

TOWN OF NEDERLAND

OFFICE OF THE MAYOR

"Nederland is just a little bit cooler ... on multiple levels"

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Parks, Recreation, and the Going Concern Assumption

NederMayor Blog - February 21, 2013

By Mayor Joe Gierlach

We've closed the books on our last Fiscal Year and are preparing the [Comprehensive Annual Financial Report](#) (CAFR) typically published in April.

A couple of years ago, we audited our cash handling procedures and two people still review every check, which are hand signed the old-fashioned way. In 2012, I signed 947 checks.

Going Concern Assumption - On the same day that I was first sworn-in (in 2008), our auditor gave the [Board of Trustees](#) (BOT) a report saying that the auditors may have to drop the '[going concern assumption](#)'. This is accounting speak for, "We can no longer assume that you are still going to be a town in the future, thus increasing risk, and your interest rates."

The BOT introduced several measures to correct this, like the cash handling audit mentioned above, quarterly budget reviews, and re-aligning the water funds, Mud Lake fund, and the General Fund. The BOT also has tried to keep programs, like operating the Community Center, financially self-sustaining so that the General Fund is not expected to subsidize programming.

Parks, Recreation, Open Space, & Trails Master Plan (PROST-MP) - This master plan is the result of a one-and-a-half year long evolution of ideas. It has gone through the innovative [Nederland](#)

[Planning Process](#) (NPP) which increases involvement from community members and advisory boards in the public policy-making process. It included conducting a survey, interactive focus groups, a needs assessment, public meetings, and countless reviews and re-writes. I believe it is now in a form that we can be proud of.

The BOT conducted a work session to review the final draft of the PROST Master Plan, and it became glaringly obvious that we need to put a Parks and Recreation District on the ballot in order for the plan to be economically sustainable - simply to maintain what we have. Therefore, I am recommending that the BOT approve the resolution that supports the creation of a Nederland Area Recreation District and adopts the PROST Master Plan.

Other Going Concern Assumptions - When we as a community can agree on the direction (or at least compromise for the greater good) there are other aspects of our community that may, or may not, maintain their presumed going concern assumption. (The Visitor Center, the Chamber of Commerce, the NDDA, or events in town like 4th of July Fireworks, to name a few.) From a sustainability perspective, can we assume that these types of resources are still going to be around in the future?

This is why the [Nederland Planning Process](#) (NPP), and [Envision 2020](#) are so important. We need to explore sustainable models that work in a small community.

Auditor's Management Letter - At the beginning of each CAFR, the Auditor attaches a Management Letter which routinely includes recommendations for improvement, but for last year's audit, there were ZERO items on their list. The representative from [John Cutler & Associates](#) stated that this was somewhat rare, and only happens for less than 20% of the audits they conduct.

Ushering the town from its 2008 days of trying to maintain its 'going concern assumption', to its present state as a vibrant governmental organization with zero management letter issues, has not been easy, but the past few BOT's have worked with town staff diligently to make it a reality. That's been about 4,735 checks signed.