2022.

	Balance <u>12/31/2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2022</u>	Due In <u>One Year</u>
Debt from Direct Borrowings					
Direct Placements					
2013 General Obligation					
Refunding Bonds	\$ 115,000	\$ -	\$ 115,000	\$ -	\$ -
Capital Lease	75,806	-	29,710	46,096	30,523
Compensated Absences	<u>65,487</u>	<u>-</u>	<u>16,262</u>	<u>49,225</u>	<u>-</u>
Total	<u>\$ 256,293</u>	<u>\$ -</u>	<u>\$ 160,972</u>	<u>\$ 95,321</u>	<u>\$ 30,523</u>

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

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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. The loan was paid off as of December 31, 2022.

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.

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2022:

Year Ended December 31,

2023	\$ 31,571
2024	15,785
Less: Interest	<u>(1,260)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 46,096</u></u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2022:

	<u>Balance</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2022</u>	<u>Due In</u> <u>One Year</u>
Debt from Direct Borrowings					
Direct Placements					
CWRPDA Loan – Water	\$ 1,174,591	\$ -	\$ 120,365	\$ 1,054,226	\$ 122,784
CWRPDA Loan – Sewer	2,138,844	-	193,664	1,945,180	193,664
CWRPDA Premium	19,333	-	1,969	17,364	-
CWRPDA Biosolids					
Loan – Sewer	1,332,368	-	76,135	1,256,233	76,135
Compensated Absences	<u>10,782</u>	<u>-</u>	<u>6,046</u>	<u>4,736</u>	<u>-</u>
Total	<u><u>\$ 4,675,918</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 398,179</u></u>	<u><u>\$ 4,277,739</u></u>	<u><u>\$ 392,583</u></u>

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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 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.

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, 2022 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 392,585	\$ 42,480	\$ 435,065
2024	395,052	34,262	429,314
2025	397,569	31,345	428,914
2026	400,138	28,377	428,515
2027	402,756	25,257	428,013
2028 – 2032	1,772,660	54,692	1,827,352
2033 – 2037	380,676	-	380,676
2038 – 2039	<u>114,203</u>	<u>-</u>	<u>114,203</u>
Total Debt Service Requirements	<u>\$ 4,255,639</u>	<u>\$ 216,413</u>	<u>\$ 4,472,052</u>

TOWN OF NEDERLAND, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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, 2022 and 2021, the Town contributed \$32,166 and \$34,076, respectively, to the plan. The plan is administered by the International Town/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, 2022, the emergency reserve of \$130,000 was recorded as a restriction of fund balance in the General Fund.

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through June 26, 2023. It was determined that that the following event was required to be disclosed through this date.

Lease Agreement

In April 2023, the Town entered into a lease agreement for \$511,000 for the purchase of street maintenance equipment that will be paid out of the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEDERLAND, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2021 ACTUAL
REVENUES					
Taxes	\$ 1,951,076	\$ 1,986,076	\$ 2,074,038	\$ 87,962	\$ 1,913,392
Licenses and Permits	36,825	36,825	133,124	96,299	243,947
Intergovernmental	1,937,660	2,105,086	283,174	(1,821,912)	258,284
Charges for Services	124,975	124,975	29,943	(95,032)	85,281
Fines and Forfeitures	111,830	111,830	19,715	(92,115)	100,563
Miscellaneous	96,685	99,435	366,872	267,437	258,757
Interest	-	-	3,102	3,102	2,043
TOTAL REVENUES	4,259,051	4,464,227	2,909,968	(1,554,259)	2,862,267
EXPENDITURES					
Current					
General Government	2,166,457	2,370,684	781,211	1,589,473	463,164
Administration and Finance	400,301	449,115	405,933	43,182	573,738
Municipal Court	25,600	25,600	23,600	2,000	25,211
Law Enforcement	859,409	928,896	817,954	110,942	689,763
Planning and Zoning	167,203	170,314	158,485	11,829	184,120
Highway and Streets	652,702	678,100	636,081	42,019	515,112
Capital Outlay	20,000	20,000	4,116	15,884	75,430
Debt Service					
Principal	38,874	38,874	38,874	-	28,918
Interest	3,607	3,607	3,607	-	2,653
TOTAL EXPENDITURES	4,334,153	4,685,190	2,869,861	1,815,329	2,558,109
(UNDER) EXPENDITURES	(75,102)	(220,963)	40,107	261,070	304,158
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	43,158	43,158	-
Transfers Out	-	(34,650)	-	34,650	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(34,650)	43,158	77,808	-
NET CHANGE IN FUND BALANCE	(75,102)	(255,613)	83,265	338,878	304,158
FUND BALANCES, Beginning	1,269,663	1,269,663	1,280,333	10,670	976,175
FUND BALANCES, Ending	\$ 1,194,561	\$ 1,014,050	\$ 1,363,598	\$ 349,548	\$ 1,280,333

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

COMMUNITY CENTER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Sales and Use Taxes	\$ 364,408	\$ 364,408	\$ 410,623	\$ 46,215	\$ 407,458
Intergovernmental	-	-	-	-	-
Charges for Services	113,156	113,156	115,396	2,240	83,304
Miscellaneous	575	575	550	(25)	532
TOTAL REVENUES	478,139	478,139	526,569	48,430	491,294
EXPENDITURES					
Community Center	352,520	363,088	341,575	21,513	287,484
Debt Service					
Principal	115,000	115,000	112,879	2,121	110,000
Interest	2,409	2,409	4,531	(2,122)	4,714
Capital Outlay	-	43,000	31,181	11,819	-
TOTAL EXPENDITURES	469,929	523,497	490,166	33,331	402,198
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,210	(45,358)	36,403	81,761	89,096
FUND BALANCE, Beginning	311,405	311,405	311,405	-	222,309
FUND BALANCE, Ending	\$ 319,615	\$ 266,047	\$ 347,808	\$ 81,761	\$ 311,405

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

DOWNTOWN DEVELOPMENT AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2021 ACTUAL
REVENUES					
Taxes	\$ 381,600	\$ 381,600	\$ 404,680	\$ 23,080	\$ 390,735
Intergovernmental	510,000	603,537	-	(603,537)	8,320
Interest	2,000	2,000	6,578	4,578	2,463
TOTAL REVENUES	893,600	987,137	411,258	(575,879)	401,518
EXPENDITURES					
General Government	37,901	37,901	35,585	2,316	41,640
Debt Service					
Principal Payments	510,000	603,537	-	603,537	-
Interest Expense	350	350	350	-	271
Capital Outlay	515,482	609,019	406,013	203,006	63,851
TOTAL EXPENDITURES	1,063,733	1,250,807	441,948	808,859	105,762
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(170,133)	(263,670)	(30,690)	232,980	295,756
NET CHANGE IN FUND BALANCE	(170,133)	(263,670)	(30,690)	232,980	295,756
FUND BALANCE, Beginning	1,222,335	1,222,335	1,222,335	-	926,579
FUND BALANCE, Ending	\$ 1,052,202	\$ 958,665	\$ 1,191,645	\$ 232,980	\$ 1,222,335

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF NEDERLAND, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2022

	SPECIAL REVENUE			
	CONSERVATION		TOTALS	
	TRUST FUND	STREET FUND	2022	2021
ASSETS				
Cash and Investments	\$ 49,476	\$ 274,657	\$ 324,133	\$ 265,750
Other Receivables	-	21,427	21,427	22,415
TOTAL ASSETS	<u>\$ 49,476</u>	<u>\$ 296,084</u>	<u>\$ 345,560</u>	<u>\$ 288,165</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 29,792	\$ -	\$ 29,792	\$ -
Due to Other Funds	5,358	4,140	9,498	9,498
TOTAL LIABILITIES	<u>35,150</u>	<u>4,140</u>	<u>39,290</u>	<u>9,498</u>
FUND BALANCES				
Restricted	<u>14,326</u>	<u>291,944</u>	<u>306,270</u>	<u>278,667</u>
TOTAL LIABILITES AND FUND BALANCES	<u>\$ 49,476</u>	<u>\$ 296,084</u>	<u>\$ 345,560</u>	<u>\$ 288,165</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, 2022

	SPECIAL REVENUE			
	CONSERVATION		TOTALS	
	TRUST FUND	STREET FUND	2022	2021
REVENUES				
Taxes	\$ -	\$ 136,874	\$ 136,874	\$ 135,819
Intergovernmental	18,941	-	18,941	25,177
Interest	-	97	97	10
TOTAL REVENUES	18,941	136,971	155,912	161,006
EXPENDITURES				
Highway and Streets	-	79,275	79,275	17,857
Parks and Recreation	29,792	-	29,792	7,319
Capital Outlay	-	19,242	19,242	19,915
TOTAL EXPENDITURES	29,792	98,517	128,309	45,091
CHANGE IN FUND BALANCES	(10,851)	38,454	27,603	115,915
FUND BALANCES, Beginning	25,177	253,490	278,667	162,752
FUND BALANCES, Ending	\$ 14,326	\$ 291,944	\$ 306,270	\$ 278,667

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022		VARIANCE Positive (Negative)	2021 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 16,000	\$ 18,941	\$ 2,941	\$ 18,704
TOTAL REVENUES	<u>16,000</u>	<u>18,941</u>	<u>2,941</u>	<u>18,704</u>
EXPENDITURES				
Parks and Recreation	29,792	29,792	-	7,319
NET CHANGE IN FUND BALANCE	(13,792)	(10,851)	2,941	11,385
FUND BALANCE, Beginning	<u>25,177</u>	<u>25,177</u>	<u>-</u>	<u>13,792</u>
FUND BALANCE, Ending	<u>\$ 11,385</u>	<u>\$ 14,326</u>	<u>\$ 2,941</u>	<u>\$ 25,177</u>

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

STREET FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2021 ACTUAL
REVENUES					
Taxes	\$ 121,469	\$ 121,469	\$ 136,874	\$ 15,405	\$ 135,819
Intergovernmental	-	-	-	-	6,473
Interest	10	10	97	87	10
TOTAL REVENUES	121,479	121,479	136,971	15,492	142,302
EXPENDITURES					
Highway and Streets	78,500	98,500	79,275	19,225	17,857
Capital Outlay	50,000	50,000	19,242	30,758	19,915
TOTAL EXPENDITURES	128,500	148,500	98,517	49,983	37,772
NET CHANGE IN FUND BALANCE	(7,021)	(27,021)	38,454	65,475	104,530
FUND BALANCE, Beginning	253,490	253,490	253,490	-	148,960
FUND BALANCE, Ending	\$ 246,469	\$ 226,469	\$ 291,944	\$ 65,475	\$ 253,490

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			VARIANCE Positive (Negative)	2021 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 680,275	\$ 680,275	\$ 682,801	\$ 2,526	\$ 632,702
Sales and Use Taxes	242,939	242,939	273,749	30,810	271,639
Interest	45	45	298	253	41
Tap Fees	-	-	10,416	10,416	24,692
Plant Investment Fees	139,916	139,916	65,508	(74,408)	125,030
Miscellaneous	-	-	188	188	-
TOTAL REVENUES	<u>1,063,175</u>	<u>1,063,175</u>	<u>1,032,960</u>	<u>(30,215)</u>	<u>1,054,104</u>
EXPENDITURES					
Personnel	301,720	307,751	191,505	116,246	208,395
Operations	317,554	342,554	296,402	46,152	300,403
Capital Outlay	245,000	245,000	205,008	39,992	85,084
Depreciation Expense	-	-	-	-	-
Debt Service					
Principal	269,799	269,799	269,799	-	269,799
Interest and Fiscal Charges	26,112	26,112	20,402	5,710	26,112
Transfers Out	-	-	43,158	(43,158)	-
TOTAL EXPENDITURES	<u>1,160,185</u>	<u>1,191,216</u>	<u>1,026,274</u>	<u>164,942</u>	<u>889,793</u>
NET INCOME, Budget Basis	<u>\$ (97,010)</u>	<u>\$ (128,041)</u>	6,686	<u>\$ 134,727</u>	164,311
GAAP BASIS ADJUSTMENTS					
Loan Principal Payments			269,799		269,799
Capital Outlay			205,008		85,084
Depreciation			(454,112)		(429,180)
NET INCOME, GAAP Basis			27,381		90,014
NET POSITION, Beginning			<u>3,594,379</u>		<u>3,504,365</u>
NET POSITION, Ending			<u>\$ 3,621,760</u>		<u>\$ 3,594,379</u>

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			VARIANCE	2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Charges for Services	\$ 508,184	\$ 508,184	\$ 548,696	\$ 40,512	\$ 485,544
Sales and Use Taxes	242,939	242,939	273,749	30,810	271,639
Grants	-	-	-	-	-
Interest	1,000	1,000	1,135	135	392
Tap Fees	-	-	12,816	12,816	30,962
Plant Investment Fees	210,000	210,000	112,438	(97,562)	214,058
Miscellaneous	-	-	17,056	17,056	16,344
TOTAL REVENUES	962,123	962,123	965,890	3,767	1,018,939
EXPENDITURES					
Personnel	243,916	252,627	191,508	61,119	210,081
Operations	298,466	323,466	301,313	22,153	252,639
Capital Outlay	263,000	263,000	5,004	257,996	14,996
Depreciation Expense	-	-	-	-	-
Debt Service					
Principal	120,365	120,365	120,365	-	117,993
Interest and Fiscal Charges	22,893	22,893	22,487	406	25,867
TOTAL EXPENDITURES	948,640	982,351	640,677	341,674	621,576
NET INCOME, Budget Basis	\$ 13,483	\$ (20,228)	325,213	\$ 345,441	397,363
GAAP BASIS ADJUSTMENTS					
Principal Payments on Long Term Debt			120,365		117,993
Capital Outlay			5,004		14,996
Depreciation			(239,636)		(249,234)
NET INCOME, GAAP Basis			210,946		281,118
NET POSITION, Beginning			3,413,742		3,132,624
NET POSITION, Ending			\$ 3,624,688		\$ 3,413,742

See the accompanying independent auditors' report.

STATE COMPLIANCE

Annual Highway Finance Report - CY22

Email address: acctg@nederlandco.org

City/County: Nederland

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	828,248.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	166,934.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	25,834.00
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: \$ 1,021,016.00

B. Private Contributions

\$ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. | Other local imposts

a. Property Taxes & Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	136,874.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	30,060.00
Total: (a + b) carried to 'Other local imposts' above		\$ 166,934.00

A.4. | Miscellaneous local receipts

a. Interest on Investments:	\$	0.00
b. Traffic fines and Penalties:	\$	16,795.00
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:	\$	9,039.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 25,834.00

C. Receipts from State Government

1. Highway User Taxes:	\$	58,475.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	100,007.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)		\$ 158,482.00

D. Receipts from Federal Government

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

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$ 0.00
2. Maintenance:	\$ 444,332.00
3. Road and street services	
a. Traffic control operations:	\$ 0.00
b. Snow and ice removal:	\$ 80,880.00
c. Other:	\$ 35,743.00
4. General administration and miscellaneous	\$ 77,106.00
5. Highway law enforcement and safety	\$ 541,437.00
Total: (A.1-5)	\$ 1,179,498.00

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

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

Total Disbursements: (A+B+C+D) \$ 1,179,498.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
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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

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	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

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 1,179,498.00	\$ 1,179,498.00	\$ 0.00	\$ 0.00

Notes and Comments:

undefined

Please enter your name: Rita Six

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