



TOWN BOARD WORK SESSION

June 16, 2014 – 6:00 P.M.

Town Board Chambers

301 Walnut Street, Windsor, CO 80550

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.

GOAL of this Work Session is to have the Town Board receive information on topics of Town business from the Town Manager, Town Attorney and Town staff in order to exchange ideas and opinions regarding these topics.

Members of the public in attendance who have a question related to an agenda item are requested to allow the Town Board to discuss the topic and then be recognized by the Mayor prior to asking their question.

AGENDA

1. 2013 Audit Presentation - Anton, Collins & Mitchell
2. Public Works/Parks Facility discussion – D. Moyer and W. Willis
3. Water/Sewer Tap Fee discussion – D. Moyer
4. Discussion of proposed code language clarifying the calculation of allowable outdoor storage in the Limited Industrial I-L zoning district – J. Olhava
5. Discussion of electronic message signs – J. Olhava
6. Future meetings agenda



MEMORANDUM

Date: June 16, 2014
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Dean Moyer, Director of Finance
Re: 2013 Audit Report
Item #: 1

Background / Discussion:

Randy Watkins of Anton Collins Mitchell LLP, CPAs, is presenting the 2013 Audit Report at the Town Board work session on June 16, 2014. As in previous years, we received an unqualified audit opinion, which is the best opinion possible.

I recommend approval of the audit as presented. The resolution to formally accept the report appears on the agenda for your Regular Town Board meeting on June 23, 2014. Following your approval, the “draft” watermark will be removed from the report and the report will be sent to the State and other required agencies. Please contact me with any questions.

Attachments:

2013 Audit Report

Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Board
Town of Windsor, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Windsor, Colorado (the "Town") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Windsor as of December 31, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, and the budgetary comparison information on Pages 49 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 budgetary comparison schedules, debt service requirements schedules, Local Highway Finance Report, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other information, such as the introductory and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules, debt service requirements schedules, Local Highway Finance Report, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information has 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued or report dated June 23, 2014, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

BASIC FINANCIAL STATEMENTS

TOWN OF WINDSOR



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TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET POSITION
December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<u>Assets</u>				
Cash and cash equivalents	\$ 3,067,369	\$ 7,997,976	\$ 11,065,345	\$ 150,408
Equity in pooled cash and cash equivalents	584,066	-	584,066	-
Investments	9,161,692	19,335,774	28,497,466	-
Receivables	5,779,535	734,335	6,513,870	-
Internal balances	2,733,722	(2,476,892)	256,830	-
Restricted assets:				
Cash and cash equivalents	145,503	-	145,503	-
Capital assets, not being depreciated	3,162,209	19,622,686	22,784,895	209,684
Capital assets, being depreciated, net	69,878,118	64,288,818	134,166,936	30,834
<u>Total assets</u>	<u>94,512,214</u>	<u>109,502,697</u>	<u>204,014,911</u>	<u>390,926</u>
<u>Deferred outflows of resources</u>				
Deferred loss on refunding	98,922	-	98,922	-
<u>Total deferred outflows of resources</u>	<u>98,922</u>	<u>-</u>	<u>98,922</u>	<u>-</u>
<u>Liabilities</u>				
Accounts payable and other liabilities	372,450	91,342	463,792	1,454
Accrued payroll	547,369	18,693	566,062	-
Accrued interest payable	9,320	33,240	42,560	-
Noncurrent liabilities:				
Accrued compensated absences	495,570	62,070	557,640	-
Due within one year	317,086	290,829	607,915	-
Due in more than one year	5,855,254	6,219,114	12,074,368	-
<u>Total liabilities</u>	<u>7,597,049</u>	<u>6,715,288</u>	<u>14,312,337</u>	<u>1,454</u>
<u>Deferred inflows of resources</u>				
Unearned revenue - property taxes	4,158,556	-	4,158,556	-
<u>Total deferred inflows of resources</u>	<u>4,158,556</u>	<u>-</u>	<u>4,158,556</u>	<u>-</u>
<u>Net position</u>				
Net investment in capital assets	66,966,909	77,401,561	144,368,470	240,518
Restricted for:				
Capital projects	7,671,648	-	7,671,648	-
TABOR emergency reserve	621,484	-	621,484	-
Parks and recreation	514,061	-	514,061	-
Operations and maintenance	-	1,250,000	1,250,000	-
Unrestricted	7,081,429	24,135,848	31,217,277	148,954
<u>Total net position</u>	<u>\$ 82,855,531</u>	<u>\$ 102,787,409</u>	<u>\$ 185,642,940</u>	<u>\$ 389,472</u>

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,731,588	\$ -	\$ -	\$ -
Public safety	2,938,201	207,671	-	-
Public works	5,551,046	567,546	-	585,453
Parks and recreation	5,163,907	2,455,028	-	-
Community development	1,391,260	-	311,097	-
Safety and loss control	7,422	-	-	-
Small equipment and maintenance	3,671,636	-	-	-
Interest on long-term debt	186,788	-	-	-
<u>Total governmental activities</u>	<u>21,641,848</u>	<u>3,230,245</u>	<u>311,097</u>	<u>585,453</u>
Business-type activities:				
Water	2,961,686	3,528,410	-	1,925,752
Sewer	2,160,376	1,755,725	-	872,821
Storm drainage	605,811	329,018	-	730,475
Non-potable water	323,532	565,387	-	50,000
<u>Total business-type activities</u>	<u>6,051,405</u>	<u>6,178,540</u>	<u>-</u>	<u>3,579,048</u>
<u>Total primary government</u>	<u>\$ 27,693,253</u>	<u>\$ 9,408,785</u>	<u>\$ 311,097</u>	<u>\$ 4,164,501</u>
Component unit				
Downtown Development Authority	\$ 58,833	\$ -	\$ -	\$ -

General revenues

Taxes:

 Property taxes

 Sales and use taxes

 Franchise taxes

 Other taxes

Intergovernmental

Earnings on investments

Gain on sale of capital assets

Other revenues

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net position

Net position at beginning of year

Net position at end of year

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Net (Expense) Revenue and Changes in Net Position			Component Unit Downtown Development Authority
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (2,731,588)	\$ -	\$ (2,731,588)	\$ -
(2,730,530)	-	(2,730,530)	-
(4,398,047)	-	(4,398,047)	-
(2,708,879)	-	(2,708,879)	-
(1,080,163)	-	(1,080,163)	-
(7,422)	-	(7,422)	-
(3,671,636)	-	(3,671,636)	-
(186,788)	-	(186,788)	-
(17,515,053)	-	(17,515,053)	-
-	2,492,476	2,492,476	-
-	468,170	468,170	-
-	453,682	453,682	-
-	291,855	291,855	-
-	3,706,183	3,706,183	-
(17,515,053)	3,706,183	(13,808,870)	-
-	-	-	58,833
4,049,110	-	4,049,110	20,977
9,072,715	-	9,072,715	-
1,336,785	-	1,336,785	-
1,325,085	-	1,325,085	-
1,625,085	-	1,625,085	250,000
171,414	263,197	434,611	32
-	-	-	-
264,849	31,500	296,349	2,000
17,845,043	294,697	18,139,740	273,009
558,641	(558,641)	-	-
18,403,684	(263,944)	18,139,740	273,009
888,631	3,442,239	4,330,870	214,176
81,966,900	99,345,170	181,312,070	175,296
<u>\$ 82,855,531</u>	<u>\$ 102,787,409</u>	<u>\$ 185,642,940</u>	<u>\$ 389,472</u>

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

TOWN OF **WINDSOR**, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General	Capital Improvement	Park Improvement	Conservation Trust (Non Major)	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,732,891	\$ 1,193,276	\$ 58,373	\$ 82,829	\$ 3,067,369
Equity in pooled cash and cash equivalents	-	-	-	-	-
Investments	2,374,052	6,787,640	-	-	9,161,692
Receivables	5,416,979	362,556	-	-	5,779,535
Interfund receivable	2,641,544	705,573	2,572,013	431,232	6,350,362
<u>Total assets</u>	<u>\$ 12,165,466</u>	<u>\$ 9,049,045</u>	<u>\$ 2,630,386</u>	<u>\$ 514,061</u>	<u>\$ 24,358,958</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts and retainage payable	\$ 185,166	\$ 130,887	\$ 8,855	\$ -	\$ 324,908
Accrued liabilities	547,369	-	-	-	547,369
Interfund payable	-	1,070,356	-	-	1,070,356
<u>Total liabilities</u>	<u>732,535</u>	<u>1,201,243</u>	<u>8,855</u>	<u>-</u>	<u>1,942,633</u>
<u>Deferred inflows of resources</u>					
Deferred revenue - property taxes	4,158,556	-	-	-	4,158,556
<u>Fund balances</u>					
Restricted for emergencies	400,862	176,154	44,468	-	621,484
Restricted for capital improvements	-	7,671,648	-	-	7,671,648
Restricted for parks and recreation	-	-	-	514,061	514,061
Assigned for special revenue funds	-	-	2,577,063	-	2,577,063
Unassigned	6,873,513	-	-	-	6,873,513
<u>Total fund balances</u>	<u>7,274,375</u>	<u>7,847,802</u>	<u>2,621,531</u>	<u>514,061</u>	<u>18,257,769</u>
<u>Total liabilities, deferred inflows of resources and fund balances</u>	<u>\$ 12,165,466</u>	<u>\$ 9,049,045</u>	<u>\$ 2,630,386</u>	<u>\$ 514,061</u>	<u>\$ 24,358,958</u>

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

TOWN OF **WINDSOR**, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2013

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 18,257,769
<p>Capital assets used in governmental activities are not current financial resources and, therefore, is not reported as assets in the governmental funds.</p>		
The cost of capital assets, net of accumulated depreciation		66,905,718
<p>The deferred loss on refunding is not current financial resources and, therefore, is not reported as a deferred outflows of resources in the governmental funds.</p>		
		98,922
<p>Long-term liabilities, including bonds payable, are not due and payable from the current financial resources and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p>		
Long-term debt	\$ (3,135,000)	
Premium on bonds	(140,619)	
Accrued interest payable	(9,320)	
Accrued compensated absences	<u>(467,601)</u>	(3,752,540)
<p>Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
		<u>1,345,662</u>
Total net position of governmental activities		<u><u>\$ 82,855,531</u></u>

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	General	Capital Improvement	Park Improvement	Conservation Trust (Non Major)	Total Governmental Funds
<u>Revenues</u>					
Taxes and assessments	\$ 10,498,099	\$ 5,285,596	\$ -	\$ -	\$ 15,783,695
Licenses and permits	463,657	-	-	-	463,657
Intergovernmental	922,591	372,044	122,170	208,280	1,625,085
Grants and contributions	311,097	585,453	-	-	896,550
Charges for services	1,100,217	-	1,481,927	-	2,582,144
Fines and forfeitures	184,444	-	-	-	184,444
Earnings on investments	86,362	84,570	354	113	171,399
Miscellaneous	106,702	129,581	-	-	236,283
<u>Total revenues</u>	<u>13,673,169</u>	<u>6,457,244</u>	<u>1,604,451</u>	<u>208,393</u>	<u>21,943,257</u>
<u>Expenditures</u>					
Current:					
General government	2,160,324	-	-	-	2,160,324
Public safety	2,661,338	-	-	-	2,661,338
Public works	2,086,678	-	-	-	2,086,678
Parks and recreation	4,350,281	-	5,000	-	4,355,281
Community development	1,118,673	-	-	-	1,118,673
Safety and loss control	7,422	-	-	-	7,422
Small equipment and maintenance	-	1,242,830	-	9,000	1,251,830
Debt service	372,475	-	-	-	372,475
Capital outlay	-	2,132,297	1,106,658	16,566	3,255,521
<u>Total expenditures</u>	<u>12,757,191</u>	<u>3,375,127</u>	<u>1,111,658</u>	<u>25,566</u>	<u>17,269,542</u>
<u>Revenues over (under) expenditures</u>	<u>915,978</u>	<u>3,082,117</u>	<u>492,793</u>	<u>182,827</u>	<u>4,673,715</u>
<u>Other financing sources (uses)</u>					
Transfers in	645,540	-	-	-	645,540
Transfers out	-	(207,733)	(24,246)	-	(231,979)
<u>Total other financing sources (uses)</u>	<u>645,540</u>	<u>(207,733)</u>	<u>(24,246)</u>	<u>-</u>	<u>413,561</u>
<u>Net changes in fund balances</u>	<u>1,561,518</u>	<u>2,874,384</u>	<u>468,547</u>	<u>182,827</u>	<u>5,087,276</u>
<u>Fund balance at beginning of year</u>	<u>5,712,857</u>	<u>4,973,418</u>	<u>2,152,984</u>	<u>331,234</u>	<u>13,170,493</u>
<u>Fund balance at end of year</u>	<u>\$ 7,274,375</u>	<u>\$ 7,847,802</u>	<u>\$ 2,621,531</u>	<u>\$ 514,061</u>	<u>\$ 18,257,769</u>

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

TOWN OF **WINDSOR**, COLORADO
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**
For the Year Ended December 31, 2013

Amounts reported for governmental activities in the Statement of Activities are different because:

Total net change in fund balance - governmental funds. \$ 5,087,276

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeded capital outlay during the period:

Capital outlay	\$ 835,715	
Depreciation expense	<u>(5,312,388)</u>	(4,476,673)

The repayment of bonded principal is an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balances. However, these are reflected as reductions of liabilities in the Statement of Net Position and do not affect the Statement of Activities. 315,723

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the accretion of bond premium and the amortization of the deferred loss on refunding (21,191)

Decrease in accrued interest payable reflected against an expense on the Statement of Activities and not reflected as an expense on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. 512

Increase in accrued compensated absences reflected as a reduction of expense on the Statement of Activities and not reflected in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. (29,527)

Internal service funds are used by management to charge the cost of services to individuals funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 12,511

Change in net position of governmental activities \$ 888,631

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business-Type Activities - Enterprise Funds					Governmental
	Water	Sewer	Storm Drainage	Non-potable	Total	Internal Service
				Water (Nonmajor)		Funds
ASSETS						
Current assets						
Cash and cash equivalents	\$ 4,582,718	\$ 2,995,208	\$ 420,050	\$ -	\$ 7,997,976	\$ -
Equity in pooled cash and cash equivalents	-	-	-	-	-	584,066
Investments	19,335,774	-	-	-	19,335,774	-
Interfund receivable	1,070,356	4,265,963	1,926,089	257,571	7,519,979	-
Intergovernmental receivable	-	270,914	-	-	270,914	-
Accounts receivable	289,693	115,971	40,608	-	446,272	-
Accrued interest receivable	15,114	2,035	-	-	17,149	-
Total current assets	25,293,655	7,650,091	2,386,747	257,571	35,588,064	584,066
Noncurrent assets						
Restricted cash and investments	-	-	-	-	-	145,503
Capital assets:						
Land	99,555	84,083	9,000	-	192,638	157,853
Water rights	18,272,820	-	-	-	18,272,820	-
Utility system	26,090,428	35,531,703	16,186,242	5,421,755	83,230,128	-
Buildings and improvements	163,319	887,725	-	-	1,051,044	4,994,533
Machinery and equipment	755,066	936,763	46,382	-	1,738,211	3,680,576
Construction in progress	894,719	37,013	205,497	19,999	1,157,228	-
Less: accumulated depreciation	(7,751,146)	(10,886,563)	(3,038,303)	(54,553)	(21,730,565)	(2,698,353)
Total capital assets, net	38,524,761	26,590,724	13,408,818	5,387,201	83,911,504	6,134,609
Total noncurrent assets	38,524,761	26,590,724	13,408,818	5,387,201	83,911,504	6,280,112
Total assets	63,818,416	34,240,815	15,795,565	5,644,772	119,499,568	6,864,178
LIABILITIES						
Current liabilities						
Interfund payable	9,628,845	-	-	535,042	10,163,887	2,378,528
Accounts payable	10,602	79,030	1,646	64	91,342	18,715
Accrued expenses	7,502	9,446	2,485	33,240	52,673	28,827
Loans payable - current	-	178,425	-	112,403	290,828	37,086
Total current liabilities	9,646,949	266,901	4,131	680,749	10,598,730	2,463,156
Noncurrent liabilities						
Accrued compensated absences	29,614	29,470	2,986	-	62,070	27,969
Loans payable	-	2,575,268	-	3,643,847	6,219,115	2,859,635
Total noncurrent liabilities	29,614	2,604,738	2,986	3,643,847	6,281,185	2,887,604
Total liabilities	9,676,563	2,871,639	7,117	4,324,596	16,879,915	5,350,760
NET POSITION						
Net investment in capital assets	38,524,761	23,837,031	13,408,818	1,630,951	77,401,561	3,237,888
Restricted for operations and maintenance	-	1,250,000	-	-	1,250,000	-
Unrestricted	15,617,092	6,282,145	2,379,630	(310,775)	23,968,092	(1,724,470)
Total net position	\$ 54,141,853	\$ 31,369,176	\$ 15,788,448	\$ 1,320,176	102,619,653	\$ 1,513,418

Amounts reported for business-type activities in the Statement of Net Position are different because

Cumulative portion of internal service funds net operating income attributed to business-type activities

167,756

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

\$ 102,787,409

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Drainage	Non-potable Water (Nonmajor)	Total	Internal Service Funds
<u>Operating revenues</u>						
Charges for services	\$ 3,163,708	\$ 1,733,970	\$ 329,018	\$ 134,290	\$ 5,360,986	\$ 2,299,677
Insurance recoveries	-	-	-	-	-	28,566
Miscellaneous	364,702	21,755	-	431,097	817,554	-
<u>Total operating revenues</u>	<u>3,528,410</u>	<u>1,755,725</u>	<u>329,018</u>	<u>565,387</u>	<u>6,178,540</u>	<u>2,328,243</u>
<u>Operating expenses</u>						
Wages and benefits	193,515	248,324	78,249	-	520,088	751,648
Operating costs	2,248,691	584,992	199,720	108,764	3,142,167	900,211
Depreciation	517,251	1,269,270	326,692	17,745	2,130,958	706,077
<u>Total operating expenses</u>	<u>2,959,457</u>	<u>2,102,586</u>	<u>604,661</u>	<u>126,509</u>	<u>5,793,213</u>	<u>2,357,936</u>
<u>Operating income (loss)</u>	<u>568,953</u>	<u>(346,861)</u>	<u>(275,643)</u>	<u>438,878</u>	<u>385,327</u>	<u>(29,693)</u>
<u>Nonoperating revenues (expenses)</u>						
Earnings on investments	252,396	10,173	628	-	263,197	15
Other income	-	31,500	-	-	31,500	-
Interest expense	-	(54,703)	-	(197,023)	(251,726)	(109,357)
<u>Total nonoperating revenues (expenses)</u>	<u>252,396</u>	<u>(13,030)</u>	<u>628</u>	<u>(197,023)</u>	<u>42,971</u>	<u>(109,342)</u>
<u>Income (loss) before contributions and transfers</u>	<u>821,349</u>	<u>(359,891)</u>	<u>(275,015)</u>	<u>241,855</u>	<u>428,298</u>	<u>(139,035)</u>
Capital contributions	1,925,752	872,821	730,475	-	3,529,048	-
Grants	-	-	-	50,000	50,000	-
Transfers in	62,653	-	-	303,972	366,625	151,080
Transfers out	(552,640)	(190,640)	(151,986)	(30,000)	(925,266)	(6,000)
<u>Change in net position</u>	<u>2,257,114</u>	<u>322,290</u>	<u>303,474</u>	<u>565,827</u>	<u>3,448,705</u>	<u>6,045</u>
<u>Net position at beginning of year</u>	<u>51,884,739</u>	<u>31,046,886</u>	<u>15,484,974</u>	<u>754,349</u>		<u>1,507,373</u>
<u>Net position at end of year</u>	<u>\$ 54,141,853</u>	<u>\$ 31,369,176</u>	<u>\$ 15,788,448</u>	<u>\$ 1,320,176</u>		<u>\$ 1,513,418</u>

Amounts reported for business-type activities in the Statement of Activities are different because

Internal service funds increase to expenses for costs in excess of charges to the business-type activities	(6,466)
	<u>\$ 3,442,239</u>

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Drainage	Non-potable Water	Total	Internal Service Funds
				(Nonmajor)		
<u>Cash flows from operating activities</u>						
Cash received from customers	\$ 3,672,075	\$ 1,838,772	\$ 335,138	\$ 565,387	\$ 6,411,372	\$ 2,328,662
Cash payments to suppliers	(2,685,659)	(519,099)	(199,631)	(108,699)	(3,513,088)	(891,347)
Cash payments to employees	(193,037)	(247,093)	(77,960)	-	(518,090)	(759,538)
Net cash flows from operating activities	793,379	1,072,580	57,547	456,688	2,380,194	677,777
<u>Cash flows from non-capital financing activities</u>						
Other income	-	31,500	-	-	31,500	-
Change in interfund payable	5,889,741	-	-	(53,839)	5,835,902	-
Change in interfund receivable	179,644	(3,755,230)	(1,337,209)	(257,571)	(5,170,366)	-
Transfers from other funds	62,653	(190,640)	-	303,972	175,985	151,080
Transfers to other funds	(552,640)	-	(151,986)	(30,000)	(734,626)	(6,000)
Net cash flows from non-capital financing activities	5,579,398	(3,914,370)	(1,489,195)	(37,438)	138,395	145,080
<u>Cash flows from capital and related financing activities</u>						
Capital contributions	779,352	635,408	676,681	50,000	2,141,441	-
Principal paid on debt	-	(178,425)	-	(106,950)	(285,375)	(35,723)
Interest paid on debt	-	(54,703)	-	(197,023)	(251,726)	(109,357)
Proceeds from loan	-	3,110,543	-	-	3,110,543	-
Acquisition of capital assets	(171,325)	(677,328)	(42,771)	(165,277)	(1,056,701)	(447,325)
Net cash flows from capital and related financing activities	608,027	2,835,495	633,910	(419,250)	3,658,182	(592,405)
<u>Cash flows from investing activities</u>						
Proceeds from sales of investments	2,510,135	-	-	-	2,510,135	-
Purchases of investments	(9,357,671)	-	-	-	(9,357,671)	-
Net change in restricted cash	-	-	-	-	-	(15)
Earnings on investments	226,049	10,173	628	-	236,850	15
Net cash flows from investing activities	(6,621,487)	10,173	628	-	(6,610,686)	-
Net change in cash and cash equivalents	359,317	3,878	(797,110)	-	(433,915)	230,452
Cash and cash equivalents at beginning of year	4,223,401	2,991,330	1,217,160	-	8,431,891	353,614
Cash and cash equivalents at end of year	\$ 4,582,718	\$ 2,995,208	\$ 420,050	\$ -	\$ 7,997,976	\$ 584,066
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>						
Operating income (loss)	\$ 568,953	\$ (346,861)	\$ (275,643)	\$ 438,878	\$ 385,327	\$ (29,693)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	517,251	1,269,270	326,692	17,745	2,130,958	706,077
Changes in operating assets and liabilities:						
Accounts receivable	143,665	83,047	6,120	-	232,832	419
Accounts payable and accrued expenses	(436,490)	67,124	378	65	(368,923)	974
Net cash flows from operating activities	\$ 793,379	\$ 1,072,580	\$ 57,547	\$ 456,688	\$ 2,380,194	\$ 677,777
<u>Non-cash investing capital and financing activities</u>						
Contributed capital assets	\$ 1,146,400	\$ 237,413	\$ 162,328	\$ -	\$ 1,546,141	\$ -

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

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Windsor (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

Reporting Entity

The Town was incorporated in 1890 and adopted its Home Rule Charter during 2003 (the “Charter”). The Charter provides that the Mayor shall be the chief executive officer of the Town, the Town Board shall be the policy making authority, and a Town Manager, to be appointed by the Town Board, shall be the chief administrative official of the Town. The following services are authorized by its charter: general administrative services, public safety (police protection), public works, culture, parks and recreation, community development and water and sewer services.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, the following component units are included in the Town’s reporting entity.

Discretely Presented Component Unit

The Windsor Downtown Development Authority (“DDA”) was formed in January 2011 by a vote of the downtown business and property owners, and officially approved and adopted as an organization by the Town of Windsor Board on February 28, 2011. Comprised of a seven member board of directors plus a representative from the Town of Windsor Board, the DDA is dedicated to revitalizing downtown Windsor while preserving the history and heritage of this thriving community. In November 2011, the Town entered into an intergovernmental agreement with the DDA to provide funding through 2016 from sales tax revenue generated within the DDA boundaries. Separate financial statements are not issued for the DDA.

Blended Component Unit

The Windsor Building Authority (the “Authority”) was created as a nonprofit corporation under Colorado law on February 21, 2009. The Authority was created for the purpose of assisting with projects that are beneficial to the Town, such as borrowing or lending funds to assist in the building of Town facilities. Members of the Board of Directors of the Authority are appointed by the Town Board and provide services entirely to the Town. The Town has the ability to modify or approve the Authority’s annual operating budget. The Town also has the ability to appoint, hire, reassign, or dismiss those individuals responsible for the day-to-day operations of the Authority. Separate financial statements are not issued for the Authority.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

Basic Financial Statements

The basic financial statements include both government-wide financial statements (based on the Town as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. 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 activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenses or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. 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 recognized when earned and expenses are recognized when a liability is incurred, regardless of the time 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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Cost reimbursement grant revenues are considered to be available at the point the expenditure is incurred. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property, franchise, sales and hotel occupancy taxes and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the capital projects fund. The following are the Town's major and nonmajor governmental funds:

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

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

General Fund - The General Fund (a major fund) is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property, sales, and franchise taxes and other intergovernmental revenues. Expenditures include all costs associated with the daily operation of general government, public safety, public works, parks and recreation and community development.

Capital Improvement Fund - This major fund is a capital projects fund type which is established to account for financial resources segregated for the acquisition or construction of capital facilities other than those financed by enterprise operations.

Park Improvement Fund - This major fund is a special revenue fund type which is established to account for park fees and other earmarked revenue sources which finance park improvements in the Town.

The other governmental fund is the Conservation Trust, a nonmajor special revenue fund established to account for revenues derived from earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds and internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The Town's major enterprise funds are the Water, Sewer and Storm Drainage Funds. These funds account for the financial transactions related to the water, sewer and storm drainage service operations of the Town. The Town has one nonmajor enterprise fund, the Non-potable Water Fund, which provides non-potable irrigation water services to its customers.

Internal service funds account for operations that provide services to other departments or agencies of the Town, or to other governments, on a cost-reimbursement basis. The Town has four internal service funds; the Fleet Management Fund, Information Technology Fund, Facility Service Fund, and the Windsor Building Authority.

There are no fiduciary funds included in this report.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the Water, Sewer, Storm Drainage and Non-potable Water funds and the government's internal service funds are charges to customers for sales and services. Operating expenses 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.

Budgets and Budgetary Accounting

An annual budget and appropriation ordinance is adopted by the Board of Trustees in accordance with Colorado state statutes. Budgets are adopted on a basis consistent with GAAP, except for the following: proceeds from long-term debt are budgeted as revenue in the proprietary funds; note, lease and bond principal payments are budgeted as expenses in the proprietary funds; and purchases of capital assets are budgeted as capital outlay expenses in the proprietary funds.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Continued)

On or about October 15, 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. Also, public hearings are conducted at a special meeting and at regular Town Board meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the Town Board.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year. Following is a summary of the original budget, total revisions and revised budget for those funds with amended budgets for the year ended December 31, 2013:

	Original Budget	Total Revisions	Revised Budget
<u>Governmental funds:</u>			
General fund	\$13,008,269	\$ -	\$ 13,008,269
<u>Special revenue funds:</u>			
Park improvement fund	1,249,677	-	1,249,677
Conservation trust fund	384,000	-	384,000
<u>Capital projects funds:</u>			
Capital improvements fund	5,080,214	581,703	5,661,917
<u>Business-type funds:</u>			
Water fund	5,373,675	1,146,400	6,520,075
Sewer fund	2,025,851	237,413	2,263,264
Stormdrainage fund	1,262,995	53,794	1,316,789
Non-potable water fund	768,480	-	768,480
<u>Internal service funds:</u>			
Fleet management fund	1,098,217	-	1,098,217
Information technology fund	712,120	-	712,120
Windsor building authority	145,080	-	145,080
Facility service fund	545,571	-	545,571
Total funds	\$31,654,149	\$ 2,019,310	\$ 33,673,459

Cash, Cash Equivalents and Temporary Investments

To improve cash management, cash received by the Town is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" in the financial statements. Investments of the Town's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Town are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net assets and, classified as due from other funds or due to other funds on the balance sheet (see Note 4).

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and furniture and fixtures, are reported in the applicable governmental or business-type activities columns in the government-wide 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 assets lives are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Site Improvements	20 Years	N/A
Buildings and Improvements	20 Years	N/A
Streets and Improvements	20 Years	N/A
Parks and Improvements	20 Years	N/A
Machinery and Equipment	10 Years	5 Years
Furniture and Fixtures	10 Years	N/A
Utility Systems	N/A	5-50 Years

Interest costs incurred that relate to the acquisition or construction of property and equipment acquired with tax-exempt debt is capitalized. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested debt proceeds over the same period. Capitalized interest cost is prorated to completed projects based on the completion date of each project. The Town did not capitalize any interest during the year ended December 31, 2013.

Impairment of Capital Assets

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Town is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management of the Town has determined that there are no indications of impairment of capital assets as of December 31, 2013.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

Accrued Compensated Absences Payable

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, except for accrued compensated absences, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds payable, accrued compensated absences, and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until they become due.

Fund Balance

In the fund financial statements, fund balances of governmental funds are as follows:

Nonspendable – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Town Board (the “Board”). The Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the Town’s policy to use restricted funds first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulation of other governments.

If applicable, the Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Contribution of Capital

Contributions of capital in proprietary funds financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources to capital acquisition and construction.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers (See Note 4).

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2013.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 2 - Cash, Cash Equivalents and Investments

The composition of the Town's cash, cash equivalents and investments, including restricted cash and investments, on December 31, 2013, is as follows:

Cash, Cash Equivalents and Investments	Fair Value	Average Maturity Date (in days)	Concentratio n of Credit Risk
Cash on hand	\$ 3,125	-	N/A
Cash held by County Treasurer	63,057	-	N/A
Cash in financial institution	3,408,381	-	N/A
Certificates of deposit	6,738,980	594	18.2%
U.S. Treasury Notes	123,632	912	0.3%
FHLMC	5,026,294	1,476	13.6%
FNMA	12,115,367	713	32.8%
Other U.S. instrumentalities	1,611,379	2,895	4.4%
Municipal bonds	1,897,063	775	5.1%
Corporate securities	687,524	1,040	1.9%
COLOTRUST	6,214,304	N/A	16.7%
CSAFE	2,553,682	N/A	6.9%
Total cash, cash equivalents and investments	\$40,442,788		

Cash, Cash Equivalents and Investments	S&P Rating	Moody Rating
FHLMC	NR to AA+	NR to Aaa
FNMA	NR to AA+	NR to Aaa
Other U.S. instrumentalities	NR to AA+	NR to Aaa
Municipal bonds	AA- to AAA	Aa1 to Aa3
Other municipal bonds	AA- to AA	Aa2
Corporate securities	AA+ to AAA	Aaa
Other corporate securities	NR	NR
COLOTRUST	AAAm	N/A
CSAFE	AAAm	N/A
US Treasury Notes	NR	Aaa

Cash and investments per the government-wide Statement of Net Position are as follows:

Cash and cash equivalents	\$ 11,065,345
Equity in pooled cash and cash equivalents	584,066
Investments	28,497,466
Restricted cash and cash equivalents	145,503
Cash and cash equivalents - component unit	150,408
Total cash, cash equivalents and investments	\$ 40,442,788

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 2 - Cash, Cash Equivalents and Investments (Continued)

Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's bank accounts and certificates of deposit as of December 31, 2013 were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act (the "PDPA"). The PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2013, the Town had no investments exposed to custodial credit risk outside of its investments in the Colorado Secure Assets Fund and COLOTRUST discussed below.

Credit Risk - Investments

State statutes and the Town's investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Local Government Investment Pools

At December 31, 2013, the Town had invested \$8,767,986 in the Colorado Secure Assets Fund ("CSAFE") and COLOTRUST, local government investment pools established in Colorado to pool surplus funds for investment purposes. These funds operate similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial banks. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. Pooled investments are rated AAAM by Standard & Poor's. The investment policy of CSAFE and COLOTRUST does not include investing in derivatives.

Interest Rate Risk

Colorado Revised Statutes and the Town's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The approximate weighted average yield to maturity for investments held at December 31, 2013 is 1.66% and the weighted average remaining term of investments is approximately 1,562 days.

Note 3 - Receivables

Receivables at December 31, 2013, consist of the following:

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

<u>Receivables</u>	General	Capital Projects	Other Govern- mental	Enterprise	Internal Service	Total
Taxes	\$ 4,157,521	\$ -	\$ -	\$ -	\$ -	\$ 4,157,521
Trade accounts	1,113,657	-	-	443,857	-	1,557,514
Intergovernmental	70,010	362,556	-	270,914	-	703,480
Loan proceeds receivable	-	-	-	0	-	-
Other	75,791	-	-	19,564	-	95,355
<u>Total</u>	<u>\$ 5,416,979</u>	<u>\$ 362,556</u>	<u>\$ -</u>	<u>\$ 734,335</u>	<u>\$ -</u>	<u>\$ 6,513,870</u>

Note 4 - Interfund Transfers and Balances Receivable/Payable

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service funds as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary funds is shown within the transfer line for financial statement presentation.

The following table summarizes interfund transfers for the year ended December 31, 2013:

	Transfers Out						
	Capital Improvement Fund	Park Improvement Fund	Water Fund	Sewer Fund	Storm Drainage	Non-potable Water	Total
Transfers in:							
Governmental funds:							
General	\$ -	\$ 24,246	\$ 400,654	\$ 190,640	\$ -	\$ 30,000	\$ 645,540
Capital Improvement	-	-	-	-	-	-	-
Total governmental funds:	-	24,246	400,654	190,640	-	30,000	645,540
Proprietary funds:							
Enterprise funds:							
Water	62,653	-	-	-	-	-	62,653
Non-potable Water	-	-	151,986	-	151,986	-	303,972
Internal service fund	145,080	-	-	-	-	-	145,080
Total proprietary fund	207,733	-	151,986	-	151,986	-	511,705
Total transfers	<u>\$ 207,733</u>	<u>\$ 24,246</u>	<u>\$ 552,640</u>	<u>\$ 190,640</u>	<u>\$ 151,986</u>	<u>\$ 30,000</u>	<u>\$ 1,157,245</u>

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 4 - Interfund Transfers and Balances Receivable/Payable (Continued)

The Town's interfund receivables and payables at December 31, 2013 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances result from (1) the need to cover the temporary negative cash positions in individual funds and (2) to record a loan from the Water Fund to the Capital Improvement Fund for the interchange improvement project at I-25 and State Highway 392. The loan is to be repaid over 20 years at .467% interest.

Receivable fund	Payable fund	Amount
General Fund	Water Fund	\$ 1,380,649
Capital Improvement Fund	Internal Service Funds	2,043,642
Park Improvement Fund	Water Fund	1,847,722
Park Improvement Fund	Internal Service Funds	334,886
Water Fund	Capital Improvement	1,250,000
Sewer Fund	Water Fund	510,733
Storm Drainage Fund	Nonpotable	588,880
		\$ 7,956,512

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2013 for governmental activities was as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 2,294,920	\$ 6,935	\$ -	\$ 2,301,855
Construction in progress	2,342,531	837,121	(2,319,298)	860,354
Total capital assets, not being depreciated	4,637,451	844,056	(2,319,298)	3,162,209
Capital assets, being depreciated:				
Site improvements	10,593,314	77,842	-	10,671,156
Buildings and improvements	20,346,757	-	-	20,346,757
Streets and improvements	68,829,807	844,836	-	69,674,643
Parks and improvements	11,937,993	1,291,778	-	13,229,771
Machinery and equipment	8,334,309	533,455	(232,516)	8,635,248
Furniture and fixtures	481,582	10,371	-	491,953
Total capital assets, being depreciated	120,523,762	2,758,282	(232,516)	123,049,528

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 5 - Capital Assets (Continued)

	Ending Balance	Increases	(Decreases) Transfers	Ending Balance
Less accumulated depreciation for:				
Site improvements	(2,800,597)	(527,725)	-	(3,328,322)
Buildings and improvements	(7,498,253)	(838,507)	-	(8,336,760)
Streets and improvements	(25,983,506)	(3,482,883)	-	(29,466,389)
Parks and improvements	(5,043,594)	(614,152)	-	(5,657,746)
Machinery and equipment	(5,672,294)	(527,305)	232,516	(5,967,083)
Furniture and fixtures	(387,217)	(27,893)	-	(415,110)
Total accumulated depreciation	(47,385,461)	(6,018,465)	232,516	(53,171,410)
Total capital assets, being depreciated, net	73,138,301	(3,260,183)	-	69,878,118
Governmental activities capital assets, net	\$77,775,752	\$(2,416,127)	\$(2,319,298)	\$ 73,040,327

Depreciation expense was charged to function/programs of the Town's governmental activities as follows:

Governmental Activities:	
General government	\$ 531,240
Public safety	265,619
Public works	3,453,052
Parks and recreation	796,858
Community development	265,619
Capital assets held by internal service funds are charged to the various functions based on usage	706,077
Total depreciation expense - governmental activities	\$ 6,018,465

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 5 - Capital Assets (Continued)

Capital asset activity for the year ended December 31, 2013 for business-type activities was as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Business - type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 6,305,110	\$ 182,815	\$(5,330,697)	\$ 1,157,228
Land and water rights	17,533,958	931,500	-	18,465,458
Total capital assets, not being depreciated	23,839,068	1,114,315	(5,330,697)	19,622,686
Capital assets, being depreciated:				
Utility systems and equipment	79,332,353	6,710,690	(23,660)	86,019,383
	79,332,353	6,710,690	(23,660)	86,019,383
Less accumulated depreciation for:				
Utility systems and equipment	(19,623,267)	(2,130,958)	23,660	(21,730,565)
Total accumulated depreciation	(19,623,267)	(2,130,958)	23,660	(21,730,565)
Total capital assets, being depreciated, net	59,709,086	4,579,732	-	64,288,818
Business - type activities capital assets, net	\$83,548,154	\$ 5,694,047	\$(5,330,697)	\$ 83,911,504

Depreciation expense was charged to function/programs of the Town's business-type activities as follows:

Business-type activities:	
Water	\$ 517,251
Sewer	1,269,270
Stormdrainage	326,692
Non-potable water	17,745
Total depreciation expense - business-type activities	\$ 2,130,958

Capital asset activity for the Downtown Development Authority, the discretely presented component unit, as of December 31, 2013, is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Land	\$ 93,349	\$ 116,335	\$ -	\$ 209,684
Site improvements	31,625		-	31,625
Total accumulated depreciation	-	(791)	-	(791)
Discretely presented component unit capital assets	\$ 124,974	\$ 116,335	\$ -	\$ 240,518

The Downtown Development Authority charged depreciation expense of \$791 as of December 31, 2013.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 6 - Long-Term Debt

Governmental Activities

Revenue Bonds

On January 24, 2013, the Town issued \$3,705,000 in sales and use tax refunding revenue bonds and defeased the 2002 revenue bonds by placing the proceeds of the new bonds totaling \$3,787,760 (after payment of \$107,184 in underwriting fees, insurance and other issuance costs), in an irrevocable trust to provide for all future debt payments of the old bonds. Accordingly, the trust assets and the liability for the defeased debt are not included in the Town's financial statements.

The 2013 sales and use tax refunding revenue bonds are due serially on December 1, with interest from 2.0% to 3.0% payable semiannually; these bonds mature on December 1, 2023.

USDA Community Facilities Fund

In 2010, the Authority entered into a Letter of Conditions with the United States Department of Agriculture ("USDA"), whereby the Construction Loan entered into in previous years was fully repaid and converted to a term note payable (the "Term Loan"). The Term Loan is payable in monthly principal and interest payments over a 40 year term, accruing interest at an interest rate of 3.75%. The Term Loan matures on December 17, 2050. The principal balance due as of December 31, 2013 is \$2,932,444.

A summary of changes in governmental activities long-term debt obligations is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
USDA Community Facilities Loan	\$2,932,444	\$ -	\$ (35,723)	\$ 2,896,721	\$ 37,086
Refunding sales and use tax bonds	3,415,000	-	(280,000)	3,135,000	280,000
Bond premium	189,944	-	(49,325)	140,619	-
Compensated absences	468,805	303,130	(276,365)	495,570	
Total long-term debt	\$7,006,193	\$ 303,130	\$ (641,413)	\$ 6,667,910	\$ 317,086

Compensated absences for governmental activities have typically been liquidated in the General Fund.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 6 - Long-Term Debt (Continued)

The annual requirements to amortize governmental activities debt outstanding as of December 31, 2013, are as follows:

Year Ending December 31	Interest	Interest	Total
2014	\$ 317,086	\$ 194,669	\$ 511,755
2015	338,501	187,654	526,155
2016	339,970	177,185	517,155
2017	351,495	168,910	520,405
2018	368,078	160,352	528,430
2019 - 2023	1,861,332	622,068	2,483,400
2024 - 2028	291,016	434,384	725,400
2029 - 2033	350,930	374,470	725,400
2034 - 2038	423,179	302,221	725,400
2039 - 2043	510,302	215,098	725,400
2044 - 2048	615,362	110,038	725,400
2049 - 2050	264,470	9,906	274,376
Total	\$ 6,031,721	\$ 2,956,955	\$ 8,988,676

Business-type Activities

Colorado Water Conservation Board ("CWCB") Loan

On January 16, 2009, Greenspire Metropolitan District Nos. 1-3, each a quasi-municipal corporation and political subdivision of the State of Colorado ("Greenspire"), contributed to the Town all remaining shares in the Kern Reservoir, totaling 14 shares, resulting in the Town's ownership of 100% of all outstanding shares of the Kern Reservoir. The estimated fair market value of the Kern Reservoir was \$4,500,000. In prior years, the Town had capitalized \$2,453,833 related to previously donated shares. In connection with the transfer of the shares, Greenspire also transferred two debt instruments related to the Kern Reservoir, with a combined principal balance due of \$4,241,556, payable to CWCB accruing interest at 5.1% payable in equal annual combined installments of \$303,972, with a maturity date of November 1, 2033.

Water Pollution Control Revolving Loan

In November 2011, the Town entered into a loan agreement (the "Agreement") with the Colorado Water Resource and Power Development Authority ("CWR&PDA") for a principal amount of \$2,615,000, plus a premium of \$495,543 for total proceeds of \$3,110,543. The loan accrues at interest at 1.94% and is payable in semi-annual principal and interest payments, beginning on February 1, 2013 with a maturity date of August 1, 2027. The loan is secured by the net revenues of the ownership and operation of the sanitary sewer collection and treatment system, as defined within the Agreement. As of December 31, 2013, the Town has not drawn down any funds from this loan. The remaining amount available to be received is reflected as loan proceeds receivable in the accompanying statement of net position.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 6 - Long-Term Debt (Continued)

A summary of changes in business-type activities long-term debt obligations is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
CWCB loan	\$3,863,200	\$ -	\$ (106,950)	\$ 3,756,250	\$ 112,403
CWR&PDA Loan	2,932,118		(178,425)	2,753,693	178,425
Compensated absences	60,072	37,467	(35,469)	62,070	-
Total long termdebt	\$6,855,390	\$ 37,467	\$ (320,844)	\$ 6,572,013	\$ 290,828

The annual requirements to amortize all business-type activities debt outstanding as of December 31, 2013, are as follows:

Year Ending December 31	Principal	Interest	Total
2014	\$ 290,828	\$ 243,567	\$ 534,395
2015	302,509	233,859	536,368
2016	314,481	224,080	538,561
2017	320,813	214,343	535,156
2018	327,469	204,738	532,207
2019 - 2023	1,785,358	885,865	2,671,223
2024 - 2028	1,856,076	572,257	2,428,333
2029 - 2033	1,312,409	207,451	1,519,860
Total	\$ 6,509,943	\$ 2,786,160	\$ 9,296,103

Note 7 - Employees' Retirement Plans

Defined Contribution Plan - The Town contributes to a single-employer defined contribution money purchase pension plan (the "Employees' Retirement Plan") on behalf of its employees. The contribution requirements of Plan participants and the Town are established and may be amended by the Town Board. The Plan is administered by the ICMA Retirement Corporation ("ICMA-RC") and is a qualified Section 401(a) plan.

A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the plan plus earnings on investments of those contributions.

All full-time employees who have been employed at least one year are eligible to participate in the Employees' Retirement Plan. The Town contributes 3% of the employee's annual salary to the Plan. In addition, if the employee chooses to contribute 2% of their annual salary to the Town's 457 Deferred Compensation Retirement Plan (the "457 Plan"), the Town contributes an additional 2% to the Employees' account for a total Town contribution of 5%.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

Note 7 - Employees' Retirement Plans (Continued)

As of December 31, 2013, there were 88 plan members. The following table shows payroll and contribution related data for the years ending December, 31:

Year	Total Payroll	Total Covered Payroll	Town Contribution
2013	\$ 6,287,719	\$ 6,028,553	\$ 234,779
2012	6,135,644	5,881,268	236,343
2011	6,003,281	5,644,106	232,220

Defined Benefit Police Pension Plan - The Town contributes to the FPPA Social Security Supplemental Retirement Plan, a cost-sharing multiple-employer defined benefit plan administered by the Colorado Fire and Police Pension Association ("FPPA"). The Social Security Supplemental Retirement Plan provides retirement benefits for members and beneficiaries. All sworn police officers of the Town are members of the Social Security Supplemental Retirement Plan. Title 31, Article 30 of the Colorado Revised Statutes ("CRS"), as amended, assigns the authority to establish benefit provisions to the state legislature.

FPPA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the FPPA Social Security Supplemental Retirement Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado or by calling FPPA at (303) 770-3772 in the Denver Metro area, or (800) 332-3772 from outside the metro area.

Plan members and the Town are required to contribute at a rate set by State statute. The contribution rate for members is 4.0% of covered salary and for the Town is 4.0% of covered salary. There were 21 sworn officers participating as of December 31, 2013. The following table shows payroll and contribution related data for the years ending December, 31:

Year	Total Covered Payroll	Town Contribution	Contribution Percentage
2013	\$ 1,316,885	\$ 52,675	4.0%
2012	1,243,925	49,757	4.0%
2011	1,159,875	46,395	4.0%

The Town's only obligation to the aforementioned plans is to contribute to the plans in the qualified employees' name. The Town has no control over the types of plan investments, etc. Plan provisions and contribution requirements are established and may be amended by the Town Board.

Note 8 - Contingency

The Town is self insured for property and liability insurance. In order to mitigate risk, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") and Colorado Intergovernmental Risk Sharing Agency Workmen's Compensation ("CIRSA/WC"). CIRSA and CIRSA/WC have a legal obligation for claims against their members to the extent that funds are available in their annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA and CIRSA/WC have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although they are not legally required to do so. Additionally, the Town may receive credit on future contributions in the event of a surplus.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 8 – Contingency (Continued)

The ultimate liability to the Town resulting from claims not covered by CIRSA and CIRSA/WC is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements.

Note 9 – Developer Receivable

In August 2008, the Town entered into an intergovernmental agreement with a local metropolitan district (the "District"), to provide for the delivery of non-potable water to the property owners within the boundaries of the District. Pursuant to this agreement, the District agreed to reimburse the Town, in the form of a capital contribution, for one-half of the estimated costs of required system development charges incurred by the Town, totaling approximately \$650,000. During 2008, the Town was paid approximately \$150,000 of the balance due.

This agreement was amended in March of 2010, to revise the payment terms pursuant to the original agreement. Under the amendment to this agreement, the Town was paid approximately \$45,000 representing interest incurred from August 1, 2008, through April 1, 2010, at Bank Prime, plus one-percent (6.0% at August 1, 2008). The Town received payments of \$50,000, principal and interest, on March 1, 2011 and 2012 and the remaining principal and interest is payable on March 1, 2013. The remaining balance of approximately \$431,000, including principal and interest, was paid during 2013. There is no additional amounts due as of December 31, 2013.

Note 10 - Risk Management

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2008 limit CIRSA's per occurrence exposure to \$1,000,000 for property coverage, \$1,000,000 for excess property coverage and provide coverage to specified upper limits. The excess of loss contract for workers' compensation coverage limits CIRSA's per occurrence exposure to \$500,000 for 2009 and provides coverage to statutory limits for the State of Colorado. The Town's 2013 contributions were \$160,300 and \$167,680 and share of surplus at December 31, 2013, amounted to approximately \$255,124 and \$75,830 for the property and casualty pool and the workers' compensation pool, respectively.

Note 11 - Taxes, Spending, and Debt Limitations

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$621,484 for this purpose.

On April 6, 2004, the voting citizens of the Town of Windsor authorized the Town "to retain and expend all revenues generated in 2003 and each year thereafter for the purposes of police protection; parks and recreation capital projects and maintenance thereof; construction, reconstruction and maintenance of streets; capital equipment purchases; capital improvements; and debt service payments, notwithstanding any restriction on fiscal year spending, including, without limitation, the restrictions of Article X, Section 20, of the Colorado Constitution, or other laws of the State of Colorado." This effectively removed all revenue and spending limits imposed by TABOR.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require Judicial interpretation.

Note 12 - Commitments

The Town has contractual commitments and estimated costs to complete construction projects in progress totaling approximately \$1.1 million for the I-25/SH392 Intersection improvement and the Waste Water Treatment Plant Upgrades/Headworks and Lift Station.

Note 13 - Subsequent Events

Management of the Town has evaluated subsequent events through June 23, 2014, the date that the financial statements were available to be issued. No transactions or events that would require adjustment to, or disclosure in the financial statements, other than those described below, were identified.

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND AND PARK IMPROVEMENT FUND BUDGETARY COMPARISON
SCHEDULE

This financial statement presents budget and actual comparisons for the Town's General and Park Improvement Funds.



TOWN OF **WINDSOR**, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 9,272,623	\$ 9,272,623	\$ 10,498,099	\$ 1,225,476
Licenses and permits	282,491	282,491	463,657	181,166
Intergovernmental	944,390	944,390	922,591	(21,799)
Grants and contributions	310,000	310,000	311,097	1,097
Charges for services	1,026,714	1,026,714	1,100,217	73,503
Fines and forfeitures	151,785	151,785	184,444	32,659
Earnings on investments	46,255	46,255	86,362	40,107
Miscellaneous	94,263	94,263	106,702	12,439
<u>Total revenues</u>	<u>12,128,521</u>	<u>12,128,521</u>	<u>13,673,169</u>	<u>1,544,648</u>
<u>Expenditures</u>				
General government				
Legislative	470,308	470,308	413,446	56,862
Judicial	19,659	19,659	17,227	2,432
Administrative and finance	2,602,268	2,602,268	1,194,814	1,407,454
Town clerk	527,426	527,426	534,837	(7,411)
Public safety	2,685,654	2,685,654	2,661,338	24,316
Public works				
Streets and alleys	949,735	949,735	969,365	(19,630)
Administration	465,581	465,581	418,951	46,630
Cemetery	112,878	112,878	106,365	6,513
Engineering	600,833	600,833	591,997	8,836
Parks and recreation	3,643,309	3,643,309	4,350,281	(706,972)
Community development	542,533	542,533	1,118,673	(576,140)
Safety and loss control	15,510	15,510	7,422	8,088
Debt service	372,575	372,575	372,475	100
<u>Total expenditures</u>	<u>13,008,269</u>	<u>13,008,269</u>	<u>12,757,191</u>	<u>251,078</u>
<u>Revenues over (under) expenditures</u>	<u>(879,748)</u>	<u>(879,748)</u>	<u>915,978</u>	<u>1,795,726</u>
<u>Other financing uses</u>				
Transfers in	645,540	645,540	645,540	-
<u>Total other financing uses</u>	<u>645,540</u>	<u>645,540</u>	<u>645,540</u>	<u>-</u>
<u>Net change in fund balances</u>	<u>\$ (234,208)</u>	<u>\$ (234,208)</u>	<u>1,561,518</u>	<u>\$ 1,795,726</u>
<u>Fund balance at beginning of year</u>			<u>5,712,857</u>	
<u>Fund balance at end of year</u>			<u>\$ 7,274,375</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
PARK IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 1,158,228	\$ 1,158,228	\$ 1,481,927	\$ 323,699
Intergovernmental	71,413	71,413	122,170	50,757
Earnings on investments	667	667	354	(313)
<u>Total revenues</u>	<u>1,230,308</u>	<u>1,230,308</u>	<u>1,604,451</u>	<u>374,143</u>
<u>Expenditures</u>				
Parks and recreation	10,000	10,000	5,000	5,000
Capital outlay	1,215,431	1,215,431	1,106,658	108,773
<u>Total expenditures</u>	<u>1,225,431</u>	<u>1,225,431</u>	<u>1,111,658</u>	<u>113,773</u>
<u>Revenues over (under) expenditures</u>	4,877	4,877	492,793	487,916
Transfers out	(24,246)	(24,246)	(24,246)	-
<u>Net change in fund balance</u>	<u>\$ (19,369)</u>	<u>\$ (19,369)</u>	468,547	<u>\$ 487,916</u>
<u>Fund balance at beginning of year</u>			<u>2,152,984</u>	
<u>Fund balance at end of year</u>			<u>\$ 2,621,531</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
GENERAL FUND AND PARK IMPROVEMENT FUND
NOTE TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended December 31, 2013

Note 1 – Budgetary Information

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations. Note 1 to the financial statements describes the budget process.

An annual budget and appropriation ordinance is adopted by the Board of Trustees in accordance with Colorado state statutes. Budgets are adopted on a basis consistent with GAAP, except for the following: proceeds from long-term debt are budgeted as revenue in the proprietary funds; note, lease and bond principal payments are budgeted as expenses in the proprietary funds; and purchases of capital assets are budgeted as capital outlay expenses in the proprietary funds.

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See accompanying independent auditor's report.

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OTHER SUPPLEMENTARY INFORMATION
INDIVIDUAL FUND STATEMENTS AND SCHEDULES

TOWN OF WINDSOR



COLORADO

These financial statements present more detailed information, such as budget and actual comparisons for the major capital project fund and individual nonmajor funds in a format that segregates information by fund type.

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TOWN OF **WINDSOR**, COLORADO
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 3,980,378	\$ 3,980,378	\$ 5,285,596	\$ 1,305,218
Intergovernmental	187,292	187,292	372,044	184,752
Grants and contributions	252,400	834,103	585,453	(248,650)
Earnings on investments	6,189	6,189	84,570	78,381
Miscellaneous	-	-	129,581	129,581
<u>Total revenues</u>	<u>4,426,259</u>	<u>5,007,962</u>	<u>6,457,244</u>	<u>1,449,282</u>
<u>Expenditures</u>				
Small equipment and maintenance	1,464,348	1,464,348	1,242,830	221,518
Capital outlay	3,158,541	3,740,244	2,132,297	1,607,947
Debt service	249,672	249,672	-	249,672
<u>Total expenditures</u>	<u>4,872,561</u>	<u>5,454,264</u>	<u>3,375,127</u>	<u>2,079,137</u>
<u>Revenues over (under) expenditures</u>	<u>(446,302)</u>	<u>(446,302)</u>	<u>3,082,117</u>	<u>3,528,419</u>
<u>Other financing uses</u>				
Transfers out	(207,653)	(207,653)	(207,733)	(80)
<u>Total other financing uses</u>	<u>(207,653)</u>	<u>(207,653)</u>	<u>(207,733)</u>	<u>(80)</u>
<u>Net change in fund balance</u>	<u>\$ (653,955)</u>	<u>\$ (653,955)</u>	<u>2,874,384</u>	<u>\$ 3,528,339</u>
<u>Fund balance at beginning of year</u>			<u>4,973,418</u>	
<u>Fund balance at end of year</u>			<u>\$ 7,847,802</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 165,424	\$ 165,424	\$ 208,280	\$ 42,856
Earnings on investments	152	152	113	(39)
<u>Total operating revenues</u>	<u>165,576</u>	<u>165,576</u>	<u>208,393</u>	<u>42,817</u>
<u>Expenditures</u>				
Small equipment and maintenance	10,000	10,000	9,000	1,000
Capital outlay	374,000	374,000	16,566	357,434
<u>Total operating expenditures</u>	<u>384,000</u>	<u>384,000</u>	<u>25,566</u>	<u>358,434</u>
<u>Net change in fund balance</u>	<u>\$ (218,424)</u>	<u>\$ (218,424)</u>	182,827	<u>\$ 401,251</u>
<u>Fund balance at beginning of year</u>			<u>331,234</u>	
<u>Fund balance at end of year</u>			<u>\$ 514,061</u>	

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See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 3,303,110	\$ 3,303,110	\$ 3,163,708	\$ (139,402)
Miscellaneous	321,221	321,221	364,702	43,481
<u>Total operating revenues</u>	<u>3,624,331</u>	<u>3,624,331</u>	<u>3,528,410</u>	<u>(95,921)</u>
<u>Budgetary expenditures</u>				
Wages and benefits	197,795	197,795	193,515	4,280
Operating costs	1,949,698	1,949,698	2,248,691	(298,993)
Capital outlay	2,673,542	3,819,942	171,325	3,648,617
<u>Total budgetary expenditures</u>	<u>4,821,035</u>	<u>5,967,435</u>	<u>2,613,531</u>	<u>3,353,904</u>
<u>Operating revenues over (under) budgetary expenditures</u>	<u>(1,196,704)</u>	<u>(2,343,104)</u>	<u>914,879</u>	<u>3,257,983</u>
<u>Nonoperating revenue</u>				
Earnings on investments	133,561	133,561	252,396	118,835
<u>Total nonoperating revenue</u>	<u>133,561</u>	<u>133,561</u>	<u>252,396</u>	<u>118,835</u>
<u>Income (loss) before contributions and transfers</u>	<u>(1,063,143)</u>	<u>(2,209,543)</u>	<u>1,167,275</u>	<u>3,376,818</u>
Transfers in	62,653	62,653	62,653	-
Transfers out	(552,640)	(552,640)	(552,640)	-
Grants and contributions	800,000	800,000	-	(800,000)
Contributed capital	794,471	1,940,871	1,925,752	(15,119)
<u>Income budgetary basis</u>	<u>\$ 41,341</u>	<u>\$ 41,341</u>	<u>2,603,040</u>	<u>\$ 2,561,699</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(517,251)	
Capital outlay			171,325	
<u>Change in net position - GAAP basis</u>			<u>2,257,114</u>	
<u>Net position at beginning of year</u>			<u>51,884,739</u>	
<u>Net position at end of year</u>			<u>\$ 54,141,853</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 1,643,538	\$ 1,643,538	\$ 1,733,970	\$ 90,432
Miscellaneous	-	-	21,755	21,755
<u>Total operating revenues</u>	1,643,538	1,643,538	1,755,725	112,187
<u>Budgetary expenditures</u>				
Wages and benefits	246,135	246,135	248,324	(2,189)
Operating costs	568,698	568,698	584,992	(16,294)
Interest	54,703	54,703	54,703	-
Principal paid	178,425	178,425	178,425	-
Capital outlay	787,250	1,024,663	677,438	347,225
<u>Total budgetary expenditures</u>	1,835,211	2,072,624	1,743,882	328,742
<u>Operating revenues over (under) budgetary expenditures</u>	(191,673)	(429,086)	11,843	440,929
<u>Nonoperating revenues</u>				
Earnings on investments	6,724	6,724	10,173	3,449
Other income	35,070	35,070	31,500	(3,570)
<u>Total nonoperating revenues</u>	41,794	41,794	41,673	(121)
<u>Income (loss) before contributions and transfers</u>	(149,879)	(387,292)	53,516	440,808
Transfers out	(190,640)	(190,640)	(190,640)	-
Grants and contributions	252,000	252,000	-	(252,000)
Contributed capital	680,550	917,963	872,821	(45,142)
<u>Income budgetary basis</u>	<u>\$ 592,031</u>	<u>\$ 592,031</u>	735,697	<u>\$ 143,666</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(1,269,270)	
Principal paid			178,425	
Capital outlay			677,438	
<u>Change in net position - GAAP basis</u>			322,290	
<u>Net position at beginning of year</u>			31,046,886	
<u>Net position at end of year</u>			<u>\$ 31,369,176</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
STORM DRAINAGE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 304,589	\$ 304,589	\$ 329,018	\$ 24,429
<u>Total operating revenues</u>	304,589	304,589	329,018	24,429
<u>Budgetary expenditures</u>				
Wages and benefits	77,428	77,428	78,249	(821)
Operating costs	177,581	177,581	199,720	(22,139)
Capital outlay	856,000	909,794	42,771	867,023
<u>Total budgetary expenditures</u>	1,111,009	1,164,803	320,740	844,063
<u>Operating revenues over (under) budgetary expenditures</u>	(806,420)	(860,214)	8,278	868,492
<u>Nonoperating revenue</u>				
Earnings on investments	-	-	628	628
<u>Total nonoperating revenue</u>	-	-	628	628
<u>Loss before transfers and contributions</u>	(806,420)	(860,214)	8,906	869,120
Transfers out	(151,986)	(151,986)	(151,986)	-
Contributed capital	1,098,616	1,152,410	730,475	(421,935)
<u>Income budgetary basis</u>	\$ 140,210	\$ 140,210	587,395	\$ 447,185
<u>Reconciliation to GAAP basis</u>				
Depreciation			(326,692)	
Capital outlay			42,771	
<u>Change in net position - GAAP basis</u>			303,474	
<u>Net position at beginning of year</u>			15,484,974	
<u>Net position at end of year</u>			\$ 15,788,448	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
NON-POTABLE WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 219,700	\$ 219,700	\$ 134,290	\$ (85,410)
Miscellaneous	-	-	431,097	431,097
<u>Total operating revenues</u>	219,700	219,700	565,387	(85,410)
<u>Budgetary expenditures</u>				
Operating costs	53,808	53,808	108,764	(54,956)
Interest expense	197,023	197,023	197,023	-
Principal paid	106,949	106,949	106,950	(1)
Capital outlay	380,700	380,700	165,277	215,423
<u>Total budgetary expenditures</u>	738,480	738,480	578,014	160,466
<u>Income (loss) before contributions and transfers</u>	(518,780)	(518,780)	(12,627)	75,056
Transfers in	303,972	303,972	303,972	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Grants and contributions	-	-	50,000	50,000
<u>Income (loss) budgetary basis</u>	\$ (244,808)	\$ (244,808)	311,345	\$ 125,056
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(17,745)	
Capital outlay			165,277	
Principal paid			106,950	
<u>Change in net position - GAAP basis</u>			565,827	
<u>Net position at beginning of year</u>			754,349	
<u>Net position at end of year</u>			\$ 1,320,176	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2013

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>ASSETS</u>					
<u>Current assets</u>					
Equity in pooled cash and cash equivalents	\$ 159,918	\$ 389,610	\$ 25	\$ 34,513	\$ 584,066
<u>Total current assets</u>	159,918	389,610	25	34,513	584,066
<u>Noncurrent assets</u>					
Restricted investments	-	-	145,503	-	145,503
Capital assets:					
Land	-	-	157,853	-	157,853
Buildings and improvements	6,924	-	4,987,609	-	4,994,533
Machinery and equipment	751,294	2,929,282	-	-	3,680,576
Less accumulated depreciation	(356,465)	(1,593,747)	(748,141)	-	(2,698,353)
Total capital assets, net	401,753	1,335,535	4,397,321	-	6,134,609
<u>Total noncurrent assets</u>	401,753	1,335,535	4,542,824	-	6,280,112
<u>Total assets</u>	561,671	1,725,145	4,542,849	34,513	6,864,178
<u>LIABILITIES</u>					
<u>Current liabilities</u>					
Interfund payable	-	-	2,378,528	-	2,378,528
Accounts payable	2,837	13,008	-	2,870	18,715
Accrued expenses	8,602	7,276	-	12,949	28,827
Loan payable - current	-	-	37,086	-	37,086
<u>Total current liabilities</u>	11,439	20,284	2,415,614	15,819	2,463,156
<u>Noncurrent liabilities</u>					
Accrued compensated absences	8,460	8,426	-	11,083	27,969
Loan payable	-	-	2,859,635	-	2,859,635
<u>Total noncurrent liabilities</u>	8,460	8,426	2,859,635	11,083	2,887,604
<u>Total liabilities</u>	19,899	28,710	5,275,249	26,902	5,350,760
<u>NET POSITION</u>					
Net investment in capital assets	401,753	1,335,535	1,500,600	-	3,237,888
Unrestricted	140,019	360,900	(2,233,000)	7,611	(1,724,470)
<u>Total net position</u>	\$ 541,772	\$ 1,696,435	\$ (732,400)	\$ 7,611	\$ 1,513,418

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2013

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>Operating revenues</u>					
Charges for services	\$ 719,908	\$ 1,023,896	\$ -	\$ 555,873	\$ 2,299,677
Insurance recoveries	-	28,566	-	-	28,566
Gain on sale of capital assets	-	-	-	-	-
<u>Total operating revenues</u>	<u>719,908</u>	<u>1,052,462</u>	<u>-</u>	<u>555,873</u>	<u>2,328,243</u>
<u>Operating expenses</u>					
Wages and benefits	206,404	202,986	-	342,258	751,648
Operating costs	376,337	253,851	5	270,018	900,211
Depreciation	78,418	433,105	194,554	-	706,077
<u>Total operating expenses</u>	<u>661,159</u>	<u>889,942</u>	<u>194,559</u>	<u>612,276</u>	<u>2,357,936</u>
<u>Operating income (loss)</u>	<u>58,749</u>	<u>162,520</u>	<u>(194,559)</u>	<u>(56,403)</u>	<u>(29,693)</u>
<u>Nonoperating revenue (expense)</u>					
Interest Expense	-	-	(109,357)	-	(109,357)
Earnings on investments	-	-	15	-	15
<u>Total nonoperating revenue (expense)</u>	<u>-</u>	<u>-</u>	<u>(109,342)</u>	<u>-</u>	<u>(109,342)</u>
<u>Income (loss) before transfers</u>	<u>58,749</u>	<u>162,520</u>	<u>(303,901)</u>	<u>(56,403)</u>	<u>(139,035)</u>
Transfers in	-	6,000	145,080	-	151,080
Transfers out	-	-	-	(6,000)	(6,000)
<u>Change in net position</u>	<u>58,749</u>	<u>168,520</u>	<u>(158,821)</u>	<u>(62,403)</u>	<u>6,045</u>
<u>Net position at beginning of year</u>	<u>483,023</u>	<u>1,527,915</u>	<u>(573,579)</u>	<u>70,014</u>	<u>1,507,373</u>
<u>Net position at end of year</u>	<u>\$ 541,772</u>	<u>\$ 1,696,435</u>	<u>\$ (732,400)</u>	<u>\$ 7,611</u>	<u>\$ 1,513,418</u>

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2013

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>Cash flows from operating activities</u>					
Cash received from customers	\$ 719,908	\$ 1,052,881	\$ -	\$ 555,873	\$ 2,328,662
Cash payments to suppliers	(386,342)	(242,507)	(5)	(262,493)	(891,347)
Cash payments to employees	(204,879)	(209,837)	-	(344,822)	(759,538)
<u>Net cash flows from operating activities</u>	<u>128,687</u>	<u>600,537</u>	<u>(5)</u>	<u>(51,442)</u>	<u>677,777</u>
<u>Cash flows from non-capital financing activities</u>					
Transfers from other funds	-	6,000	145,080	-	151,080
Transfer to other funds	-	-	-	(6,000)	(6,000)
<u>Net cash flows from non-capital activities</u>	<u>-</u>	<u>6,000</u>	<u>145,080</u>	<u>(6,000)</u>	<u>145,080</u>
<u>Cash flows from capital and related financing activities</u>					
Principal paid on debt	-	-	(35,723)	-	(35,723)
Interest paid on debt	-	-	(109,357)	-	(109,357)
Proceeds from sale of capital assets	-	-	-	-	-
Acquisition of capital assets	(100,042)	(347,283)	-	-	(447,325)
<u>Net cash flows from capital and related financing activities</u>	<u>(100,042)</u>	<u>(347,283)</u>	<u>(145,080)</u>	<u>-</u>	<u>(592,405)</u>
<u>Cash flows from investing activities</u>					
Net change in restricted cash and investments	-	-	(15)	-	(15)
Earnings on investments	-	-	15	-	15
<u>Net cash flows from investing activities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net change in cash and cash equivalents</u>	<u>28,645</u>	<u>259,254</u>	<u>(5)</u>	<u>(57,442)</u>	<u>230,452</u>
<u>Cash and cash equivalents at beginning of year</u>	<u>131,273</u>	<u>130,356</u>	<u>30</u>	<u>91,955</u>	<u>353,614</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$ 159,918</u>	<u>\$ 389,610</u>	<u>\$ 25</u>	<u>\$ 34,513</u>	<u>\$ 584,066</u>
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>					
Operating income (loss)	\$ 58,749	\$ 162,520	\$ (194,559)	\$ (56,403)	\$ (29,693)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	78,418	433,105	194,554	-	706,077
Gain on disposition of capital assets	-	-	-	-	-
Changes in operating assets and liabilities:					
Accounts receivable	-	419	-	-	419
Accounts payable and accrued expenses	(8,480)	4,493	-	4,961	974
<u>Net cash flows from operating activities</u>	<u>\$ 128,687</u>	<u>\$ 600,537</u>	<u>\$ (5)</u>	<u>\$ (51,442)</u>	<u>\$ 677,777</u>

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
INFORMATION TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 718,582	\$ 718,582	\$ 719,908	\$ 1,326
<u>Total operating revenues</u>	718,582	718,582	719,908	1,326
<u>Budgetary expenditures</u>				
Wages and benefits	247,953	247,953	206,404	41,549
Operating costs	364,167	364,167	376,337	(12,170)
Capital outlay	100,000	100,000	100,042	(42)
<u>Total budgetary expenditures</u>	712,120	712,120	682,783	29,337
<u>Income (loss) budgetary basis</u>	<u>\$ 6,462</u>	<u>\$ 6,462</u>	37,125	<u>\$ 30,663</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(78,418)	
Capital outlay			100,042	
<u>Change in net position - GAAP basis</u>			58,749	
<u>Net position at beginning of year</u>			483,023	
<u>Net position at end of year</u>			<u>\$ 541,772</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
FLEET MANAGEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 1,023,896	\$ 1,023,896	\$ 1,023,896	\$ -
Insurance recoveries	-	-	28,566	28,566
Gain on sale of capital assets	50,000	50,000	-	(50,000)
<u>Total operating revenues</u>	<u>1,073,896</u>	<u>1,073,896</u>	<u>1,052,462</u>	<u>(21,434)</u>
<u>Budgetary expenditures</u>				
Wages and benefits	271,257	271,257	202,986	68,271
Operating costs	343,460	343,460	253,851	89,609
Capital outlay	483,500	483,500	347,283	136,217
<u>Total budgetary expenditures</u>	<u>1,098,217</u>	<u>1,098,217</u>	<u>804,120</u>	<u>294,097</u>
<u>Loss before transfers</u>	(24,321)	(24,321)	248,342	272,663
Transfers in	6,000	6,000	6,000	-
<u>Loss budgetary basis</u>	<u>\$ (18,321)</u>	<u>\$ (18,321)</u>	254,342	<u>\$ 272,663</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(433,105)	
Capital outlay			347,283	
<u>Change in net position - GAAP basis</u>			168,520	
<u>Net position at beginning of year</u>			<u>1,527,915</u>	
<u>Net position at end of year</u>			<u>\$ 1,696,435</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO

**WINDSOR BUILDING AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE**
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Earnings on investments	\$ -	\$ -	\$ 15	\$ 15
<u>Total operating revenues</u>	-	-	15	15
<u>Budgetary expenditures</u>				
Operating costs	-	-	5	(5)
Interest expense	109,357	109,357	109,357	-
Principal paid	35,723	35,723	35,723	-
<u>Total budgetary expenditures</u>	145,080	145,080	145,085	(5)
<u>Loss before contributions and transfers</u>	(145,080)	(145,080)	(145,070)	10
Transfers in	145,000	145,000	145,080	80
<u>Income budgetary basis</u>	\$ (80)	\$ (80)	10	\$ 90
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(194,554)	
Principal paid			35,723	
<u>Change in net position - GAAP basis</u>			(158,821)	
<u>Net position at beginning of year</u>			(573,579)	
<u>Net position at end of year</u>			\$ (732,400)	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
 FACILITY SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 545,571	\$ 545,571	\$ 555,873	\$ 10,302
<u>Total operating revenues</u>	545,571	545,571	555,873	10,302
<u>Budgetary expenditures</u>				
Wages and benefits	340,026	340,026	342,258	(2,232)
Operating costs	199,545	199,545	270,018	(70,473)
<u>Total budgetary expenditures</u>	539,571	539,571	612,276	(72,705)
<u>Income (loss) before contributions and transfers</u>	6,000	6,000	(56,403)	(62,403)
Transfers out	(6,000)	(6,000)	(6,000)	-
<u>Income (loss) budgetary basis</u>	<u>\$ -</u>	<u>\$ -</u>	(62,403)	<u>\$ (62,403)</u>
<u>Change in net position - GAAP basis</u>			(62,403)	
<u>Net position at beginning of year</u>			70,014	
<u>Net position at end of year</u>			<u>\$ 7,611</u>	

See accompanying independent auditor's report.

REPORTS TO GOVERNMENTAL AGENCIES

TOWN OF WINDSOR



COLORADO

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of the Town Board
Town of Windsor, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Windsor, Colorado (the "Town"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 23, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greeley, Colorado
June 23, 2014

DRAFT



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable Mayor and
Members of the Town Board
Town of Windsor, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Town of Windsor's (the "Town") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2013. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the Town's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.



A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Greeley, Colorado
June 23, 2014

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TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting: Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs: Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	No

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Airport Improvement Programs	20.106
Dollar threshold used to distinguish between type A and type B programs	\$300,000
Auditee qualify as a low-risk auditee	Yes

FINDINGS—FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

2013-01 – Long Term Debt (Significant Deficiency)

Finding and Recommendation:

During the audit, we noted a number of misstated account balances relating to the long-term debt of the Town. This included the revenue bond refunding transactions and the recording of the new debt for the headworks loan with CWR&PDA. Complete and accurate account balances and transactions are necessary for accurate financial statements. We recommend that

TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

entries to record long-term debt transactions be reviewed to ensure that long-term debt is accurately reflected in the accounting system.

Current Year Status:
Implemented.

2013-02 – Purchase Cards (Significant Deficiency)

Finding and Recommendation:

We selected purchase card transactions during the year to test the Town's policies surrounding the use of purchase cards. For two purchase card holders selected, we noted that there was no purchase card agreement in place. In addition, we noted several items that did not contain a receipt to support the transactions. Finally, we noted that purchase card transactions were not always approved in accordance with Town policy. We recommend that the Town improve its policies over purchase cards by requiring purchase card agreements for all employees with purchase cards, purchase card transactions be reviewed and approved in accordance with established policy, and that purchase card transactions be supported by receipts.

Current Year Status:
Implemented.

:



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TOWN OF WINDSOR



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TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2013 Expenditures</u>
<u>Department of Commerce</u>			
Direct programs:			
Investments for Public Works and Economic Development Facilities	11.300		\$ 109,187
Total Department of Commerce			109,187
<u>U.S. Environmental Protection Agency</u>			
Passed through Colorado Department of Transportation:			
Capitalization Grants for Clean Water State Revolving Funds	66.458		2,310,507
Total U.S. Environmental Protection Agency			2,310,507
<u>Department of Housing and Urban Development</u>			
Direct programs:			
Community Development Block Grants	14.228		307,000
Total Department of Health and Human Services			307,000
<u>Department of Transportation</u>			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205		11,453
Total Department of Transportation			11,453
Total Expenditures of Federal Awards			\$ 2,738,147

TOWN OF **WINDSOR**, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2013

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The basis of accounting used for the schedule of expenditures of federal awards is consistent with the basis of accounting used for the financial statements.

Note 2 - Subrecipients

Of the federal expenditures presented in the accompanying schedule of expenditures, the Town provided federal awards to sub-recipients for the Community Development Block Grant (CFDA 14.228) for \$307,000.

Note 3 - Loan

The accompanying schedule of expenditures of federal awards includes a loan received from the Colorado Water Resources and Power Development Authority ("CWRPD&A") totaling \$2,310,507. The majority of the expenditures were incurred by the Town during 2012. However, the Town did not draw down funds from CWRPD&A until 2013. The amount included for the Capitalization Grants for Clean Water State Revolving Funds (CFDA 66.458) represents the amount of funds drawn in 2013 under this loan.

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MEMORANDUM

Date: June 16, 2014
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Dean Moyer, Director of Finance
Re: Funding Methods for Public Works Facility
Item #: 2

Background / Discussion:

At a work session on April 28, 2014 you received a presentation on a study concerning a new public works/parks maintenance facility. Tonight we will discuss options to pay for such a facility. This will assume we use the phase approach, where the public works operation would move into a new building at a construction cost of \$10.8 Million.

Financial Impact:

The financial impact depends largely on the urgency of this project. If it can wait more than five years, we can incorporate a savings plan into our Capital Improvement Plan. If it is more urgent than that, we will need to obtain financing to complete the project.

Cash Savings Plan

If we set a goal to save \$8M in five years, we would need to incorporate annually \$1.6M into our CIP. We could spread this money between the General, Capital Improvement, Water, Sewer and Drainage funds in our annual plan.

Financing Scenarios

We have identified two options for financing this project, both involving three sources:

- Applying for any available grants to reduce the amount of debt issuance.
- Using existing funds as described in the cash savings plan to reduce the initial impact of construction and the eventual debt service.
- The Windsor Building Authority issuing debt to finance the initial construction. The amount of the debt being dependent on the amounts of the first two bullets.

Where these two options differ is that one would involve a small tax increase where the other would not. The difference being that one scenario could be accomplished without a ballot question while the tax increase would require a ballot approval. In either case,

the funds would be paid to the WBA, which would in turn pay the debt holders. This is the same mechanism as the WBA used to build the police station a few years ago.

Attached is a flow chart diagramming the two financing scenarios.

Relationship to Strategic Plan:

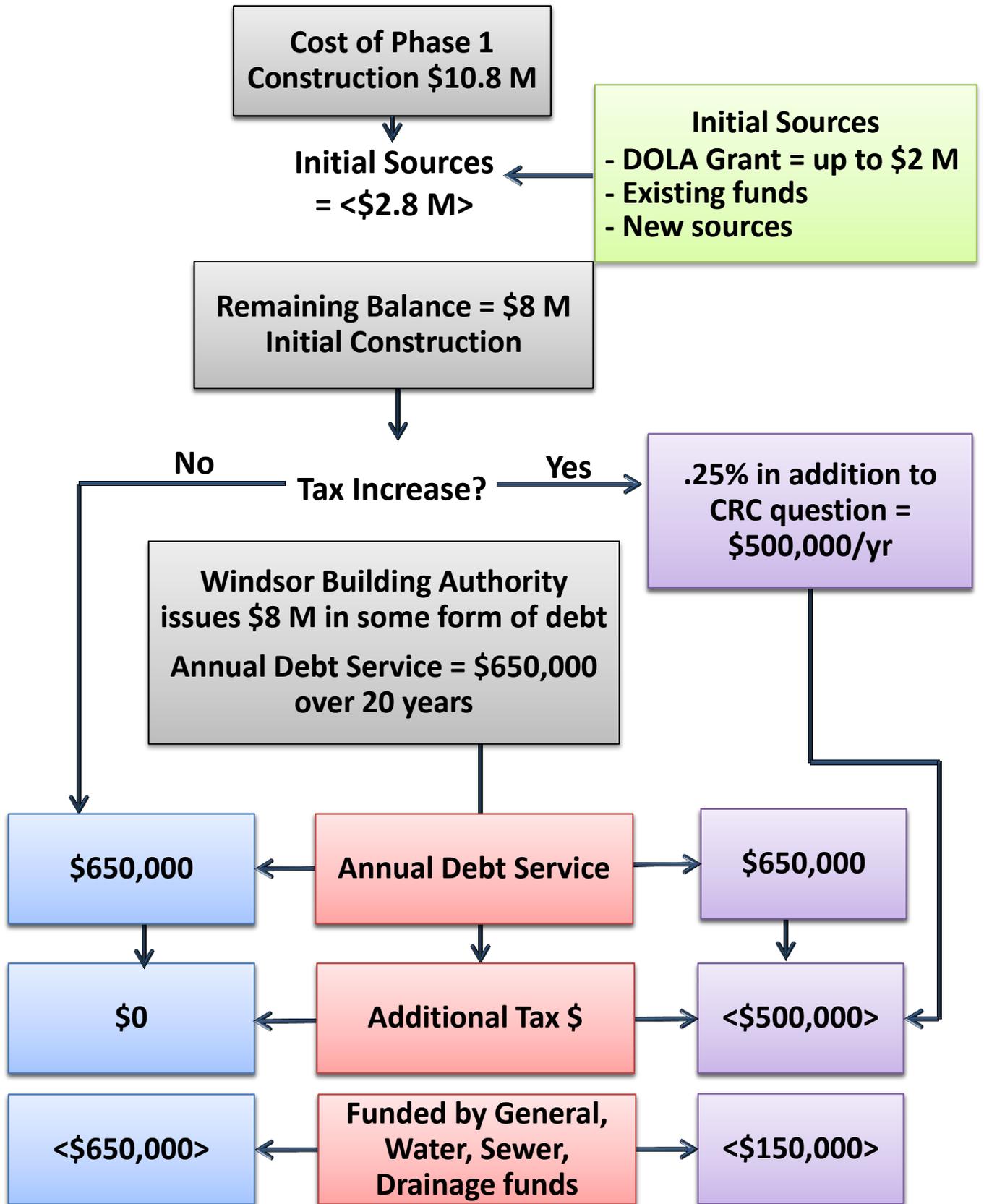
Develop and Maintain Existing Infrastructure

Recommendation:

Discuss funding strategy

Attachments: Flowchart on funding scenarios.

Funding Examples Public Works/Parks Maintenance Facility





MEMORANDUM

Date: June 16, 2014
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Dean Moyer, Director of Finance
Re: Tap Fee Increase Implementation
Item #:

Background / Discussion:

At a work session on April 21, 2014 you received a presentation on a study concerning water and sewer tap fees and a proposed increase of these fees. The increase proposed at the time was \$2,675 for a $\frac{3}{4}$ inch water tap and \$700 for the same size corresponding sewer tap as shown in the chart.

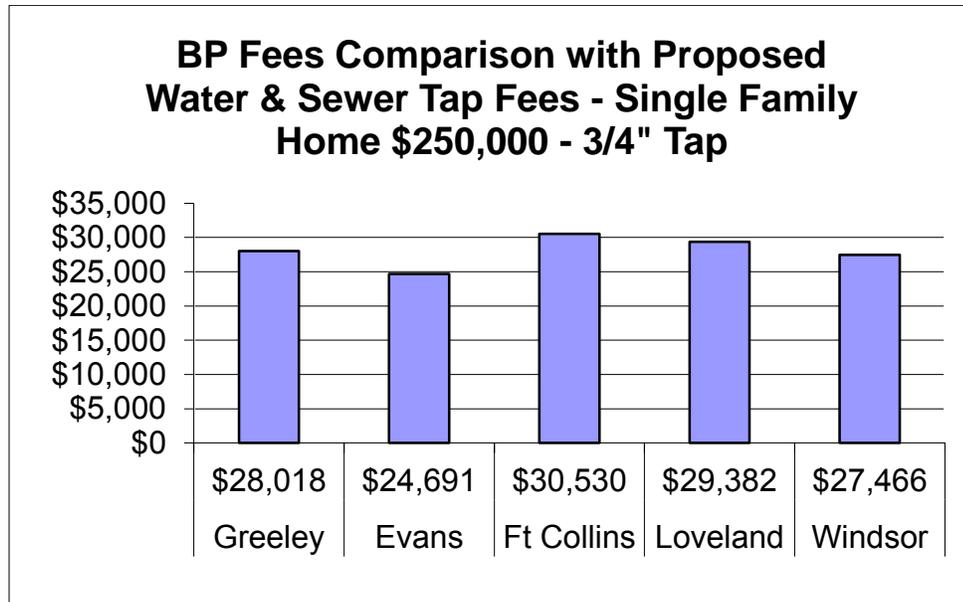
Plant Investment Fees

	<u>2013 Existing</u>	<u>2014 Proposed</u>	<u>Dollars Difference</u>	<u>Percentage Difference</u>
Water	\$6,725	\$9,400	\$2,675.00	39.78%
Sewer	\$3,700	\$4,400	\$700.00	18.92%

We talked about more research concerning an implementation schedule and answers to several questions. Questions and answers appear as follows:

- Q- How close are we to our contracted water capacity with North Weld Water District? I.e. when will we need to buy more capacity for our needs?
 - A- Estimates by our engineering department place our next water capacity purchase to occur in 2015.
- Q- How much are the tap fees for Ft. Collins/Loveland Water District?
 - A- Water tap fees (without the raw water fee which is \$18,500) the fee is \$7,288. The sewer tap fee is \$5,500.

- Q- How much are the building permit fees to build a \$250,000 house in Windsor compared to surrounding communities?
 - A- Chart Below.



In our research we also identified some other relevant information:

- Water Tap Fee Projects – In our CIP for 2014-2018 we have identified projects to be funded (outside of NISP) with water tap fees totaling \$3.8M. The NISP project on its own is estimated at \$41M. This does not include our participation in any sort of regional water treatment plant.
- Participation in Regional Water treatment Plant – The estimated cost to us to participate in the preferred scenario of this project will be \$11.5M. The cost to buy in to this project for Windsor = \$5,496 per GPM Capacity (Appendix F-1 Page 4 of 7: 209). This is almost exactly what we provided in our tap fee revision to purchase additional capacity from NWCWD.
- Sewer Tap Fee Projects - In our CIP for 2014-2018 we have identified projects to be funded with sewer tap fees totaling \$2.9M.

Financial Impact:

This depends on our course of action. We could implement the increase all at once or spread the increase evenly over 3 years. Obviously the impact of “all at once” would be an increase in fees of \$3,375.

If we spread only the larger water fee over three years and implement the entire sewer fee now the fees would increase as follows:

- 2014 = \$1,591.66
- 2015 = \$ 891.66
- 2016 = \$ 891.66

Relationship to Strategic Plan:

Pursue Water Independence

Recommendation:

I think we should implement the entire increase in 2014. The year is already half over and we have not adjusted this fee in seven years. We can make it effective later this year or the beginning of 2015, but I think we should do the entire increase now.

Attachments:

None



MEMORANDUM

Date: June 16, 2014
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
Joseph P. Plummer, AICP, Director of Planning
From: Josh Olhava, Associate Planner
Subject: Proposed code language clarifying the calculation of allowable outdoor storage in the Limited Industrial I-L zoning district
Item #: Town Board Wks. Item #4

Discussion:

In an effort to mitigate confusion, misinterpretation and to make the code more user friendly, staff has reviewed and is proposing the following code amendments. There has been confusion over the current language and the proposed amendment will result in a much simpler calculation for applicants as well as staff.

Chapter 16, Article XXI of the Municipal Code outlines the Limited Industrial (I-L) zoning regulations. Staff has reviewed Section 16-21-20(c) of the aforementioned Chapter of the Code and with the direction from the Planning Commission, is proposing the following subtractions from the code language. For reference all text that is depicted as strike-through/bold is proposed to be eliminated.

Sec. 16-21-20. Use regulations.

(c) Accessory uses. Assuming approval of designated uses by right as aforesaid, the following shall be permitted accessory uses in the Limited Industrial I-L District:

- (1) Office, power supply and other such uses normally auxiliary to the principal industrial use.
- (2) Parking and service areas.
- (3) Accessory signs as otherwise regulated by this Code or the laws of the State.
- (4) Residential quarters for guards and caretakers.
- (5) Accessory outdoor storage that is normally auxiliary to the principal industrial use of the property. The total square footage of accessory outdoor storage in the Limited Industrial I-L District shall not exceed sixty-five percent (65%) of the total square footage of the property. ~~which shall be calculated as the combined total square footage of the footprint of all buildings, landscaping, paved parking and drive areas on the property.~~ Any such storage located adjacent to a public or private street shall utilize screen walls, earth berms, landscaping, opaque fencing and/or a combination thereof to completely screen the storage, and no such storage shall be visible above or between said methods of screening.....

Comprehensive Plan:

Commercial and Industrial Land Use Goal 3:

Windsor should continue to encourage and promote commercial and industrial development, redevelopment and expansions in order to strengthen its tax base, increase revenue sources, and provide high-quality employment opportunities for its residents.

Recommendation:

Town Board to reach a consensus and support staff's revised code amendments per the Planning Commission's direction.

pc: Ian McCargar, Town Attorney
Windsor Town staff

MEMORANDUM

Date: June 16, 2014
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
Joseph P. Plummer, AICP, Director of Planning
From: Josh Olhava, Associate Planner
Subject: Discussion of electronic message signs
Item #: 5

Discussion:

Section 16-9-70(b) of the municipal code prohibits signs that contain flashing or moving lights as follows:

(b) No sign shall be illuminated by or contain flashing, intermittent rotating or moving light or lights. The only exception shall be signs which provide a legitimate public service, such as the giving of time and temperature.

In 2004 the Planning Commission made an interpretation of this section of the code that addressed messages on electronic message signs. As part of this interpretation, the Planning Commission determined that messages on these types of signs could change periodically, but not any more frequently than once in any 24-hour period.

The Planning Commission held a work session on May 7, 2014 to discuss this regulation since (a) staff recently received a request to allow messages on an electronic message sign to change more frequently than once in any 24-hour period, and (b) similar inquiries having been received in the past.

Following direction from the Planning Commission, a public hearing has been scheduled for 6/18 for the Planning Commission to consider this matter. Please further note that a town board public hearing on this item has also been advertised for the 6/23 town board meeting.

Recommendation: Town Board to reach a consensus and provide direction to staff on this agenda item



FUTURE TOWN BOARD MEETINGS

Work Sessions & Regular Meetings will be held in the Board Chambers unless otherwise noted.

June 23, 2014 6:00 p.m.	Town Board Work Session Trail Master Plan Discussion of Park Improvement Fees
June 23, 2014 7:00 p.m.	Town Board Meeting
June 30, 2014	Fifth Monday
July 7, 2014 6:00 p.m.	Town Board Work Session Accessory Dwelling Units discussion Discussion of proposed code language differentiating between large retail establishments and large entertainment establishments Nuisance Code amendment
July 14, 2014 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting
July 14, 2014 7:00 p.m.	Town Board Meeting Kern Board Meeting
July 21, 2014 6:00 p.m.	Town Board Work Session Electronic publication of ordinances & other required publications
July 28, 2014 6:00 p.m.	Town Board Work Session
July 28, 2014 7:00 p.m.	Town Board Meeting
August 4, 2014 6:00 p.m.	Town Board Work Session Capital Improvement discussion
August 11, 2014 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting
August 11, 2014 7:00 p.m.	Town Board Meeting
August 18, 2014 6:00 p.m.	Town Board Work Session
August 25, 2014 6:00 p.m.	Town Board Work Session
August 25, 2014 7:00 p.m.	Town Board Meeting

Additional Events

June 17-20, 2014 Colorado Municipal League Annual Conference – Breckenridge, CO

June 25, 2014
July 1, 2014

Windsor Meadows Grand Opening – 11 am – 1 pm
In Lieu Parking Study meeting @ CRC – 11:30-1:30

Future Work Session Topics

None.