

TOWN OF NEDERLAND, COLORADO

FINANCIAL STATEMENTS

December 31, 2008

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TOWN OF NEDERLAND

ROSTER OF TOWN OFFICIALS

December 31, 2008

Martin Cheshes	-	Mayor
Betty Porter	-	Mayor Pro-Tem
Sumaya Abu-Haidar	-	Trustee
Kirk Barnett	-	Trustee
Roger Cornell	-	Trustee
Joe Gierlach	-	Trustee
Dallas Masters	-	Trustee
Jim Stevens	-	Town Administrator
Christi Icenogle	-	Town Clerk
Eva Forberger	-	Town Treasurer

FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Town of Nederland, as of and for the year ended December 31, 2008, which collectively comprise the basic financial statements of the Town of Nederland, as listed in the table of contents. These financial statements are the responsibility of the Town of Nederland's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Town of Nederland's December 31, 2007, financial statements and, in our report dated July 9, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the 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 discretely presented component unit and remaining fund information of the Town of Nederland, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Nederland's basic financial statements. The combining and individual fund financial statements and schedules and local highway finance report 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

May 14, 2009

Town of Nederland
Management's Discussion and Analysis
Fiscal Year Ending December 31, 2008

As management of the Town of Nederland (the Town), we offer readers of the Town's basic financial statements this narrative and analysis of the financial activities of the Town of Nederland for the year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with the additional information provided in the financial statements.

Financial Highlights

The general fund balance increased by \$30,107 from \$246,786 to \$276,893.

The community center fund balance increased by \$254,641 from (\$263,610) to (\$8,969).

The water and sewer fund which were accounted for together under the utility fund are now separate funds. Combined, the net loss before capital contributions for the water and sewer funds improved by \$177,432 from (\$216,560) to (\$39,128).

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The **statement of net assets** presents information on all the Town's assets and liabilities, with the difference between the town being reported as net assets. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The **statement of activities** presents information showing how the Town of Nederland's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the Town of Nederland that are principally supported by taxes and intergovernmental revenues (*Governmental*

Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town of Nederland include general government, law enforcement (police), planning and zoning, highways and streets, community center, and parks and recreation. The Business-type Activities of the Town of Nederland include water and sewer services.

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. Some funds are required to be established by State law and bond covenants; however the Town Board establishes other funds to help control and manage funds for particular purposes. All of the Town's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds – *Governmental funds* are used to account for 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 *short-term inflows and outflows of spendable resources*, as well as on the *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Nederland maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and other funds.

Proprietary Funds – The Town of Nederland maintains two proprietary funds. *Enterprise funds* are use to report the same functions presented as *business-type activities* in the government-wide financial statements. The town uses enterprise type funds to account for its water and sewer services. These funds are considered major funds for the Town of Nederland.

Notes to the financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Analysis

As noted previously, net assets may serve over time as a useful indicator of the Town's financial position. For the year ending December 31, 2008, the Town's combined assets exceeded liabilities by \$5,907,661. Of this amount, \$602,707 is unrestricted and is available to meet the Town's ongoing financial obligations.

NET ASSETS	2007	2008	2007	2008
	Government Activities	Government Activities	Business Type Activities	Business Type Activities
ASSETS				
Cash and Investments	\$273,890	\$165,788	\$59,287	\$320,111
Restricted Cash				\$123,460
Accounts Receivable	\$19,622	\$19,070	\$49,241	
Property Taxes Receivable	\$324,000	\$336,000		
Other Receivables	\$58,927	\$55,305	\$26,490	\$25,427
Inventories			\$10,103	\$10,103
Interfund Balances	(\$417,582)		\$417,582	
Bond Issuance Costs, Net of Amortization			\$1,075	\$717
Land Held for Resale		\$110,000		
Capital Assets, Not Being Depreciated	\$678,738	\$678,738	\$11,436	\$231,586
Capital Assets, Net of Accumulated Depreciation	\$4,530,443	\$4,297,335	\$1,617,253	\$1,481,277
TOTAL ASSETS	\$5,468,038	\$5,662,236	\$2,192,467	\$2,192,681
LIABILITIES				
Accounts Payable	\$48,761	\$75,586	\$31,923	\$33,424
Accrued Liabilities	\$25,490	\$6,153	\$4,372	\$2,828
Accrued Interest Payable			\$2,413	\$1,535
Deferred Property Taxes	\$324,090	\$336,000		
Deposits				
Noncurrent Liabilities				
Due Within One Year	\$90,676	\$77,843	\$40,000	\$40,000
Due in More Than One Year	\$1,417,760	\$1,336,989	\$74,949	\$36,898
TOTAL LIABILITIES	\$1,906,777	\$1,832,571	\$153,657	\$114,685
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$3,733,004	\$3,590,096	\$1,527,681	\$1,648,858
Restricted for Emergencies		\$66,000	\$46,000	
Unrestricted	(\$171,743)	\$173,569	\$465,129	\$429,138
TOTAL NET ASSETS	\$3,561,261	\$3,829,665	\$2,038,810	\$2,077,996

CHANGE IN NET ASSETS	2007	2008	2007	2008
	Government Activities	Government Activities	Business Type Activities	Business Type Activities
Program Revenue				
Charges for Services	\$99,182	\$206,500	\$243,849	\$370,827
Operating Grants & Contributions	\$22,206	\$22,928		
Capital Grants & Contributions	\$752,497	\$481,108	\$5,214	
Total Program Revenue	\$873,885	\$710,536	\$249,063	\$370,827
General Revenues:				
Property Taxes	\$308,343	\$319,900		
Specific Ownership Taxes	\$21,378	\$21,392		
Sales and Use Taxes	\$478,201	\$532,408	\$171,133	\$172,238
Franchise Taxes	\$40,004	\$44,386		
Other Taxes	\$135,864	\$99,462		
Investment Income	\$10,098	\$4,023	\$9,517	\$1,314
Other Revenues	\$198,648	\$37,795		
Total General Revenues	\$1,192,536	\$1,059,366	\$180,650	\$173,552
TRANSFERS		(\$78,314)		\$78,314
TOTAL REVENUES	\$2,066,421	\$1,691,588	\$429,713	\$622,693
Program Expenses:				
General Government	\$151,739	\$458,862		
Law Enforcement	\$293,835	\$350,209		
Planning & Zoning	\$32,051	\$98,722		
Highways and Streets	\$186,852	\$179,479		
Community Center	\$550,780	\$226,144		
Parks and Recreation	\$46,881	\$48,770		
Interest on Long Term Debt	\$62,996	\$60,998		
Water and Sanitation			\$641,059	\$583,507
TOTAL EXPENSES	\$1,325,134	\$1,423,184	\$641,059	\$583,507
Change in Net Assets	\$741,287	\$268,404	(\$211,346)	\$39,186
NET ASSETS, BEGINNING	\$2,819,974	\$3,561,261	\$2,250,156	\$2,038,810
NET ASSETS, ENDING	\$3,561,261	\$3,829,665	\$2,038,810	\$2,077,996

Financial Analysis of the Town's Funds

Government Funds. The focus of the Town of Nederland government funds is to provide information on the near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year the Town's government funds reported a combined ending fund balance of \$268,424, an increase of \$407,908 due in large part to grant money received for the Community Center Renovation Project.

General Fund. The general fund is a major operating fund of the Town. At the end of the current fiscal year fund balance increased from \$246,786 to \$276,893. The Town maintained a TABOR emergency reserve of \$66,000.

Special Revenue Funds. The Conservation Trust Special Revenue Fund facilitates the transaction of Lottery Revenues into an open space property located in Nederland. In 2007, the Mud Lake Open Space Special Revenue Fund, a project that took place mainly from 1999-2001, resulted in significant negative fund balance of \$122,660 at the end of 2007. In 2008, the Town acquired a piece of land to be held for resale valued at \$110,000 increasing the fund balance to a positive \$500.

Water Fund. The Water fund had an operating loss for the year of (\$125,635). The Fund is supported by sales taxes to offset debt as well as charges for services resulting in a net profit of \$38,665. A rate adjustment on charges for services was put in place of August 2008 and modified in January 2009. Each year has part of the budget process; the Town will review and adjust rates for the coming year based on budget operating and debt costs. It also should be noted, the Town is currently involved in the design engineering to improve current facilities to standards required of the state.

Sewer Fund. The Sewer fund had a net loss for the year of (\$77,793). A rate adjustment on charges for services was put in place of August 2008 and modified in January 2009. These rates adjustments will increase revenues to be more in line with current expenses. Similarly to the Water Fund, the Town is currently involved in the design engineering to improve current facilities to standards required of the state.

Government Fund Budgetary Highlights

The Town budgeted for General Fund expenditures of \$1,275,951 for the year ended December 31, 2008. Actual expenditures were \$1,082,795. The reduction in expenditures was primarily due to the timing of \$177,000 pass-through grant revenue that was pushed to 2009.

Capital Assets and Debt Administration

Capital Assets. The Town’s investment in capital assets as of December 31, 2008, amounts to \$6,688,936, net of depreciation. This investment in capital assets consists of the water and sewer plants and infrastructure, road equipment and buildings. There were no major additions for the year. Further detail of the Town’s capital assets is provided in Note 4 to the financial statements.

General Long-Term Debt. As of December 31, 2008 the Town had long-term debt to be paid from the General Fund, Community Center and Conservation Trust Fund, as follows:

	FY2007 Ending Balance	FY2008 Principal Increase	FY2008 Principal Reduction	FY2008 Ending Balance
General Fund	\$45,106		\$16,251	\$28,855
Community Center Fund	\$1,320,000		\$70,000	\$1,250,000
Conservation Trust Special Revenue Fund	\$143,330		\$7,353	\$135,977

Enterprise Type Long Term Debt. As of December 31, 2008 the Town had long-term debt to be paid from the Water and Sewer Funds, as follows:

	FY2008 Ending Balance
Water Fund	\$70,810
Sewer Fund	\$6,088

Economic Factors and Next Year’s Budget

Sales and use tax revenues account for 30% of the total revenue for the General Fund and are an important source for providing funds for the general operations and maintenance of the Town of Nederland. Sales tax revenue was up 2% over the prior year. While the national, state and local economies are projected to recede throughout 2009, sales tax revenue projections for 2009 are projected to remain flat.

In 2006, the Nederland Downtown Development Authority (DDA) organized its bylaws and board of directors (appointed by the Nederland Town Board of Trustees.) In 2007, the DDA was notified of a grant award through the Federal highway administration for new sidewalks along 119 & 72. Sidewalk construction should occur in 2009.

The Town has moved forward on the new plants for both the Water and Sewer utilities. Construction on both the new sewer facility and the water plant expansion project are slated to begin in 2009.

Requests for Information

The financial report is designed to provide a general overview of the Town of Nederland'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 information should be addressed to:

Town of Nederland
Attn: Eva Forberger, Town Treasurer
Town of Nederland, Colorado
PO BOX 396
Nederland, CO 80466

BASIC FINANCIAL STATEMENTS

TOWN OF NEDERLAND, COLORADO

STATEMENT OF NET ASSETS

December 31, 2008

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL		COMPONENT UNIT
			2008	2007	DOWNTOWN DEVELOPMENT AUTHORITY 2008
ASSETS					
Cash and Investments	\$ 165,788	\$ 320,111	\$ 485,899	\$ 333,177	\$ 37,199
Accounts Receivable	19,070	123,460	142,530	68,863	-
Property Taxes Receivable	336,000	-	336,000	324,000	21,000
Other Receivables	55,305	25,427	80,732	85,417	-
Inventories	-	10,103	10,103	10,103	-
Bond Issuance Costs, Net of Accumulated Amortization	-	717	717	1,075	-
Land Held for Resale	110,000	-	110,000	-	-
Capital Assets, Not Being Depreciated	678,738	231,586	910,324	690,174	-
Capital Assets, Net of Accumulated Depreciation	4,297,335	1,481,277	5,778,612	6,147,696	-
TOTAL ASSETS	5,662,236	2,192,681	7,854,917	7,660,505	58,199
LIABILITIES					
Accounts Payable	75,586	33,424	109,010	80,684	-
Accrued Liabilities	6,153	2,828	8,981	29,862	-
Accrued Interest Payable	-	1,535	1,535	2,413	-
Deferred Revenues	336,000	-	336,000	324,090	21,000
Noncurrent Liabilities					
Due Within One Year	77,843	40,000	117,843	130,676	-
Due in More Than One Year	1,336,989	36,898	1,373,887	1,492,709	-
TOTAL LIABILITIES	1,832,571	114,685	1,947,256	2,060,434	21,000
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	3,590,096	1,648,858	5,238,954	5,260,685	-
Restricted for Emergencies	66,000	-	66,000	46,000	-
Unrestricted	173,569	429,138	602,707	293,386	37,199
TOTAL NET ASSETS	\$ 3,829,665	\$ 2,077,996	\$ 5,907,661	\$ 5,600,071	\$ 37,199

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2008

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 458,862	\$ 10,838	\$ 8,200	\$ 210,000
Law Enforcement	350,209	47,049	-	-
Planning and Zoning	98,722	70,900	-	-
Highways and Streets	179,479	900	-	-
Community Center	226,144	76,813	-	248,000
Parks and Recreation	48,770	-	14,728	23,108
Interest on Long-Term Debt	60,998	-	-	-
Total Governmental Activities	1,423,184	206,500	22,928	481,108
Business-Type Activities				
Sewer Utility	217,452	139,002	-	-
Water Utility	366,055	231,825	-	-
Total Business-Type Activities	583,507	370,827	-	-
TOTAL PRIMARY GOVERNMENT	\$ 2,006,691	\$ 577,327	\$ 22,928	\$ 481,108
Component Unit				
Downtown Development Authority	\$ 14,460	\$ -	\$ -	\$ 10,000

GENERAL REVENUES

Property Taxes
 Specific Ownership Taxes
 Incremental Property Taxes
 Sales and Use Taxes
 Franchise Taxes
 Other Taxes
 Investment Income
 Miscellaneous

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET ASSETS

NET ASSETS, Beginning

NET ASSETS, Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				COMPONENT UNIT
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL		DOWNTOWN DEVELOPMENT AUTHORITY
		2008	2007	2008
\$ (229,824)	\$ -	\$ (229,824)	\$ (137,246)	\$ -
(303,160)	-	(303,160)	(255,532)	-
(27,822)	-	(27,822)	(15,367)	-
(178,579)	-	(178,579)	(184,998)	-
98,669	-	98,669	114,673	-
(10,934)	-	(10,934)	90,217	-
(60,998)	-	(60,998)	(62,996)	-
<u>(712,648)</u>	<u>-</u>	<u>(712,648)</u>	<u>(451,249)</u>	<u>-</u>
-	(78,450)	(78,450)	-	-
<u>-</u>	<u>(134,230)</u>	<u>(134,230)</u>	<u>(391,996)</u>	<u>-</u>
-	(212,680)	(212,680)	(391,996)	-
<u>(712,648)</u>	<u>(212,680)</u>	<u>(925,328)</u>	<u>(843,245)</u>	<u>-</u>
				<u>4,460</u>
319,900	-	319,900	308,343	21,278
21,392	-	21,392	21,378	1,337
-	-	-	-	22,018
532,408	172,238	704,646	649,334	-
44,386	-	44,386	40,004	-
99,462	-	99,462	135,864	-
4,023	1,314	5,337	19,615	320
37,795	-	37,795	198,648	263
(78,314)	78,314	-	-	-
<u>981,052</u>	<u>251,866</u>	<u>1,232,918</u>	<u>1,373,186</u>	<u>45,216</u>
268,404	39,186	307,590	529,941	40,756
<u>3,561,261</u>	<u>2,038,810</u>	<u>5,600,071</u>	<u>5,070,130</u>	<u>(3,557)</u>
\$ <u><u>3,829,665</u></u>	\$ <u><u>2,077,996</u></u>	\$ <u><u>5,907,661</u></u>	\$ <u><u>5,600,071</u></u>	\$ <u><u>37,199</u></u>

TOWN OF NEDERLAND, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

	GENERAL	COMMUNITY CENTER	NONMAJOR FUNDS	TOTAL	
				2008	2007
ASSETS					
Cash and Investments	\$ 161,688	\$ 100	\$ 4,000	\$ 165,788	\$ 273,890
Accounts Receivable	-	19,070	-	19,070	19,622
Property Taxes Receivable	336,000	-	-	336,000	324,000
Other Receivables	55,305	-	-	55,305	58,927
Interfund Receivable	128,266	-	-	128,266	-
Land Held for Resale	-	-	110,000	110,000	-
TOTAL ASSETS	<u>\$ 681,259</u>	<u>\$ 19,170</u>	<u>\$ 114,000</u>	<u>\$ 814,429</u>	<u>\$ 676,439</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 62,760	\$ 8,826	\$ 4,000	\$ 75,586	\$ 48,761
Accrued Liabilities	5,606	547	-	6,153	25,490
Deferred Property Taxes	336,000	-	-	336,000	324,090
Interfund Payable	-	18,766	109,500	128,266	417,582
TOTAL LIABILITIES	<u>404,366</u>	<u>28,139</u>	<u>113,500</u>	<u>546,005</u>	<u>815,923</u>
FUND BALANCES					
Reserved for Emergencies	66,000	-	-	66,000	-
Unreserved, Reported in General Fund	210,893	-	-	210,893	246,786
Special Revenue Funds	-	(8,969)	500	(8,469)	(386,270)
TOTAL FUND BALANCES	<u>276,893</u>	<u>(8,969)</u>	<u>500</u>	<u>268,424</u>	<u>(139,484)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 681,259</u>	<u>\$ 19,170</u>	<u>\$ 114,000</u>	<u>\$ 814,429</u>	<u>\$ 676,439</u>

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

Total Fund Balances of Governmental Funds	\$ 268,424	\$ (139,484)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount is net of accumulated depreciation of \$1,293,989.	4,976,073	5,209,181
Long-term liabilities, including bonds payable (\$1,250,000), notes payable (\$135,977), and accrued compensated absences (\$28,855), are not due and payable in the current year and, therefore, not reported in the funds.	<u>(1,414,832)</u>	<u>(1,508,436)</u>
Net Assets of Governmental Activities	<u>\$ 3,829,665</u>	<u>\$ 3,561,261</u>

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2008

	GENERAL	COMMUNITY CENTER	NONMAJOR FUNDS	TOTAL	
				2008	2007
REVENUES					
Taxes	\$ 888,694	\$ 128,854	\$ -	\$ 1,017,548	\$ 983,790
Licenses and Permits	54,945	-	-	54,945	8,236
Intergovernmental	131,308	248,000	14,728	394,036	344,668
Charges for Services	35,361	76,813	-	112,174	59,030
Fines and Forfeitures	39,381	-	-	39,381	31,916
Investment Income	4,023	-	-	4,023	10,098
Miscellaneous	4,320	20,315	123,160	147,795	628,683
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,158,032	473,982	137,888	1,769,902	2,066,421
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES					
Current					
General Government	288,108	-	-	288,108	208,373
Administration and Finance	121,390	-	-	121,390	97,431
Municipal Court	32,847	-	-	32,847	29,050
Law Enforcement	337,970	-	-	337,970	287,925
Planning and Zoning	98,722	-	-	98,722	32,051
Highways and Streets	136,136	-	-	136,136	156,449
Community Center	-	141,430	-	141,430	109,014
Parks and Recreation	45,749	-	-	45,749	40,882
Capital Outlay	8,444	-	-	8,444	1,680,382
Debt Service					
Principal	12,847	70,000	7,353	90,200	98,225
Interest and Fiscal Charges	582	51,769	8,647	60,998	62,996
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,082,795	263,199	16,000	1,361,994	2,802,778
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	75,237	210,783	121,888	407,908	(736,357)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	43,858	1,272	45,130	16,500
Transfers Out	(45,130)	-	-	(45,130)	(16,500)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	(45,130)	43,858	1,272	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	30,107	254,641	123,160	407,908	(736,357)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, Beginning	246,786	(263,610)	(122,660)	(139,484)	596,873
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, Ending	\$ 276,893	\$ (8,969)	\$ 500	\$ 268,424	\$ (139,484)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

TOWN OF NEDERLAND, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2008

	2008	2007
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Change in Fund Balances of Governmental Funds	\$ 407,908	\$ (736,357)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense (\$163,238) and contributions to other funds (\$78,314), exceeded capital outlay \$8,444 in the current year.	(233,108)	1,378,312
Repayments of bonds \$70,000, notes \$7,353, and capital leases \$12,847, and the net change in compensated absences \$3,404 are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	93,604	99,332
Change in Net Assets of Governmental Activities	\$ 268,404	\$ 741,287

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

December 31, 2008

	SEWER	WATER	TOTAL	
			2008	2007
ASSETS				
Current Assets				
Cash and Investments	\$ 159,291	\$ 160,820	\$ 320,111	\$ 59,287
Accounts Receivable	49,625	73,835	123,460	49,241
Other Receivables	-	25,427	25,427	26,490
Inventories	-	10,103	10,103	10,103
TOTAL CURRENT ASSETS	208,916	270,185	479,101	145,121
Noncurrent Assets				
Interfund Receivable	-	-	-	417,582
Bond Issuance Costs, Net of Accumulated Amortization	-	717	717	1,075
Capital Assets, Not Being Depreciated	85,780	145,806	231,586	11,436
Capital Assets, Net of Accumulated Depreciation	355,673	1,125,604	1,481,277	1,617,253
TOTAL NONCURRENT ASSETS	441,453	1,272,127	1,713,580	2,047,346
TOTAL ASSETS	650,369	1,542,312	2,192,681	2,192,467
LIABILITIES				
Current Liabilities				
Accounts Payable	12,358	21,066	33,424	31,923
Accrued Liabilities	1,414	1,414	2,828	4,372
Accrued Interest Payable	-	1,535	1,535	2,413
Bonds Payable, Current Portion	-	40,000	40,000	40,000
TOTAL CURRENT LIABILITIES	13,772	64,015	77,787	78,708
Noncurrent Liabilities				
Compensated Absences Payable	6,088	6,088	12,176	12,866
Bonds Payable	-	24,722	24,722	62,083
TOTAL NONCURRENT LIABILITIES	6,088	30,810	36,898	74,949
TOTAL LIABILITIES	19,860	94,825	114,685	153,657
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	441,453	1,207,405	1,648,858	1,527,681
Restricted for Emergencies	-	-	-	46,000
Unrestricted	189,056	240,082	429,138	465,129
TOTAL NET ASSETS	\$ 630,509	\$ 1,447,487	\$ 2,077,996	\$ 2,038,810

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
 Year Ended December 31, 2008

	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>	
			<u>2008</u>	<u>2007</u>
OPERATING REVENUES				
Charges for Services	\$ 138,957	\$ 223,650	\$ 362,607	\$ 220,893
Miscellaneous	<u>45</u>	<u>8,175</u>	<u>8,220</u>	<u>22,956</u>
 TOTAL OPERATING REVENUES	 <u>139,002</u>	 <u>231,825</u>	 <u>370,827</u>	 <u>243,849</u>
 OPERATING EXPENSES				
Personnel	103,380	104,521	207,901	170,972
Operations	66,299	121,064	187,363	341,296
Depreciation	47,773	131,517	179,290	114,243
Amortization	<u>-</u>	<u>358</u>	<u>358</u>	<u>358</u>
 TOTAL OPERATING EXPENSES	 <u>217,452</u>	 <u>357,460</u>	 <u>574,912</u>	 <u>626,869</u>
 OPERATING INCOME (LOSS)	 <u>(78,450)</u>	 <u>(125,635)</u>	 <u>(204,085)</u>	 <u>(383,020)</u>
 NONOPERATING REVENUES (EXPENSES)				
Sales and Use Taxes	-	172,238	172,238	171,133
Investment Income	657	657	1,314	9,517
Interest Expense	<u>-</u>	<u>(8,595)</u>	<u>(8,595)</u>	<u>(14,190)</u>
 TOTAL NONOPERATING REVENUES (EXPENSES)	 <u>657</u>	 <u>164,300</u>	 <u>164,957</u>	 <u>166,460</u>
 INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	 <u>(77,793)</u>	 <u>38,665</u>	 <u>(39,128)</u>	 <u>(216,560)</u>
 CAPITAL CONTRIBUTIONS				
Capital Assets Contributed from Other Funds	<u>-</u>	<u>78,314</u>	<u>78,314</u>	<u>5,214</u>
 CHANGE IN NET ASSETS	 <u>(77,793)</u>	 <u>116,979</u>	 <u>39,186</u>	 <u>(211,346)</u>
 NET ASSETS, Beginning	 <u>708,302</u>	 <u>1,330,508</u>	 <u>2,038,810</u>	 <u>2,250,156</u>
 NET ASSETS, Ending	 <u>\$ 630,509</u>	 <u>\$ 1,447,487</u>	 <u>\$ 2,077,996</u>	 <u>\$ 2,038,810</u>

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

TOWN OF NEDERLAND, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Increase (Decrease) in Cash
Year Ended December 31, 2008

	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>	
			<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 110,075	\$ 187,595	\$ 297,670	\$ 265,824
Cash Payments to Employees	(104,497)	(105,638)	(210,135)	(174,769)
Cash Payments to Suppliers	(65,744)	(120,117)	(185,861)	(315,143)
Net Cash Used by Operating Activities	<u>(60,166)</u>	<u>(38,160)</u>	<u>(98,326)</u>	<u>(224,088)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Sales and Use Taxes Received	-	172,238	172,238	171,133
Payments from Other Funds	263,501	154,081	417,582	-
Payments to Other Funds	-	-	-	(278,936)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>263,501</u>	<u>326,319</u>	<u>589,820</u>	<u>(107,803)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Plant Investment Fees Received	-	-	-	5,214
Purchases of Capital Assets	(74,344)	(110,806)	(185,150)	(18,410)
Principal Payments	-	(40,000)	(40,000)	(36,934)
Interest Payments	-	(6,834)	(6,834)	(12,319)
Net Cash Used by Capital and Related Financing Activities	<u>(74,344)</u>	<u>(157,640)</u>	<u>(231,984)</u>	<u>(62,449)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Earnings Received	<u>657</u>	<u>657</u>	<u>1,314</u>	<u>9,517</u>
NET INCREASE (DECREASE) IN CASH	129,648	131,176	260,824	(384,823)
CASH, Beginning	<u>29,643</u>	<u>29,644</u>	<u>59,287</u>	<u>444,110</u>
CASH, Ending	<u>\$ 159,291</u>	<u>\$ 160,820</u>	<u>\$ 320,111</u>	<u>\$ 59,287</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (78,450)	\$ (125,635)	\$ (204,085)	\$ (383,020)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities				
Depreciation	47,773	131,517	179,290	114,243
Amortization	-	358	358	358
Changes in Assets and Liabilities				
Accounts Receivable	(28,927)	(45,293)	(74,220)	22,120
Other Receivables	-	1,063	1,063	(145)
Accounts Payable	555	947	1,502	26,153
Accrued Liabilities	(772)	(772)	(1,544)	(3,405)
Compensated Absences Payable	(345)	(345)	(690)	(392)
Net Cash Used by Operating Activities	<u>\$ (60,166)</u>	<u>\$ (38,160)</u>	<u>\$ (98,326)</u>	<u>\$ (224,088)</u>
NON-CASH ACTIVITIES				
Capital Assets Contributed from Other Funds	<u>\$ -</u>	<u>\$ 78,314</u>	<u>\$ 78,314</u>	<u>\$ -</u>

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

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Nederland, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

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 organizations that are fiscally dependent upon it.

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 does not issue separate financial statements and is discretely presented in the financial statements, although it is considered nonmajor for financial reporting purposes.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all activities of the Town and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *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. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the Town is financially accountable.

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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 segment 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*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual 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 revenues 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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The Town reports the following major proprietary funds:

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

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

Assets, Liabilities and Net Assets/Fund Balances

Cash and Investments - Investments are stated at fair value.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables and Payables - Temporary loans between individual funds are classified on the balance sheet as *interfund receivables* and *interfund payables*.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Inventories - Inventories are valued using the average cost method. Materials and supplies purchased by the governmental funds are charged to operations when purchased.

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets/Fund Balances (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 fund in the fund financial statements. 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 fair market value at the date of donation.

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

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

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

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.

Deferred Revenues - Deferred revenues include grant funds that have been collected but the corresponding expenditures have not been incurred. Property taxes earned but levied for a subsequent year are also reported as deferred revenues in the financial statements.

Compensated Absences - Employees of the Town are allowed to accumulate paid time off to a maximum of 280 hours. Upon retirement or separation from the Town, employees with six months of continuous service will be paid 50% of accumulated paid time off if employed less than three years, and 75% of accumulated paid time off if employed more than three years.

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

Long-Term Debt - In the government-wide financial statements, and the proprietary funds 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 statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets/Fund Balances (Continued)

In the fund financial statements, governmental funds recognize the face amount of debt issued 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 current expenditures.

Net Assets/Fund Balance - In the government-wide financial statements and the proprietary funds in the fund financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following 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 reported at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Information

Comparative total information 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 information 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. Certain prior year amounts have been reclassified to conform to the current year presentation.

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 2: CASH AND INVESTMENTS

Cash Deposits

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. 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2008, the Town had bank deposits of \$234,621 collateralized with securities held by the financial institutions' agents but not in the Town's name.

Investments

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, custodial and concentration risk criteria in which local governments may invest, which include the following:

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

At December 31, 2008, the Town had no investments.

NOTE 3: INTERFUND BALANCES AND TRANSACTIONS

At December 31, 2008, the Community Center and Mud Lake Funds owed the General Fund \$18,766 and \$109,500, respectively, because the General Fund had temporarily covered the negative cash balances of these funds.

Interfund transfers for the year ended December 31, 2008, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	
Community Center Fund	General Fund	\$ 43,858
Conservation Trust Fund	General Fund	<u>1,272</u>
Total		<u><u>\$ 45,130</u></u>

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 3: INTERFUND BALANCES AND TRANSACTIONS (Continued)

The General Fund transferred certain amounts to the Community Center and Conservation Trust Funds to assist with debt service payments.

NOTE 4: CAPITAL ASSETS

Capital asset transactions for the year ended December 31, 2008, are summarized below. Certain prior year balances have been reclassified to conform to the current year presentation.

	Balances 12/31/07	Additions	Deletions	Balances 12/31/08
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land and Sites	\$ 678,738	\$ -	\$ -	\$ 678,738
Capital Assets, Being Depreciated				
Land Improvements	722,268	-	97,892	624,376
Buildings	4,155,447	-	-	4,155,447
Transportation Equipment	350,823	-	-	350,823
Other Equipment	452,234	8,444	-	460,678
Total Capital Assets, Being Depreciated	<u>5,680,772</u>	<u>8,444</u>	<u>97,892</u>	<u>5,591,324</u>
Less Accumulated Depreciation				
Land Improvements	(280,364)	(18,870)	(19,578)	(279,656)
Buildings	(210,063)	(81,913)	-	(291,976)
Transportation Equipment	(270,988)	(37,255)	-	(308,243)
Other Equipment	(388,914)	(25,200)	-	(414,114)
Total Accumulated Depreciation	<u>(1,150,329)</u>	<u>(163,238)</u>	<u>(19,578)</u>	<u>(1,293,989)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,530,443</u>	<u>(154,794)</u>	<u>78,314</u>	<u>4,297,335</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,209,181</u>	<u>\$ (154,794)</u>	<u>\$ 78,314</u>	<u>\$ 4,976,073</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 11,436	\$ -	\$ -	\$ 11,436
Water Rights	35,000	-	-	35,000
Construction in Progress	-	185,150	-	185,150
Total Capital Assets, Not Being Depreciated	<u>46,436</u>	<u>185,150</u>	<u>-</u>	<u>231,586</u>
Capital Assets, Being Depreciated				
Plant and Infrastructure	3,562,694	78,314	-	3,641,008
Equipment	190,156	-	-	190,156
Transportation Equipment	182,228	-	-	182,228
Total Capital Assets, Being Depreciated	<u>3,935,078</u>	<u>78,314</u>	<u>-</u>	<u>4,013,392</u>

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 4: CAPITAL ASSETS (Continued)

	Balances 12/31/07	Additions	Deletions	Balances 12/31/08
Business-Type Activities				
Less Accumulated Depreciation				
Plant and Infrastructure	(2,123,601)	(172,012)	-	(2,295,613)
Equipment	(49,336)	(4,938)	-	(54,274)
Transportation Equipment	(179,888)	(2,340)	-	(182,228)
Total Accumulated Depreciation	<u>(2,352,825)</u>	<u>(179,290)</u>	<u>-</u>	<u>(2,532,115)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,582,253</u>	<u>(100,976)</u>	<u>-</u>	<u>1,481,277</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,628,689</u>	<u>\$ 84,174</u>	<u>\$ -</u>	<u>\$ 1,712,863</u>

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

Governmental Activities		
General Government		\$ 16,534
Law Enforcement		15,626
Highways and Streets		43,343
Community Center		84,714
Parks and Recreation		<u>3,021</u>
Total		<u>\$ 163,238</u>

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2008.

	Balance 12/31/07	Additions	Payments	Balance 12/31/08	Due Within One Year
2003 General Obligation Bonds	\$ 1,320,000	\$ -	\$ 70,000	\$ 1,250,000	\$ 70,000
2000 Land Purchase Note	143,330	-	7,353	135,977	7,843
2005 Capital Lease	12,847	-	12,847	-	-
Compensated Absences	<u>32,259</u>	<u>-</u>	<u>3,404</u>	<u>28,855</u>	<u>-</u>
Total	<u>\$ 1,508,436</u>	<u>\$ -</u>	<u>\$ 93,604</u>	<u>\$ 1,414,832</u>	<u>\$ 77,843</u>

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 5: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

In April 2003, the Town issued General Obligation Bonds in the amount of \$1,450,000 along with Capital Appreciation Bonds with a face value of \$49,999. Bond proceeds were used to renovate and repair the Town's Community Center. Interest accrues on the Bonds at rates ranging from 2% to 4.2% per annum. Interest payments are due on June 1 and December 1. Principal payments are due on December 1, through 2022.

Annual debt service requirements for the Bonds at December 31, 2008, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 70,000	\$ 49,764	\$ 119,764
2010	70,000	47,664	117,664
2011	75,000	45,354	120,354
2012	75,000	42,729	117,729
2013	80,000	40,010	120,010
2014-2018	450,000	150,020	600,020
2019-2022	<u>430,000</u>	<u>47,300</u>	<u>477,300</u>
Total	<u>\$ 1,250,000</u>	<u>\$ 422,841</u>	<u>\$ 1,672,841</u>

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

Annual debt service requirements for the note at December 31, 2008, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 7,843	\$ 8,157	\$ 16,000
2010	8,339	7,661	16,000
2011	8,867	7,133	16,000
2012	9,409	6,591	16,000
2013	10,024	5,976	16,000
2014-2018	60,461	19,539	80,000
2019-2020	<u>31,034</u>	<u>966</u>	<u>32,000</u>
Total	<u>\$ 135,977</u>	<u>\$ 56,023</u>	<u>\$ 192,000</u>

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 5: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

During 2005, the Town entered into a capital lease to finance the purchase of two new vehicles for the police department. Monthly installments of \$1,458, including interest at 5%, were due through September, 2008. Capital assets of \$48,593 have been capitalized under this lease. During the year ended December 31, 2008, this lease was paid in full.

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2008.

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/08</u>	<u>Due Within</u> <u>One Year</u>
1996 Water Refunding Bonds	\$ 110,000	\$ -	\$ 40,000	\$ 70,000	\$ 40,000
Loss on Refunding	(7,917)	-	(2,639)	(5,278)	-
Compensated Absences	<u>12,866</u>	<u>-</u>	<u>690</u>	<u>12,176</u>	<u>-</u>
Total	<u>\$ 114,949</u>	<u>\$ -</u>	<u>\$ 38,051</u>	<u>\$ 76,898</u>	<u>\$ 40,000</u>

In 1996, the Town issued General Obligation Water Refunding Bonds in the amount of \$435,000. The Bonds require interest payments in February and principal and interest payments in December. Interest accrues at rates ranging from 5.3% to 5.85%. The Bonds mature in August, 2010. Following is a schedule of the future debt obligations relating to the Bonds:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 40,000	\$ 4,094	\$ 44,094
2010	<u>30,000</u>	<u>1,755</u>	<u>31,755</u>
Total	<u>\$ 70,000</u>	<u>\$ 5,849</u>	<u>\$ 75,849</u>

NOTE 6: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss and for workers compensation, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 6: RISK MANAGEMENT (Continued)

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

NOTE 7: EMPLOYEE PENSION PLAN

Deferred Compensation

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 3% of the employee's salary. Investments are managed by the International City Managers Association Retirement Corporation (ICMARC) under a number of investment options. The choice of investment option is made by the employee. During the year ended December 31, 2008, the Town contributed \$17,075 to the plan.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Grants

Grants from governmental entities are governed by various rules and regulations of the grantor agencies. Under the terms of the grants, costs charged to the grant programs are subject to audit and adjustment by the grantor agency. Such audit could lead to reimbursement to the grantor agency. Management believes there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants the Town has received. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

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 the State and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the Amendment. However, the Town has made certain interpretations of the Amendment's language in order to determine compliance.

In November 1995, the Town citizens approved a ballot question allowing the Town to retain revenues in excess of the Tabor revenue limits to be used for the prepayment of debt incurred before February 1, 1995. In the same election, a second question allowed the Town to exclude non-federal grants from the Tabor revenue limit.

In November of 1999, the Town citizens approved two ballot questions allowing the Town to retain revenues in excess of the Tabor revenue limits to be used for open space acquisition and capital expenditures.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2008, the emergency reserve, of \$66,000, was reported as restricted net assets in the Sewer and Water Funds.

Litigation

The Town is involved in various lawsuits. The outcome of this litigation cannot be determined at this time.

Contingency

At December 31, 2008, the Town had agreed to construct affordable housing for low-income residents with \$72,000 received from Boulder County. However, if the Town fails to build the housing, the Town must reimburse the County the full amount of the award.

NOTE 9: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2008, the Community Center Fund had a negative fund balance of \$8,969. Management expects to eliminate this negative balance with future revenues.

TOWN OF NEDERLAND, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 10: RECLASSIFICATION

During the year ended December 31, 2008, the Town separated the Utility Fund into the Water and Sewer Funds for reporting purposes. Net assets at December 31, 2007, were reclassified to reflect this change, as follows:

	<u>Utility</u>	<u>Sewer</u>	<u>Water</u>
Net Assets, December 31, 2007, as Originally Stated	\$ 2,038,810	\$ -	\$ -
Reclassification	<u>(2,038,810)</u>	<u>708,302</u>	<u>1,330,508</u>
Net Assets, December 31, 2007, as Reclassified	<u>\$ -</u>	<u>\$ 708,302</u>	<u>\$ 1,330,508</u>

NOTE 11: SUBSEQUENT EVENT

On January 30, 2009, the Colorado Water Resources and Power Development Authority approved the Town's loan application in the amount of \$2,500,000 through the Authority's Drinking Water Revolving Fund. Proceeds of the loan will be used to finance the construction of a water treatment facility.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEDERLAND, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2008

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes	\$ 837,883	\$ 837,883	\$ 888,694	\$ 50,811
Licenses and Permits	57,884	57,884	54,945	(2,939)
Intergovernmental	37,000	314,740	131,308	(183,432)
Charges for Services	7,832	7,832	35,361	27,529
Fines and Forfeitures	52,234	52,234	39,381	(12,853)
Investment Income	3,060	3,060	4,023	963
Miscellaneous	18,818	18,818	4,320	(14,498)
TOTAL REVENUES	<u>1,014,711</u>	<u>1,292,451</u>	<u>1,158,032</u>	<u>(134,419)</u>
EXPENDITURES				
General Government	247,900	447,900	288,108	159,792
Administration and Finance	110,109	110,109	121,390	(11,281)
Municipal Court	28,235	28,235	32,847	(4,612)
Law Enforcement	309,532	309,532	351,399	(41,867)
Planning and Zoning	75,596	75,596	98,722	(23,126)
Highways and Streets	184,598	184,598	144,580	40,018
Parks and Recreation	42,241	119,981	45,749	74,232
TOTAL EXPENDITURES	<u>998,211</u>	<u>1,275,951</u>	<u>1,082,795</u>	<u>193,156</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,500	16,500	75,237	58,737
OTHER FINANCING SOURCES (USES)				
Transfers Out	(16,500)	(16,500)	(45,130)	(28,630)
NET CHANGE IN FUND BALANCE	-	-	30,107	30,107
FUND BALANCE, Beginning	<u>186,825</u>	<u>186,825</u>	<u>246,786</u>	<u>59,961</u>
FUND BALANCE, Ending	<u>\$ 186,825</u>	<u>\$ 186,825</u>	<u>\$ 276,893</u>	<u>\$ 90,068</u>

See the accompanying Independent Auditors' Report.

TOWN OF NEDERLAND, COLORADO

BUDGETARY COMPARISON SCHEDULE

COMMUNITY CENTER FUND

Year Ended December 31, 2008

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Sales and Use Taxes	\$ 120,488	\$ 120,488	\$ 128,854	\$ 8,366
Intergovernmental	-	-	248,000	248,000
Charges for Services	92,047	92,047	76,813	(15,234)
Miscellaneous	400,000	400,000	20,315	(379,685)
TOTAL REVENUES	<u>612,535</u>	<u>612,535</u>	<u>473,982</u>	<u>(138,553)</u>
EXPENDITURES				
Community Center	92,047	145,515	141,430	4,085
Debt Service				
Principal	65,000	65,000	70,000	(5,000)
Interest and Fiscal Charges	54,400	54,400	51,769	2,631
TOTAL EXPENDITURES	<u>211,447</u>	<u>264,915</u>	<u>263,199</u>	<u>1,716</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	401,088	347,620	210,783	(136,837)
OTHER FINANCING SOURCES				
Transfers In	-	-	43,858	43,858
NET CHANGE IN FUND BALANCE	401,088	347,620	254,641	(92,979)
FUND BALANCE, Beginning	<u>(327,891)</u>	<u>(327,891)</u>	<u>(263,610)</u>	<u>64,281</u>
FUND BALANCE, Ending	<u>\$ 73,197</u>	<u>\$ 19,729</u>	<u>\$ (8,969)</u>	<u>\$ (28,698)</u>

See the accompanying Independent Auditors' Report.

TOWN OF NEDERLAND, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2008

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- By October 15, Town administration 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 an ordinance.
- 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). Budgetary comparisons presented for the Enterprise Funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal payments are budgeted as expenditures.
- All appropriations lapse at year end.

Legal Compliance

For the year ended December 31, 2008, the Mud Lake Fund budget provided for expenditures in excess of resources available. This may be a violation of State statute.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TOWN OF NEDERLAND, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2008

	<u>MUD LAKE</u>	<u>CONSERVATION TRUST</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ -	\$ 4,000	\$ 4,000
Land Held for Resale	<u>110,000</u>	<u>-</u>	<u>110,000</u>
TOTAL ASSETS	<u>\$ 110,000</u>	<u>\$ 4,000</u>	<u>\$ 114,000</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 4,000	\$ 4,000
Interfund Payable	<u>109,500</u>	<u>-</u>	<u>109,500</u>
TOTAL LIABILITIES	<u>109,500</u>	<u>4,000</u>	<u>113,500</u>
FUND BALANCES			
Unreserved, Reported in Special Revenue Funds	<u>500</u>	<u>-</u>	<u>500</u>
TOTAL FUND BALANCES	<u>500</u>	<u>-</u>	<u>500</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 110,000</u>	<u>\$ 4,000</u>	<u>\$ 114,000</u>

See the accompanying Independent Auditors' Report.

TOWN OF NEDERLAND, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2008

	<u>MUD LAKE</u>	<u>CONSERVATION TRUST</u>	<u>TOTAL</u>
REVENUES			
Intergovernmental	\$ -	\$ 14,728	\$ 14,728
Miscellaneous	123,160	-	123,160
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	123,160	14,728	137,888
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt Service			
Principal	-	7,353	7,353
Interest and Fiscal Charges	-	8,647	8,647
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	16,000	16,000
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	123,160	(1,272)	121,888
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES			
Transfers In	-	1,272	1,272
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	123,160	-	123,160
	<hr/>	<hr/>	<hr/>
FUND BALANCES, Beginning	(122,660)	-	(122,660)
	<hr/>	<hr/>	<hr/>
FUND BALANCES, Ending	\$ <u>500</u>	\$ <u>-</u>	\$ <u>500</u>

See the accompanying Independent Auditors' Report.

TOWN OF NEDERLAND, COLORADO

BUDGETARY COMPARISON SCHEDULE

MUD LAKE FUND

Year Ended December 31, 2008

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Miscellaneous	\$ -	\$ 123,160	\$ 123,160
OTHER FINANCING SOURCES			
Transfer In	11,637	-	(11,637)
NET CHANGE IN FUND BALANCE	11,637	123,160	111,523
FUND BALANCE, Beginning	(130,146)	(122,660)	7,486
FUND BALANCE, Ending	<u>\$ (118,509)</u>	<u>\$ 500</u>	<u>\$ 119,009</u>

See the accompanying Independent Auditors' Report.

TOWN OF NEDERLAND, COLORADO

BUDGETARY COMPARISON SCHEDULE

CONSERVATION TRUST FUND

Year Ended December 31, 2008

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	\$ 11,137	\$ 14,728	\$ 3,591
EXPENDITURES			
Debt Service	16,000	16,000	-
TOTAL EXPENDITURES	16,000	16,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,863)	(1,272)	3,591
OTHER FINANCING SOURCES			
Transfer In	4,863	1,272	(3,591)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, Beginning	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

TOWN OF NEDERLAND, COLORADO

BUDGETARY COMPARISON SCHEDULE

SEWER FUND

Year Ended December 31, 2008

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services	\$ 64,453	\$ 138,957	\$ 74,504
Miscellaneous	565,652	45	(565,607)
Investment Income	2,484	657	(1,827)
TOTAL REVENUES	<u>632,589</u>	<u>139,659</u>	<u>(492,930)</u>
EXPENDITURES			
Personnel	95,874	103,380	(7,506)
Operations	137,060	66,299	70,761
Depreciation and Amortization	67,500	47,773	19,727
Capital Outlay	99,694	74,344	25,350
TOTAL EXPENDITURES	<u>400,128</u>	<u>291,796</u>	<u>108,332</u>
CHANGE IN NET ASSETS, Budgetary Basis	<u>\$ 232,461</u>	(152,137)	<u>\$ (384,598)</u>
ADJUSTMENTS TO GAAP BASIS			
Capital Outlay		<u>74,344</u>	
CHANGE IN NET ASSETS, GAAP Basis		(77,793)	
NET ASSETS, Beginning		<u>708,302</u>	
NET ASSETS, Ending		<u>\$ 630,509</u>	

See the accompanying Independent Auditors' Report.

TOWN OF NEDERLAND, COLORADO

BUDGETARY COMPARISON SCHEDULE

WATER FUND

Year Ended December 31, 2008

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services	\$ 91,108	\$ 223,650	\$ 132,542
Miscellaneous	65,652	8,175	(57,477)
Sales and Use Taxes	160,650	172,238	11,588
Investment Income	2,484	657	(1,827)
TOTAL REVENUES	<u>319,894</u>	<u>404,720</u>	<u>84,826</u>
EXPENDITURES			
Personnel	95,874	104,521	(8,647)
Operations	196,478	121,064	75,414
Depreciation and Amortization	68,000	131,875	(63,875)
Capital Outlay	111,179	110,806	373
Debt Service			
Principal	35,000	40,000	(5,000)
Interest and Fiscal Charges	13,400	8,595	4,805
TOTAL EXPENDITURES	<u>519,931</u>	<u>516,861</u>	<u>3,070</u>
CHANGE IN NET ASSETS, Budgetary Basis	<u>\$ (200,037)</u>	(112,141)	<u>\$ 87,896</u>
ADJUSTMENTS TO GAAP BASIS			
Capital Outlay		110,806	
Principal Payments		40,000	
Capital Assets Contributed from Other Funds		<u>78,314</u>	
CHANGE IN NET ASSETS, GAAP Basis		116,979	
NET ASSETS, Beginning		<u>1,330,508</u>	
NET ASSETS, Ending		<u>\$ 1,447,487</u>	

See the accompanying Independent Auditors' Report.

COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Boulder YEAR ENDING : December 2008
This Information From The Records Of (example - City of _ or County of _) Town of Nederland	Prepared By: Eva Forberger Phone: 303 258-3266 x21

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	86,236
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	215,656	b. Snow and ice removal	31,114
3. Other local imposts (from page 2)	21,392	c. Other	14,527
4. Miscellaneous local receipts (from page 2)	45,883	d. Total (a. through c.)	45,641
5. Transfers from toll facilities		4. General administration & miscellaneous	12,886
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	226,842
a. Bonds - Original Issues		6. Total (1 through 5)	371,605
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	282,931	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	88,674	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	371,605	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	371,605

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		371,605	371,605		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2008

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	38,871
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	21,392	g. Other Misc. Receipts	
6. Total (1. through 5.)	21,392	h. Other BC Road & Bridge	7,012
c. Total (a. + b.)	21,392	i. Total (a. through h.)	45,883
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	40,450	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	48,224	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	48,224	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	88,674	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: