TOWN OF NEDERLAND, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2025

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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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 27-29 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 financial statements and 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 financial statements and 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

June 30, 2026

Town of Nederland, Colorado
Management's Discussion and Analysis

Fiscal Year Ending December 31, 2025

This Management's Discussion and Analysis (MD&A) of the Town of Nederland's 2025 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 Manager is responsible for preparing the annual budget which is adopted by the Board of Trustees every December. The Town Manager 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 and Parks 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 the 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, 2025, the governmental funds held \$3,003,972 in cash & investments and \$1,343,162 in current liabilities.

- As of December 31, 2025, the Town's governmental activities fund held \$5,439,354 in capital assets, a decrease of 8.0%; and \$247,927 in long-term liabilities, a decrease of \$108,377.

- 2025 Nederland tax revenue was down by 1.7% or \$60,685 compared to fiscal year 2024.

- Total governmental activities net position decreased by 2.5 % or \$222,827 during the 2025 fiscal year.

Business-type Activities

- As of December 31, 2025, total assets are \$10,461,914, a decrease of 2% over 2024. Current and other assets increased by \$321,463, or 10.3%; Capital assets decreased by \$531,335, or 7%.

- Total liabilities decreased by 11.4% or \$422,144 during 2025.

- 2025 service revenue from the water and wastewater services increased by \$128,080 compared to fiscal year 2024. Total program revenues for 2025 increased by \$373,758 or 27.1% when compared to 2024 total program revenue.

- 2025 expenses from the water and wastewater funds decreased by \$35,974 or 1.6% compared to fiscal year 2024.

- Total business-type activities net position increased by 3% or \$212,272 during the 2024 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	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 6,297,171	$ 5,300,022	$ 3,433,464	$ 3,112,001	$ 9,730,635	$ 8,412,023
Capital assets	5,439,354	5,910,733	7,028,450	7,559,785	12,467,804	13,470,518
Total assets	11,736,525	11,210,755	10,461,914	10,671,786	22,198,439	21,882,541
Long-term debt outstanding	247,927	356,304	2,707,435	3,105,584	2,955,362	3,461,888
Other liabilities	1,195,372	402,780	562,316	586,311	1,757,688	989,091
Total liabilities	1,443,299	759,084	3,269,751	3,691,895	4,713,050	4,450,979
Deferred Inflows	1,465,885	1,401,503	-	-	1,465,885	1,401,503
Liabilities & Deferred Inflows	2,909,184	2,160,587	3,269,751	3,691,895	6,178,935	5,852,482
Net position:						
Net Investment in capital assets	5,087,257	5,454,509	3,958,014	4,091,780	9,045,271	9,546,289
Restricted	2,858,836	2,518,838	436,250	250,000	3,295,086	2,768,838
Unrestricted	881,248	1,076,821	2,797,899	2,638,111	3,679,147	3,714,932
Total net position	$ 8,827,341	$ 9,050,168	$ 7,192,163	$ 6,979,891	$16,019,504	$16,030,059

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 2025 decreased by $10,555. 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 $16,019,504 (net position).

The net funds invested in Capital assets (e.g. land, buildings, equipment, etc.) make up 56.5% or $9,045,271 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 (20.6%) represents resources that are subject to various debt provisions, contracts and contingencies on how they may be used. The remaining balance of $3,679,147 is unrestricted and can be used to meet the Town’s ongoing obligations to its citizens and creditors.

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 2025.

	Government Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenue						
Charges for Services	$ 575,807	$ 574,212	$ 1,460,957	$ 1,332,877	$ 2,036,764	$1,907,089
Operating Grants & Contributions	148,366	213,413	-	-	148,366	213,413
Capital Grants & Contributions	97,357	374,053	290,046	44,368	387,403	418,421
Total Program Revenue	821,530	1,161,678	1,751,003	1,377,245	2,572,533	2,538,923
General Revenues:						
Taxes	3,430,307	3,490,992	539,136	540,080	3,969,443	4,031,072
Investment Income	58,405	84,812	71,433	75,941	129,838	160,753
Other Revenues	45,753	65,027	3,074	12,822	48,827	77,849
Transfers	-	-	-	-	-	-
Total General Revenues	3,534,465	3,640,831	613,643	628,843	4,148,108	4,269,674
TOTAL REVENUES	**4,355,995**	**4,802,509**	**2,364,646**	**2,006,088**	**6,720,641**	**6,808,597**
Program Expenses:						
General Government	1,640,797	2,108,380	-	-	1,640,797	2,108,380
Public Safety	1,198,711	1,282,684	-	-	1,198,711	1,282,684
Public Works	712,749	568,445	-	-	712,749	568,445
Parks and Recreation	1,012,784	965,387	-	-	1,012,784	965,387
Interest on Long Term Debt	13,781	18,242	28,824	31,684	42,605	49,926
Water and Wastewater	-	-	2,123,550	2,156,664	2,123,550	2,156,664
TOTAL EXPENSES	**4,578,822**	**4,943,138**	**2,152,374**	**2,188,348**	**6,731,196**	**7,131,486**
Change in Net Position	**$ (222,827)**	**$ (140,629)**	**$ 212,272**	**$ (182,260)**	**$ (10,555)**	**$(322,889)**
Net Position, Beginning	*9,050,168*	*9,190,797*	*6,979,891*	*7,162,151*	*16,030,059*	*16,352,948*
Net Position, Ending	*8,827,341*	*9,050,168*	*7,192,163*	*6,979,891*	*16,019,504*	*16,030,059*

Governmental Activities

At the end of fiscal year 2025, the Town's governmental activities reported a combined net position of $8,827,341, a decrease of $222,827 during fiscal year 2025. 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 $3,741,970, an increase of $143,724 over the 2024 fund balance.

Revenue decreased by $446,514 or 9.3% in 2025 compared to 2024. In 2025, tax related revenue in the amount of $3,430,307 comprised 78.8% 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 2025 was $4,578,822 compared to $4,943,138 in 2024, a 7.4% decrease.

Expenses by Type – Governmental Activities

General Government includes Town Board of Trustees, Town Manager, 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:

	2025	2024	% Change
General Government	**$ 1,640,797**	**$ 2,108,380**	**-22.2%**
Public Safety	**1,198,711**	**1,282,684**	**-6.6%**
Public Works	**712,749**	**568,445**	**25.4%**
Parks and Recreation	**1,012,784**	**965,387**	**4.9%**
Interest on Long Term Debt	**13,781**	**18,242**	**-24.5%**
Total	**$ 4,578,822**	**$ 4,943,138**	**-7.4%**

Fund Balance

At the end of 2025, the Town's governmental funds reported a combined (General, Community Center, DDA, Non-Major) fund balance of $3,741,970. This is an increase of $143,724 compared to the prior year's ending balance.

Business Type Activities

At year-end, the business-type activities reported total net position of $7,192,163, an increase of $212,272.

Budgetary Highlights

Voters approved a 0.25% sales tax increase for the General Fund in November 2022, effective 1/1/2023, to be used for law enforcement services; personnel to support public safety; equipment and facilities to support public safety; personnel to support other town services; and/or other lawful municipal purposes. Total revenue in the General Fund was $2,458,511 less than budgeted; this is mainly due to grants budgeted at $2,438,397 versus actual received in the amount of $221,030. Tax revenue received was $8,227 lower than the budgeted amount of $2,433,930, and Licenses and Permits were $100,729 higher than budgeted. Total expenditures for the General Fund were $2,543,735 less than budgeted with the biggest savings being in General Government in the amount of $2,277,582, which does include grants.

Voters also approved a 5% special sales tax in November 2022, to be effective 1/1/2023 on the sale of retail marijuana and retail marijuana products to consumers, retail marijuana stores, or retail marijuana product manufacturers. This is in addition to the Nederland sales tax, with proceeds to be used for Parks & Recreation programs and services and/or other lawful municipal purposes.

The Community Center revenues were higher than budgeted by $24,847 and primarily due to increased revenue received for charges for services, including interest revenue. Expenditures were $58,519 under budget due to savings in multiple operating expense lines.

Sewer Fund revenues were lower than budgeted by $25,208, this is mainly due to Plant Investment Fees budgeted at $136,235 versus actual received in the amount of $114,780 and revenue for charges for services were $6,989 less than the budgeted amount. Total expenditures were $86,056 below the budgeted amount.

Water Fund revenues were lower than budgeted by $113,006, this is mainly due to Plant Investment Fees budgeted at $293,142 versus actual received in the amount of $172,116. Total expenditures were $98,832 less than the budgeted amount.

Voters approved a 0.25% sales tax increase in April 2018 to support in town road improvements. The Street Fund revenues were $3,420 lower than the budgeted amount and expenses were $65,521 under budget due to savings in multiple expense accounts and savings in the capital outlay project in the amount of $36,500.

The Downtown Development Authority's actual change in fund balance was higher than budgeted by $792,597, primarily due to capital outlay budgeted at $912,000 compared to actual spent in the amount of $17,581, a savings of $894,419.

Capital Assets and Debt Administration

At year-end, the Town had $12,467,804 invested in a broad range of capital assets including land and improvements, buildings, parks and equipment, vehicles, equipment, water and sewer plants and distribution and collection systems. That is a decrease of $1,002,714, or 7.4% from 2024.

Capital Assets at Year-End

	Government Activities		Business Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
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	318,600	301,019	55,483	-	374,083	301,019
Plant, Land & Building	9,143,630	9,132,285	15,130,535	15,130,535	24,274,165	24,262,820
Equipment	1,315,058	1,285,699	1,512,774	1,327,626	2,827,832	2,613,325
Transportation Equipment	211,202	211,202	352,120	352,120	563,322	563,322
Less Acc Depreciation	(6,250,941)	(5,721,277)	(10,068,898)	(9,296,932)	(16,319,839)	(15,018,209)
Total Capital Assets	**$ 5,439,354**	**$ 5,910,733**	**$ 7,028,450**	**$ 7,559,785**	**$ 12,467,804**	**$ 13,470,518**

During 2025, the Streets Department purchased a Walk ‘n’ packer/roller which attaches to the compactor and had the sand storage structure built. The Town is continuing with the design of the sidewalks, which will be developed under the Transportation Improvement Project and the Nederland Crosswalk Improvement project (Safer Main Streets Grant). The NDDA is providing a match for the Crosswalk Improvement project.

The Utilities Department purchased a bobcat compact excavator, a raw water pump, started the Community Center Water Distribution Project, added a Hilltop Pump Station Generator, purchased a compressor and digester pump. The design for the Sanitary Sewer Rehab IV project has begun and is part of the construction in progress.

Significant 2025 Capital Asset Additions:

Public Works-Walk ‘n’ Roll packer/roller to pull behind compactor	$ 35,000
-Sand Storage Structure	23,500
Nederland Downtown Sidewalk Improvement Project-(CDOT TIP) Design Phase; total construction in progress - $273,162	13,590
Nederland Crosswalk Improvement Project-(CDOT-SMS) Design Phase; total construction in progress - $45,438	3,992
Bobcat Compact Excavator	65,192
Sulzer XFP 100E CB 1.2 PE-Raw Water Pump	10,989
Community Center Water Distribution Project	47,667
Hilltop Pump Station Generator	55,874
Compressor	16,386
Digester Pump	21,094
Sanitary Sewer Rehab IV Design; construction in progress	55,483
	$ 348,767

Long-Term Debt

At year-end the Town's governmental funds had outstanding leases and accrued compensated absences, which totaled $352,097.

The Town's business-type funds had outstanding debt from direct borrowings and accrued compensated absences totaling $3,107,572 on December 31, 2025.

Additional information on the Town's long-term debt can be found in Note 6 on pages 22-24 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, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS 2025	TOTALS 2024
ASSETS				
Cash and Investments	$ 3,003,972	$ 4,150,620	$ 7,154,592	$ 6,332,516
Receivables				
Taxes	1,586,849	-	1,586,849	1,429,737
Grants	35,553	-	35,553	181,240
Accounts Receivable	-	389,649	389,649	377,499
Other	541,648	-	541,648	64,680
Prepaid Expenses	10,961	623	11,584	15,591
Inventories	-	10,760	10,760	10,760
Interfund Amounts	1,118,188	(1,118,188)	-	-
Capital Assets, Not Depreciated	1,020,405	101,919	1,122,324	1,049,260
Capital Assets, Depreciated				
Net of Accumulated Depreciation	4,418,949	6,926,531	11,345,480	12,421,258
TOTAL ASSETS	11,736,525	10,461,914	22,198,439	21,882,541
LIABILITIES				
Accounts Payable	907,131	134,685	1,041,816	276,357
Accrued Liabilities	84,135	18,666	102,801	81,468
Unearned Revenue	15,737	62	15,799	26,042
Accrued Interest Payable	-	8,766	8,766	9,320
Deposits	84,199	-	84,199	98,415
Noncurrent Liabilities				
Due within One Year	104,170	400,137	504,307	497,489
Due in More Than One Year	247,927	2,707,435	2,955,362	3,461,888
TOTAL LIABILITIES	1,443,299	3,269,751	4,713,050	4,450,979
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues	180,566	-	180,566	241,401
Deferred Property Tax Revenue	1,285,319	-	1,285,319	1,160,102
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,909,184	3,269,751	6,178,935	5,852,482
NET POSITION				
Net Investment in Capital Assets	5,087,257	3,958,014	9,045,271	9,546,289
Restricted for Emergencies	147,000	-	147,000	143,000
Restricted for Community Center	830,528	-	830,528	674,620
Restricted for Downtown Development	1,695,723	-	1,695,723	1,480,226
Restricted for Highways and Streets	140,479	-	140,479	193,579
Restricted for Parks and Recreation	45,106	-	45,106	27,413
Restricted by Debt Covenant	-	436,250	436,250	250,000
Unrestricted	881,248	2,797,899	3,679,147	3,714,932
TOTAL NET POSITION	$ 8,827,341	$ 7,192,163	$ 16,019,504	$ 16,030,059

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 811,927	$ 25,354	$ 97,483	$ -
Administration and Finance	601,752	-	-	-
Municipal Court	25,623	-	-	-
Law Enforcement	1,173,088	218,169	35,883	-
Planning and Zoning	206,470	167,529	15,000	-
Highway and Streets	712,749	-	-	25,835
Health and Human Services	20,648			
Parks and Recreation	1,012,784	164,755	-	71,522
Interest on Long Term Debt	13,781	-	-	-
Total Governmental Activities	4,578,822	575,807	148,366	97,357
Business-Type Activities				
Sewer	1,123,454	831,561	-	116,280
Water	1,000,096	629,396	-	173,766
Interest on Long-term Debt	28,824	-	-	-
Total Business-Type Activities	2,152,374	1,460,957	-	290,046
Total Primary Government	$ 6,731,196	$ 2,036,764	$ 148,366	$ 387,403

GENERAL REVENUES
Property Taxes
Specific Ownership Taxes
Sales and Use Taxes
Other 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 2025	TOTALS 2024
$ (689,090)	$ -	$ (689,090)	$ (1,103,021)
(601,752)	-	(601,752)	(710,568)
(25,623)	-	(25,623)	(24,112)
(919,036)	-	(919,036)	(955,335)
(23,941)	-	(23,941)	36,512
(686,914)	-	(686,914)	(302,290)
(20,648)		(20,648)	-
(776,507)	-	(776,507)	(704,404)
(13,781)	-	(13,781)	(18,242)
(3,757,292)	-	(3,757,292)	(3,781,460)
-	(175,613)	(175,613)	(326,766)
-	(196,934)	(196,934)	(452,653)
-	(28,824)	(28,824)	(31,684)
-	(401,371)	(401,371)	(811,103)
(3,757,292)	(401,371)	(4,158,663)	(4,592,563)
811,172	-	811,172	842,757
37,938	-	37,938	35,060
2,143,622	539,136	2,682,758	2,717,526
437,575	-	437,575	435,729
58,405	71,433	129,838	160,753
45,753	3,074	48,827	77,849
3,534,465	613,643	4,148,108	4,269,674
(222,827)	212,272	(10,555)	(322,889)
9,050,168	6,979,891	16,030,059	16,352,948
$ 8,827,341	$ 7,192,163	$ 16,019,504	$ 16,030,059

TOWN OF NEDERLAND, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2025

			SPECIAL REVENUE	
	GENERAL FUND	COMMUNITY CENTER FUND	DOWNTOWN DEVELOPMENT AUTHORITY	NONMAJOR FUNDS
ASSETS				
Cash and Investments	$ -	$ 964,480	$ 1,695,802	$ 343,690
Taxes Receivable	973,322	64,817	548,710	-
Grants Receivable	35,553	-	-	-
Other Receivables	520,055	-	-	21,593
Due from Other Funds	1,456,233	-	-	-
Prepaid Items	10,905	56	-	-
TOTAL ASSETS	$ 2,996,068	$ 1,029,353	$ 2,244,512	$ 365,283
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 890,819	$ 16,312	$ -	$ -
Accrued Liabilities	73,876	8,373	-	-
Due to Other Funds	-	158,347	-	179,698
Unearned Revenues	-	15,737	-	-
Deposits	84,199	-	-	-
TOTAL LIABILITIES	1,048,894	198,769	-	179,698
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues	138,225	-	42,341	-
Deferred Property Tax Revenue	778,871	-	506,448	-
TOTAL DEFERRED INFLOWS OF RESOURCES	917,096	-	548,789	-
FUND BALANCES				
Nonspendable	10,905	56	-	-
Restricted for Emergencies	147,000	-	-	-
Restricted for Community Center	-	830,528	-	-
Restricted for Downtown Development	-	-	1,695,723	-
Restricted for Highways and Streets	-	-	-	140,479
Restricted for Parks and Recreation	-	-	-	45,106
Unassigned	872,173	-	-	-
TOTAL FUND BALANCES	1,030,078	830,584	1,695,723	185,585
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 2,996,068	$ 1,029,353	$ 2,244,512	$ 365,283
	-	-	-	-

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 lease payable ($268,794), accrued interest payable ($1,886) and accrued compensated absences ($83,303).

Net position of governmental activities

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

TOTAL GOVERNMENTAL FUNDS	
2025	2024
$ 3,003,972	$ 2,684,489
1,586,849	1,429,737
35,553	181,240
541,648	64,680
1,456,233	1,172,725
10,961	12,748
$ 6,635,216	$ 5,545,619
$ 907,131	$ 112,771
82,249	64,037
338,045	245,597
15,737	25,050
84,199	98,415
1,427,361	545,870
180,566	241,401
1,285,319	1,160,102
1,465,885	1,401,503
10,961	12,748
147,000	143,000
830,528	674,620
1,695,723	1,480,226
140,479	193,579
45,106	27,413
872,173	1,066,660
3,741,970	3,598,246
5,439,354	5,910,733
(353,983)	(458,811)
$ 8,827,341	$ 9,050,168

TOWN OF NEDERLAND, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL FUND	COMMUNITY CENTER FUND	SPECIAL REVENUE FUNDS DOWNTOWN DEVELOPMENT AUTHORITY	NONMAJOR FUNDS
REVENUES				
Taxes	$ 2,425,703	$ 404,581	$ 465,239	$ 134,784
Licenses and Permits	167,529	-	-	-
Intergovernmental	221,030	-	7,000	17,693
Charges for Services	25,354	164,755	-	-
Fines and Forfeitures	218,169	-	-	-
Miscellaneous	35,495	9,435	-	-
Interest	33,141	18,237	3,231	3,796
TOTAL REVENUES	3,126,421	597,008	475,470	156,273
EXPENDITURES				
Current				
General Government	418,077	-	242,392	-
Administration and Finance	601,752	-	-	-
Municipal Court	25,623	-	-	-
Law Enforcement	1,158,044	-	-	-
Planning and Zoning	206,470	-	-	-
Highway and Streets	437,635	-	-	75,979
Health and Human Services	20,648	-	-	-
Parks and Recreation	393,212	441,133	-	-
Debt Service				
Principal	99,920	-	-	-
Interest	14,482	-	-	-
Capital Outlay	-	-	17,581	58,500
TOTAL EXPENDITURES	3,375,863	441,133	259,973	134,479
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(249,442)	155,875	215,497	21,794
OTHER FINANCING SOURCES (USES)				
Transfers In	77,849	-	-	-
Transfers Out	(20,648)	-	-	(57,201)
TOTAL OTHER FINANCING SOURCES (USES)	57,201	-	-	(57,201)
NET CHANGE IN FUND BALANCES	(192,241)	155,875	215,497	(35,407)
FUND BALANCES, Beginning	1,222,319	674,709	1,480,226	220,992
FUND BALANCES, Ending	$ 1,030,078	$ 830,584	$ 1,695,723	$ 185,585

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

TOTAL GOVERNMENTAL FUNDS	
2025	2024
$ 3,430,307	$ 3,490,991
167,529	178,004
245,723	587,467
190,109	193,273
218,169	202,935
44,930	84,007
58,405	84,812
4,355,172	4,821,489
660,469	990,911
601,752	710,568
25,623	24,112
1,158,044	1,243,082
206,470	156,492
513,614	488,392
20,648	-
834,345	821,448
99,920	111,415
14,482	19,021
76,081	163,546
4,211,448	4,728,987
143,724	92,502
77,849	83,660
(77,849)	(83,660)
-	-
143,724	92,502
3,598,246	3,505,744
$ 3,741,970	$ 3,598,246

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, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Changes in Fund Balances - Total Governmental Funds	$	143,724
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 ($544,076) and net loss on asset disposals ($3,384), exceeded capital outlay, $76,081, in the current period.		(471,379)
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 $99,920, change in accrued interest of $701 and change in compensated absences of $4,207.		104,828
Change in Net Position of Governmental Activities	$	(222,827)

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, 2025

			TOTALS	
ASSETS	SEWER	WATER	2025	2024
Current Assets				
Cash and Investments	$ 1,460,659	$ 2,689,961	$ 4,150,620	$ 3,648,027
Accounts Receivable	214,754	174,895	389,649	377,499
Inventories	-	10,760	10,760	10,760
Prepaid Expense	90	533	623	2,843
Total Current Assets	1,675,503	2,876,149	4,551,652	4,039,129
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	5,022,583	2,005,867	7,028,450	7,559,785
Total Noncurrent Assets	5,022,583	2,005,867	7,028,450	7,559,785
TOTAL ASSETS	6,698,086	4,882,016	11,580,102	11,598,914
LIABILITIES				
Current Liabilities				
Accounts Payable	57,897	76,788	134,685	163,586
Accrued Liabilities	9,333	9,333	18,666	14,844
Due to Other Funds	608,255	509,933	1,118,188	927,128
Unearned Revenue	-	62	62	992
Accrued Interest Payable	6,480	2,286	8,766	9,320
Current Portion of Long-term Debt	269,799	130,338	400,137	397,569
Total Current Liabilities	951,764	728,740	1,680,504	1,513,439
Noncurrent Liabilities				
Loans Payable	2,122,216	548,083	2,670,299	3,070,436
Loan Premium	11,464	-	11,464	13,432
Compensated Absences	12,836	12,836	25,672	21,716
Total Noncurrent Liabilities	2,146,516	560,919	2,707,435	3,105,584
TOTAL LIABILITIES	3,098,280	1,289,659	4,387,939	4,619,023
NET POSITION				
Net Investment in Capital Assets	2,630,568	1,327,446	3,958,014	4,091,780
Restricted	130,000	306,250	436,250	250,000
Unreserved	839,238	1,958,661	2,797,899	2,638,111
TOTAL NET POSITION	$ 3,599,806	$ 3,592,357	$ 7,192,163	$ 6,979,891

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, 2025

	SEWER	WATER	TOTALS 2025	TOTALS 2024
OPERATING REVENUES				
Charges for Services	$ 831,561	$ 629,396	$ 1,460,957	$ 1,332,877
TOTAL OPERATING REVENUES	831,561	629,396	1,460,957	1,332,877
OPERATING EXPENSES				
Personnel	256,731	256,733	513,464	474,860
Operations	371,597	434,470	806,067	912,646
Depreciation	495,126	308,893	804,019	769,158
TOTAL OPERATING EXPENSES	1,123,454	1,000,096	2,123,550	2,156,664
OPERATING INCOME	(291,893)	(370,700)	(662,593)	(823,787)
NON-OPERATING REVENUES (EXPENSES)				
Sales and Use Taxes	269,568	269,568	539,136	540,080
Interest Income	18,560	52,873	71,433	75,941
Miscellaneous	1,608	1,466	3,074	12,822
Interest Expense	(13,767)	(15,057)	(28,824)	(31,684)
TOTAL NON-OPERATING REVENUES (EXPENSES)	275,969	308,850	584,819	597,159
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(15,924)	(61,850)	(77,774)	(226,628)
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Plant Investment Fees	114,780	172,116	286,896	44,268
Tap Fees	1,500	1,650	3,150	100
TOTAL CAPITAL CONTRIBUTIONS	116,280	173,766	290,046	44,368
CHANGE IN NET POSITION	100,356	111,916	212,272	(182,260)
NET POSITION, Beginning	3,499,450	3,480,441	6,979,891	7,162,151
NET POSITION, Ending	$ 3,599,806	$ 3,592,357	$ 7,192,163	$ 6,979,891

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, 2025
Increase (Decrease) in Cash and Cash Equivalents

	SEWER	WATER	TOTALS 2025	TOTALS 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 830,354	$ 617,523	$ 1,447,877	$ 1,372,480
Cash Paid to Employees	(254,933)	(253,276)	(508,209)	(464,542)
Cash Paid to Suppliers	(419,343)	(413,405)	(832,748)	(913,026)
Net Cash Provided by Operating Activities	156,078	(49,158)	106,920	(5,088)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Sales Taxes Received	269,568	269,568	539,136	540,080
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Other Revenue Received	1,608	1,466	3,074	12,822
Capital Contributions	116,280	173,767	290,047	44,369
Purchase of Capital Assets	(125,559)	(147,125)	(272,684)	(365,207)
Payments (to) from Other Funds	93,694	97,366	191,060	170,053
Loan Payments	(269,799)	(127,770)	(397,569)	(395,051)
Interest Payments	(13,767)	(15,057)	(28,824)	(31,684)
Net Cash Used by Capital and Related Financing Activities	(197,543)	(17,353)	(214,896)	(564,698)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	18,560	52,873	71,433	75,941
Net Increase (Decrease) in Cash and Cash Equivalents	246,663	255,930	502,593	46,235
CASH AND CASH EQUIVALENTS, Beginning	1,213,996	2,434,031	3,648,027	3,601,792
CASH AND CASH EQUIVALENTS, Ending	$ 1,460,659	$ 2,689,961	$ 4,150,620	$ 3,648,027
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	$ (291,893)	$ (370,700)	$ (662,593)	$ (823,787)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation and Amortization	495,126	308,893	804,019	769,158
Changes in Assets and Liabilities				
Accounts Receivable	(1,207)	(10,943)	(12,150)	40,295
Prepaid Expense	306	1,914	2,220	102
Accounts Payable	(48,052)	19,151	(28,901)	(482)
Accrued Liabilities	(180)	1,479	1,299	946
Unearned Revenue	-	(930)	(930)	(692)
Accrued Compensated Absences	1,978	1,978	3,956	9,372
Total Adjustments	447,971	321,542	769,513	818,699
Net Cash Provided by Operating Activities	$ 156,078	$ (49,158)	$ 106,920	$ (5,088)

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: ***<u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>*** (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.

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.

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

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

- <u>Nonspendable</u> – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. At December 31, 2025, the Town reports prepaid items as nonspendable.

- <u>Restricted</u> – 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: ***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, 2025.

- 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.

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.

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

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

Petty Cash	$ 648
Cash Deposits	4,332,930
Investments	2,821,014
Total	**$ 7,154,592**

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

Governmental Activities	$ 3,003,972
Business-type Activities	4,150,620
Total	**$ 7,154,592**

The General Fund had a negative cash balance of $757,482 at December 31, 2025. This amount is reported as accounts payable in the financial statements.

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the 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, 2025, the Town had deposits with financial institutions with a carrying amount of $4,332,930. The bank balances with the financial institutions were $3,681,753. Of these balances, $250,000 was covered by federal depository insurance and $3,431,753 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.

Local Government Investment Pools

The Town had invested $2,821,014 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statues, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to $1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

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

Investments (Continued)

CSAFE is rated AAA by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statues, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

The Town has no investments requiring categorization as of December 31, 2025.

NOTE 4: ***CAPITAL ASSETS***

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

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities				
Capital Assets, not depreciated				
Land and Sites	$ 701,805	$ -	$ -	$ 701,805
Construction in Process	301,019	17,581	-	318,600
Total Capital Assets, not depreciated	1,002,824	17,581	-	1,020,405
Capital Assets, depreciated				
Land Improvements	480,265	-	-	480,265
Infrastructure	3,123,231	-	-	3,123,231
Buildings	5,528,789	23,500	12,155	5,540,134
Transportation Equipment	211,202	-	-	211,202
Other Equipment	1,285,699	35,000	5,641	1,315,058
Total Capital Assets, depreciated	10,629,186	58,500	17,796	10,669,890
Less Accumulated Depreciation				
Land Improvements	415,057	23,170	-	438,227
Infrastructure	1,565,754	157,122	-	1,722,876
Buildings	3,010,990	181,949	12,155	3,180,784
Transportation Equipment	161,172	16,679	-	177,851
Other Equipment	568,304	165,156	2,257	731,203
Total Accumulated Depreciation	5,721,277	544,076	14,412	6,250,941
Total Capital Assets, depreciated, Net	4,907,909	(485,576)	3,384	4,418,949
Governmental Activities, Capital Assets, Net	**$ 5,910,733**	**$ (467,995)**	**$ 3,384**	**$ 5,439,354**

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

Governmental Activities	
General Government	$ 92,958
Law Enforcement	12,923
Highway and Streets	257,635
Community Center	142,385
Parks and Recreation	38,175
Total	**$ 544,076**

NOTE 4: *CAPITAL ASSETS* (Continued)

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Business-Type Activities				
Capital Assets, not depreciated				
Land	$ 11,436	$ -	$ -	$ 11,436
Construction in Progress	-	55,483	-	55,483
Water Rights	35,000	-	-	35,000
Total Capital Assets, not depreciated	46,436	55,483	-	101,919
Capital Assets, depreciated				
Plant and Infrastructure	15,130,535	-	-	15,130,535
Equipment	1,327,626	217,201	32,053	1,512,774
Transportation Equipment	352,120	-	-	352,120
Total Capital Assets, depreciated	16,810,281	217,201	32,053	16,995,429
Less: Accumulated Depreciation				
Plant and Infrastructure	8,096,363	619,828	-	8,716,191
Equipment	854,449	178,192	32,053	1,000,588
Transportation Equipment	346,120	5,999	-	352,119
Total Accumulated Depreciation	9,296,932	804,019	32,053	10,068,898
Total Capital Assets, depreciated, Net	7,513,349	(586,818)	-	6,926,531
Business-Type Activities, Capital Assets, Net	**$ 7,559,785**	**$ (531,335)**	**$ -**	**$ 7,028,450**

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

Business-Type Activities	
Sewer Fund	$ 495,126
Water Fund	308,893
Total	**$ 804,019**

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

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, 2025.

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due In One Year
Debt from Direct Borrowings					
Direct Placements					
Leases	$ 368,714	$ -	$ 99,920	$ 268,794	$ 104,170
Compensated Absences	87,510	-	4,207	83,303	-
Total	**$ 456,224**	**$ -**	**$ 104,127**	**$ 352,097**	**$ 104,170**

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

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

Leases

In April 2023, the Town entered into a lease agreement for the purchase of equipment. The lease carries an interest rate of 4.21%. The Town is required to make semi-annual lease payments in the amount of $57,201 through May 2028.

Annual debt service requirements for the outstanding leases at December 31, 2025 are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 104,170	$ 10,231	$ 114,401
2027	108,602	5,800	114,402
2028	56,022	1,179	57,201
Total Debt Service Requirements	**$ 268,794**	**$ 17,210**	**$ 286,004**

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Payments	Balance 12/31/2025	Due In One Year
Debt from Direct Borrowings					
Direct Placements					
CWRPDA Loan – Water	$ 806,190	$ -	$ 127,770	$ 678,420	$ 130,338
CWRPDA Loan – Sewer	1,557,852	-	193,664	1,364,188	193,664
CWRPDA Premium	13,432	-	1,968	11,464	-
CWRPDA Biosolids Loan – Sewer	1,103,963	-	76,135	1,027,828	76,135
Compensated Absences	21,716	3,956	-	25,672	-
Total	**$ 3,503,153**	**$ 3,956**	**$ 399,537**	**$ 3,107,572**	**$ 400,137**

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, 2025 are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 400,137	$ 28,377	$ 428,514
2027	402,756	25,257	428,013
2028	411,283	21,554	432,837
2029	414,010	18,329	432,339
2030	422,644	10,827	433,471
2031 – 2035	753,133	3,982	757,115
2036 – 2039	266,473	-	266,473
Total Debt Service Requirements	**$ 3,070,436**	**$ 108,326**	**$ 3,178,762**

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, 2025 and 2024, the Town contributed $30,451 and $29,148, 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, 2025, the emergency reserve of $147,000 was recorded as a restriction of fund balance in the General Fund.

NOTE 9: ***RISK MANAGEMENT***

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town carries commercial insurance to cover these risks. The Town has not had any claims that exceeded insurable amounts for the last three years.

NOTE 10: ***SUBSEQUENT EVENTS***

Potential subsequent events were considered through June 30, 2026. It was determined that the following event should be disclosed:

The Town intends to finance the acquisition of Eldora Mountain Resort ("Resort") through its Mountain Recreation Enterprise, through the issuance of revenue bonds. The Board of Trustees has approved a purchase agreement for the acquisition and adopted an ordinance authorizing the issuance of such bonds. The final terms of the bonds will be established at pricing and will be subject to then-prevailing market conditions.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEDERLAND, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Taxes	$ 2,433,930	$ 2,425,703	$ (8,227)	$ 2,483,956
Licenses and Permits	66,800	167,529	100,729	178,004
Intergovernmental	2,438,397	221,030	(2,217,367)	569,308
Charges for Services	264,225	25,354	(238,871)	40,188
Fines and Forfeitures	279,930	218,169	(61,761)	202,935
Miscellaneous	101,650	35,495	(66,155)	78,382
Interest	-	33,141	33,141	48,180
TOTAL REVENUES	5,584,932	3,126,421	(2,458,511)	3,600,953
EXPENDITURES				
Current				
General Government	2,695,659	418,077	2,277,582	774,513
Administration and Finance	680,473	601,752	78,721	710,568
Municipal Court	25,550	25,623	(73)	24,112
Law Enforcement	1,200,303	1,158,044	42,259	1,243,082
Planning and Zoning	210,937	206,470	4,467	156,492
Parks	447,529	393,212	54,317	405,674
Health and Human Services	22,950	20,648	2,302	-
Highway and Streets	444,679	437,635	7,044	414,895
Capital Outlay	191,518	-	191,518	64,585
Debt Service				
Principal	-	99,920	(99,920)	111,415
Interest	-	14,482	(14,482)	18,771
TOTAL EXPENDITURES	5,919,598	3,375,863	2,543,735	3,924,107
(UNDER) EXPENDITURES	(334,666)	(249,442)	85,224	(323,154)
OTHER FINANCING SOURCES (USES)				
Transfers In	80,151	77,849	(2,302)	83,660
Transfers Out	(22,950)	(20,648)	2,302	(26,459)
TOTAL OTHER FINANCING SOURCES (USES)	57,201	57,201	-	57,201
NET CHANGE IN FUND BALANCE	(277,465)	(192,241)	85,224	(265,953)
FUND BALANCES, Beginning	1,320,459	1,222,319	(98,140)	1,488,272
FUND BALANCES, Ending	$ 1,042,994	$ 1,030,078	$ (12,916)	$ 1,222,319

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

COMMUNITY CENTER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Sales and Use Taxes	$ 412,000	$ 404,581	$ (7,419)	$ 405,290
Intergovernmental	14,000	-	(14,000)	-
Charges for Services	132,511	164,755	32,244	153,085
Interest	-	18,237	18,237	15,883
Miscellaneous	13,650	9,435	(4,215)	5,625
TOTAL REVENUES	572,161	597,008	24,847	579,883
EXPENDITURES				
Community Center	472,152	441,133	31,019	400,074
Capital Outlay	27,500	-	27,500	5,457
TOTAL EXPENDITURES	499,652	441,133	58,519	405,531
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	72,509	155,875	83,366	174,352
FUND BALANCE, Beginning	596,726	674,709	77,983	500,357
FUND BALANCE, Ending	$ 669,235	$ 830,584	$ 161,349	$ 674,709

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

DOWNTOWN DEVELOPMENT AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Taxes	$ 386,600	$ 465,239	$ 78,639	$ 466,725
Intergovernmental	912,000	7,000	(905,000)	-
Interest	14,700	3,231	(11,469)	14,795
TOTAL REVENUES	1,313,300	475,470	(837,830)	481,520
EXPENDITURES				
General Government	66,000	242,392	(176,392)	216,398
Debt Service				
Principal Payments	912,400	-	912,400	-
Interest Expense	-	-	-	250
Capital Outlay	912,000	17,581	894,419	42,315
TOTAL EXPENDITURES	1,890,400	259,973	1,630,427	258,963
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(577,100)	215,497	792,597	222,557
NET CHANGE IN FUND BALANCE	(577,100)	215,497	792,597	222,557
FUND BALANCE, Beginning	1,085,422	1,480,226	394,804	1,257,669
FUND BALANCE, Ending	$ 508,322	$ 1,695,723	$ 1,187,401	$ 1,480,226

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF NEDERLAND, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2025

	SPECIAL REVENUE		TOTALS	
	CONSERVATION TRUST FUND	STREET FUND	2025	2024
ASSETS				
Cash and Investments	$ 48,773	$ 294,917	$ 343,690	$ 321,003
Other Receivables	-	21,593	21,593	22,457
TOTAL ASSETS	$ 48,773	$ 316,510	$ 365,283	$ 343,460
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ 259
Due to Other Funds	3,667	176,031	179,698	122,209
TOTAL LIABILITIES	3,667	176,031	179,698	122,468
FUND BALANCES				
Restricted	45,106	140,479	185,585	220,992
TOTAL LIABILITES AND FUND BALANCES	$ 48,773	$ 316,510	$ 365,283	$ 343,460

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, 2025

	SPECIAL REVENUE		TOTALS	
	CONSERVATION TRUST FUND	STREET FUND	2025	2024
REVENUES				
Taxes	$ -	$ 134,784	$ 134,784	$ 135,020
Intergovernmental	17,693	-	17,693	18,159
Interest	-	3,796	3,796	5,954
TOTAL REVENUES	17,693	138,580	156,273	159,133
EXPENDITURES				
Highway and Streets	-	75,979	75,979	73,497
Parks and Recreation	-	-	-	15,700
Capital Outlay	-	58,500	58,500	51,189
TOTAL EXPENDITURES	-	134,479	134,479	140,386
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,693	4,101	21,794	18,747
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(57,201)	(57,201)	(57,201)
TOTAL OTHER FINANCING SOURCES (USES)	-	(57,201)	(57,201)	(57,201)
CHANGE IN FUND BALANCES	17,693	(53,100)	(35,407)	(38,454)
FUND BALANCES, Beginning	27,413	193,579	220,992	259,446
FUND BALANCES, Ending	$ 45,106	$ 140,479	$ 185,585	$ 220,992

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Intergovernmental	$ 16,000	$ 17,693	$ 1,693	$ 18,159
TOTAL REVENUES	16,000	17,693	1,693	18,159
EXPENDITURES				
Parks and Recreation	16,000	-	16,000	15,700
NET CHANGE IN FUND BALANCE	-	17,693	17,693	2,459
FUND BALANCE, Beginning	9,954	27,413	17,459	24,954
FUND BALANCE, Ending	$ 9,954	$ 45,106	$ 35,152	$ 27,413

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

STREET FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025 ORIGINAL AND FINAL BUDGET	2025 ACTUAL	2025 VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Taxes	$ 138,000	$ 134,784	$ (3,216)	$ 135,020
Interest	4,000	3,796	(204)	5,954
TOTAL REVENUES	142,000	138,580	(3,420)	140,974
EXPENDITURES				
Highway and Streets	105,000	75,979	29,021	73,497
Capital Outlay	95,000	58,500	36,500	51,189
TOTAL EXPENDITURES	200,000	134,479	65,521	124,686
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58,000)	4,101	62,101	16,288
OTHER FINANCING SOURCES (USES)				
Transfers Out	(57,201)	(57,201)	-	(57,201)
TOTAL OTHER FINANCING SOURCES (USES)	(57,201)	(57,201)	-	(57,201)
NET CHANGE IN FUND BALANCE	(115,201)	(53,100)	62,101	(40,913)
FUND BALANCE, Beginning	125,669	193,579	67,910	234,492
FUND BALANCE, Ending	$ 10,468	$ 140,479	$ 130,011	$ 193,579

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Charges for Services	$ 838,550	$ 831,561	$ (6,989)	$ 748,784
Sales and Use Taxes	275,000	269,568	(5,432)	270,040
Interest	13,000	18,560	5,560	18,338
Tap Fees	-	1,500	1,500	100
Plant Investment Fees	136,235	114,780	(21,455)	7,609
Miscellaneous	-	1,608	1,608	8,311
TOTAL REVENUES	1,262,785	1,237,577	(25,208)	1,053,182
EXPENDITURES				
Personnel	275,425	256,731	18,694	237,429
Operations	371,425	371,597	(172)	364,720
Capital Outlay	191,000	125,559	65,441	237,366
Debt Service				
Principal	269,799	269,799	-	269,799
Interest and Fiscal Charges	15,860	13,767	2,093	14,083
TOTAL EXPENDITURES	1,123,509	1,037,453	86,056	1,123,397
NET INCOME, Budget Basis	$ 139,276	200,124	$ 60,848	(70,215)
GAAP BASIS ADJUSTMENTS				
Loan Principal Payments		269,799		269,799
Capital Outlay		125,559		237,366
Depreciation		(495,126)		(481,110)
NET INCOME, GAAP Basis		100,356		(44,160)
NET POSITION, Beginning		3,499,450		3,543,610
NET POSITION, Ending		$ 3,599,806		$ 3,499,450

See the accompanying independent auditors' report.

TOWN OF NEDERLAND, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Charges for Services	$ 627,933	$ 629,396	$ 1,463	$ 584,093
Sales and Use Taxes	275,000	269,568	(5,432)	270,040
Interest	44,000	52,873	8,873	57,603
Tap Fees	-	1,650	1,650	-
Plant Investment Fees	293,142	172,116	(121,026)	36,659
Miscellaneous	-	1,466	1,466	4,511
TOTAL REVENUES	1,240,075	1,127,069	(113,006)	952,906
EXPENDITURES				
Personnel	275,425	256,733	18,692	237,431
Operations	395,703	434,470	(38,767)	547,926
Capital Outlay	265,600	147,125	118,475	127,841
Debt Service				
Principal	127,770	127,770	-	125,252
Interest and Fiscal Charges	15,489	15,057	432	17,601
TOTAL EXPENDITURES	1,079,987	981,155	98,832	1,056,051
NET INCOME, Budget Basis	$ 160,088	145,914	$ (14,174)	(103,145)
GAAP BASIS ADJUSTMENTS				
Principal Payments on Long Term Debt		127,770		125,252
Capital Outlay		147,125		127,841
Depreciation		(308,893)		(288,048)
NET INCOME, GAAP Basis		111,916		(138,100)
NET POSITION, Beginning		3,480,441		3,618,541
NET POSITION, Ending		$ 3,592,357		$ 3,480,441

See the accompanying independent auditors' report.

STATE COMPLIANCE

COLORADO
Department of Transportation

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3. Confirm that print settings are correct - make sure "selection only" isn't checked.
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6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY25

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:	$	786,565.00
3. Other local imposts: *from A.3. 'Total' below)*	$	170305.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	223340.00
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
d. Total:	$	0.00
7. Total:	$	1,180,210.00
B. Private Contributions	$	0.00
C. Receipts from State government	$	193,764.00
D. Receipts from Federal government	$	0.00
E. Total Receipts (A.7 + B + C + D)	$	1,373,974.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3.¦ Other local imposts

a. Property Taxes &and Assessments	$ 0.00
a. Non-property Taxes and Assessments Imposts	$ 170,305.00
Total: *(a + b) carried to 'Other local imposts' above)*	$ 170305.00

A.4.¦ Miscellaneous local receipts

a. Interest on Investments:	$ 0.00
b. Other Misc. Local Receipts:	$ 223,340.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$ 223340.00

C. Receipts from State Government

1. Highway User Taxes:	$ 66,894.00
3. Other State funds:	
c. Non-State Bond Proceeds:	$ 126,870.00
Total: *(1+3c,d,e)*	$ 193764.00

D. Receipts from Federal Government

2. Other Federal Agencies	
a. Forest Service:	$ 0.00
b. FEMA:	$ 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:	$ 473,649.00
3. Road and street services	

a. ¦Snow and ice removal:	$	63,437.00
b. Other & Traffic Control Operations:	$	25,675.00
c. Total (a + b):	$	89112.00
4. General administration and miscellaneous	$	58,484.00
5. Highway law enforcement and safety	$	752,729.00
6. Total (A.1-5):	$	1373974.00

B. Debt service on local obligations

1. ¦ Bonds		
a. ¦Interest	$	0.00
b. ¦Redemption	$	0.00
c. Total (a + b):	$	0.00
2. ¦ Notes		
a. ¦Interest	$	0.00
b. ¦Redemption	$	0.00
c. Total (a + b):	$	0.00
Total: *(1+2)*	$	0.00
C. Payments to State for Highways:	$	0.00
D. Payments to Toll Facilities:	$	0.00
E. Total Expenditures: *(A6+B3+C+D)*	$	1,373,974.00

Receipts, Disbursements & Costs

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

A.1. Capital Outlay

a. Right-of-way Costs:	$	0.00
b. Engineering Costs:	$	0.00
c. Construction Costs:	$	0.00
d. Total: *(a+b+c)*	$	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	$ 1,373,974.00	$ 1,373,974.00	$ 0.00	$ 0.00

Notes and Comments:

Please enter your name: Rita Six

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

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