



2011 Comprehensive Annual Financial Report



Town of Windsor, Colorado

For the year ended December 31, 2011



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TOWN OF Windsor, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
December 31, 2011



REPORT ISSUED BY:

DEPARTMENT OF FINANCE
DEAN MOYER, DIRECTOR

TOWN OF **WINDSOR**, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2011

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July 27, 2012

Citizens of Windsor, Colorado,
Honorable Mayor, Town Board Members, and Town Manager

The Comprehensive Annual Financial Report (“CAFR”) of the Town of Windsor, Colorado (the “Town”), for the fiscal year ended December 31, 2011, is hereby submitted. The report was prepared by the Town’s Finance Department.

Responsibility for the accuracy, completeness, and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and changes in financial position of the Town, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the Town’s financial activities have been included.

The Town of Windsor’s financial statements have been audited by Anton Collins Mitchell LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the year ended December 31, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Windsor’s financial statements for the year ended December 31, 2011 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors’ report is presented as the first component of the financial section of this report.

Profile of the Town

The Town of Windsor incorporated in 1890, and adopted its Home Rule Charter in 2003 providing for a Board-Manager form of government. Windsor is situated midway between the state capitals of Denver, Colorado and Cheyenne, Wyoming. Windsor is located along the northern Front Range of Colorado in western Weld County and eastern Larimer County. Windsor’s city limits extend west to Interstate 25, a major north-south regional highway corridor, and the major cities surrounding Windsor include Greeley, Loveland, and Fort Collins. The population of the Town is approximately 19,500.

The Town provides general government; police services, public records, cultural programs, museums, recreational programs, sports facilities, parks, trails and open space, forestry services, a brush recycling center and a cemetery. The Town’s development services include planning, building inspections, and code enforcement. Administrative services include management, human resources, finance and information technology. The Town supplies potable and non-potable water, sewer, and storm sewer services, but electricity, gas and trash service are provided by private companies.

The Town maintains budgetary controls; the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Board. Activities of all funds are included in the annual appropriated budget. The appropriations for all funds lapse at year-end, including those funds for the Capital Improvement Fund. Projects included in the Town of Windsor Five-Year Capital Improvement Program (“CIP”) are reviewed annually with projects extending beyond the current budget year end being approved in concept only. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The finance department maintains a financial management system, generating reports that assist with budgetary projections and control. By using these reports, necessary budget revisions and spending reductions can be anticipated. These reports help alert department heads when transactions exceed the appropriated budget so suitable action may be taken.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Windsor operates.

Local economy. Nearly all of the Town’s sources of revenue are affected by population and have seen tremendous increases in the past 15 years. The growth pattern that Windsor experienced since the mid 1990’s slowed considerably from 2008 through 2011. Consequently, the Town has to provide and maintain the same level of service for a growing number of citizens using limited resources. Emphasis continues to be placed on water and sewer and road construction and maintenance to keep pace with the growing community and aging infrastructure. Parks and Recreation programs and facilities have also been important to the community, thus annual allocations are made to quality of life and recreational programs.

Sales and use tax is the primary source of general revenues (38.1%) followed by property tax (28.8%), totaling 66.9% of the general revenues for fiscal year 2011. Fortunately, Windsor sales tax base consists mostly of necessity-related vendors such as supermarkets, restaurants and utility companies (76%), providing revenue stability. It is anticipated that continued population growth will increase the sales and property tax revenues as well. As more people live in Windsor, and are providing more places to shop, the Town should continue to see an increase in sales tax and property tax collections.

Please refer to the Management’s Discussion and Analysis for additional background, analysis and information on the Town’s operations during 2011.

Long-term financial planning. The Town adopted the use of a five-year modeling plan which has been refined continually since its original adoption. This five-year model serves as a financial management plan which will ensure long-term financial stability, planning for future replacement and maintenance of capital assets, maintaining current levels of services provided to Windsor citizens and address increasing service levels for the organization.

Primary issues facing the Town of Windsor are issues related to downtown revitalization, economic sustainability, public outreach, aging infrastructure and public safety.

Cash Management. Colorado Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The majority of the Town of Windsor’s investment lies in local government investment pools, U.S. government obligations and collateralized repurchase agreements. The last several years have seen a sustained weakness in the rate of return on investment vehicles available to the Town of Windsor. All cash equivalents have an original maturity date of less than three months. The Town generally holds investments until maturity.

Risk Management. The Town of Windsor is a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”). CIRSA provides liability and property, and workers’ compensation insurance coverage to the Town. The coverage is provided through joint self-insurance, insurance and reinsurance, or any combination thereof. The Town is subject to supplemental assessments in event of deficiencies and may receive credit in the event of a surplus.

CIRSA entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2011 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 2011 and provides coverage to the State of Colorado statutory limits.

Report Format

The Comprehensive Annual Financial Report is presented in three sections.

- 1) The Introductory section includes the table of contents, this transmittal letter and the Town’s organizational chart.
- 2) The Financial section includes the Auditors’ Opinion, Management’s Discussion and Analysis, Basic Financial Statements, Combining Statements and Supplemental Information.
- 3) The Statistical section includes selected financial and general information presented on a multi-year comparative basis.

Independent Audit

Article 11, Section 12 (11.12) of the Town of Windsor Home Rule Charter requires an independent annual audit. Anton Collins Mitchell LLP, a firm of independent certified public accountants, audited the financial statements for the year ended December 31, 2011. The independent auditors’ report is included in the financial section of this report.

Reporting Achievements

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Windsor for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the third year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The Town also received the GFOA’s Award for Distinguished Budget Presentation for its 2011 annual budget. To qualify for this award, the Town’s budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide and a communications device. This is the sixth such award the Town has received. The 2012 annual budget was again submitted for this award.

Acknowledgements

The preparation of the comprehensive annual financial report on a timely basis was made possible by the cooperation and dedicated services of the staff of the Finance Department and of other Town departmental staff who contributed information in the report. Finally, we wish to thank the Mayor and Town Board for their continued support.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'D. Moyer', with a stylized flourish at the end.

Dean Moyer
Director of Finance

TOWN OF **WINDSOR**, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2011

TOWN OFFICIALS

TOWN BOARD MEMBERS THROUGH DECEMBER 31, 2011

Elected for Four Year Terms

| | | <u>Term Expires</u> |
|-------------------------------------|----------------------|---------------------|
| Mayor - <i>at-large</i> | John Vazquez | <i>Apr 2012</i> |
| Mayor Pro Tem <i>District 3</i> | Matthew A. O'Neill | <i>Apr 2012</i> |
| Town Board Member <i>District 1</i> | Don Shanfelt | <i>Apr 2012</i> |
| Town Board Member <i>District 2</i> | Don Thompson | <i>Apr 2014</i> |
| Town Board Member <i>District 4</i> | Kristie Melendez | <i>Apr 2014</i> |
| Town Board Member <i>District 5</i> | Robert Bishop-Cotner | <i>Apr 2012</i> |
| Town Board Member <i>District 6</i> | Mike Carrigan | <i>Apr 2014</i> |

APPOINTED OFFICIALS

| | |
|---|--|
| Town Manager | Kelly Arnold |
| Town Attorneys | John Frey & Ian McCargar <i>of the Firm of Frey McCargar & Plock, LLC</i> |
| Municipal Judge | Mike Manning |
| Town Clerk/Customer Service Administrator | Patti Garcia |
| Director of Finance/Information Systems | Dean Moyer |
| Director of Human Resources | Mary Robins |
| Director of Planning | Joe Plummer |
| Director of Engineering | Dennis Wagner |
| Chief of Police | John Michaels |
| Director of Parks & Recreation | Melissa M. Chew |
| Director of Public Works | Terry Walker |
| Business Development Manager | Stacy Johnson |

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Windsor
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

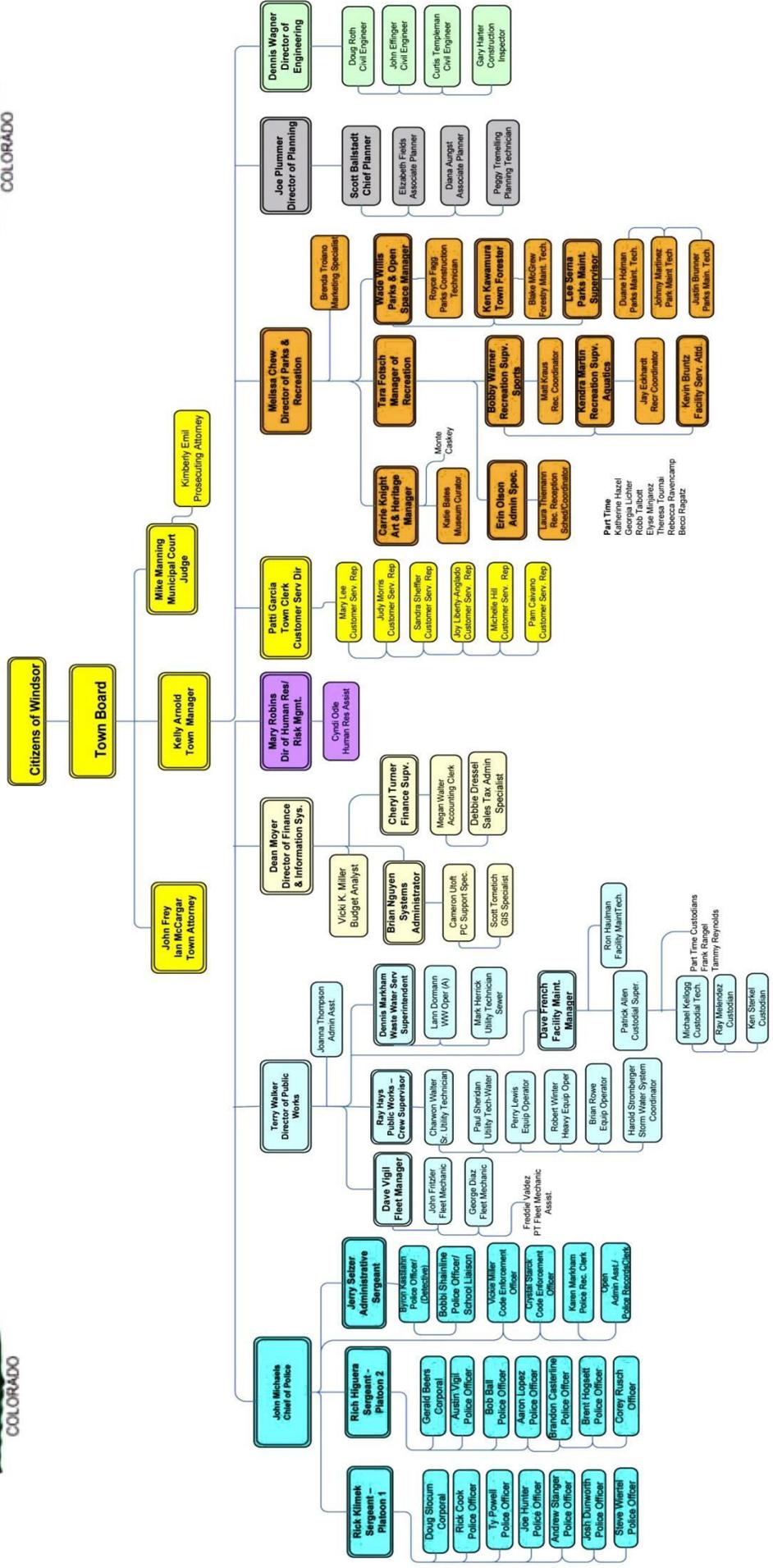
President

Jeffrey R. Emswiler

Executive Director



Town of Windsor 2011 Town of Windsor Organizational Chart



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Colorado, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2012, on our consideration of the Town's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and budgetary comparison information on page 49 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.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedule of debt service requirements, Local Highway Finance Report, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Local Highway Finance Report, and the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. The introductory and statistical sections and the schedule of debt service requirements 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.

Anton Collins Mitchell LLP

Greeley, Colorado
July 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS



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TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

As management of the Town of Windsor (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2011.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of 2011 by \$173,605,969.

Of this amount, \$23,729,424 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$6,384,187.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,850,086 or 39.8% of total general fund expenditures excluding transfers out.
- The Town's total debt decreased by \$991,553 during the current fiscal year. The decrease was primarily due to developer reimbursement payments, along with the annual principal payments applied to the Sales and Use Tax Revenue Bonds, the USDA and CWCB Loans.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, cemetery operations, community development, culture, parks, and recreation. The business-type activities of the Town include potable and non-potable water, sewer and storm water operations.

The government-wide financial statements can be found on pages 19-21 of this report.

TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

Fund financial statements. A *fund* is a grouping of related accounts, used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Windsor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations, and the basic services it provides. These statements help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations on pages 23 and 25.

The basic governmental fund financial statements can be found on pages 22 through 25 of this report.

Proprietary funds. The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water, sewer, non-potable water, and storm water operations. *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, the Information Technology Fund, the Facility Services Fund, and the Windsor Building Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, sewer and storm water operations, all of which are considered to be major funds of the Town. The Non-potable Water Fund is a nonmajor enterprise fund, providing irrigation water services.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-45 of this report.

Other information. The budgetary comparison for the General Fund can be found on pages 49-50. The combining statements referred to earlier in connection with non-major governmental funds are presented as supplementary information. Combining statements can be found on pages 53-54 of this report. The budgetary comparison for the Capital Improvement Fund can be found on page 55. Also on pages 56-57 are the budgetary comparison schedules for the non-major governmental funds. The budgetary comparison schedule for the enterprise funds can be found on pages 58-61 and the combining statements for internal service funds are on pages 62-64. The budgetary comparison schedule for the internal service funds is on pages 65-68.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$173,605,969 at the close of 2011.

By far, the largest portion of the Town's net assets (83.3%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding and the associated accumulated depreciation. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors. Our analysis below focuses on the net assets of the Town's governmental and business-type activities.

Condensed Statement of Net Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------|------------------------------------|-----------------------------|-------------------------------------|----------------------------|------------------------------|------------------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| <u>Assets</u> | | | | | | |
| Current Assets | \$16,093,379 | \$ 13,915,853 | \$ 19,473,070 | \$17,928,267 | \$ 35,566,449 | \$ 31,844,120 |
| Restricted Assets | 145,448 | 146,090 | - | - | 145,448 | 146,090 |
| Capital Assets, Net | <u>77,737,623</u> | <u>77,326,883</u> | <u>78,840,181</u> | <u>76,849,902</u> | <u>156,577,804</u> | <u>154,176,785</u> |
| <u>Total Assets</u> | 93,976,450 | 91,388,826 | 98,313,251 | 94,778,169 | 192,289,701 | 186,166,995 |
| <u>Liabilities</u> | | | | | | |
| Current Liabilities | 5,609,728 | 5,358,849 | 613,519 | 169,662 | 6,223,247 | 5,528,511 |
| Noncurrent Liabilities | <u>8,439,995</u> | <u>9,300,785</u> | <u>4,020,490</u> | <u>4,115,917</u> | <u>12,460,485</u> | <u>13,416,702</u> |
| <u>Total Liabilities</u> | 14,049,723 | 14,659,634 | 4,634,009 | 4,285,579 | 18,683,732 | 18,945,213 |
| <u>Net Assets</u> | | | | | | |
| Invested in Capital | | | | | | |
| Net of Related Debt | 69,741,468 | 68,435,996 | 74,875,222 | 72,788,122 | 144,616,690 | 141,224,118 |
| Restricted | 5,259,855 | 3,197,413 | - | - | 5,259,855 | 3,197,413 |
| Unrestricted | <u>4,925,404</u> | <u>5,095,783</u> | <u>18,804,020</u> | <u>17,704,468</u> | <u>23,729,424</u> | <u>22,800,251</u> |
| <u>Total Net Assets</u> | <u>\$79,926,727</u> | <u>\$ 76,729,192</u> | <u>\$ 93,679,242</u> | <u>\$90,492,590</u> | <u>\$ 173,605,969</u> | <u>\$ 167,221,782</u> |

The restricted portion of net assets (3.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$22,800,251) may be used to meet the Town's ongoing obligations to citizens and creditors.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

Table 2 shows our next analysis focusing on changes in net assets of the Town's governmental and business-type activities. The Town presents comparative data from 2011 and 2010 as required by the Governmental Accounting Standards Board pronouncement 34 (GASB 34).

Table 2
Condensed Changes in Net Assets from Operating Results

| | Governmental | | Business-Type | | Total | |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | Activities | | Activities | | | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 2,390,052 | \$ 1,526,490 | \$ 5,571,298 | \$ 5,181,433 | \$ 7,961,350 | \$ 6,707,923 |
| Operating grants & contributions | 18,691 | 629,751 | - | - | 18,691 | 629,751 |
| Capital grants & contributions | 2,828,024 | 2,207,216 | 4,090,958 | 2,069,869 | 6,918,982 | 4,277,085 |
| General revenues | | | | | | |
| Property taxes | 4,332,996 | 4,158,343 | - | - | 4,332,996 | 4,158,343 |
| Sales & use taxes | 5,742,732 | 5,154,123 | - | - | 5,742,732 | 5,154,123 |
| Other taxes | 3,450,249 | 2,826,429 | - | - | 3,450,249 | 2,826,429 |
| Intergovernmental | 1,176,163 | 1,074,207 | - | - | 1,176,163 | 1,074,207 |
| Earnings on investments | 96,826 | 100,205 | 149,701 | 90,410 | 246,527 | 190,615 |
| Other revenues | 267,979 | 545,073 | 270,456 | 28,187 | 538,435 | 573,260 |
| Total Revenues | 20,303,712 | 18,221,837 | 10,082,413 | 7,369,899 | 30,386,125 | 25,591,736 |
| Expenses | | | | | | |
| General government | 2,450,785 | 2,469,265 | - | - | 2,450,785 | 2,469,265 |
| Public safety | 2,664,155 | 2,430,053 | - | - | 2,664,155 | 2,430,053 |
| Public works | 5,457,935 | 5,261,225 | - | - | 5,457,935 | 5,261,225 |
| Parks and recreation | 4,616,024 | 4,604,283 | - | - | 4,616,024 | 4,604,283 |
| Community development | 1,589,562 | 1,489,965 | - | - | 1,589,562 | 1,489,965 |
| Safety and loss control | 6,764 | 7,599 | - | - | 6,764 | 7,599 |
| Small equipment & maintenance | 1,782,485 | 954,012 | - | - | 1,782,485 | 954,012 |
| Loss on disposal of capital | - | 44,071 | - | - | - | 44,071 |
| Interest on long-term debt | 329,985 | 201,024 | - | - | 329,985 | 201,024 |
| Water | - | - | 2,711,740 | 2,849,014 | 2,711,740 | 2,849,014 |
| Sewer | - | - | 1,488,890 | 1,587,205 | 1,488,890 | 1,587,205 |
| Storm drainage | - | - | 608,734 | 725,892 | 608,734 | 725,892 |
| Non-potable water | - | - | 294,879 | 138,887 | 294,879 | 138,887 |
| Total Expenses | 18,897,695 | 17,461,497 | 5,104,243 | 5,300,998 | 24,001,938 | 22,762,495 |
| Excess in Net Assets before transfers and special items | 1,406,017 | 760,340 | 4,978,170 | 2,068,901 | 6,384,187 | 2,829,241 |
| Transfers in (out) | 1,791,518 | 987,846 | (1,791,518) | (987,846) | - | - |
| Special item - insurance proceeds | - | 328,290 | - | - | - | 328,290 |
| Change in net assets | 3,197,535 | 2,076,476 | 3,186,652 | 1,081,055 | 6,384,187 | 3,157,531 |
| Net assets - beginning of year | 76,729,192 | \$ 74,652,716 | 90,492,590 | \$ 89,411,535 | 167,221,782 | \$ 164,064,251 |
| Net assets - end of year | \$79,926,727 | \$ 76,729,192 | \$ 93,679,242 | \$ 90,492,590 | \$173,605,969 | \$ 167,221,782 |

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

Governmental Activities. There is an 11.4% increase in revenues from 2010 to 2011. Charges for services increased 56.6% in the amount of \$863,562, primarily from increased activity in the parks, recreation, and forestry divisions, with \$10,860 of the increase being a new court of record fee. Also, there was a 28.1% increase in capital grants and contributions, amounting to \$620,808, resulting from more development of streets contributed by developers. The cost for these contributed streets was \$1,377,418 as compared to \$584,637 in 2010. While governmental revenues increased 11.4%, expenses increased only 8.2%.

Business-type Activities. Revenues increased 36.8% or about \$2.7 million of which 74.5% of the gain is attributable to infrastructure and raw water shares dedicated by developers in the water, sewer and storm drainage funds. There was more development in 2011 and thus more in developer contributions. Water, sewer and storm drainage expenses were all lower than 2010 rendering a negative 3.7% change in expenses in 2011 amounting to a \$196,755 decrease.

Overall, net assets increased due to an 18.7% increase in revenues with only a 5.4% increase in expenses.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,574,864. Approximately 38.6% of this total amount (\$4,850,086) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* for emergencies or capital improvements or *assigned* for special revenue funds to indicate that it is not available for new spending because it has already been committed. There is \$4,480,513 restricted for capital improvements, \$516,562 restricted for emergencies, \$262,780 restricted for parks and recreation, and \$2,464,923 assigned for special revenue fund projects.

TABLE 3
Revenues by Source-Governmental Activities 2010

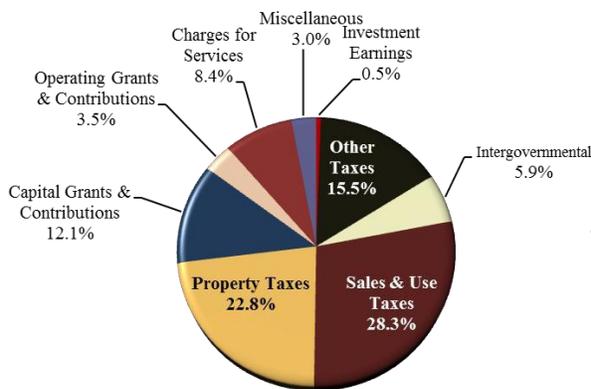
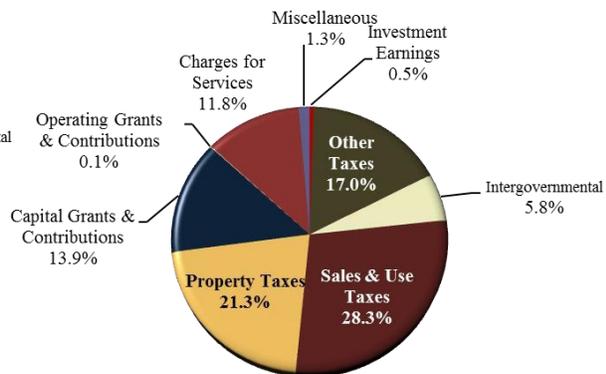


TABLE 3
Revenues by Source-Governmental Activities 2011



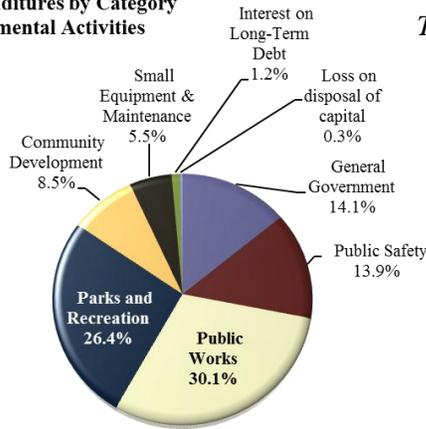
Although 2011 Property tax is up 4.2% from 2010, the percent of the total revenue is lower in 2011. Other taxes and charges for services increased. It is expected with the new reappraisals, the property taxes will be lower going forward.

2010 had more total grants and contributions than 2011 related to tornado damage.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

TABLE 4
2010 Expenditures by Category
Governmental Activities



The distribution of expenses remains about the same as 2010.

TABLE 4
2011 Expenditures by Category
Governmental Activities

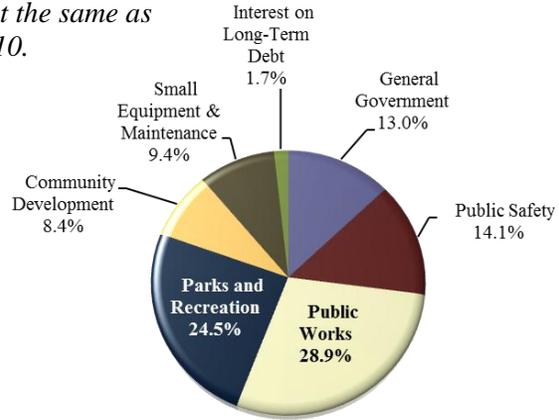


Table 5
Balance Sheet Comparison by Fund
Governmental Funds

| | General | | Capital Improvement | | Other Governmental Funds | | Total | |
|--|----------------------|----------------------|---------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| ASSETS | | | | | | | | |
| Cash & Cash Equivalents | \$ 1,564,993 | \$ - | \$ 1,148,464 | \$ 1,485,165 | \$ 130,567 | \$ 140,837 | \$ 2,844,024 | \$ 1,626,002 |
| Equity in pooled cash and cash equivalents | - | - | 1,349,616 | 382,042 | 2,665,366 | 2,124,214 | 4,014,982 | 2,506,256 |
| Investments | 3,435,145 | 2,557,829 | 746,900 | 535,344 | - | - | 4,182,045 | 3,093,173 |
| Receivables | 5,107,559 | 5,353,917 | 588,553 | 416,611 | - | 47,686 | 5,696,112 | 5,818,214 |
| Interfund Receivable | - | 2,398,764 | 2,610,597 | 160,522 | - | - | 2,610,597 | 2,559,286 |
| Prepaid Items | - | 35,000 | - | - | - | - | - | 35,000 |
| Total Assets | \$ 10,107,697 | \$ 10,345,510 | \$ 6,444,130 | \$ 2,979,684 | \$ 2,795,933 | \$ 2,312,737 | \$ 19,347,760 | \$ 15,637,931 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts Payable | \$ 215,710 | \$ 150,846 | \$ 593,528 | \$ 143,849 | \$ 38,774 | \$ 24,838 | \$ 848,012 | \$ 319,533 |
| Accrued Liabilities | 447,776 | 483,349 | - | - | - | 11,381 | 447,776 | 494,730 |
| Interfund Loan Payable | - | - | 1,250,000 | - | - | - | 1,250,000 | - |
| Deferred Revenue | 4,227,108 | 4,495,140 | - | - | - | - | 4,227,108 | 4,495,140 |
| Total Liabilities | 4,890,594 | 5,129,335 | 1,843,528 | 143,849 | 38,774 | 36,219 | 6,772,896 | 5,309,403 |
| Fund Balances | | | | | | | | |
| Restricted for Emergencies | 367,017 | 331,234 | 120,089 | 94,141 | 29,456 | 30,344 | 516,562 | 455,719 |
| Nonspendable | - | 35,000 | - | - | - | - | - | 35,000 |
| Restricted for Capital Improvements | - | - | 4,480,513 | 2,741,694 | - | - | 4,480,513 | 2,741,694 |
| Restricted for Parks and Recreation | - | - | - | - | 262,780 | - | 262,780 | - |
| Assigned for Special Revenue Funds | - | - | - | - | 2,464,923 | - | 2,464,923 | - |
| Unassigned | 4,850,086 | 4,849,941 | - | - | - | 2,246,174 | 4,850,086 | 7,096,115 |
| Total Fund Balances | 5,217,103 | 5,216,175 | 4,600,602 | 2,835,835 | 2,757,159 | 2,276,518 | 12,574,864 | 10,328,528 |
| Total Liabilities and Fund Balances | \$ 10,107,697 | \$ 10,345,510 | \$ 6,444,130 | \$ 2,979,684 | \$ 2,795,933 | \$ 2,312,737 | \$ 19,347,760 | \$ 15,637,931 |

In all, the total assets increased 23.7% with the largest increase in the Capital Improvement Fund.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water, sewer, storm drainage and non-potable water operations at the end of the year were \$12,378,951, \$5,474,226, \$1,430,626 and (\$657,464), respectively. Other factors concerning the finances of these four funds have already been addressed in the discussion of the Town's business-type activities.

TABLE 6
Revenues by Source-Business-Type Activities
2010

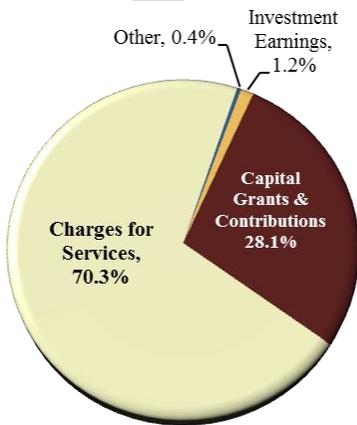
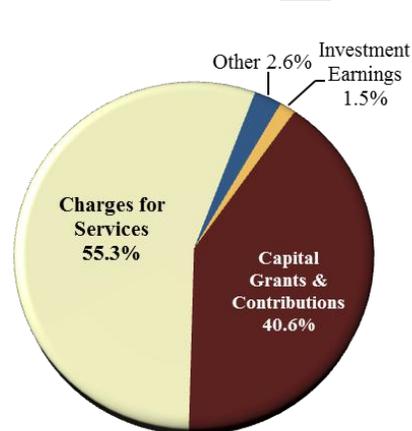


TABLE 6
Revenues by Source-Business-Type Activities
2011



Grants and contributions are about \$2 million higher in 2011 due primarily to increased developer contributions. Charges for services also increased \$389,865 in 2011 but with the increase in the grants and contributions, they reflect a smaller percent of the whole. Total revenues are thus up 36.8% (\$2,712,514) in 2011.

TABLE 7
Expenditures by Source-Business-Type Activities
2010

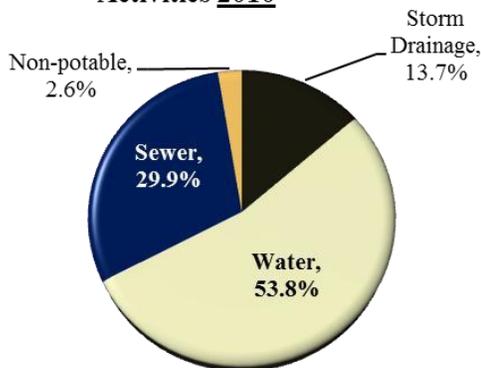
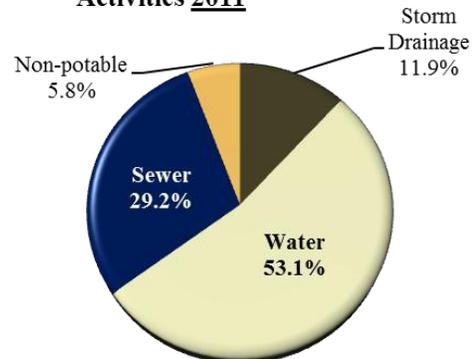


TABLE 7
Expenditures by Source-Business-Type Activities
2011



Distributions of expenditures for 2010 and 2011 are close to the same.

TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2011

Table 8
Statement of Net Assets Comparison by Fund
Proprietary Funds

| | Water | | Sewer | | Storm Drainage | | Non-Potable Water | | Total | Total |
|---|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|-------------------|------------------|----------------------|----------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| ASSETS | | | | | | | | | | |
| Total Current Assets | \$ 15,684,950 | \$12,433,685 | \$ 5,988,615 | \$ 4,756,193 | \$ 1,435,837 | \$ 705,412 | \$ 114,571 | \$ - | \$ 23,223,973 | \$ 17,895,290 |
| Capital Assets, Net | 37,065,754 | 36,249,901 | 22,842,519 | 22,266,836 | 13,805,564 | 18,129,758 | 5,126,344 | 203,407 | 78,840,181 | 76,849,902 |
| Total Assets | 52,750,704 | 48,683,586 | 28,831,134 | 27,023,029 | 15,241,401 | 18,835,170 | 5,240,915 | 203,407 | 102,064,154 | 94,745,192 |
| LIABILITIES | | | | | | | | | | |
| Total Current Liabilities | 3,277,813 | 95,581 | 489,100 | 23,666 | 3,155 | 147,236 | 873,794 | 178,688 | 4,643,862 | 445,171 |
| Total Noncurrent Liabilities | 28,186 | 28,470 | 25,289 | 24,153 | 2,056 | 3,966,473 | 3,863,200 | - | 3,918,731 | 4,019,096 |
| Total Liabilities | 3,305,999 | 124,051 | 514,389 | 47,819 | 5,211 | 4,113,709 | 4,736,994 | 178,688 | 8,562,593 | 4,464,267 |
| NET ASSETS | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 37,065,754 | 36,249,901 | 22,842,519 | 22,266,836 | 13,805,564 | 14,067,978 | 1,161,385 | 203,407 | 74,875,222 | 72,788,122 |
| Unrestricted | 12,378,951 | 12,309,634 | 5,474,226 | 4,708,374 | 1,430,626 | 653,483 | (657,464) | (178,688) | 18,626,339 | 17,492,803 |
| Total Net Assets | \$ 49,444,705 | \$48,559,535 | \$ 28,316,745 | \$ 26,975,210 | \$ 15,236,190 | \$ 14,721,461 | \$ 503,921 | \$ 24,719 | \$ 93,501,561 | \$ 90,280,925 |

Amounts reported for business-type activities in the Statement of Net Assets are different because Cumulative portion of internal service funds net operating income (loss) attributed to business-type activities

Net assets increased in each fund in 2011 to reflect a total increase of 3.6% (\$3,220,636)

General Fund Budgetary Highlights. The General Fund is the chief operating fund of the Town. The General Fund accounts for all the general services provided by the Town. At the end of 2011, the unassigned fund balance of the General Fund totaled \$4,850,086, while the total fund balance was \$5,217,103. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For 2011, unassigned fund balance represents 39.8% of total fund expenditures while total fund balance represents 42.8% of that same amount.

TABLE 9
Revenues by Source
General Fund 2010

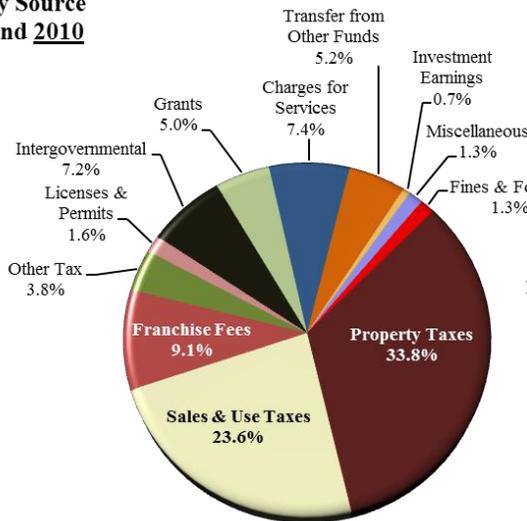
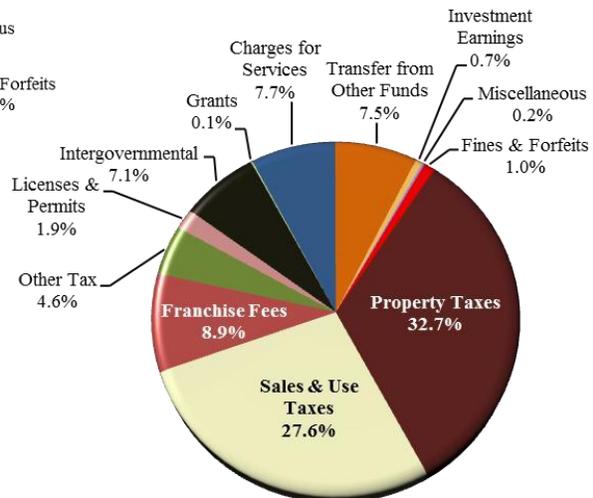


TABLE 9
Revenues by Source
General Fund 2011



The distribution of revenue sources for 2010 and 2011 are very similar. There is only a 7.7% total gain in revenues from 2010 to 2011.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

General government expenditures include all administrative functions of the Town (i.e., Town Board, Town Clerk, Municipal Court, Town Manager, Finance, Town Attorney, and Human Resources).

TABLE 10
Expenditures by Type
General Fund 2010

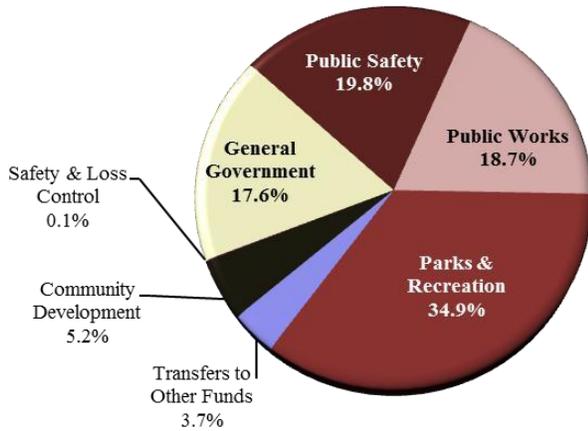
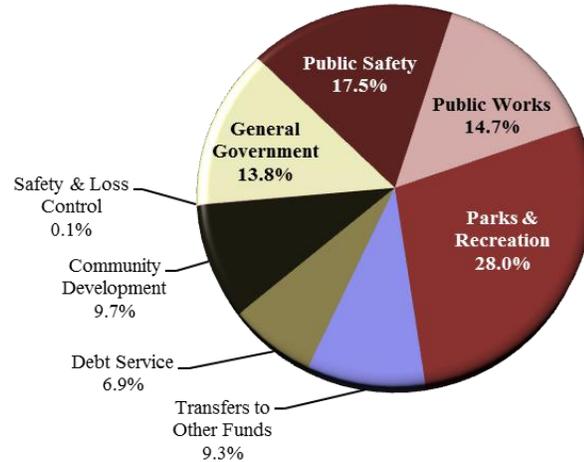


TABLE 10
Expenditures by Type
General Fund 2011



The 2011 General Fund incorporates the Community Recreation Center Fund (CRC) according to GASB 54 that states a fund must have its own source revenue and this fund is supplemented primarily by the General Fund by way of transfers. Therefore, the CRC debt service is now included in the General Fund chart.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2011, amounts to \$156,577,804 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was 1.6% (a 0.5% increase for governmental activities and a 2.6% increase for business-type activities).

Table 11
Capital Assets, Net

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Construction in progress | \$ 2,096,711 | \$ 30,355 | \$ 1,739,131 | \$ 1,102,528 | \$ 3,835,842 | \$ 1,132,883 |
| Land and water rights | 2,294,920 | 2,303,737 | 16,948,158 | 16,285,773 | 19,243,078 | 18,589,510 |
| Site improvements | 6,412,294 | 6,811,888 | - | - | 6,412,294 | 6,811,888 |
| Buildings and improvements | 13,687,011 | 14,036,425 | - | - | 13,687,011 | 14,036,425 |
| Streets and improvements | 45,410,001 | 45,874,079 | - | - | 45,410,001 | 45,874,079 |
| Parks and improvements | 5,202,009 | 5,585,702 | - | - | 5,202,009 | 5,585,702 |
| Machinery and equipment | 2,538,942 | 2,555,603 | - | - | 2,538,942 | 2,555,603 |
| Furniture and fixtures | 95,735 | 129,094 | - | - | 95,735 | 129,094 |
| Utility systems and equipment | - | - | 60,152,892 | 59,461,601 | 60,152,892 | 59,461,601 |
| Total | \$ 77,737,623 | \$ 77,326,883 | \$ 78,840,181 | \$ 76,849,902 | \$ 156,577,804 | \$ 154,176,785 |

TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

Additional information on the Town's capital assets can be found in Note 1 on page 33 and Note 5 on pages 39-41 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$3,630,000. The Town's debt represents bonds secured solely by the specified revenue sources (i.e., sales and use tax revenue bonds), reimbursement obligations from developer agreements, a USDA loan for the police facility, two combined loans related to the Kern Reservoir and compensated absences.

Table 12
Town of Windsor's Outstanding Debt at Year End

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|---------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenue Bonds (backed by specific tax and fee revenue) | \$ 3,630,000 | \$ 3,880,000 | \$ - | \$ - | \$ 3,630,000 | \$ 3,880,000 |
| Developer Reimbursement Agreements | 1,399,301 | 2,010,887 | - | - | 1,399,301 | 2,010,887 |
| USDA Community Facilities Loan (WBA) | 2,966,854 | 3,000,000 | - | - | 2,966,854 | 3,000,000 |
| CWCB Loan (Kern Reservoir) | - | - | 3,964,959 | 4,061,780 | 3,964,959 | 4,061,780 |
| Compensated Absences | 443,840 | 409,898 | 55,531 | 54,136 | 499,371 | 464,034 |
| Total | \$ 8,439,995 | \$ 9,300,785 | \$ 4,020,490 | \$ 4,115,916 | \$ 12,460,485 | \$ 13,416,701 |

The Town's debt decreased 7.1% (\$956,216) from 2010. Governmental activities debt reduced by 9.3% while business-type activities debt decreased 2.3%.

The Town's debt policy imposes a legal debt margin 10% of assessed valuation. The debt limit at December 31, 2011 was \$36,870,973. The amount of debt applicable to the debt limit is \$11,961,114 leaving a legal debt margin of \$24,909,859.

Additional information on the Town's long-term debt can be found in Note 6 on pages 41-43 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual Budget assures the efficient, effective and economic uses of Town's resources, as well as establishing the highest priority objectives. Through the budget, the Town Board sets the direction for the Town, allocates its resources, and establishes its priorities.

The 2012 Budget was approved and adopted by the Town Board on November 28, 2011, appropriating \$35,756,163 for expenditures representing a 15.9% increase over the original 2011 Budget. Fund balances should decrease moderately as a result of capital project expenditures and revenues increasing over 2011 numbers. Property tax will decrease as a result of a decrease in the Town's assessed valuation. Retail sales tax and use tax are expected to increase for the third consecutive year. Water rates are expected to increase in 2012 to keep pace with the increased cost of services provided by the Town.

There is provision for modest wage increases in the 2012 budget, and a few part time positions have been added as well as a new full time police officer position. For the first time in the Town's history, employees, covering only themselves through the Town's health insurance, will be required to pay a portion of the health insurance premiums.

Parks and Recreation programs and facilities have also been important to our growing community. A total of \$9,710,448 has been allocated to quality of life and recreational programs. Finishing improvements at Diamond Valley, along with park construction and trail upgrades will be the focus of parks and recreation expenditures in 2012.

Improving infrastructure is a primary concern in 2012 with several projects. A wastewater treatment plant pump station and head works facility began construction in 2011 with completion in 2012. Funds are allocated to improve the intersection of I-25/SH392, a joint project with the City of Ft. Collins and the Colorado Department of Transportation.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town of Windsor's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Windsor
Director of Finance
301 Walnut Street
Windsor, CO 80550

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BASIC FINANCIAL STATEMENTS

TOWN OF WINDSOR



COLORADO

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TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET ASSETS
December 31, 2011

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ 2,844,024 | \$ 7,437,572 | \$ 10,281,596 |
| Equity in pooled cash and cash equivalents | 4,433,652 | 418,699 | 4,852,351 |
| Investments | 4,182,045 | 9,695,165 | 13,877,210 |
| Receivables | 5,696,837 | 726,022 | 6,422,859 |
| Internal balances | (1,195,612) | 1,195,612 | - |
| Deferred charges | 132,433 | - | 132,433 |
| Restricted assets: | | | |
| Investments | 145,448 | - | 145,448 |
| Capital assets, not being depreciated | 4,391,631 | 18,687,289 | 23,078,920 |
| Capital assets, being depreciated, net | 73,345,992 | 60,152,892 | 133,498,884 |
| <u>Total assets</u> | <u>93,976,450</u> | <u>98,313,251</u> | <u>192,289,701</u> |
| <u>Liabilities</u> | | | |
| Accounts payable and other liabilities | 906,083 | 566,654 | 1,472,737 |
| Accrued payroll | 447,776 | 13,625 | 461,401 |
| Accrued interest payable | 28,761 | 33,240 | 62,001 |
| Unearned revenue | 4,227,108 | - | 4,227,108 |
| Noncurrent liabilities: | | | |
| Accrued compensated absences | 443,840 | 55,531 | 499,371 |
| Due within one year | 1,424,586 | 101,759 | 1,526,345 |
| Due in more than one year | 6,571,569 | 3,863,200 | 10,434,769 |
| <u>Total liabilities</u> | <u>14,049,723</u> | <u>4,634,009</u> | <u>18,683,732</u> |
| <u>Net assets</u> | | | |
| Invested in capital assets, net of related debt | 69,741,468 | 74,875,222 | 144,616,690 |
| Restricted for: | | | |
| Capital projects | 4,480,513 | - | 4,480,513 |
| TABOR emergency reserve | 516,562 | - | 516,562 |
| Parks and recreation | 262,780 | - | 262,780 |
| Unrestricted | 4,925,404 | 18,804,020 | 23,729,424 |
| <u>Total net assets</u> | <u>\$ 79,926,727</u> | <u>\$ 93,679,242</u> | <u>\$ 173,605,969</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, 2011

| <u>Functions/programs</u> | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|---------------------|------------------------------------|----------------------------------|
| | | Charges for Service | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 2,450,785 | \$ - | \$ 18,691 | \$ 350,389 |
| Public safety | 2,664,155 | 184,708 | - | 64,050 |
| Public works | 5,457,935 | 297,237 | - | 2,413,585 |
| Parks and recreation | 4,616,024 | 1,908,107 | - | - |
| Community development | 1,589,562 | - | - | - |
| Safety and loss control | 6,764 | - | - | - |
| Small equipment and maintenance | 1,782,485 | - | - | - |
| Interest on long-term debt | 329,985 | - | - | - |
| <u>Total government activities</u> | <u>18,897,695</u> | <u>2,390,052</u> | <u>18,691</u> | <u>2,828,024</u> |
| Business-type activities: | | | | |
| Water | 2,711,740 | 3,376,279 | - | 1,765,665 |
| Sewer | 1,488,890 | 1,638,591 | - | 1,318,957 |
| Storm drainage | 608,734 | 341,822 | - | 891,765 |
| Non-potable water | 294,879 | 214,606 | - | 114,571 |
| <u>Total business-type activities</u> | <u>5,104,243</u> | <u>5,571,298</u> | <u>-</u> | <u>4,090,958</u> |
| <u>Total primary government</u> | <u>\$ 24,001,938</u> | <u>\$ 7,961,350</u> | <u>\$ 18,691</u> | <u>\$ 6,918,982</u> |

General revenues

Taxes:

Property taxes
Sales and use taxes
Franchise taxes
Other taxes

Intergovernmental
Earnings on investments
Other revenues

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net assets

Net assets at beginning of year

Net assets 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, 2011

Net (Expense) Revenue
and Changes in Net Assets

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|----------------|
| \$ (2,081,705) | \$ - | \$ (2,081,705) |
| (2,415,397) | - | (2,415,397) |
| (2,747,113) | - | (2,747,113) |
| (2,707,917) | - | (2,707,917) |
| (1,589,562) | - | (1,589,562) |
| (6,764) | - | (6,764) |
| (1,782,485) | - | (1,782,485) |
| (329,985) | - | (329,985) |
| (13,660,928) | - | (13,660,928) |
| - | 2,430,204 | 2,430,204 |
| - | 1,468,658 | 1,468,658 |
| - | 624,853 | 624,853 |
| - | 34,298 | 34,298 |
| - | 4,558,013 | 4,558,013 |
| (13,660,928) | 4,558,013 | (9,102,915) |
| 4,332,996 | - | 4,332,996 |
| 5,742,732 | - | 5,742,732 |
| 1,178,866 | - | 1,178,866 |
| 2,271,383 | - | 2,271,383 |
| 1,176,163 | - | 1,176,163 |
| 96,826 | 149,701 | 246,527 |
| 267,979 | 270,456 | 538,435 |
| 15,066,945 | 420,157 | 15,487,102 |
| 1,791,518 | (1,791,518) | - |
| 16,858,463 | (1,371,361) | 15,487,102 |
| 3,197,535 | 3,186,652 | 6,384,187 |
| 76,729,192 | 90,492,590 | 167,221,782 |
| \$ 79,926,727 | \$ 93,679,242 | \$ 173,605,969 |

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

TOWN OF **WINDSOR**, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

| | General | Capital Improvement | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|------------------------|--------------------------------|--------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 1,564,993 | \$ 1,148,464 | \$ 130,567 | \$ 2,844,024 |
| Equity in pooled cash and cash equivalents | - | 1,349,616 | 2,665,366 | 4,014,982 |
| Investments | 3,435,145 | 746,900 | - | 4,182,045 |
| Receivables | 5,107,559 | 588,553 | - | 5,696,112 |
| Interfund receivable | - | 2,610,597 | - | 2,610,597 |
| <u>Total assets</u> | <u>\$ 10,107,697</u> | <u>\$ 6,444,130</u> | <u>\$ 2,795,933</u> | <u>\$ 19,347,760</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 215,710 | \$ 593,528 | \$ 38,774 | \$ 848,012 |
| Accrued liabilities | 447,776 | - | - | 447,776 |
| Interfund payable | - | 1,250,000 | - | 1,250,000 |
| Deferred revenue | 4,227,108 | - | - | 4,227,108 |
| <u>Total liabilities</u> | <u>4,890,594</u> | <u>1,843,528</u> | <u>38,774</u> | <u>6,772,896</u> |
| <u>Fund balances</u> | | | | |
| Restricted for emergencies | 367,017 | 120,089 | 29,456 | 516,562 |
| Restricted for capital improvements | - | 4,480,513 | - | 4,480,513 |
| Restricted for parks and recreation | - | - | 262,780 | 262,780 |
| Assigned for special revenue funds | - | - | 2,464,923 | 2,464,923 |
| Unassigned | 4,850,086 | - | - | 4,850,086 |
| <u>Total fund balances</u> | <u>\$5,217,103</u> | <u>4,600,602</u> | <u>2,757,159</u> | <u>12,574,864</u> |
| <u>Total liabilities and fund balances</u> | <u>\$ 10,107,697</u> | <u>\$ 6,444,130</u> | <u>\$ 2,795,933</u> | <u>\$ 19,347,760</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 ASSETS
December 31, 2011

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

| | |
|--|---------------|
| Total fund balances - governmental funds | \$ 12,574,864 |
|--|---------------|

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

| | |
|---|------------|
| The cost of capital assets, net of accumulated depreciation | 71,429,886 |
|---|------------|

Long-term liabilities, bond payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

| | | |
|------------------------------|--------------|-------------|
| Long-term debt | \$ 5,029,301 | |
| Accrued interest payable | 28,761 | |
| Accrued compensated absences | 412,919 | (5,470,981) |

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 assets.

| | |
|--|-----------|
| | 1,392,958 |
|--|-----------|

| | |
|---|---------------|
| Total Net Assets of Governmental Activities | \$ 79,926,727 |
|---|---------------|

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

| | General | Capital Improvement | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|------------------------|--------------------------------|--------------------------------|
| <u>Revenues</u> | | | | |
| Taxes and assessments | \$ 9,769,133 | \$ 3,756,844 | \$ - | \$ 13,525,977 |
| Licenses and permits | 249,613 | - | - | 249,613 |
| Intergovernmental | 939,296 | - | 236,867 | 1,176,163 |
| Grants and contributions | 18,691 | 2,828,024 | - | 2,846,715 |
| Charges for services | 1,025,881 | - | 980,785 | 2,006,666 |
| Fines and forfeitures | 133,773 | - | - | 133,773 |
| Earnings on investments | 89,156 | 6,262 | 1,067 | 96,485 |
| Miscellaneous | 27,056 | 239,847 | - | 266,903 |
| <u>Total revenues</u> | <u>12,252,599</u> | <u>6,830,977</u> | <u>1,218,719</u> | <u>20,302,295</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General government | 1,848,747 | - | - | 1,848,747 |
| Public safety | 2,350,682 | - | - | 2,350,682 |
| Public works | 1,980,741 | - | - | 1,980,741 |
| Parks and recreation | 3,763,112 | - | - | 3,763,112 |
| Community development | 1,298,061 | - | - | 1,298,061 |
| Safety and loss control | 6,764 | - | - | 6,764 |
| Small equipment and maintenance | - | 826,256 | 9,000 | 835,256 |
| Debt service | 933,149 | 1,007,586 | - | 1,940,735 |
| Capital outlay | - | 5,229,715 | 468,024 | 5,697,739 |
| <u>Total expenditures</u> | <u>12,181,256</u> | <u>7,063,557</u> | <u>477,024</u> | <u>19,721,837</u> |
| <u>Revenues over (under) expenditures</u> | <u>71,343</u> | <u>(232,580)</u> | <u>741,695</u> | <u>580,458</u> |
| <u>Other financing sources (uses)</u> | | | | |
| Transfers in | 995,445 | 2,500,000 | - | 3,495,445 |
| Transfers out | (1,250,000) | (502,653) | (76,914) | (1,829,567) |
| <u>Total other financing sources (uses)</u> | <u>(254,555)</u> | <u>1,997,347</u> | <u>(76,914)</u> | <u>1,665,878</u> |
| <u>Net changes in fund balances</u> | <u>(183,212)</u> | <u>1,764,767</u> | <u>664,781</u> | <u>2,246,336</u> |
| <u>Fund balance at beginning of year</u> | <u>5,400,315</u> | <u>2,835,835</u> | <u>2,092,378</u> | <u>10,328,528</u> |
| <u>Fund balance at end of year</u> | <u>\$ 5,217,103</u> | <u>\$ 4,600,602</u> | <u>\$ 2,757,159</u> | <u>\$ 12,574,864</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, 2011

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

Total net change in fund balance - governmental funds. \$ 2,246,336

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 Assets and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeded capital outlay during the period:

| | | |
|----------------------|--------------------|-----------|
| Capital outlay | \$ 4,750,510 | |
| Depreciation expense | <u>(5,276,028)</u> | (525,518) |

The repayment of bonded principal and developer reimbursement obligations are 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 Assets and do not affect the Statement of Activities. 1,730,501

Increase in accrued interest payable reflected as an expense on the Statement of Activities and not reflected an expense on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. (7,817)

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. (25,453)

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. (220,514)

Change in Net Assets of Governmental Activities \$ 3,197,535

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities |
|---|---|----------------------|----------------------|----------------------|--------------------|----------------------------|
| | Water | Sewer | Storm Drainage | Non-potable Water | Total | Internal Service Funds |
| | | | | (Nonmajor) | | |
| ASSETS | | | | | | |
| <u>Current assets</u> | | | | | | |
| Cash and cash equivalents | \$ 4,452,442 | \$ 2,985,130 | \$ - | \$ - | \$ 7,437,572 | \$ - |
| Equity in pooled cash and cash equivalents | - | - | 418,699 | - | 418,699 | 418,670 |
| Investments | 9,695,165 | - | - | - | 9,695,165 | - |
| Interfund receivable | 1,250,000 | 2,721,355 | 975,160 | - | 4,946,515 | - |
| Accounts receivable | 272,617 | 280,095 | 41,978 | 114,571 | 709,261 | 725 |
| Accrued interest receivable | 14,726 | 2,035 | - | - | 16,761 | - |
| Total current assets | 15,684,950 | 5,988,615 | 1,435,837 | 114,571 | 23,223,973 | 419,395 |
| <u>Noncurrent assets</u> | | | | | | |
| Restricted cash and investments | - | - | - | - | - | 145,448 |
| Deferred charges | - | - | - | - | - | 132,433 |
| Capital assets: | | | | | | |
| Land | 83,755 | 84,083 | 9,000 | - | 176,838 | 157,853 |
| Water rights | 16,771,320 | - | - | - | 16,771,320 | - |
| Utility system | 25,617,846 | 29,303,420 | 15,970,120 | 5,148,276 | 76,039,662 | - |
| Buildings and improvements | 163,319 | 887,725 | - | - | 1,051,044 | 4,994,533 |
| Machinery and equipment | 776,286 | 730,034 | 46,382 | - | 1,552,702 | 2,510,492 |
| Construction in progress | 671,628 | 905,809 | 161,694 | - | 1,739,131 | - |
| Less: accumulated depreciation | (7,018,400) | (9,068,552) | (2,381,632) | (21,932) | (18,490,516) | (1,355,141) |
| | | | | | - | |
| Total capital assets, net | 37,065,754 | 22,842,519 | 13,805,564 | 5,126,344 | 78,840,181 | 6,307,737 |
| Total noncurrent assets | 37,065,754 | 22,842,519 | 13,805,564 | 5,126,344 | 78,840,181 | 6,585,618 |
| Total assets | 52,750,704 | 28,831,134 | 15,241,401 | 5,240,915 | 102,064,154 | 7,005,013 |
| LIABILITIES | | | | | | |
| <u>Current liabilities</u> | | | | | | |
| Interfund payable | 3,221,497 | - | - | 707,087 | 3,928,584 | 2,378,528 |
| Accounts payable | 51,168 | 482,354 | 1,424 | 31,708 | 566,654 | 33,309 |
| Accrued expenses | 5,148 | 6,746 | 1,731 | 33,240 | 46,865 | 24,762 |
| Loans payable - current | - | - | - | 101,759 | 101,759 | 34,410 |
| Total current liabilities | 3,277,813 | 489,100 | 3,155 | 873,794 | 4,643,862 | 2,471,009 |
| <u>Noncurrent liabilities</u> | | | | | | |
| Accrued compensated absences | 28,186 | 25,289 | 2,056 | - | 55,531 | 30,921 |
| Loans payable | - | - | - | 3,863,200 | 3,863,200 | 2,932,444 |
| Total noncurrent liabilities | 28,186 | 25,289 | 2,056 | 3,863,200 | 3,918,731 | 2,963,365 |
| Total liabilities | 3,305,999 | 514,389 | 5,211 | 4,736,994 | 8,562,593 | 5,434,374 |
| NET ASSETS | | | | | | |
| Invested in capital assets, net of related debt | 37,065,754 | 22,842,519 | 13,805,564 | 1,161,385 | 74,875,222 | 3,340,883 |
| Unrestricted | 12,378,951 | 5,474,226 | 1,430,626 | (657,464) | 18,626,339 | (1,770,244) |
| Total net assets | \$ 49,444,705 | \$ 28,316,745 | \$ 15,236,190 | \$ 503,921 | 93,501,561 | \$ 1,570,639 |

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

Cumulative portion of internal service funds net operating income attributed to business-type activities 177,681

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

\$ 93,679,242

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

| | 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 | \$ 2,996,484 | \$ 1,638,591 | \$ 301,822 | \$ 214,606 | \$ 5,151,503 | \$ 1,973,481 |
| Gain on sale of capital assets | - | - | 40,000 | - | 40,000 | - |
| Miscellaneous | 379,795 | - | - | - | 379,795 | 1,234 |
| <u>Total operating revenues</u> | <u>3,376,279</u> | <u>1,638,591</u> | <u>341,822</u> | <u>214,606</u> | <u>5,571,298</u> | <u>1,974,715</u> |
| <u>Operating expenses</u> | | | | | | |
| Wages and benefits | 147,245 | 180,246 | 66,195 | - | 393,686 | 655,934 |
| Operating costs | 2,016,809 | 592,461 | 195,646 | 70,703 | 2,875,619 | 974,090 |
| Depreciation | 536,169 | 700,663 | 339,790 | 17,836 | 1,594,458 | 613,236 |
| <u>Total operating expenses</u> | <u>2,700,223</u> | <u>1,473,370</u> | <u>601,631</u> | <u>88,539</u> | <u>4,863,763</u> | <u>2,243,260</u> |
| <u>Operating income (loss)</u> | <u>676,056</u> | <u>165,221</u> | <u>(259,809)</u> | <u>126,067</u> | <u>707,535</u> | <u>(268,545)</u> |
| <u>Nonoperating revenues (expenses)</u> | | | | | | |
| Earnings on investments | 143,388 | 5,626 | 687 | - | 149,701 | 341 |
| Other income | - | 42,276 | - | 228,024 | 270,300 | - |
| Interest expense | - | - | - | (206,340) | (206,340) | (111,934) |
| <u>Total nonoperating revenues (expenses)</u> | <u>143,388</u> | <u>47,902</u> | <u>687</u> | <u>21,684</u> | <u>213,661</u> | <u>(111,593)</u> |
| <u>Income (loss) before contributions and transfers</u> | <u>819,444</u> | <u>213,123</u> | <u>(259,122)</u> | <u>147,751</u> | <u>921,196</u> | <u>(380,138)</u> |
| Capital contributions | 1,735,095 | 1,176,144 | 891,765 | - | 3,803,004 | - |
| Grants | 30,570 | 142,813 | - | 114,571 | 287,954 | - |
| Transfers in | 62,653 | - | - | 269,880 | 332,533 | 151,000 |
| Transfers out | (1,762,592) | (190,545) | (117,914) | (53,000) | (2,124,051) | (25,360) |
| <u>Change in net assets</u> | <u>885,170</u> | <u>1,341,535</u> | <u>514,729</u> | <u>479,202</u> | <u>3,220,636</u> | <u>(254,498)</u> |
| <u>Net assets at beginning of year</u> | <u>48,559,535</u> | <u>26,975,210</u> | <u>14,721,461</u> | <u>24,719</u> | | <u>1,825,137</u> |
| <u>Net assets at end of year</u> | <u>\$ 49,444,705</u> | <u>\$ 28,316,745</u> | <u>\$ 15,236,190</u> | <u>\$ 503,921</u> | | <u>\$ 1,570,639</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 | (33,984) |
| | <u>\$ 3,186,652</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, 2011

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|---|---|---------------------|-------------------|---------------------|---------------------|---------------------------|
| | Water | Sewer | Storm Drainage | Non-potable | | Internal Service Funds |
| | | | | Water (Nonmajor) | Total | |
| <u>Cash flows from operating activities</u> | | | | | | |
| Cash received from customers | \$ 3,333,487 | \$ 1,633,708 | \$ 340,651 | \$ 100,035 | \$ 5,407,881 | \$ 1,998,830 |
| Cash payments to suppliers | (2,056,174) | (590,645) | (242,906) | (5,755) | (2,895,480) | (922,502) |
| Cash payments to employees | (147,529) | (166,372) | (65,653) | - | (379,554) | (669,463) |
| Net cash flows from operating activities | 1,129,784 | 876,691 | 32,092 | 94,280 | 2,132,847 | 406,865 |
| <u>Cash flows from non-capital financing activities</u> | | | | | | |
| Other income | - | 42,276 | - | 228,024 | 270,300 | - |
| Net change in interfund balances due | 1,971,497 | (2,721,355) | (536,940) | 90,179 | (1,196,619) | (2,070) |
| Transfers from other funds | 62,653 | - | - | 269,880 | 332,533 | 151,000 |
| Transfers to other funds | (1,762,592) | (190,545) | (117,914) | (53,000) | (2,124,051) | (25,360) |
| Net cash flows from non-capital financing activities | 271,558 | (2,869,624) | (654,854) | 535,083 | (2,717,837) | 123,570 |
| <u>Cash flows from capital and related financing activities</u> | | | | | | |
| Capital contributions | 820,979 | 636,141 | 534,278 | 114,571 | 2,105,969 | - |
| Principal paid on debt | - | - | - | (96,821) | (96,821) | (33,146) |
| Interest paid on debt | - | - | - | (206,340) | (206,340) | (111,934) |
| Acquisition of capital assets | (407,336) | (285,463) | (158,109) | (440,773) | (1,291,681) | (680,580) |
| Net cash flows from capital and related financing activities | 413,643 | 350,678 | 376,169 | (629,363) | 511,127 | (825,660) |
| <u>Cash flows from investing activities</u> | | | | | | |
| Proceeds from sales of investments | 2,025,382 | 215,567 | - | - | 2,240,949 | - |
| Purchases of investments | (8,201,666) | - | - | - | (8,201,666) | - |
| Net change in restricted cash | - | - | - | - | - | 642 |
| Earnings on investment | 143,388 | 5,626 | 687 | - | 149,701 | 341 |
| Net cash flows from investing activities | (6,032,896) | 221,193 | 687 | - | (5,811,016) | 983 |
| Net change in cash and cash equivalents | (4,217,911) | (1,421,062) | (245,906) | - | (5,884,879) | (294,242) |
| Cash and cash equivalents at beginning of year | 8,670,353 | 4,406,192 | 664,605 | - | 13,741,150 | 712,912 |
| Cash and cash equivalents at end of year | \$ 4,452,442 | \$ 2,985,130 | \$ 418,699 | \$ - | \$ 7,856,271 | \$ 418,670 |
| <u>Reconciliation of operating income (loss) to net cash flows from operating activities</u> | | | | | | |
| Operating income (loss) | \$ 676,056 | \$ 165,221 | \$ (259,809) | \$ 126,067 | \$ 707,535 | \$ (268,545) |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | | | |
| Depreciation expense | 536,169 | 700,663 | 339,790 | 17,836 | 1,594,458 | 613,236 |
| Changes in operating assets and liabilities: | | | | | | |
| Accounts receivable | (42,892) | (4,883) | (1,171) | (114,571) | (163,517) | 24,116 |
| Accounts payable and accrued expenses | (39,549) | 15,690 | (46,718) | 64,948 | (5,629) | 38,058 |
| Net cash flows from operating activities | \$ 1,129,784 | \$ 876,691 | \$ 32,092 | \$ 94,280 | \$ 2,132,847 | \$ 406,865 |
| <u>Non-cash investing, capital and financing activities</u> | | | | | | |
| Contributed capital assets | \$ 944,686 | \$ 540,003 | \$ 357,487 | \$ - | \$ 1,842,176 | \$ - |
| Capital assets acquired with accounts payable | \$ - | \$ 450,880 | \$ - | \$ - | \$ 450,880 | \$ - |

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

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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.

Management has considered all potential component units in defining the Town for financial reporting purposes. As required by generally accepted accounting principles, these financial statements present the Town (the primary government) and its component unit. The component unit discussed below is included in the Town's reporting entity because of the significance of their operational or financial relationships with the Town.

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.

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 Assets, 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.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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:

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.

The other governmental funds (nonmajor funds) are Special Revenue Funds (Park Improvement, and Conservation Trust) and are established to account for revenues derived from recreation fees and specific taxes or other 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 assets, 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.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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 fixed assets are budgeted as capital outlay expenses in the proprietary funds.

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.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Continued)

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, 2011:

| | Original Budget | Total Revisions | Revised Budget |
|--------------------------------|----------------------|---------------------|----------------------|
| <u>Governmental funds:</u> | | | |
| General fund | \$ 13,436,044 | \$ 512,856 | \$ 13,948,900 |
| <u>Special revenue funds:</u> | | | |
| Park improvement fund | 497,914 | 46,271 | 544,185 |
| Conservation trust fund | 350,000 | - | 350,000 |
| <u>Capital projects funds:</u> | | | |
| Capital improvements fund | 5,364,379 | 2,539,088 | 7,903,467 |
| <u>Business-type funds:</u> | | | |
| Water fund | 5,026,739 | 944,686 | 5,971,425 |
| Sewer fund | 1,718,473 | 540,003 | 2,258,476 |
| Storm drainage fund | 1,008,005 | 357,487 | 1,365,492 |
| Non-potable water fund | 913,979 | - | 913,979 |
| <u>Internal service funds:</u> | | | |
| Fleet management fund | 1,182,529 | - | 1,182,529 |
| Information technology fund | 718,869 | - | 718,869 |
| Windsor building authority | 145,000 | - | 145,000 |
| Facility service fund | 500,199 | - | 500,199 |
| Total funds | \$ 30,862,130 | \$ 4,940,391 | \$ 35,802,521 |

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.

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).

Deferred Charges

Bond issue costs are recorded as deferred charges in the accounts of the internal service funds. They are amortized over the term of the bonds using the effective-interest method.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2011.

Impairment of Capital Assets

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* ("GASB No 42"), 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, 2011.

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.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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, payment 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 in non-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 to have been spent 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.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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 net assets 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.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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 2011.

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.

New Pronouncement

The GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions effective for reporting periods beginning after June 15, 2010. The statement established fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable and spendable resources. In addition, the statement established a new definition of a special revenue fund that requires that a substantial portion of the inflows be derived from restricted or committed revenue sources. Based on this definition the Community Recreation Center fund, previously a special revenue fund, no longer meets the requirements of a special revenue fund and for reporting purposes is included in the General Fund. Beginning fund balance has been restated as follows:

| | <u>General Fund</u> | <u>Community Recreation Center Fund</u> |
|--|---------------------|---|
| Fund Balance at December 31, 2010, | \$ 5,216,175 | \$ 184,140 |
| GASB Statement No. 54 Adjustment | 184,140 | (184,140) |
| Fund Balance at December 31, 2010, as restated | <u>\$ 5,400,315</u> | <u>\$ -</u> |

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011, is as follows:

| Cash and Investments | Fair Value | Weighted Average Maturity Date (in days) | Concentration of Credit Risk |
|-----------------------------------|----------------------|--|---------------------------------|
| Cash on hand | \$ 2,800 | - | N/A |
| Cash held by County Treasurer | 43,274 | - | N/A |
| Cash in financial institution | 6,356,475 | - | N/A |
| Certificates of deposit | 5,653,691 | 577 | 24.8% |
| U.S. Treasury Notes | 191,339 | 686 | 0.8% |
| FHLMC | 1,177,114 | 599 | 5.2% |
| FNMA | 3,397,405 | 1,437 | 14.9% |
| Other U.S. instrumentalities | 1,342,002 | 1,342 | 5.9% |
| Municipal bonds | 1,594,577 | 1,052 | 7.0% |
| Corporate securities | 666,530 | 629 | 2.9% |
| COLOTRUST | 6,186,612 | N/A | 27.2% |
| CSAFE | 2,544,786 | N/A | 11.2% |
| Total cash and investments | \$ 29,156,605 | | |

| Cash and Investments | S&P Rating | Moody Rating |
|------------------------------|------------|--------------|
| FHLMC | AA+ | Aaa |
| FNMA | AA+ | Aaa |
| Other U.S. instrumentalities | AA+ to AAA | Aaa |
| Municipal bonds | AA- to AA+ | Aa1 to Aa3 |
| Other municipal bonds | AA- to AA | Aa2 |
| Corporate securities | AA+ to AAA | Aaa |
| Other corporate securities | NR | NR |
| COLOTRUST | AAA | Aaa |
| CSAFE | AAA | Aaa |

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

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

| | |
|--|----------------------|
| Cash and cash equivalents | \$ 10,281,596 |
| Equity in pooled cash and cash equivalents | 4,852,351 |
| Investments | 13,877,210 |
| Restricted cash and cash equivalents | 145,448 |
| Total cash and investments | \$ 29,156,605 |

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011 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, 2011, 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, 2011, the Town had invested \$8,731,398 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 and Aaa by Moody'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, 2011 is 2.03% and the weighted average remaining term of investments is approximately 1,241 days.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 3 - Receivables

Receivables at December 31, 2011, consist of the following:

| <u>Receivables</u> | General | Capital Projects | Enterprise | Internal Service | Total |
|--------------------|---------------------|-------------------|-------------------|------------------|--------------------|
| Taxes | \$ 4,158,135 | \$ - | \$ - | \$ - | \$4,158,135 |
| Trade accounts | 777,777 | - | 444,177 | - | 1,221,954 |
| Intergovernmental | 60,471 | 588,553 | 142,813 | 725 | 792,562 |
| Other | 111,176 | - | 139,032 | - | 250,208 |
| Total | \$ 5,107,559 | \$ 588,553 | \$ 726,022 | \$ 725 | \$6,422,859 |

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, 2011:

| | Transfers Out | | | | | | | | Total |
|----------------------------|---------------|--------------------------|-------------|------------|----------------|-------------------|-----------------------------|------------------------|-------------|
| | General Fund | Capital Improvement Fund | Water Fund | Sewer Fund | Storm Drainage | Non-potable Water | Nonmajor Governmental Funds | Internal Service Funds | |
| Transfers in: | | | | | | | | | |
| Governmental funds: | | | | | | | | | |
| General | \$ - | \$ 295,000 | \$ 360,626 | \$ 190,545 | \$ - | \$ 53,000 | \$ 76,914 | \$ 19,360 | \$ 995,445 |
| Capital Improvement | 1,250,000 | - | 1,250,000 | - | - | - | - | - | 2,500,000 |
| Total governmental funds: | 1,250,000 | 295,000 | 1,610,626 | 190,545 | - | 53,000 | 76,914 | 19,360 | 3,495,445 |
| Proprietary funds: | | | | | | | | | |
| Enterprise funds: | | | | | | | | | |
| Water | - | 62,653 | - | - | - | - | - | - | 62,653 |
| Non-potable Water | - | - | 151,966 | - | 117,914 | - | - | - | 269,880 |
| Internal service funds | - | 145,000 | - | - | - | - | - | - | 145,000 |
| Total proprietary funds | - | 207,653 | 151,966 | - | 117,914 | - | - | - | 477,533 |
| Total transfers | \$1,250,000 | \$ 502,653 | \$1,762,592 | \$ 190,545 | \$ 117,914 | \$ 53,000 | \$ 76,914 | \$ 19,360 | \$3,972,978 |

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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

The Town's interfund receivables and payables at December 31, 2011 (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.

| <u>Receivable fund</u> | <u>Payable fund</u> | <u>Amount</u> |
|--------------------------|------------------------|---------------------|
| Capital Improvement Fund | Internal Service Funds | 2,378,528 |
| Capital Improvement Fund | Nonpotable | 232,069 |
| Water Fund | Capital Improvement | 1,250,000 |
| Sewer Fund | Water Fund | 2,721,355 |
| Storm Drainage Fund | Water Fund | 500,142 |
| Storm Drainage Fund | Nonpotable | 475,018 |
| | | <u>\$ 7,557,112</u> |

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2011 for governmental activities was as follows:

| | Beginning Balance | Increases | (Decreases) Transfers | Ending Balance |
|--|----------------------|------------------|--------------------------|--------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land and water rights | \$ 2,303,737 | \$ - | \$ (8,817) | \$ 2,294,920 |
| Construction in progress | 30,355 | 2,067,645 | (1,289) | 2,096,711 |
| Total capital assets, not being depreciated | 2,334,092 | 2,067,645 | (10,106) | 4,391,631 |
| Capital assets, being depreciated: | | | | |
| Site improvements | 8,666,091 | 21,135 | - | 8,687,226 |
| Buildings and improvements | 19,859,477 | 487,280 | - | 20,346,757 |
| Streets and improvements | 64,998,998 | 2,938,723 | - | 67,937,721 |
| Parks and improvements | 9,713,540 | 35,634 | - | 9,749,174 |
| Machinery and equipment | 7,084,733 | 759,693 | (204,294) | 7,640,132 |
| Furniture and fixtures | 452,165 | - | - | 452,165 |
| Total capital assets, being depreciated | 110,775,004 | 4,242,465 | (204,294) | 114,813,175 |

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 5 - Capital Assets (Continued)

| | Beginning Balance | Increases | (Decreases) Transfers | Ending Balance |
|---|----------------------|--------------------|--------------------------|----------------------|
| Less accumulated depreciation for: | | | | |
| Site improvements | (1,854,203) | (420,729) | - | (2,274,932) |
| Buildings and improvements | (5,823,052) | (836,694) | - | (6,659,746) |
| Streets and improvements | (19,124,919) | (3,402,801) | - | (22,527,720) |
| Parks and improvements | (4,127,838) | (419,327) | - | (4,547,165) |
| Machinery and equipment | (4,529,130) | (776,354) | 204,294 | (5,101,190) |
| Furniture and fixtures | (323,071) | (33,359) | - | (356,430) |
| Total accumulated depreciation | (35,782,213) | (5,889,264) | 204,294 | (41,467,183) |
| Total capital assets, being depreciated, net | 74,992,791 | (1,646,799) | - | 73,345,992 |
| Governmental activities capital assets, net | \$ 77,326,883 | \$ 420,846 | \$ (10,106) | \$ 77,737,623 |

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

| | |
|---|---------------------|
| General government | \$ 527,604 |
| Public safety | 263,801 |
| Public works | 3,429,418 |
| Parks and recreation | 791,404 |
| Community development | 263,801 |
| Capital assets held by internal service funds are charged to the various functions based on usage | 613,236 |
| Total depreciation expense - governmental activities | \$ 5,889,264 |

Capital asset activity for the year ended December 31, 2011 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 | \$ 1,102,528 | \$ 716,727 | \$ (80,124) | \$ 1,739,131 |
| Land and water rights | 16,285,773 | 662,385 | - | 16,948,158 |
| Total capital assets, not being depreciated | 17,388,301 | 1,379,112 | (80,124) | 18,687,289 |
| Capital assets, being depreciated: | | | | |
| Utility systems and equipment | 76,496,159 | 2,285,749 | (138,500) | 78,643,408 |
| | 76,496,159 | 2,285,749 | (138,500) | 78,643,408 |
| Less accumulated depreciation for: | | | | |
| Utility systems and equipment | (17,034,558) | (1,594,458) | 138,500 | (18,490,516) |
| Total accumulated depreciation | (17,034,558) | (1,594,458) | 138,500 | (18,490,516) |
| Total capital assets, being depreciated, net | 59,461,601 | 691,291 | - | 60,152,892 |
| Business - type activities capital assets, net | \$ 76,849,902 | \$ 2,070,403 | \$ (80,124) | \$ 78,840,181 |

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 5 - Capital Assets (Continued)

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

| | | |
|---|----|-----------|
| Water | \$ | 536,169 |
| Sewer | | 700,663 |
| Storm drainage | | 339,790 |
| Non-potable water | | 17,836 |
| <hr/> | | |
| Total depreciation expense - business-type activities | \$ | 1,594,458 |

Note 6 - Long-Term Debt

Governmental Activities

Revenue Bonds

Sales and Use Tax Revenue Bonds, Series 2002, due serially on December 1, with interest from 2.75% to 4.8% payable semiannually; these bonds mature on December 1, 2022. Bonds maturing after December 1, 2013 are callable prior to maturity. The principal balance due as of December 31, 2011 is \$3,630,000.

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, 2011 is \$2,966,854.

Developer Reimbursement Obligations

The Town has executed a number of developer reimbursement agreements, whereby the Town has agreed to reimburse certain private and public developers for costs incurred on assets constructed by the developers, and subsequently conveyed to the Town. These costs will be reimbursed out of future road impact fees collected by the Town.

The Town follows guidance provided in GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* ("GASB No. 48"), to account for the assets received, and payments made in connection with these agreements. Accordingly, the pledged revenues are treated as an obligation of the Town, until fully repaid. The assets have been capitalized and are depreciated over their useful lives in the government-wide financial statements. The entire balance is reflected as current (except where scheduled payment terms exist), as reimbursements are made as revenues are collected, and there is no stated maturity. As of December 31, 2011, the balance due relating to these agreements was \$1,399,301.

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 | \$ 3,000,000 | \$ - | \$ (33,146) | \$ 2,966,854 | \$ 34,410 |
| Sales and use tax revenue bonds payable | 3,880,000 | - | (250,000) | 3,630,000 | 265,000 |
| Developer reimbursement obligations | 2,010,887 | 868,915 | (1,480,501) | 1,399,301 | 1,125,176 |
| Compensated absences | 409,898 | 33,942 | - | 443,840 | - |
| <hr/> | | | | | |
| Total long-term debt | \$ 9,300,785 | \$ 902,857 | \$ (1,763,647) | \$ 8,439,995 | \$1,424,586 |

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 6 - Long-Term Debt (Continued)

The annual requirements to amortize governmental activities debt outstanding as of December 31, 2011, are as follows:

| Year Ending December 31 | Principal | Interest | Total |
|----------------------------|---------------------|---------------------|----------------------|
| 2012 | \$ 1,424,586 | \$ 279,972 | \$ 1,704,558 |
| 2013 | 584,848 | 263,594 | 848,442 |
| 2014 | 327,086 | 246,000 | 573,086 |
| 2015 | 338,501 | 232,259 | 570,760 |
| 2016 | 354,970 | 218,040 | 573,010 |
| 2017 - 2021 | 2,003,920 | 850,232 | 2,854,152 |
| 2022 - 2026 | 675,020 | 474,820 | 1,149,840 |
| 2027 - 2031 | 325,611 | 399,789 | 725,400 |
| 2032 - 2036 | 392,647 | 332,753 | 725,400 |
| 2037 - 2041 | 473,485 | 251,915 | 725,400 |
| 2042 - 2046 | 570,965 | 154,435 | 725,400 |
| 2047 - 2050 | 524,516 | 40,020 | 564,536 |
| Total | \$ 7,996,155 | \$ 3,743,829 | \$ 11,739,984 |

Business-type Activities

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 the Colorado Water Conservation Board (“CWCB Loan”), accruing interest at 5.1% payable in equal annual combined installments of \$303,972, with a maturity date of November 1, 2033.

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 | \$ 4,061,780 | \$ - | \$ (96,821) | \$ 3,964,959 | \$ 101,759 |
| Compensated absences | 54,136 | 1,395 | - | 55,531 | - |
| Total long term debt | \$ 4,115,916 | \$ 1,395 | \$ (96,821) | \$ 4,020,490 | \$ 101,759 |

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 6 - Long-Term Debt (Continued)

The annual requirements to amortize all business-type activities debt outstanding as of December 31, 2011, are as follows:

| Year Ending December 31 | Principal | Interest | Total |
|----------------------------|---------------------|---------------------|---------------------|
| 2012 | \$ 101,759 | \$ 202,213 | \$ 303,972 |
| 2013 | 106,949 | 197,023 | 303,972 |
| 2014 | 112,403 | 191,569 | 303,972 |
| 2015 | 118,136 | 185,836 | 303,972 |
| 2016 | 124,161 | 179,811 | 303,972 |
| 2017 - 2021 | 722,499 | 797,362 | 1,519,861 |
| 2022 - 2026 | 926,512 | 593,350 | 1,519,862 |
| 2027 - 2031 | 1,188,131 | 331,730 | 1,519,861 |
| 2032 - 2033 | 564,409 | 43,535 | 607,944 |
| Total | \$ 3,964,959 | \$ 2,722,429 | \$ 6,687,388 |

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%.

As of December 31, 2011, there were 83 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 |
|------|------------------|--------------------------|----------------------|
| 2011 | \$ 6,003,281 | \$ 5,644,106 | \$ 232,220 |
| 2010 | 5,828,183 | 5,408,143 | 234,854 |
| 2009 | 5,766,729 | 5,355,172 | 209,775 |

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.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

Note 7 - Employees' Retirement Plans (Continued)

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 19 sworn officers participating as of December 31, 2011. The following table shows payroll and contribution related data for the years ending December, 31:

| Year | Total Covered Payroll | Town Contribution | Contribution Percentage |
|------|--------------------------|----------------------|----------------------------|
| 2011 | \$ 1,159,875 | \$ 46,395 | 4.0% |
| 2010 | 1,171,525 | 46,861 | 4.0% |
| 2009 | 1,129,576 | 45,183 | 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.

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 will receive payments of \$50,000, principal and interest, on March 1, 2011 and 2012, with the remaining principal and interest payable on March 1, 2013. The remaining balance due at December 31, 2011 is approximately \$450,000. Due to the uncertainty surrounding the collection of this amount, the Town will recognize capital contributions, as principal payments are made.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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 2011 contributions were \$160,300 and \$167,680 and share of surplus at December 31, 2011, amounted to approximately \$221,771 and \$71,952 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 reserved \$516,562 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.

Note 12 - Subsequent Events

Management of the Town has evaluated subsequent events through July 27, 2012, 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.

In January 2012, the Town issued \$3.6 million in refunding bonds for the purpose of refunding, at lower interest rates, its outstanding Sales and Use Tax Revenue Bonds.

In July 2012, the Board approved the payment of approximately \$1.4 million to pay its developer reimbursement obligations, plus accrued interest, in full.

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REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND BUDGETARY COMPARISON SCHEDULE

This financial statement presents budget and actual comparisons for the Town's General Fund.



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TOWN OF **WINDSOR**, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-----------------------|-----------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| <u>Revenues</u> | | | | |
| Taxes | \$ 8,710,751 | \$ 9,374,990 | \$ 9,769,133 | \$ 394,143 |
| Licenses and permits | 244,079 | 244,079 | 249,613 | 5,534 |
| Intergovernmental | 989,874 | 989,874 | 939,296 | (50,578) |
| Grants and contributions | 17,477 | 17,477 | 18,691 | 1,214 |
| Charges for services | 989,627 | 989,627 | 1,025,881 | 36,254 |
| Fines and forfeitures | 113,546 | 113,546 | 133,773 | 20,227 |
| Earnings on investments | 35,197 | 35,197 | 89,156 | 53,959 |
| Miscellaneous | 105,853 | 105,853 | 27,056 | (78,797) |
| <u>Total revenues</u> | <u>11,206,404</u> | <u>11,870,643</u> | <u>12,252,599</u> | <u>381,956</u> |
| <u>Expenditures</u> | | | | |
| General government | | | | |
| Legislative | 239,520 | 752,376 | 243,214 | 509,162 |
| Judicial | 20,139 | 20,139 | 17,904 | 2,235 |
| Elections | 7,500 | 7,500 | 252 | 7,248 |
| Administrative and finance | 1,692,204 | 1,692,204 | 1,111,370 | 580,834 |
| Town clerk | 454,459 | 454,459 | 476,007 | (21,548) |
| Public safety | 2,385,696 | 2,385,696 | 2,350,682 | 35,014 |
| Public works | | | | |
| Streets and alleys | 921,758 | 921,758 | 906,680 | 15,078 |
| Administration | 397,791 | 397,791 | 406,250 | (8,459) |
| Cemetery | 111,355 | 111,355 | 101,954 | 9,401 |
| Engineering | 567,648 | 567,648 | 565,857 | 1,791 |
| Parks and recreation | 3,589,749 | 3,589,749 | 3,763,112 | (173,363) |
| Community development | 1,361,433 | 1,361,433 | 1,298,061 | 63,372 |
| Safety and loss control | 16,200 | 16,200 | 6,764 | 9,436 |
| Debt service | 420,592 | 420,592 | 933,149 | (512,557) |
| <u>Total expenditures</u> | <u>12,186,044</u> | <u>12,698,900</u> | <u>12,181,256</u> | <u>517,644</u> |
| <u>Revenues over (under) expenditures</u> | <u>(979,640)</u> | <u>(828,257)</u> | <u>71,343</u> | <u>899,600</u> |
| <u>Other financing sources (uses)</u> | | | | |
| Transfers in | 976,084 | 976,084 | 995,445 | 19,361 |
| Transfers out | (1,250,000) | (1,250,000) | (1,250,000) | - |
| <u>Total other financing sources (uses)</u> | <u>(273,916)</u> | <u>(273,916)</u> | <u>(254,555)</u> | <u>19,361</u> |
| <u>Net change in fund balances</u> | <u>\$ (1,253,556)</u> | <u>\$ (1,102,173)</u> | <u>(183,212)</u> | <u>\$ 918,961</u> |
| <u>Fund balance at beginning of year</u> | | | <u>5,400,315</u> | |
| <u>Fund balance at end of year</u> | | | <u>\$ 5,217,103</u> | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
GENERAL FUND
NOTE TO THE BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

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. Footnote 1 to the financial statements describes the budget process.

Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles (“GAAP”). Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year.

See accompanying independent auditors’ report.

OTHER SUPPLEMENTARY INFORMATION
COMBINING, INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2011

| | Park Improvement | Conservation Trust | Total |
|--|---------------------|-----------------------|---------------------|
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 47,992 | \$ 82,575 | \$ 130,567 |
| Equity in pooled cash and cash equivalents | 2,485,158 | 180,208 | 2,665,366 |
| <u>Total assets</u> | <u>\$ 2,533,150</u> | <u>\$ 262,783</u> | <u>\$ 2,795,933</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities | | | |
| Accounts payable | \$ 38,774 | \$ - | \$ 38,774 |
| <u>Total liabilities</u> | <u>38,774</u> | <u>-</u> | <u>38,774</u> |
| Fund balances | | | |
| Restricted | 29,453 | 262,783 | 292,236 |
| Assigned | 2,464,923 | - | 2,464,923 |
| <u>Total fund balances</u> | <u>2,494,376</u> | <u>262,783</u> | <u>2,757,159</u> |
| <u>Total liabilities and fund balances</u> | <u>\$ 2,533,150</u> | <u>\$ 262,783</u> | <u>\$ 2,795,933</u> |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

| | Park Improvement | Conservation Trust | Total |
|---|---------------------|-----------------------|---------------------|
| <u>Revenues</u> | | | |
| Intergovernmental | \$ 69,535 | \$ 167,332 | \$ 236,867 |
| Charges for services | 980,785 | - | 980,785 |
| Earnings on investments | 969 | 98 | 1,067 |
| <u>Total revenues</u> | <u>1,051,289</u> | <u>167,430</u> | <u>1,218,719</u> |
| <u>Expenditures</u> | | | |
| Small equipment and maintenance | - | 9,000 | 9,000 |
| Capital outlay | 466,662 | 1,362 | 468,024 |
| <u>Total expenditures</u> | <u>466,662</u> | <u>10,362</u> | <u>477,024</u> |
| <u>Revenues over expenditures</u> | <u>584,627</u> | <u>157,068</u> | <u>741,695</u> |
| <u>Other financing sources (uses)</u> | | | |
| Transfers out | (76,914) | - | (76,914) |
| <u>Total other financing sources (uses)</u> | <u>(76,914)</u> | <u>-</u> | <u>(76,914)</u> |
| <u>Net changes in fund balances</u> | <u>507,713</u> | <u>157,068</u> | <u>664,781</u> |
| <u>Fund balance at beginning of year</u> | <u>1,986,663</u> | <u>105,715</u> | <u>2,092,378</u> |
| <u>Fund balance at end of year</u> | <u>\$ 2,494,376</u> | <u>\$ 262,783</u> | <u>\$ 2,757,159</u> |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| <u>Revenues</u> | | | | |
| Taxes | \$ 2,064,576 | \$ 3,011,367 | \$ 3,756,844 | \$ 745,477 |
| Grants and contributions | 561,033 | 1,938,451 | 2,828,024 | 889,573 |
| Earnings on investments | 428 | 428 | 6,262 | 5,834 |
| Miscellaneous | - | - | 239,847 | 239,847 |
| <u>Total revenues</u> | <u>2,626,037</u> | <u>4,950,246</u> | <u>6,830,977</u> | <u>1,880,731</u> |
| <u>Expenditures</u> | | | | |
| Small equipment and maintenance | 836,933 | 836,933 | 826,256 | 10,677 |
| Capital outlay | 3,488,303 | 6,027,391 | 5,229,715 | 797,676 |
| Debt service | 464,143 | 464,143 | 1,007,586 | (543,443) |
| <u>Total expenditures</u> | <u>4,789,379</u> | <u>7,328,467</u> | <u>7,063,557</u> | <u>264,910</u> |
| <u>Revenues under expenditures</u> | <u>(2,163,342)</u> | <u>(2,378,221)</u> | <u>(232,580)</u> | <u>2,145,641</u> |
| <u>Other financing sources (uses)</u> | | | | |
| Transfers in | 2,500,000 | 2,500,000 | 2,500,000 | - |
| Transfers out | (575,000) | (575,000) | (502,653) | 72,347 |
| <u>Total other financing sources (uses)</u> | <u>1,925,000</u> | <u>1,925,000</u> | <u>1,997,347</u> | <u>72,347</u> |
| <u>Net change in fund balance</u> | <u>\$ (238,342)</u> | <u>\$ (453,221)</u> | <u>1,764,767</u> | <u>\$ 2,217,988</u> |
| <u>Fund balance at beginning of year</u> | | | <u>2,835,835</u> | |
| <u>Fund balance at end of year</u> | | | <u>\$ 4,600,602</u> | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
PARK IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------------|---------------------|---|
| | Original | Final | | |
| <u>Revenues</u> | | | | |
| Charges for services | \$ 458,071 | \$ 986,452 | \$ 980,785 | \$ (5,667) |
| Intergovernmental | 50,000 | 50,000 | 69,535 | 19,535 |
| Earnings on investments | 11,087 | 11,087 | 969 | (10,118) |
| <u>Total revenues</u> | <u>519,158</u> | <u>1,047,539</u> | <u>1,051,289</u> | <u>3,750</u> |
| <u>Expenditures</u> | | | | |
| Parks and recreation | 10,000 | 10,000 | - | 10,000 |
| Capital outlay | 411,000 | 457,271 | 466,662 | (9,391) |
| <u>Total expenditures</u> | <u>421,000</u> | <u>467,271</u> | <u>466,662</u> | <u>609</u> |
| <u>Revenues over expenditures</u> | <u>98,158</u> | <u>580,268</u> | <u>584,627</u> | <u>4,359</u> |
| Transfers out | (76,914) | (76,914) | (76,914) | - |
| <u>Net change in fund balance</u> | <u>\$ 21,244</u> | <u>\$ 503,354</u> | <u>507,713</u> | <u>\$ 4,359</u> |
| <u>Fund balance at beginning of year</u> | | | <u>1,986,663</u> | |
| <u>Fund balance at end of year</u> | | | <u>\$ 2,494,376</u> | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| <u>Revenues</u> | | | | |
| Intergovernmental | \$ 359,335 | \$ 359,335 | \$ 167,332 | \$ (192,003) |
| Earnings on investments | 1,083 | 1,083 | 98 | (985) |
| <u>Total operating revenues</u> | <u>360,418</u> | <u>360,418</u> | <u>167,430</u> | <u>(192,988)</u> |
| <u>Expenditures</u> | | | | |
| Small equipment and maintenance | 10,000 | 10,000 | 9,000 | 1,000 |
| Capital outlay | 340,000 | 340,000 | 1,362 | 338,638 |
| <u>Total operating expenditures</u> | <u>350,000</u> | <u>350,000</u> | <u>10,362</u> | <u>339,638</u> |
| <u>Net change in fund balance</u> | <u>\$ 10,418</u> | <u>\$ 10,418</u> | 157,068 | <u>\$ 146,650</u> |
| <u>Fund balance at beginning of year</u> | | | <u>105,715</u> | |
| <u>Fund balance at end of year</u> | | | <u>\$ 262,783</u> | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|----------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| <u>Revenues</u> | | | | |
| Charges for services | \$ 3,849,717 | \$ 3,849,717 | \$ 2,996,484 | \$ (853,233) |
| Miscellaneous | - | - | 379,795 | 379,795 |
| <u>Total operating revenues</u> | <u>3,849,717</u> | <u>3,849,717</u> | <u>3,376,279</u> | <u>(473,438)</u> |
| <u>Budgetary expenditures</u> | | | | |
| Wages and benefits | 195,840 | 195,840 | 147,245 | 48,595 |
| Operating costs | 1,642,093 | 1,642,093 | 2,016,809 | (374,716) |
| Capital outlay | 1,426,194 | 2,370,880 | 552,686 | 1,818,194 |
| <u>Total budgetary expenditures</u> | <u>3,264,127</u> | <u>4,208,813</u> | <u>2,716,740</u> | <u>1,492,073</u> |
| <u>Operating revenues over (under) budgetary expenditures</u> | <u>585,590</u> | <u>(359,096)</u> | <u>659,539</u> | <u>1,018,635</u> |
| <u>Nonoperating revenue</u> | | | | |
| Earnings on investments | 70,956 | 70,956 | 143,388 | 72,432 |
| <u>Total nonoperating revenue</u> | <u>70,956</u> | <u>70,956</u> | <u>143,388</u> | <u>72,432</u> |
| <u>Income (loss) before contributions and transfers</u> | <u>656,546</u> | <u>(288,140)</u> | <u>802,927</u> | <u>1,091,067</u> |
| Transfers in | 135,000 | 135,000 | 62,653 | (72,347) |
| Transfers out | (1,762,612) | (1,762,612) | (1,762,592) | 20 |
| Grants and contributions | 150,000 | 150,000 | 30,570 | (119,430) |
| Contributed capital | - | 944,686 | 1,735,095 | 790,409 |
| <u>Income (loss) budgetary basis</u> | <u>\$ (821,066)</u> | <u>\$ (821,066)</u> | <u>868,653</u> | <u>\$ 1,689,719</u> |
| <u>Reconciliation to GAAP basis</u> | | | | |
| Depreciation | | | (536,169) | |
| Capital outlay | | | 552,686 | |
| <u>Change in net assets - GAAP basis</u> | | | <u>885,170</u> | |
| <u>Net assets at beginning of year</u> | | | <u>48,559,535</u> | |
| <u>Net assets at end of year</u> | | | <u>\$ 49,444,705</u> | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|----------------------|---|
| | Original | Final | | |
| <u>Operating revenues</u> | | | | |
| Charges for services | \$ 1,882,760 | \$ 1,882,760 | \$ 1,638,591 | \$ (244,169) |
| <u>Total operating revenues</u> | 1,882,760 | 1,882,760 | 1,638,591 | (244,169) |
| <u>Budgetary expenditures</u> | | | | |
| Wages and benefits | 250,229 | 250,229 | 180,246 | 69,983 |
| Operating costs | 615,434 | 615,434 | 592,461 | 22,973 |
| Capital outlay | 662,265 | 1,202,268 | 285,463 | 916,805 |
| <u>Total budgetary expenditures</u> | 1,527,928 | 2,067,931 | 1,058,170 | 1,009,761 |
| <u>Operating revenues over (under) budgetary expenditures</u> | 354,832 | (185,171) | 580,421 | 765,592 |
| <u>Nonoperating revenues</u> | | | | |
| Earnings on investments | 24,519 | 24,519 | 5,626 | (18,893) |
| Other income | 30,512 | 30,512 | 42,276 | 11,764 |
| <u>Total nonoperating revenues</u> | 55,031 | 55,031 | 47,902 | (7,129) |
| <u>Income (loss) before contributions and transfers</u> | 409,863 | (130,140) | 628,323 | 758,463 |
| Transfers out | (190,545) | (190,545) | (190,545) | - |
| Grants and contributions | - | - | 142,813 | 142,813 |
| Contributed capital | - | 540,003 | 1,176,144 | 636,141 |
| <u>Income budgetary basis</u> | <u>\$ 219,318</u> | <u>\$ 219,318</u> | 1,756,735 | <u>\$ 1,537,417</u> |
| <u>Reconciliation to GAAP basis</u> | | | | |
| Depreciation | | | (700,663) | |
| Capital outlay | | | 285,463 | |
| <u>Change in net assets - GAAP basis</u> | | | 1,341,535 | |
| <u>Net assets at beginning of year</u> | | | 26,975,210 | |
| <u>Net assets at end of year</u> | | | <u>\$ 28,316,745</u> | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
STORM DRAINAGE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|----------------------|---|
| | Original | Final | | |
| <u>Operating revenues</u> | | | | |
| Charges for services | \$ 667,685 | \$ 667,685 | \$ 301,822 | \$ (365,863) |
| Gain on the sale of capital assets | - | - | 40,000 | 40,000 |
| <u>Total operating revenues</u> | <u>667,685</u> | <u>667,685</u> | <u>341,822</u> | <u>(325,863)</u> |
| <u>Budgetary expenditures</u> | | | | |
| Wages and benefits | 93,834 | 93,834 | 66,195 | 27,639 |
| Operating costs | 160,284 | 160,284 | 195,646 | (35,362) |
| Capital outlay | 601,901 | 959,388 | 158,109 | 801,279 |
| <u>Total budgetary expenditures</u> | <u>856,019</u> | <u>1,213,506</u> | <u>419,950</u> | <u>793,556</u> |
| <u>Operating revenues over (under) budgetary expenditures</u> | <u>(188,334)</u> | <u>(545,821)</u> | <u>(78,128)</u> | <u>467,693</u> |
| <u>Nonoperating revenue</u> | | | | |
| Earnings on investments | 3,511 | 3,511 | 687 | (2,824) |
| <u>Total nonoperating revenue</u> | <u>3,511</u> | <u>3,511</u> | <u>687</u> | <u>(2,824)</u> |
| <u>Loss before transfers and contributions</u> | <u>(184,823)</u> | <u>(542,310)</u> | <u>(77,441)</u> | <u>464,869</u> |
| Transfers out | (151,986) | (151,986) | (117,914) | 34,072 |
| Contributed capital | 377,175 | 734,662 | 891,765 | 157,103 |
| <u>Income budgetary basis</u> | <u>\$ 40,366</u> | <u>\$ 40,366</u> | <u>696,410</u> | <u>\$ 656,044</u> |
| <u>Reconciliation to GAAP basis</u> | | | | |
| Depreciation | | | (339,790) | |
| Capital outlay | | | 158,109 | |
| <u>Change in net assets - GAAP basis</u> | | | <u>514,729</u> | |
| <u>Net assets at beginning of year</u> | | | <u>14,721,461</u> | |
| <u>Net assets at end of year</u> | | | <u>\$ 15,236,190</u> | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
NON-POTABLE WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| <u>Operating revenues</u> | | | | |
| Charges for services | \$ 219,700 | \$ 219,700 | \$ 214,606 | \$ (5,094) |
| <u>Total operating revenues</u> | 219,700 | 219,700 | 214,606 | (5,094) |
| <u>Budgetary expenditures</u> | | | | |
| Operating costs | 52,068 | 52,068 | 70,703 | (18,635) |
| Interest expense | 504,939 | 504,939 | 206,340 | 298,599 |
| Capital outlay | 303,972 | 303,972 | 90,914 | 213,058 |
| <u>Total budgetary expenditures</u> | 860,979 | 860,979 | 367,957 | 493,022 |
| <u>Operating revenues over (under) budgetary expenditures</u> | (641,279) | (641,279) | (153,351) | 487,928 |
| <u>Nonoperating revenue</u> | | | | |
| Gas royalties | - | - | 228,024 | 228,024 |
| <u>Total nonoperating revenue</u> | - | - | 228,024 | 228,024 |
| <u>Income (loss) before contributions and transfers</u> | (641,279) | (641,279) | 74,673 | 715,952 |
| Transfers in | 303,972 | 303,972 | 269,880 | (34,092) |
| Transfers out | (53,000) | (53,000) | (53,000) | - |
| Grants and contributions | 146,324 | 146,324 | 114,571 | (31,753) |
| <u>Income (loss) budgetary basis</u> | <u>\$ (243,983)</u> | <u>\$ (243,983)</u> | 406,124 | <u>\$ 878,131</u> |
| <u>Reconciliation to GAAP basis</u> | | | | |
| Depreciation expense | | | (17,836) | |
| Capital outlay | | | 90,914 | |
| <u>Change in net assets - GAAP basis</u> | | | 479,202 | |
| <u>Net assets at beginning of year</u> | | | 24,719 | |
| <u>Net assets at end of year</u> | | | <u>\$ 503,921</u> | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

December 31, 2011

| | Information Technology Fund | Fleet Services Fund | Windsor Building Authority | Facility Service Fund | Total |
|--|-----------------------------------|------------------------|-------------------------------|--------------------------|--------------|
| ASSETS | | | | | |
| <u>Current assets</u> | | | | | |
| Equity in pooled cash and cash equivalents | \$ 188,547 | \$ 192,875 | \$ 35 | \$ 37,213 | \$ 418,670 |
| Accounts receivable | 725 | - | - | - | 725 |
| <u>Total current assets</u> | 189,272 | 192,875 | 35 | 37,213 | 419,395 |
| <u>Noncurrent assets</u> | | | | | |
| Restricted investments | - | - | 145,448 | - | 145,448 |
| Deferred charges | - | - | 132,433 | - | 132,433 |
| Capital assets: | | | | | |
| Land | - | - | 157,853 | - | 157,853 |
| Buildings and improvements | 6,924 | - | 4,987,609 | - | 4,994,533 |
| Machinery and equipment | 530,364 | 1,980,128 | - | - | 2,510,492 |
| Less accumulated depreciation | (237,358) | (813,576) | (304,207) | - | (1,355,141) |
| Total capital assets, net | 299,930 | 1,166,552 | 4,841,255 | - | 6,307,737 |
| <u>Total noncurrent assets</u> | 299,930 | 1,166,552 | 5,119,136 | - | 6,585,618 |
| <u>Total assets</u> | 489,202 | 1,359,427 | 5,119,171 | 37,213 | 7,005,013 |
| LIABILITIES | | | | | |
| <u>Current liabilities</u> | | | | | |
| Interfund payable | - | - | 2,378,528 | - | 2,378,528 |
| Accounts payable | 8,111 | 19,153 | - | 6,045 | 33,309 |
| Accrued expenses | 6,684 | 7,611 | - | 10,467 | 24,762 |
| Loans payable - current | - | - | 34,410 | - | 34,410 |
| <u>Total current liabilities</u> | 14,795 | 26,764 | 2,412,938 | 16,512 | 2,471,009 |
| <u>Noncurrent liabilities</u> | | | | | |
| Accrued compensated absences | 8,099 | 15,694 | - | 7,128 | 30,921 |
| Loan payable | - | - | 2,932,444 | - | 2,932,444 |
| <u>Total noncurrent liabilities</u> | 8,099 | 15,694 | 2,932,444 | 7,128 | 2,963,365 |
| <u>Total liabilities</u> | 22,894 | 42,458 | 5,345,382 | 23,640 | 5,434,374 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 299,930 | 1,166,552 | 1,874,401 | - | 3,340,883 |
| Unrestricted | 166,378 | 150,417 | (2,100,612) | 13,573 | (1,770,244) |
| <u>Total net assets</u> | \$ 466,308 | \$ 1,316,969 | \$ (226,211) | \$ 13,573 | \$ 1,570,639 |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2011

| | Information Technology Fund | Fleet Services Fund | Windsor Building Authority | Facility Service Fund | Total |
|---|-----------------------------------|------------------------|-------------------------------|--------------------------|---------------------|
| <u>Operating revenues</u> | | | | | |
| Charges for services | \$ 614,519 | \$ 843,760 | \$ - | \$ 515,202 | \$ 1,973,481 |
| Miscellaneous | - | - | 1,234 | - | 1,234 |
| <u>Total operating revenues</u> | <u>614,519</u> | <u>843,760</u> | <u>1,234</u> | <u>515,202</u> | <u>1,974,715</u> |
| <u>Operating expenses</u> | | | | | |
| Wages and benefits | 185,075 | 207,997 | - | 262,862 | 655,934 |
| Operating costs | 429,868 | 330,692 | 123 | 213,407 | 974,090 |
| Depreciation | 95,073 | 268,783 | 249,380 | - | 613,236 |
| <u>Total operating expenses</u> | <u>710,016</u> | <u>807,472</u> | <u>249,503</u> | <u>476,269</u> | <u>2,243,260</u> |
| <u>Operating income (loss)</u> | <u>(95,497)</u> | <u>36,288</u> | <u>(248,269)</u> | <u>38,933</u> | <u>(268,545)</u> |
| <u>Nonoperating revenue (expense)</u> | | | | | |
| Interest Expense | - | - | (111,934) | - | (111,934) |
| Earnings on investments | - | - | 341 | - | 341 |
| <u>Total nonoperating revenue (expense)</u> | <u>-</u> | <u>-</u> | <u>(111,593)</u> | <u>-</u> | <u>(111,593)</u> |
| <u>Income (loss) before transfers</u> | <u>(95,497)</u> | <u>36,288</u> | <u>(359,862)</u> | <u>38,933</u> | <u>(380,138)</u> |
| Transfers in | - | 6,000 | 145,000 | - | 151,000 |
| Transfers out | - | - | - | (25,360) | (25,360) |
| <u>Change in net assets</u> | <u>(95,497)</u> | <u>42,288</u> | <u>(214,862)</u> | <u>13,573</u> | <u>(254,498)</u> |
| <u>Net assets at beginning of year</u> | <u>561,805</u> | <u>1,274,681</u> | <u>(11,349)</u> | <u>-</u> | <u>1,825,137</u> |
| <u>Net assets at end of year</u> | <u>\$ 466,308</u> | <u>\$ 1,316,969</u> | <u>\$ (226,211)</u> | <u>\$ 13,573</u> | <u>\$ 1,570,639</u> |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2011

| | Information Technology Fund | Fleet Services Fund | Windsor Building Authority | Facility Service Fund | Total |
|---|-----------------------------------|------------------------|-------------------------------|--------------------------|-------------------|
| <u>Cash flows from operating activities</u> | | | | | |
| Cash received from customers | \$ 638,544 | \$ 843,760 | \$ 1,324 | \$ 515,202 | \$ 1,998,830 |
| Cash payments to suppliers | (417,686) | (322,055) | (122) | (182,639) | (922,502) |
| Cash payments to employees | (191,338) | (208,135) | - | (269,990) | (669,463) |
| <u>Net cash flows from operating activities</u> | 29,520 | 313,570 | 1,202 | 62,573 | 406,865 |
| <u>Cash flows from capital and related financing activities</u> | | | | | |
| Transfers from other funds | - | 6,000 | 145,000 | - | 151,000 |
| Transfer to other funds | - | - | - | (25,360) | (25,360) |
| Net change in interfund balances due | - | - | (2,070) | - | (2,070) |
| Principal paid on debt | - | - | (33,146) | - | (33,146) |
| Interest paid on debt | - | - | (111,934) | - | (111,934) |
| Acquisition of capital assets | (51,317) | (629,263) | - | - | (680,580) |
| <u>Net cash flows from capital and related financing activities</u> | (51,317) | (623,263) | (2,150) | (25,360) | (702,090) |
| <u>Cash flows from investing activities</u> | | | | | |
| Net change in restricted cash and investments | - | - | 642 | - | 642 |
| Earnings on investments | - | - | 341 | - | 341 |
| <u>Net cash flows from investing activities</u> | - | - | 983 | - | 983 |
| <u>Net change in cash and cash equivalents</u> | (21,797) | (309,693) | 35 | 37,213 | (294,242) |
| <u>Cash and cash equivalents at beginning of year</u> | 210,344 | 502,568 | - | - | 712,912 |
| <u>Cash and cash equivalents at end of year</u> | \$ 188,547 | \$ 192,875 | \$ 35 | \$ 37,213 | \$ 418,670 |
| <u>Reconciliation of operating income (loss) to net cash flows from operating activities</u> | | | | | |
| Operating income (loss) | \$ (95,497) | \$ 36,288 | \$ (248,269) | \$ 38,933 | \$ (268,545) |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | | |
| Depreciation expense | 95,073 | 268,783 | 249,380 | - | 613,236 |
| Changes in operating assets and liabilities: | | | | | |
| Accounts receivable | 24,025 | - | 91 | - | 24,116 |
| Accounts payable and accrued expenses | 5,919 | 8,499 | - | 23,640 | 38,058 |
| <u>Net cash flows from operating activities</u> | \$ 29,520 | \$ 313,570 | \$ 1,202 | \$ 62,573 | \$ 406,865 |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO

INFORMATION TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------|-------------------|---|
| | Original | Final | | |
| <u>Operating revenues</u> | | | | |
| Charges for services | \$ 615,325 | \$ 615,325 | \$ 614,519 | \$ (806) |
| <u>Total operating revenues</u> | 615,325 | 615,325 | 614,519 | (806) |
| <u>Budgetary expenditures</u> | | | | |
| Wages and benefits | 234,263 | 234,263 | 185,075 | 49,188 |
| Operating costs | 434,606 | 434,606 | 429,868 | 4,738 |
| Capital outlay | 50,000 | 50,000 | 51,318 | (1,318) |
| <u>Total budgetary expenditures</u> | 718,869 | 718,869 | 666,261 | 52,608 |
| <u>Income (loss) budgetary basis</u> | \$ (103,544) | \$ (103,544) | (51,742) | \$ 51,802 |
| <u>Reconciliation to GAAP basis</u> | | | | |
| Depreciation expense | | | (95,073) | |
| Capital outlay | | | 51,318 | |
| <u>Change in net assets - GAAP basis</u> | | | (95,497) | |
| <u>Net assets at beginning of year</u> | | | 561,805 | |
| <u>Net assets at end of year</u> | | | \$ 466,308 | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
FLEET MANAGEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------|-------------------|---|
| | Original | Final | | |
| <u>Operating revenues</u> | | | | |
| Charges for services | \$ 882,527 | \$ 882,527 | \$ 843,760 | \$ (38,767) |
| <u>Total operating revenues</u> | 882,527 | 882,527 | 843,760 | (38,767) |
| <u>Budgetary expenditures</u> | | | | |
| Wages and benefits | 245,207 | 245,207 | 207,997 | 37,210 |
| Operating costs | 289,322 | 289,322 | 330,692 | (41,370) |
| Capital outlay | 648,000 | 648,000 | 629,263 | 18,737 |
| <u>Total budgetary expenditures</u> | 1,182,529 | 1,182,529 | 1,167,952 | 14,577 |
| <u>Loss before transfers</u> | (300,002) | (300,002) | (324,192) | (24,190) |
| Transfers in | - | - | 6,000 | 6,000 |
| <u>Loss budgetary basis</u> | \$ (300,002) | \$ (300,002) | (318,192) | \$ (18,190) |
| <u>Reconciliation to GAAP basis</u> | | | | |
| Depreciation expense | | | (268,783) | |
| Capital outlay | | | 629,263 | |
| <u>Change in net assets - GAAP basis</u> | | | 42,288 | |
| <u>Net assets at beginning of year</u> | | | 1,274,681 | |
| <u>Net assets at end of year</u> | | | \$ 1,316,969 | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO

**WINDSOR BUILDING AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE**
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| <u>Operating revenues</u> | | | | |
| Miscellaneous | \$ - | \$ - | \$ 1,234 | \$ 1,234 |
| Earnings on investments | - | - | 341 | 341 |
| <u>Total operating revenues</u> | - | - | 1,575 | 1,575 |
| <u>Budgetary expenditures</u> | | | | |
| Operating costs | - | - | 123 | (123) |
| Interest expense | 145,000 | 145,000 | 111,934 | 33,066 |
| <u>Total budgetary expenditures</u> | 145,000 | 145,000 | 112,057 | 32,943 |
| <u>Loss before transfers</u> | (145,000) | (145,000) | (110,482) | 34,518 |
| Transfers in | 145,000 | 145,000 | 145,000 | - |
| <u>Income budgetary basis</u> | \$ - | \$ - | 34,518 | \$ 34,518 |
| <u>Reconciliation to GAAP basis</u> | | | | |
| Depreciation expense | | | (249,380) | |
| <u>Change in net assets - GAAP basis</u> | | | (214,862) | |
| <u>Net assets at beginning of year</u> | | | (11,349) | |
| <u>Net assets at end of year</u> | | | \$ (226,211) | |

See accompanying independent auditors' report.

TOWN OF **WINDSOR**, COLORADO
FACILITY SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------|-------------------|---|
| | Original | Final | | |
| <u>Operating revenues</u> | | | | |
| Charges for services | \$ 500,199 | \$ 500,199 | \$ 515,202 | \$ 15,003 |
| <u>Total operating revenues</u> | 500,199 | 500,199 | 515,202 | 15,003 |
| <u>Budgetary expenditures</u> | | | | |
| Wages and benefits | 350,899 | 350,899 | 262,862 | 88,037 |
| Operating costs | 149,300 | 149,300 | 213,407 | (64,107) |
| <u>Total budgetary expenditures</u> | 500,199 | 500,199 | 476,269 | 23,930 |
| <u>Income before transfers</u> | - | - | 38,933 | 38,933 |
| Transfers out | - | - | (25,360) | (25,360) |
| <u>Income budgetary basis</u> | \$ - | \$ - | 13,573 | \$ 13,573 |
| <u>Change in net assets - GAAP basis</u> | | | 13,573 | |
| <u>Net assets at beginning of year</u> | | | - | |
| <u>Net assets at end of year</u> | | | \$ 13,573 | |

See accompanying independent auditors' report.

OTHER FINANCIAL SCHEDULES

TOWN OF WINDSOR



COLORADO

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TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2011

GOVERNMENTAL ACTIVITIES

| SALES & USE TAX REVENUE BONDS - Series 2002 | | | | |
|--|--------------------|--------------------|----------------------|--------------------------|
| COMMUNITY & RECREATION CENTER | | | | |
| Year | Principal | Interest | Total Payment | Principal Balance |
| 2003 | \$ - | \$418,540 | \$418,540 | \$5,000,000 |
| 2004 | - | 418,905 | 418,905 | 5,000,000 |
| 2005 | - | 418,905 | 418,905 | 5,000,000 |
| 2006 | 170,000 | 248,905 | 418,905 | 4,830,000 |
| 2007 | 220,000 | 204,230 | 424,230 | 4,610,000 |
| 2008 | 235,000 | 197,080 | 432,080 | 4,375,000 |
| 2009 | 250,000 | 188,855 | 438,855 | 4,125,000 |
| 2010 | 245,000 | 179,480 | 424,480 | 3,880,000 |
| 2011 | 250,000 | 170,292 | 420,292 | 3,630,000 |
| 2012 | 265,000 | 160,293 | 425,293 | 3,365,000 |
| 2013 | 275,000 | 149,692 | 424,692 | 3,090,000 |
| 2014 | 290,000 | 138,005 | 428,005 | 2,800,000 |
| 2015 | 300,000 | 125,680 | 425,680 | 2,500,000 |
| 2016 | 315,000 | 112,930 | 427,930 | 2,185,000 |
| 2017 | 325,000 | 99,700 | 424,700 | 1,860,000 |
| 2018 | 340,000 | 85,725 | 425,725 | 1,520,000 |
| 2019 | 355,000 | 70,765 | 425,765 | 1,165,000 |
| 2020 | 370,000 | 54,790 | 424,790 | 795,000 |
| 2021 | 390,000 | 37,770 | 427,770 | 405,000 |
| 2022 | 405,000 | 19,440 | 424,440 | \$0 |
| TOTALS | \$5,000,000 | \$3,499,982 | \$8,499,982 | |

| DEVELOPER REIMBURSEMENT AGREEMENT- March 25, 2008 | | | | |
|--|--------------------|-----------------|----------------------|--------------------------|
| WATER VALLEY METRO DISTRICT NO. 2 | | | | |
| CAPITAL IMPROVEMENT FUND | | | | |
| Year | Principal | Interest | Total Payment | Principal Balance |
| | | | | \$1,254,432 |
| 2009 | \$242,258 | \$21,953 | \$264,210 | 1,012,174 |
| 2010 | 246,497 | 17,713 | 264,210 | 765,677 |
| 2011 | 250,811 | 13,399 | 264,210 | 514,866 |
| 2012 | 255,200 | 9,010 | 264,210 | 259,666 |
| 2013 | 259,666 | 4,544 | 264,210 | \$0 |
| TOTALS | \$1,254,432 | \$66,619 | \$1,321,051 | |

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2011

| USDA COMMUNITY FACILITIES LOAN FOR THE POLICE FACILITY WINDSOR BUILDING AUTHORITY | | | | |
|--|--------------------|--------------------|--------------------|-------------------|
| Payment | Principal | Interest | Total Payment | Principal Balance |
| | | | | \$3,000,000 |
| 2011 (12 monthly payments) | \$33,146 | \$111,934 | \$145,080 | 2,966,854 |
| 2012 (12 monthly payments) | 34,410 | 110,670 | 145,080 | 2,932,444 |
| 2013 (12 monthly payments) | 35,723 | 109,357 | 145,080 | 2,896,721 |
| 2014 (12 monthly payments) | 37,086 | 107,994 | 145,080 | 2,859,634 |
| 2015 (12 monthly payments) | 38,501 | 106,579 | 145,080 | 2,821,133 |
| 2016 (12 monthly payments) | 39,970 | 105,110 | 145,080 | 2,781,164 |
| 2017 (12 monthly payments) | 41,495 | 103,585 | 145,080 | 2,739,669 |
| 2018 (12 monthly payments) | 43,078 | 102,002 | 145,080 | 2,696,591 |
| 2019 (12 monthly payments) | 44,721 | 100,359 | 145,080 | 2,651,870 |
| 2020 (12 monthly payments) | 46,427 | 98,653 | 145,080 | 2,605,442 |
| 2021 (12 monthly payments) | 48,199 | 96,881 | 145,080 | 2,557,244 |
| 2022 (12 monthly payments) | 50,038 | 95,042 | 145,080 | 2,507,206 |
| 2023 (12 monthly payments) | 51,947 | 93,133 | 145,080 | 2,455,259 |
| 2024 (12 monthly payments) | 53,928 | 91,152 | 145,080 | 2,401,331 |
| 2025 (12 monthly payments) | 55,986 | 89,094 | 145,080 | 2,345,345 |
| 2026 (12 monthly payments) | 58,122 | 86,958 | 145,080 | 2,287,223 |
| 2027 (12 monthly payments) | 60,339 | 84,741 | 145,080 | 2,226,884 |
| 2028 (12 monthly payments) | 62,641 | 82,439 | 145,080 | 2,164,243 |
| 2029 (12 monthly payments) | 65,031 | 80,049 | 145,080 | 2,099,212 |
| 2030 (12 monthly payments) | 67,512 | 77,568 | 145,080 | 2,031,700 |
| 2031 (12 monthly payments) | 70,088 | 74,992 | 145,080 | 1,961,612 |
| 2032 (12 monthly payments) | 72,762 | 72,318 | 145,080 | 1,888,851 |
| 2033 (12 monthly payments) | 75,538 | 69,542 | 145,080 | 1,813,313 |
| 2034 (12 monthly payments) | 78,419 | 66,661 | 145,080 | 1,734,893 |
| 2035 (12 monthly payments) | 81,411 | 63,669 | 145,080 | 1,653,482 |
| 2036 (12 monthly payments) | 84,517 | 60,563 | 145,080 | 1,568,965 |
| 2037 (12 monthly payments) | 87,742 | 57,338 | 145,080 | 1,481,223 |
| 2038 (12 monthly payments) | 91,089 | 53,991 | 145,080 | 1,390,134 |
| 2039 (12 monthly payments) | 94,564 | 50,516 | 145,080 | 1,295,570 |
| 2040 (12 monthly payments) | 98,172 | 46,908 | 145,080 | 1,197,398 |
| 2041 (12 monthly payments) | 101,917 | 43,163 | 145,080 | 1,095,480 |
| 2042 (12 monthly payments) | 105,806 | 39,274 | 145,080 | 989,675 |
| 2043 (12 monthly payments) | 109,842 | 35,238 | 145,080 | 879,832 |
| 2044 (12 monthly payments) | 114,033 | 31,047 | 145,080 | 765,799 |
| 2045 (12 monthly payments) | 118,384 | 26,696 | 145,080 | 647,416 |
| 2046 (12 monthly payments) | 122,900 | 22,180 | 145,080 | 524,516 |
| 2047 (12 monthly payments) | 127,589 | 17,491 | 145,080 | 396,927 |
| 2048 (12 monthly payments) | 132,456 | 12,624 | 145,080 | 264,470 |
| 2049 (12 monthly payments) | 137,510 | 7,570 | 145,080 | 126,961 |
| 2050 (12 monthly payments) | 126,961 | 2,336 | 129,296 | \$0 |
| TOTALS | \$3,000,000 | \$2,787,416 | \$5,787,416 | |

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS
December 31, 2011

BUSINESS-TYPE ACTIVITIES

| STORM DRAINAGE FUND | | | | |
|----------------------------|--------------------|--------------------|----------------------|--------------------------|
| Year | Principal | Interest | Total Payment | Principal Balance |
| | | | | \$4,620,000 |
| 2004 | \$68,352 | \$235,620 | \$303,972 | 4,551,648 |
| 2005 | 71,838 | 232,134 | 303,972 | 4,479,810 |
| 2006 | 75,502 | 228,470 | 303,972 | 4,404,308 |
| 2007 | 79,352 | 224,620 | 303,972 | 4,324,955 |
| 2008 | 83,399 | 220,573 | 303,972 | 4,241,556 |
| 2009 | 87,653 | 216,319 | 303,972 | 4,153,903 |
| 2010 | 92,123 | 211,849 | 303,972 | 4,061,780 |
| 2011 | 96,821 | 207,151 | 303,972 | 3,964,959 |
| 2012 | 101,759 | 202,213 | 303,972 | 3,863,199 |
| 2013 | 106,949 | 197,023 | 303,972 | 3,756,250 |
| 2014 | 112,403 | 191,569 | 303,972 | 3,643,847 |
| 2015 | 118,136 | 185,836 | 303,972 | 3,525,711 |
| 2016 | 124,161 | 179,811 | 303,972 | 3,401,550 |
| 2017 | 130,493 | 173,479 | 303,972 | 3,271,057 |
| 2018 | 137,148 | 166,824 | 303,972 | 3,133,909 |
| 2019 | 144,143 | 159,829 | 303,972 | 2,989,766 |
| 2020 | 151,494 | 152,478 | 303,972 | 2,838,272 |
| 2021 | 159,220 | 144,752 | 303,972 | 2,679,051 |
| 2022 | 167,341 | 136,632 | 303,972 | 2,511,711 |
| 2023 | 175,875 | 128,097 | 303,972 | 2,335,836 |
| 2024 | 184,845 | 119,128 | 303,972 | 2,150,991 |
| 2025 | 194,272 | 109,701 | 303,972 | 1,956,720 |
| 2026 | 204,179 | 99,793 | 303,972 | 1,752,540 |
| 2027 | 214,593 | 89,380 | 303,972 | 1,537,948 |
| 2028 | 225,537 | 78,435 | 303,972 | 1,312,411 |
| 2029 | 237,039 | 66,933 | 303,972 | 1,075,372 |
| 2030 | 249,128 | 54,844 | 303,972 | 826,243 |
| 2031 | 261,834 | 42,138 | 303,972 | 564,410 |
| 2032 | 275,187 | 28,785 | 303,972 | 289,222 |
| 2033 | 289,222 | 14,750 | 303,973 | \$0 |
| TOTALS | \$4,620,000 | \$4,499,166 | \$9,119,166 | |
| | | | | |
| | | | | |
| | | | | |

TOWN OF **WINDSOR**, COLORADO

Financial Planning 02/01
Form # 350-050-36

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

| | | |
|---|------------------------|------------------------------------|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: TOWN OF WINDSOR |
| | | YEAR ENDING : December 2011 |
| This Information From The Records Of (example - City of _ or County of _) | Prepared By: Phone: | DEAN MOYER 970-674-2418 |

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|-----------|---|-----------|
| A. Receipts from local sources: | | A. Local highway disbursements: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | 4,995,236 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 908,677 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | |
| 2. General fund appropriations | 1,250,000 | b. Snow and ice removal | |
| 3. Other local imposts (from page 2) | 2,044,070 | c. Other | |
| 4. Miscellaneous local receipts (from page 2) | 125,524 | d. Total (a. through c.) | 0 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | 403,591 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | 1,175,340 |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | 7,482,843 |
| b. Bonds - Refunding Issues | | B. Debt service on local obligations: | |
| c. Notes from Water Fund | 1,250,000 | 1. Bonds: | |
| d. Total (a. + b. + c.) | 1,250,000 | a. Interest | |
| 7. Total (1 through 6) | 4,669,594 | b. Redemption | |
| B. Private Contributions | 1,377,418 | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 1,435,831 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 0 | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | 7,482,843 | b. Redemption | |
| | | c. Total (a. + b.) | 0 |
| | | 3. Total (1.c + 2.c) | 0 |
| | | C. Payments to State for highways | |
| | | D. Payments to toll facilities | |
| | | E. Total disbursements (A.6 + B.3 + C + D) | 7,482,843 |

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

| | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| A. Bonds (Total) | | | | 0 |
| 1. Bonds (Refunding Portion) | | | | |
| B. Notes (Total) | 0 | 1,250,000 | | 1,250,000 |

V. LOCAL ROAD AND STREET FUND BALANCE

| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | | 7,482,843 | 7,482,843 | | (0) |

Notes and Comments:

TOWN OF **WINDSOR**, COLORADO

| | |
|-------------------------------------|---------------------------------------|
| LOCAL HIGHWAY FINANCE REPORT | STATE: Colorado |
| | YEAR ENDING (mm/yy): December 2011 |

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

| ITEM | AMOUNT | ITEM | AMOUNT |
|-----------------------------------|---------------------------|---|---------------------------|
| A.3. Other local imposts: | | A.4. Miscellaneous local receipts: | |
| a. Property Taxes and Assessments | | a. Interest on investments | 2,511 |
| b. Other local imposts: | | b. Traffic Fines & Penalties | 122,913 |
| 1. Sales Taxes | 1,202,144 | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | 602,901 | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | | f. Charges for Services | 100 |
| 5. Specific Ownership &/or Other | 239,025 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 2,044,070 | h. Other | |
| c. Total (a. + b.) | 2,044,070 | i. Total (a. through h.) | 125,524 |
| | (Carry forward to page 1) | | (Carry forward to page 1) |

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|-----------|--|---------------------------|
| C. Receipts from State Government | | D. Receipts from Federal Government | |
| 1. Highway-user taxes | 700,271 | 1. FHWA (from Item I.D.5.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | |
| a. State bond proceeds | | b. FEMA | |
| b. Project Match | | c. HUD | |
| c. Motor Vehicle Registrations | 385,171 | d. Federal Transit Admin | |
| d. Other (Specify) - Grants | 350,389 | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | |
| f. Total (a. through e.) | 735,560 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 1,435,831 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

| | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) | TOTAL (c) |
|---|---|--|---------------------------|
| A.1. Capital outlay: | | | |
| a. Right-Of-Way Costs | | | 0 |
| b. Engineering Costs | 54,273 | | 54,273 |
| c. Construction: | | | |
| (1). New Facilities | | 1,377,418 | 1,377,418 |
| (2). Capacity Improvements | 820,488 | 1,520,442 | 2,340,930 |
| (3). System Preservation | | 670,841 | 670,841 |
| (4). System Enhancement & Operation | | 551,774 | 551,774 |
| (5). Total Construction (1) + (2) + (3) + (4) | 820,488 | 4,120,475 | 4,940,963 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 874,761 | 4,120,475 | 4,995,236 |
| | | | (Carry forward to page 1) |

Notes and Comments:

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STATISTICAL SECTION



This section of the Town of Windsor comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. This information is unaudited.

| Contents | Page |
|---|-------------|
| <u>Financial Trends</u> <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i> | 79 |
| <u>Revenue Capacity</u> <i>These schedules contain information to help the reader assess the Town's largest revenue sources, sales and use taxes, and property tax.</i> | 85 |
| <u>Debt Capacity</u> <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i> | 94 |
| <u>Demographic and Economic Information</u> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i> | 100 |
| <u>Operating Information</u> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i> | 103 |

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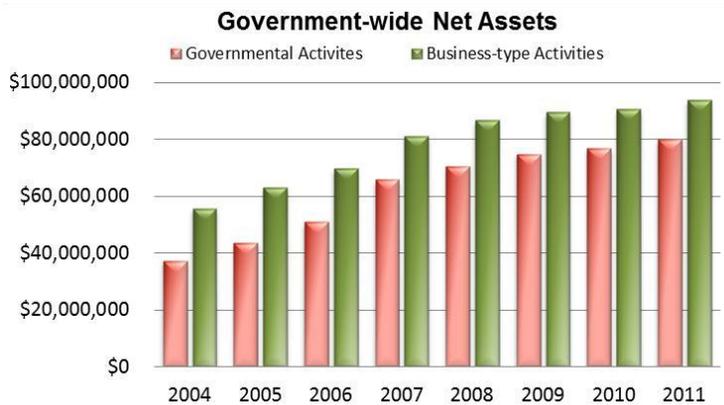
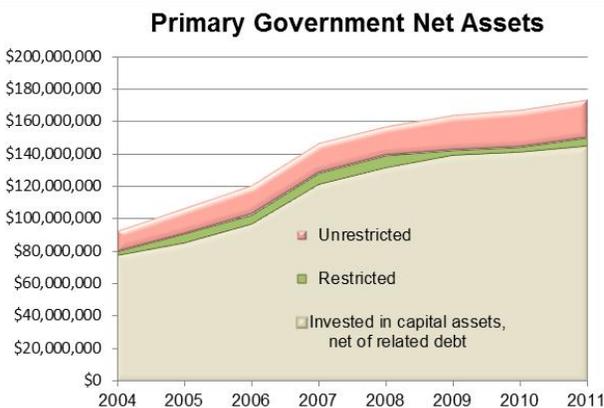
TOWN OF **WINDSOR**, COLORADO

NET ASSETS BY COMPONENT

Last Eight Calendar Years
(accrual basis of accounting)
(Unaudited)

For the Calendar Year Ended December 31,

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | |
| Invested in capital assets, net of related debt | \$34,594,472 | \$37,477,180 | \$43,845,310 | \$56,506,921 | \$60,621,653 | \$66,543,815 | \$68,435,996 | \$69,741,468 |
| Restricted | 2,082,279 | 5,108,240 | 4,982,849 | 6,631,315 | 6,824,295 | 3,002,668 | 3,197,413 | 5,259,855 |
| Unrestricted | 529,970 | 1,048,560 | 1,944,243 | 2,546,618 | 2,995,044 | 5,106,232 | 5,095,783 | 4,925,404 |
| Total governmental activities net assets | <u>\$37,206,721</u> | <u>\$43,633,980</u> | <u>\$50,772,402</u> | <u>\$65,684,854</u> | <u>\$70,440,992</u> | <u>\$74,652,715</u> | <u>\$76,729,192</u> | <u>\$79,926,727</u> |
| Business-type Activities | | | | | | | | |
| Invested in capital assets, net of related debt | \$43,028,204 | \$47,705,989 | \$53,242,927 | \$64,597,102 | \$70,928,478 | \$72,733,118 | \$72,788,122 | \$74,875,222 |
| Restricted | 327,344 | 542,653 | 540,490 | 379,247 | 522,895 | - | - | - |
| Unrestricted | 12,169,814 | 14,802,883 | 15,780,075 | 15,895,018 | 15,183,662 | 16,678,418 | 17,704,468 | 18,804,020 |
| Total business-type activities net assets | <u>\$55,525,362</u> | <u>\$63,051,525</u> | <u>\$69,563,492</u> | <u>\$80,871,367</u> | <u>\$86,635,035</u> | <u>\$89,411,536</u> | <u>\$90,492,590</u> | <u>\$93,679,242</u> |
| Primary Government | | | | | | | | |
| Invested in capital assets, net of related debt | \$77,622,676 | \$85,183,169 | \$97,088,237 | \$121,104,023 | \$131,550,131 | \$139,276,933 | \$141,224,118 | \$144,616,690 |
| Restricted | 2,409,623 | 5,650,893 | 5,523,339 | 7,010,562 | 7,347,190 | 3,002,668 | 3,197,413 | 5,259,855 |
| Unrestricted | 12,699,784 | 15,851,443 | 17,724,318 | 18,441,636 | 18,178,706 | 21,784,650 | 22,800,251 | 23,729,424 |
| Total primary government net assets | <u>\$92,732,083</u> | <u>\$106,685,505</u> | <u>\$120,335,894</u> | <u>\$146,556,221</u> | <u>\$157,076,027</u> | <u>\$164,064,251</u> | <u>\$167,221,782</u> | <u>\$173,605,969</u> |



Government-wide financial statements have been prepared in accordance with the requirements of GASB 34. Financial Statements were not restated for previous years for purposes of providing ten-year trend data. In future years, as information becomes available, additional years will be presented.

GASB 34 implemented in 2004

Source: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO

CHANGES IN NET ASSETS

Last Eight Calendar Years

(accrual basis of accounting)

(Unaudited)

For the Calendar Year Ended December 31,

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 1,108,030 | \$ 1,230,042 | \$ 1,456,925 | \$ 2,353,583 | \$ 3,098,522 | \$ 2,340,659 | \$ 2,469,265 | \$ 2,450,785 |
| Public safety | 1,322,454 | 1,429,746 | 1,526,803 | 2,469,482 | 2,110,123 | 2,310,299 | 2,430,053 | 2,664,155 |
| Public works | 1,774,691 | 1,504,598 | 1,680,030 | 2,750,360 | 5,430,843 | 5,245,719 | 5,261,225 | 5,457,935 |
| Parks, recreation & culture | 1,679,863 | 1,695,122 | 1,879,918 | 3,524,975 | 7,352,667 | 4,525,218 | 4,604,283 | 4,616,024 |
| Community development | 401,556 | 410,164 | 498,436 | 785,239 | 569,008 | 1,497,962 | 1,489,965 | 1,589,562 |
| Safety and loss control | 39,639 | 12,958 | 18,738 | 17,918 | 12,126 | 8,793 | 7,599 | 6,764 |
| Community center | 350,073 | 661,819 | 783,973 | 576,472 | 700,766 | - | - | - |
| Small equipment & maintenance | - | - | 362,394 | 877,131 | 545,799 | 1,068,229 | 954,012 | 1,782,485 |
| Loss on disposal of capital assets | - | - | - | 17,864 | - | 97,715 | 44,071 | - |
| Interest on long-term debt | 418,905 | 418,905 | 287,364 | 127,674 | 196,395 | 656,591 | 201,024 | 329,985 |
| Depreciation - unallocated | 1,952,237 | 2,614,112 | 2,979,398 | - | - | - | - | - |
| Total governmental activities expenses | <u>9,047,448</u> | <u>9,977,466</u> | <u>11,473,979</u> | <u>13,500,698</u> | <u>20,016,249</u> | <u>17,751,185</u> | <u>17,461,497</u> | <u>18,897,695</u> |
| Business-type Activities: | | | | | | | | |
| Water | 2,015,194 | 2,331,388 | 2,650,247 | 2,956,272 | 2,782,882 | 2,765,244 | 2,849,014 | 2,711,740 |
| Sewer | 1,274,695 | 1,279,767 | 1,376,938 | 1,425,429 | 1,572,588 | 1,594,425 | 1,587,205 | 1,488,890 |
| Storm drainage | 358,070 | 398,101 | 452,471 | 471,513 | 502,491 | 825,013 | 725,892 | 608,734 |
| Non-potable water | - | - | - | - | - | 481,335 | 138,887 | 294,879 |
| Total business-type activities expenses | <u>3,647,959</u> | <u>4,009,256</u> | <u>4,479,656</u> | <u>4,853,214</u> | <u>4,857,961</u> | <u>5,666,017</u> | <u>5,300,998</u> | <u>5,104,243</u> |
| Total primary governmental expenses | <u>\$12,695,407</u> | <u>\$13,986,722</u> | <u>\$15,953,635</u> | <u>\$18,353,912</u> | <u>\$24,874,210</u> | <u>\$23,417,202</u> | <u>\$22,762,495</u> | <u>\$24,001,938</u> |
| Program Revenues | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| General government | \$ 1,818,684 | \$ 2,007,550 | \$ 2,835,106 | \$ 1,354,233 | \$ 48,611 | \$ - | \$ - | \$ - |
| Public safety | 87,561 | 96,773 | 111,784 | 104,097 | 114,408 | 46,971 | 19,043 | 184,708 |
| Public works | 40,935 | 64,385 | 47,850 | - | 1,284,342 | 48,600 | 97,137 | 297,237 |
| Parks, recreation & culture | 444,760 | 601,305 | 615,657 | 1,440,272 | 1,224,901 | 1,151,439 | 1,410,310 | 1,908,107 |
| Community development | 17,395 | - | 11,210 | 35,010 | 332,346 | - | - | - |
| Safety and loss control | - | - | 24,978 | - | - | - | - | - |
| Community center | - | - | - | - | 62,606 | - | - | - |
| Operating grants and contributions | 650,492 | 20,000 | 10,558 | 1,650 | 5,450 | 136,533 | 629,751 | 18,691 |
| Capital grants and contributions | 555,984 | 2,035,640 | 3,168,635 | 14,124,589 | 7,369,720 | 6,435,751 | 2,207,216 | 2,828,024 |
| Total governmental activities program revenues | <u>\$ 3,615,811</u> | <u>\$ 4,825,653</u> | <u>\$ 6,825,778</u> | <u>\$ 17,059,851</u> | <u>\$10,442,384</u> | <u>\$ 7,819,294</u> | <u>\$ 4,363,457</u> | <u>\$ 5,236,767</u> |
| Business-type activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| Water | \$ 2,536,837 | \$ 2,718,173 | \$ 3,397,085 | \$ 3,196,801 | \$ 3,089,312 | \$ 2,766,843 | \$ 3,080,212 | \$ 3,376,279 |
| Sewer | 1,377,631 | 1,412,571 | 1,521,857 | 1,514,479 | 1,607,461 | 1,631,304 | 1,610,672 | 1,638,591 |
| Storm drainage | 142,335 | 185,294 | 228,780 | 254,244 | 242,688 | 317,313 | 292,357 | 341,822 |
| Non-potable water | - | - | - | - | - | 356,416 | 198,192 | 214,606 |
| Capital grants and contributions | 4,912,863 | 7,340,461 | 5,798,646 | 10,945,920 | 6,123,523 | 5,534,074 | 2,069,869 | 4,090,958 |
| Total business-type activities program revenues | <u>8,969,666</u> | <u>11,656,499</u> | <u>10,946,368</u> | <u>15,911,444</u> | <u>11,062,984</u> | <u>10,605,950</u> | <u>7,251,302</u> | <u>9,662,256</u> |
| Total primary government program revenues | <u>\$12,585,477</u> | <u>\$16,482,152</u> | <u>\$17,772,146</u> | <u>\$32,971,295</u> | <u>\$21,505,368</u> | <u>\$18,425,244</u> | <u>\$11,614,759</u> | <u>\$14,899,023</u> |

TOWN OF **WINDSOR**, COLORADO

CHANGES IN NET ASSETS (continued)

Last Eight Calendar Years

(accrual basis of accounting)

(Unaudited)

| | For the Calendar Year Ended December 31, | | | | | | | |
|---|--|----------------------|----------------------|----------------------|-----------------------|-----------------------|------------------------|-----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Net (Expense)/Revenue | | | | | | | | |
| Governmental activities | \$ (5,431,637) | \$ (5,151,813) | \$ (4,648,201) | \$ 3,559,153 | \$ (9,573,865) | \$ (9,931,891) | \$ (13,098,040) | \$ (13,660,928) |
| Business-type activities | 5,321,707 | 7,647,243 | 6,466,712 | 11,058,230 | 6,205,023 | 4,939,933 | 1,950,304 | 4,558,013 |
| Total primary government net expenses | <u>\$ (109,930)</u> | <u>\$ 2,495,430</u> | <u>\$ 1,818,511</u> | <u>\$ 14,617,383</u> | <u>\$ (3,368,842)</u> | <u>\$ (4,991,958)</u> | <u>\$ (11,147,736)</u> | <u>\$ (9,102,915)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Taxes | | | | | | | | |
| Property taxes | \$ 1,539,851 | \$ 1,890,829 | \$ 2,180,922 | \$ 2,521,069 | \$ 3,065,778 | \$ 3,412,104 | \$ 4,158,343 | \$ 4,332,996 |
| Sales and use tax | 4,741,722 | 5,988,163 | 6,116,371 | 6,174,594 | 4,937,949 | 4,887,462 | 5,154,123 | 5,742,732 |
| Franchise taxes | - | - | - | - | - | 1,225,888 | 1,123,574 | 1,178,866 |
| Other taxes | 526,452 | 1,309,402 | 1,567,286 | 1,579,716 | 2,390,730 | 1,979,990 | 1,702,855 | 2,271,383 |
| Intergovernmental | - | - | - | - | - | 943,578 | 1,074,207 | 1,176,163 |
| Unrestricted grants and contribution | 2,448,382 | 11,326 | 626,681 | - | - | - | - | - |
| Earnings on investments | 88,674 | 223,498 | 547,966 | 398,626 | 246,661 | 169,331 | 100,205 | 96,826 |
| Other revenue | 267,851 | 1,714,817 | 225,010 | 127,745 | 144,070 | 2,359,401 | 873,363 | 267,979 |
| Transfers & insurance proceeds | 240,184 | 441,037 | 522,387 | 551,549 | 3,544,815 | 487,184 | 987,846 | 1,791,518 |
| Total governmental activities | <u>\$ 9,853,116</u> | <u>\$ 11,579,072</u> | <u>\$ 11,786,623</u> | <u>\$ 11,353,299</u> | <u>\$ 14,330,003</u> | <u>\$ 15,464,938</u> | <u>\$ 15,174,516</u> | <u>\$ 16,858,463</u> |
| Business-type activities: | | | | | | | | |
| Investment income | \$ 137,974 | \$ 319,957 | \$ 567,642 | \$ 801,195 | \$ 517,560 | \$ 144,431 | \$ 90,410 | \$ 149,701 |
| Other revenue | - | - | - | - | - | 26,547 | 28,187 | 270,456 |
| Impairment loss | - | - | - | - | - | (1,923,217) | - | - |
| Transfers | (240,184) | (441,037) | (522,387) | (551,549) | (958,915) | (487,184) | (987,846) | (1,791,518) |
| Total business-type activities | <u>(102,210)</u> | <u>(121,080)</u> | <u>45,255</u> | <u>249,646</u> | <u>(441,355)</u> | <u>(2,239,423)</u> | <u>(869,249)</u> | <u>(1,371,361)</u> |
| Total primary government | <u>\$ 9,750,906</u> | <u>\$ 11,457,992</u> | <u>\$ 11,831,878</u> | <u>\$ 11,602,945</u> | <u>\$ 13,888,648</u> | <u>\$ 13,225,515</u> | <u>\$ 14,305,267</u> | <u>\$ 15,487,102</u> |
| Changes in Net Assets | | | | | | | | |
| Governmental activities | \$ 4,421,479 | \$ 6,427,259 | \$ 7,138,422 | \$ 14,912,452 | \$ 4,756,138 | \$ 5,533,047 | \$ 2,076,476 | \$ 3,197,535 |
| Business-type activities | 5,219,497 | 7,526,163 | 6,511,967 | 11,307,876 | 5,763,668 | 2,700,510 | 1,081,055 | 3,186,652 |
| Total primary government | <u>\$ 9,640,976</u> | <u>\$ 13,953,422</u> | <u>\$ 13,650,389</u> | <u>\$ 26,220,328</u> | <u>\$ 10,519,806</u> | <u>\$ 8,233,557</u> | <u>\$ 3,157,531</u> | <u>\$ 6,384,187</u> |

Note: Change in format of CAFR. Ten-year history is not available.

Government-wide financial statements have been prepared in accordance with the requirements of GASB 34.

Financial Statements were not restated for previous years for purposes of providing ten-year trend data. In future years, as information becomes available, additional years will be presented.

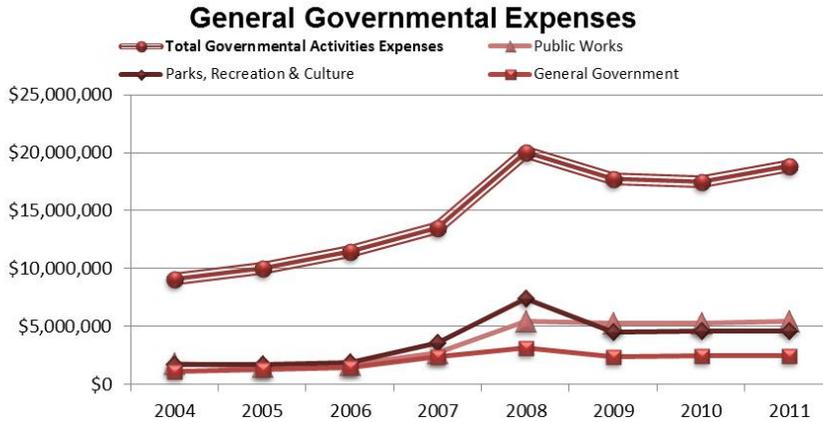
GASB 34 implemented in 2004

Source: Current and prior years' financial statements.

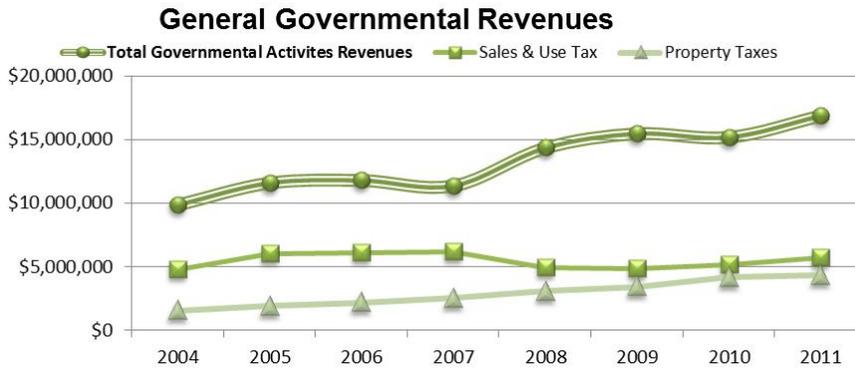
TOWN OF **WINDSOR**, COLORADO

CHANGES IN NET ASSETS (continued)

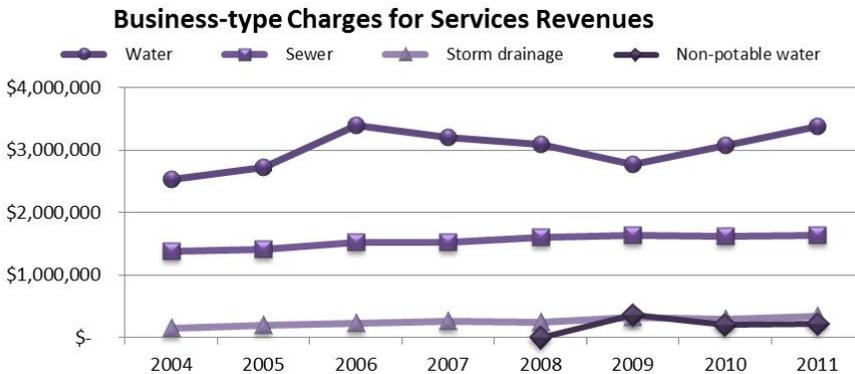
Last Eight Calendar Years
(accrual basis of accounting)
(Unaudited)



*Note: Only the top three activities are represented in this chart.
This chart reflects increased expenditures due to the 2008 tornado.*



*Note: Only the top two revenues are represented in this chart.
Years 2004 through 2006 reflect building growth, while use tax from building permits during 2008 through 2010 dropped due to the economy. Other revenue, including other taxes, intergovernmental and insurance proceeds from the tornado account for much of the total revenue growth for 2008 through 2010. Grant revenues are also reflected in the total revenues for 2009.*



*Note: This is service charges collected for the utility funds.
The Non-potable water fund began in 2008, previously combined with the water fund.
Drainage services the whole town, while water and sewer each only service parts of Windsor.*

TOWN OF **WINDSOR**, COLORADO

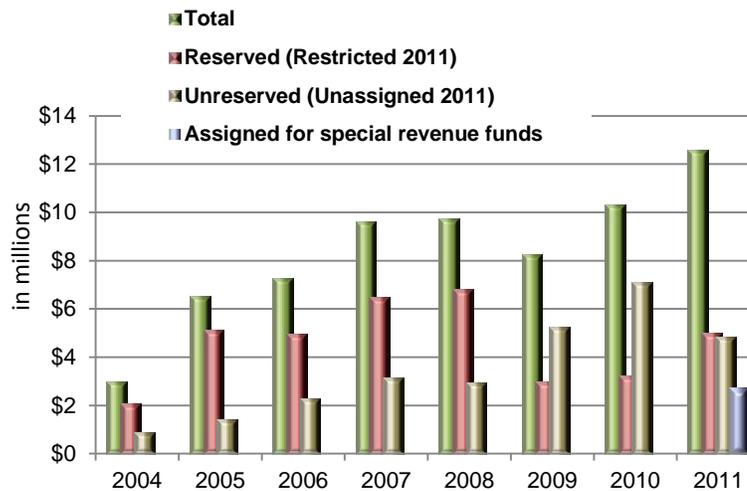
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Eight Calendar Years ^{(1) (2)}
(modified accrual basis of accounting)
(Unaudited)

For the Calendar Year Ended December 31,

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 ⁽²⁾ |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| General Fund | | | | | | | | |
| Reserved / Restricted ⁽²⁾ | \$ 162,440 | \$ 201,642 | \$ 221,702 | \$ 243,022 | \$ 270,632 | \$ 302,569 | \$ 366,234 | \$ 367,017 |
| Unreserved / Unassigned ⁽²⁾ | 754,443 | 1,441,943 | 2,086,489 | 2,423,288 | 1,548,701 | 3,524,859 | 4,849,941 | 4,850,086 |
| Total general fund | <u>\$ 916,883</u> | <u>\$ 1,643,585</u> | <u>\$ 2,308,191</u> | <u>\$ 2,666,310</u> | <u>\$ 1,819,333</u> | <u>\$ 3,827,428</u> | <u>\$ 5,216,175</u> | <u>\$ 5,217,103</u> |
| All Other Governmental Funds | | | | | | | | |
| Reserved / Restricted ⁽²⁾ | \$ 1,919,839 | \$ 4,906,598 | \$ 4,761,147 | \$ 6,236,705 | \$ 6,553,663 | \$ 2,700,099 | \$ 2,866,179 | \$ 4,630,058 |
| Assigned for special revenue funds ⁽²⁾ | - | - | - | - | - | - | - | 2,727,703 |
| Unreserved / Unassigned ⁽²⁾ | 136,706 | (\$39,021) | 202,842 | 720,947 | 1,373,428 | 1,709,023 | 2,246,174 | - |
| Total all other governmental funds | <u>\$ 2,056,545</u> | <u>\$ 4,867,577</u> | <u>\$ 4,963,989</u> | <u>\$ 6,957,652</u> | <u>\$ 7,927,091</u> | <u>\$ 4,409,122</u> | <u>\$ 5,112,353</u> | <u>\$ 7,357,761</u> |
| Total general fund + all other governmental funds | <u>\$ 2,973,428</u> | <u>\$ 6,511,162</u> | <u>\$ 7,272,180</u> | <u>\$ 9,623,962</u> | <u>\$ 9,746,424</u> | <u>\$ 8,236,550</u> | <u>\$ 10,328,528</u> | <u>\$ 12,574,864</u> |

Fund Balances of Governmental Funds⁽²⁾



Notes: (1) Financial reporting requirements changed in FY 2004 with the introduction of GASB 34.

This report reflects financial information from the implementation of GASB 34 to the present.

(2) The Town implemented GASB Statement No. 54 in fiscal year 2011; therefore the fund balances for 2011 are presented with different classifications.

Source: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Eight Calendar Years
(modified accrual basis of accounting)
(Unaudited)

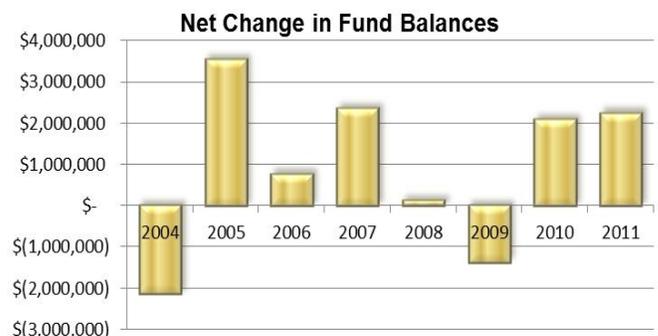
For the Calendar Year Ended December 31,

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|----------------------|---------------------|-------------------|---------------------|-------------------|----------------------|---------------------|---------------------|
| Revenues | | | | | | | | |
| Taxes and assessments | \$ 8,274,426 | \$11,685,181 | \$11,767,499 | \$11,384,655 | \$10,957,333 | \$11,505,444 | \$12,138,895 | \$13,525,977 |
| Licenses and permits | 289,683 | 469,993 | 375,659 | 244,957 | 322,144 | 243,329 | 194,424 | 249,613 |
| Intergovernmental | 697,638 | 1,110,671 | 700,684 | 842,998 | 1,072,378 | 943,578 | 1,074,207 | 1,176,163 |
| Charges for services | 511,195 | 492,784 | 667,322 | 1,475,282 | 1,361,611 | 1,247,010 | 1,526,490 | 2,006,666 |
| Fines | 62,088 | 82,004 | 89,191 | 104,097 | 102,873 | 109,153 | 165,410 | 133,773 |
| Investment earnings | 88,674 | 223,498 | 509,534 | 398,626 | 311,112 | 173,845 | 106,136 | 96,485 |
| Grants and contributions | 3,010,570 | 2,066,966 | 3,805,874 | 13,191,266 | 7,020,502 | 6,572,284 | 2,836,324 | 2,846,715 |
| Miscellaneous | 294,469 | 136,361 | 135,471 | 289,563 | 135,773 | 37,017 | 176,388 | 266,903 |
| Total revenues | 13,228,743 | 16,267,458 | 18,051,234 | 27,931,444 | 21,283,726 | 20,831,660 | 18,218,274 | 20,302,295 |
| Expenditures | | | | | | | | |
| General government | 1,107,853 | 1,172,935 | 1,417,441 | 1,459,496 | 1,936,507 | 1,945,997 | 1,923,694 | 1,848,747 |
| Public safety | 1,321,973 | 1,429,746 | 1,526,803 | 1,680,902 | 1,978,868 | 2,157,411 | 2,160,243 | 2,350,682 |
| Public works | 1,774,203 | 1,504,598 | 1,680,030 | 1,882,640 | 2,724,498 | 2,191,542 | 2,046,832 | 1,980,741 |
| Parks, recreation & culture | 1,680,688 | 1,695,122 | 1,879,918 | 2,554,015 | 5,009,681 | 3,888,782 | 3,812,658 | 3,763,112 |
| Community development | 403,729 | 410,164 | 498,346 | 527,848 | 604,976 | 1,345,074 | 1,243,176 | 1,298,061 |
| Safety and loss control | 39,639 | 12,958 | 18,738 | 9,153 | 12,126 | 8,793 | 7,599 | 6,764 |
| Community center | 354,677 | 654,990 | 783,973 | 576,472 | 700,766 | - | - | - |
| Small equipment and maintenance | - | 374,533 | 362,394 | 877,131 | 545,799 | 1,068,229 | 954,012 | 835,256 |
| Debt services | | | | | | | | |
| Principal | - | - | 170,000 | 220,000 | 235,000 | 1,998,356 | 685,465 | 1,770,442 |
| Interest | 418,905 | 418,905 | 287,712 | 235,789 | 221,142 | 210,808 | 197,193 | 170,293 |
| Capital outlay | 8,500,371 | 5,496,810 | 9,187,248 | 16,107,765 | 10,215,216 | 9,838,207 | 4,578,812 | 5,697,739 |
| Total expenditures | 15,602,038 | 13,170,761 | 17,812,603 | 26,131,211 | 24,184,579 | 24,653,198 | 17,609,684 | 19,721,837 |
| Excess of revenues over (under) expenditures | (2,373,295) | 3,096,697 | 238,631 | 1,800,233 | (2,900,853) | (3,821,538) | 608,590 | 580,458 |
| Other Financing Sources (Uses) | | | | | | | | |
| Insurance proceeds | - | - | - | - | 2,585,900 | 1,969,902 | 328,290 | - |
| Capital contributions subject to reimbursement | - | - | - | - | - | 428,099 | 167,252 | - |
| Transfers in | 1,512,644 | 1,285,626 | 1,378,034 | 1,346,549 | 1,164,715 | 1,164,098 | 1,809,680 | 3,495,445 |
| Transfers out | (1,272,460) | (844,589) | (855,647) | (795,000) | (727,300) | (1,110,684) | (821,834) | (1,829,567) |
| Total other financing sources (uses) | 240,184 | 441,037 | 522,387 | 551,549 | 3,023,315 | 2,451,415 | 1,483,388 | 1,665,878 |
| Net change in fund balances | \$(2,133,111) | \$ 3,537,734 | \$ 761,018 | \$ 2,351,782 | \$ 122,462 | \$(1,370,123) | \$ 2,091,978 | \$ 2,246,336 |
| Debt service as a percentage of noncapital expenditure | 6.3% | 5.8% | 5.6% | 4.8% | 3.4% | 17.5% | 7.3% | 16.1% |

GASB 34 implemented in 2004

Source: Current and prior years' financial statements

Chart Note: Radical differences are primarily due to increased capital outlay purchases in 2004 and fluctuations due to the tornado expenditures in 2008 and 2009.



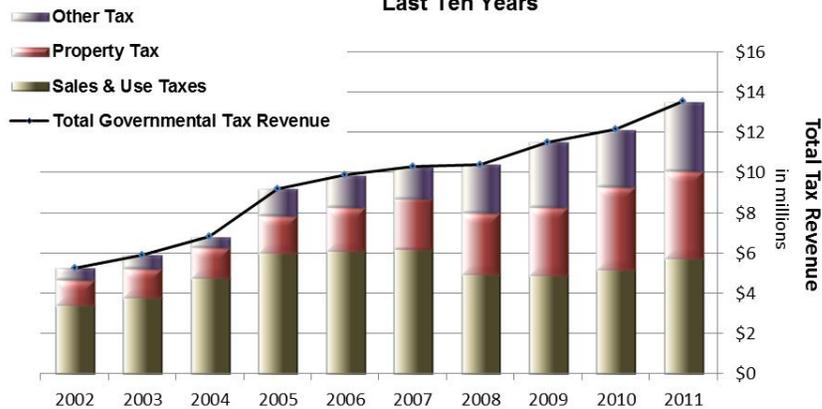
TOWN OF **WINDSOR**, COLORADO

GOVERNMENTAL TAX REVENUE BY SOURCE

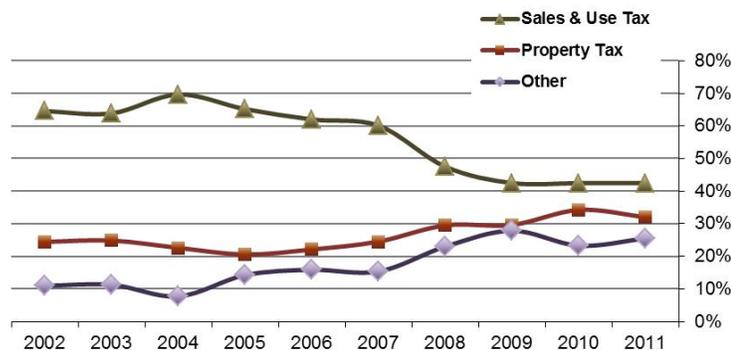
Last Ten Calendar Years
(Unaudited)

| | Property Tax | | Sales & Use Taxes | | Other ⁽¹⁾ | | Total Governmental Tax Revenue |
|------|--------------|-------|-------------------|-------|----------------------|-------|--------------------------------|
| | Amount | % | Amount | % | Amount | % | Amount |
| 2011 | \$4,332,996 | 32.0% | \$5,742,732 | 42.5% | \$3,450,249 | 25.5% | \$13,525,977 |
| 2010 | 4,158,343 | 34.3% | 5,154,123 | 42.5% | 2,826,429 | 23.3% | 12,138,895 |
| 2009 | 3,412,104 | 29.7% | 4,887,462 | 42.5% | 3,205,878 | 27.9% | 11,505,444 |
| 2008 | 3,065,778 | 29.5% | 4,937,949 | 47.5% | 2,390,730 | 23.0% | 10,394,457 |
| 2007 | 2,521,069 | 24.5% | 6,174,594 | 60.1% | 1,579,716 | 15.4% | 10,275,379 |
| 2006 | 2,180,922 | 22.1% | 6,116,371 | 62.0% | 1,567,286 | 15.9% | 9,864,579 |
| 2005 | 1,890,829 | 20.6% | 5,988,163 | 65.2% | 1,309,402 | 14.3% | 9,188,394 |
| 2004 | 1,539,851 | 22.6% | 4,741,722 | 69.6% | 526,452 | 7.7% | 6,808,025 |
| 2003 | 1,466,356 | 24.9% | 3,767,575 | 63.9% | 665,222 | 11.3% | 5,899,153 |
| 2002 | 1,286,812 | 24.4% | 3,399,791 | 64.6% | 576,469 | 11.0% | 5,263,072 |

**Governmental Tax Revenues by Source
Last Ten Years**



**Percent of Governmental Tax Revenue by Source
Last Ten Years**



Note: ⁽¹⁾ This category includes specific ownership, franchise and severance taxes.

GASB 34 implemented in 2004

Source: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO

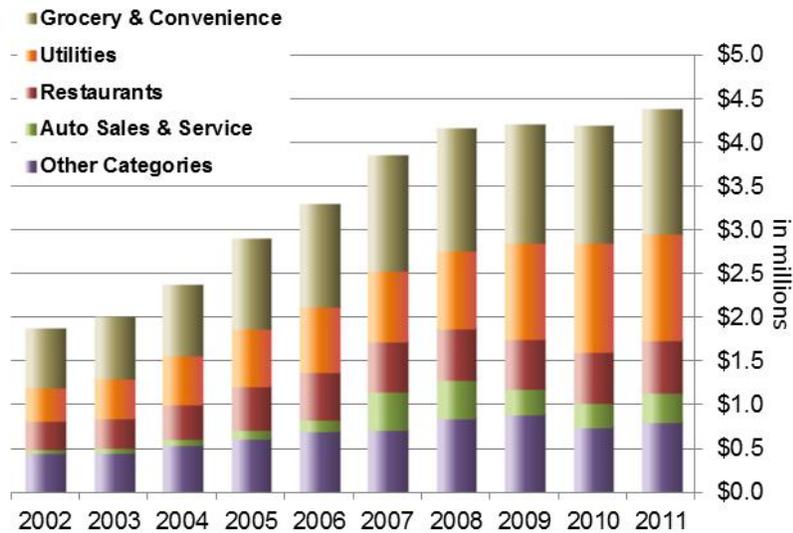
SALES TAX COLLECTIONS BY CATEGORY

Last Ten Calendar Years
(Unaudited)

| | Grocery & Convenience | Restaurants | Liquor | Hardware & Appliance | Other Retail | Utilities | Auto Sales & Service | Industry | Motel / Lodging | Entertainment | Total |
|-------------|-----------------------|-------------|-----------|----------------------|--------------|-------------|----------------------|----------|-----------------|---------------|-------------|
| 2011 | \$ 1,413,034 | \$ 599,983 | \$200,063 | \$171,083 | \$260,395 | \$1,219,075 | \$ 345,253 | \$88,956 | \$36,511 | \$45,199 | \$4,379,552 |
| % of Total | 32.3% | 13.7% | 4.6% | 3.9% | 5.9% | 27.8% | 7.9% | 2.0% | 0.8% | 1.0% | 100.0% |
| % of Change | 6.2% | 2.9% | 10.0% | 26.8% | -6.5% | -2.0% | 22.7% | 10.6% | 23.2% | 3.3% | 4.6% |

| | | | | | | | | | | | |
|------|--------------|------------|-----------|-----------|-----------|-------------|------------|----------|----------|----------|-------------|
| 2011 | \$ 1,413,034 | \$ 599,983 | \$200,063 | \$171,083 | \$260,395 | \$1,219,075 | \$ 345,253 | \$88,956 | \$36,511 | \$45,199 | \$4,379,552 |
| 2010 | 1,330,896 | 582,867 | 181,821 | 134,889 | 278,472 | 1,243,628 | 281,404 | 80,409 | 29,642 | 43,742 | 4,187,770 |
| 2009 | 1,345,308 | 571,744 | 186,795 | 262,252 | 263,685 | 1,100,593 | 290,326 | 103,336 | 30,351 | 47,630 | 4,202,020 |
| 2008 | 1,387,411 | 584,748 | 187,132 | 167,331 | 272,948 | 892,744 | 443,861 | 130,615 | 37,729 | 53,678 | 4,158,197 |
| 2007 | 1,308,485 | 580,507 | 173,891 | 152,398 | 239,103 | 812,406 | 425,950 | 48,933 | 46,763 | 62,551 | 3,850,987 |
| 2006 | 1,163,333 | 542,600 | 154,933 | 130,493 | 208,619 | 748,856 | 138,392 | 89,090 | 47,437 | 67,882 | 3,291,635 |
| 2005 | 1,034,583 | 490,737 | 132,916 | 104,747 | 173,557 | 660,115 | 97,796 | 94,720 | 47,125 | 67,861 | 2,904,157 |
| 2004 | 795,273 | 389,918 | 131,856 | 99,891 | 176,042 | 567,157 | 72,561 | 85,960 | 48,865 | - | 2,367,513 |
| 2003 | 697,054 | 334,195 | 127,620 | 100,366 | 134,004 | 459,037 | 57,671 | 68,092 | 26,546 | - | 2,004,585 |
| 2002 | 675,922 | 322,145 | 98,142 | 97,459 | 139,197 | 371,969 | 54,225 | 82,065 | 29,081 | - | 1,870,205 |

Sales Tax by Major Category



Note: Information in this chart is not all inclusive of all accounts but representative of main business collections.

State collected sales tax from 2000-2004.

Home Rule 2005 to present.

2011 Sales tax rate is 3.2%.

Entertainment category includes principally golf courses and video stores. Prior to 2005 they were included in Stores & Misc.

Source: Town of Windsor Sales Tax Reports

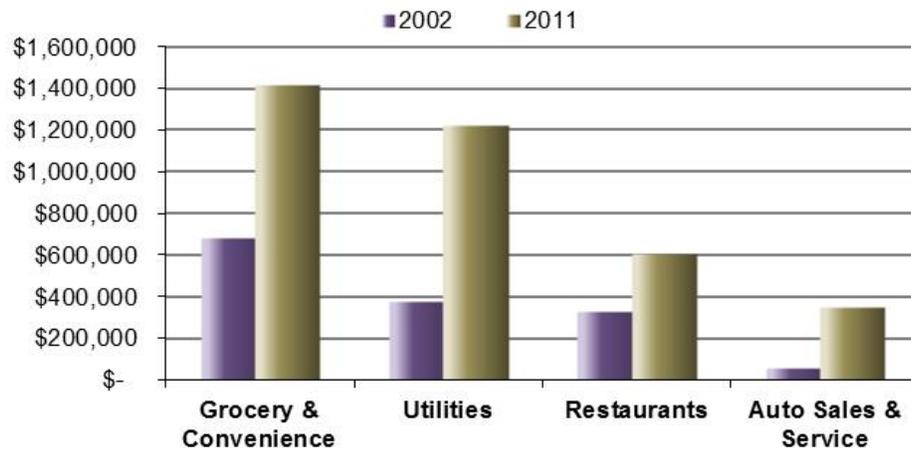
TOWN OF **WINDSOR**, COLORADO

PRINCIPAL SALES TAX CATEGORIES

Current and Nine Years Prior
(Unaudited)

| Top Four Categories | 2002 | 2011 |
|---|--------------|--------------|
| Grocery & convenience | \$ 675,922 | \$ 1,413,034 |
| Utilities | 371,969 | 1,219,075 |
| Restaurants | 322,145 | 599,983 |
| Auto sales & service | 54,225 | 345,253 |
| Total | 1,424,262 | 3,577,345 |
| Aggregate all other categories | 445,944 | 802,207 |
| Total sales tax | \$ 1,870,206 | \$ 4,379,552 |
| Top four categories as a percentage of total sales tax | 76.2% | 81.7% |

Principal Sales Tax Categories
Current and Nine Years Prior



Note: Information in this chart is not all inclusive of all accounts but representative of main business collections.

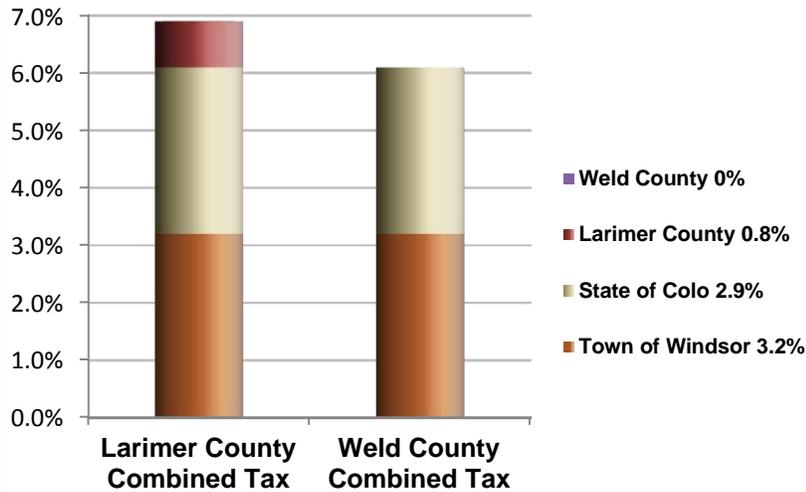
Source: Town of Windsor Sales Tax Reports

TOWN OF **WINDSOR**, COLORADO
DIRECT AND OVERLAPPING SALES TAX RATES
 Last Ten Calendar Years
 (Unaudited)

| Fiscal Year | Town of Windsor Direct Sales Tax Rate ⁽¹⁾ | Overlapping Rates | | | Combined direct and overlapping rate for Windsor-Weld County | Combined direct and overlapping rate for Windsor-Larimer County |
|-------------|--|----------------------------------|-------------|----------------|--|---|
| | | State of Colorado ⁽²⁾ | Weld County | Larimer County | | |
| 2002 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2003 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2004 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2005 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2006 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2007 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2008 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2009 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2010 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |
| 2011 | 3.2% | 2.9% | 0.0% | 0.8% | 6.1% | 6.9% |

Note: ⁽¹⁾ Retail sales tax including food
⁽²⁾ Retail sales tax excluding food

2011 Direct and Overlapping Sales Tax Rates



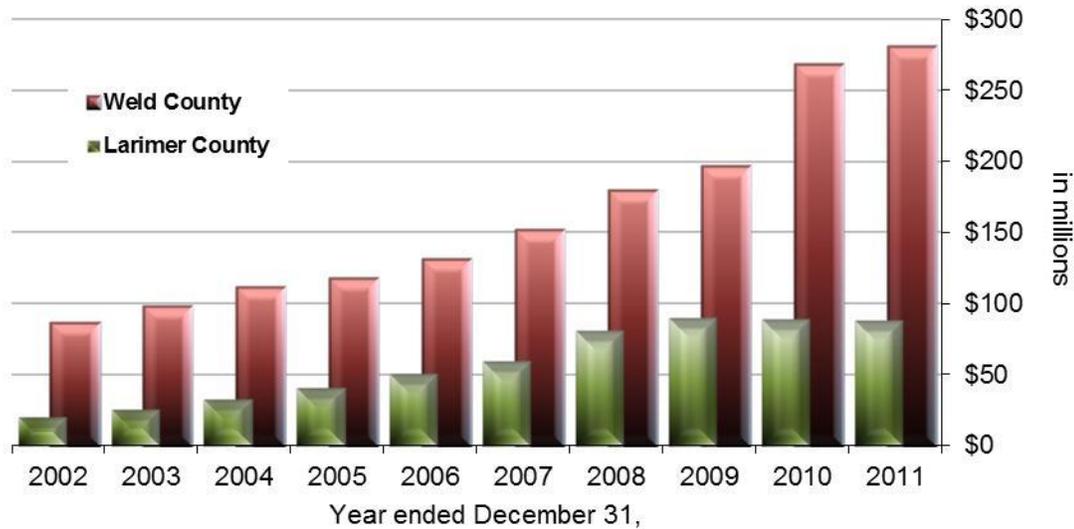
Sources: Current and prior years' financial statements.
 Larimer and Weld County Assessors Offices.

GASB 34 implemented in 2004

TOWN OF **WINDSOR**, COLORADO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Calendar Years
 (Unaudited)

| Year Ended December 31 | Larimer County Assessed Value | Weld County Assessed Value | Total Assessed Value | Estimated Actual Value | Ratio of Assessed Value to Actual Value | Levy Year | Total Direct Tax Rate |
|---------------------------|--|-------------------------------|----------------------------|------------------------------|--|--------------|--------------------------|
| 2011 | \$ 87,651,290 | \$ 281,058,440 | \$ 368,709,730 | \$ 2,493,273,103 | 14.79% | 2010 | 12.03 |
| % change | -1.0% | 4.9% | 3.5% | 3.3% | | | |
| 2011 | \$ 87,651,290 | \$ 281,058,440 | \$ 368,709,730 | \$ 2,493,273,103 | 14.79% | 2010 | 12.03 |
| 2010 | 88,509,807 | 267,850,150 | 356,359,957 | 2,414,684,385 | 14.76% | 2009 | 12.03 |
| 2009 | 89,961,587 | 196,418,530 | 286,380,117 | 2,270,939,841 | 12.61% | 2008 | 12.03 |
| 2008 | 81,064,698 | 179,560,540 | 260,625,238 | 2,097,898,578 | 12.42% | 2007 | 12.03 |
| 2007 | 59,221,164 | 151,393,000 | 210,614,164 | 1,775,644,836 | 11.86% | 2006 | 12.03 |
| 2006 | 50,665,167 | 131,060,440 | 181,725,607 | 1,552,910,985 | 11.70% | 2005 | 12.03 |
| 2005 | 40,283,189 | 117,221,090 | 157,504,279 | 1,327,756,028 | 11.86% | 2004 | 12.03 |
| 2004 | 32,596,180 | 110,813,313 | 143,409,493 | 1,205,827,585 | 11.89% | 2003 | 10.86 |
| 2003 | 25,428,190 | 97,382,030 | 122,810,220 | 924,139,102 | 13.29% | 2002 | 12.03 |
| 2002 | 20,105,520 | 85,924,690 | 106,030,210 | 775,929,822 | 13.66% | 2001 | 12.03 |

Comparison of Assessed Valuations



*Notes Tax rates are per \$1,000 of assessed value.
 Assessed Value: All real property in Colorado is reappraised on a two-year cycle, in odd-numbered years. The actual value assigned to residential properties in 2011 was based on market values as of June 30, 2010.*

Source: Larimer and Weld County Assessors Offices.

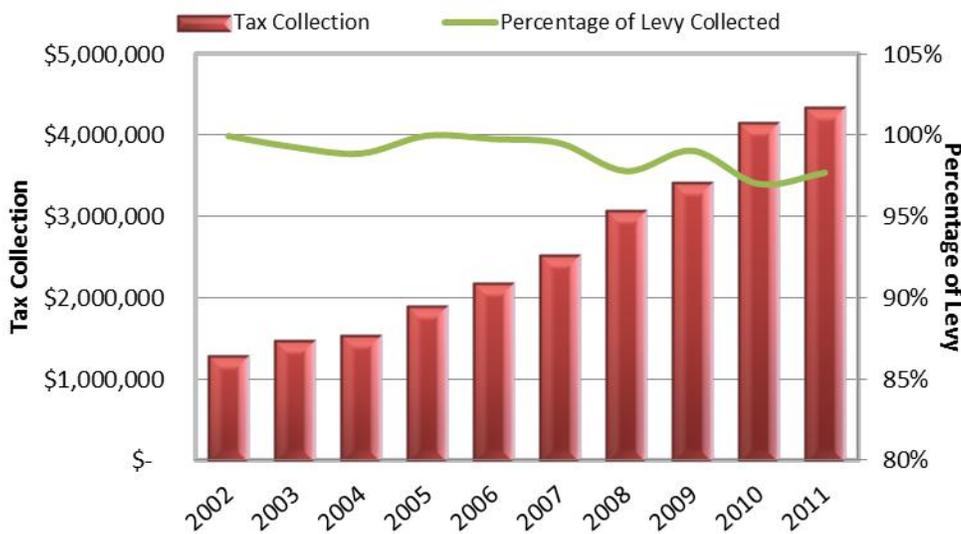
TOWN OF **WINDSOR**, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years
(Unaudited)

| Total Assessed Value | Town of Windsor Levy | Fiscal Year | Taxes Levied for the Fiscal Year ⁽¹⁾ | Collected within the Fiscal Year of the Levy | | Collections and Adjustments in Subsequent Years ⁽³⁾ | Total Collections to Date | | Total Uncollected Taxes | |
|----------------------|----------------------|-------------|---|--|--------------------|--|---------------------------|--------------------|-------------------------|--------------------|
| | | | | Tax Amount ⁽²⁾ | Percentage of Levy | | Tax Amount | Percentage of Levy | Tax Amount | Percentage of Levy |
| \$ 368,709,730 | 12.030 | 2011 | \$ 4,435,578 | \$ 4,332,996 | 97.69% | \$ - | \$ 4,332,996 | 97.69% | \$ 102,582 | 2.3% |
| 356,359,957 | 12.030 | 2010 | 4,287,010 | 4,114,885 | 95.98% | 43,458 | 4,158,343 | 97.00% | 128,668 | 3.0% |
| 286,380,117 | 12.030 | 2009 | 3,445,153 | 3,408,470 | 98.94% | 3,634 | 3,412,104 | 99.04% | 33,049 | 1.0% |
| 260,625,238 | 12.030 | 2008 | 3,135,322 | 3,103,535 | 98.99% | (37,757) | 3,065,778 | 97.78% | 69,544 | 2.2% |
| 210,614,164 | 12.030 | 2007 | 2,533,688 | 2,509,994 | 99.06% | 11,076 | 2,521,069 | 99.50% | 12,619 | 0.5% |
| 181,725,607 | 12.030 | 2006 | 2,186,159 | 2,179,471 | 99.69% | 1,451 | 2,180,922 | 99.76% | 5,237 | 0.2% |
| 157,504,279 | 12.030 | 2005 | 1,894,776 | 1,890,741 | 99.79% | 3,442 | 1,894,183 | 99.97% | 593 | 0.0% |
| 143,409,493 | 10.860 | 2004 | 1,557,427 | 1,540,967 | 98.94% | (1,116) | 1,539,851 | 98.87% | 17,576 | 1.1% |
| 122,810,220 | 12.030 | 2003 | 1,477,407 | 1,464,528 | 99.13% | 1,828 | 1,466,356 | 99.25% | 11,051 | 0.7% |
| 106,030,210 | 12.030 | 2002 | 1,275,543 | 1,273,575 | 99.85% | 1,237 | 1,274,812 | 99.94% | 732 | 0.1% |

Property Tax and Percentage of Levy Collected



Note: ⁽¹⁾ Taxes levied is for the year of which levied.

⁽²⁾ YTD Treasurers' Tax Distribution

⁽³⁾ YTD Treasurers' Tax Distribution 2003 forward. Negative values reflect subsequent rebates and adjustments.

Source: Larimer and Weld County Assessors Offices.

TOWN OF WINDSOR, COLORADO
PROPERTY TAX RATES –DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years per \$1,000 of Assessed Valuation
(Unaudited)

| Levy Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Town of Windsor direct rate | 12.030 | 10.860 | 12.030 | 12.030 | 12.030 | 12.030 | 12.030 | 12.030 | 12.030 | 12.030 |
| Windsor-Severance Fire District | 5.149 | 5.219 | 5.209 | 4.944 | 4.944 | 4.944 | 6.119 | 6.074 | 7.194 | 7.194 |
| Windsor-Severance Fire District bond | N/A | 0.610 | 0.700 | 0.710 |
| WELD COUNTY - potentially overlapping rates | | | | | | | | | | |
| Aims Community College District | 6.620 | 6.322 | 6.322 | 6.328 | 6.357 | 6.308 | 6.323 | 6.312 | 6.360 | 6.355 |
| Big Thompson Conservation District | N/A | N/A | N/A | N/A | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Boxelder Sanitation District | N/A | N/A | N/A | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Clearview Library | 3.871 | 3.546 | 3.546 | 3.546 | 3.584 | 3.557 | 3.546 | 3.546 | 3.579 | 3.615 |
| Ft Collins Conservation District | N/A | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Great Western Metro #1 | N/A | N/A | N/A | N/A | N/A | N/A | 0.000 | 0.000 | 0.000 | 0.000 |
| Great Western Metro #2 | N/A | N/A | N/A | N/A | N/A | N/A | 35.000 | 35.000 | 35.000 | 35.000 |
| Great Western Metro #3, #4 | N/A | N/A | N/A | N/A | N/A | N/A | 25.000 | 25.000 | 25.000 | 25.000 |
| Great Western Metro #5 | N/A | N/A | N/A | N/A | N/A | N/A | 25.000 | 35.000 | 35.000 | 35.000 |
| Great Western Metro #6 | N/A | N/A | N/A | N/A | N/A | N/A | 20.000 | 20.000 | 20.000 | 20.000 |
| Great Western Metro #7 | N/A | N/A | N/A | N/A | N/A | N/A | 11.000 | 11.000 | 11.000 | 11.000 |
| Greenspire Metro #1 - Weld | N/A | N/A | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 32.000 | 32.000 | 32.000 |
| Greenspire Metro #2, #3 - Weld | N/A | N/A | 0.000 | 20.000 | 20.000 | 16.092 | 27.000 | 32.000 | 32.000 | 32.000 |
| Greenwald Farms Metro #1, #2 | N/A | 0.000 | 0.000 | 0.000 |
| Iron Mountain Metro #1 | N/A | N/A | N/A | N/A | N/A | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Iron Mountain Metro #2, #3 | N/A | N/A | N/A | N/A | N/A | 20.000 | 20.000 | 20.000 | 20.000 | 20.000 |
| Jacoby Farm Metro | N/A | 30.000 | 30.000 | 30.000 |
| Little Thompson Water District | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| New Windsor Metro District | N/A | N/A | N/A | N/A | N/A | N/A | 30.000 | 30.000 | 30.000 | 30.000 |
| North Weld County Water District | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Northern Colo Water Conserv Dist | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Pioneer Metro #1 | N/A | 0.000 |
| Poudre Tech Metro | N/A | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Village East Metro #1, #2, #3 | N/A | 0.000 | 0.000 | 0.000 |
| Water Valley Metro #1, #2 | 15.000 | 20.000 | 20.000 | 20.000 | 20.000 | 20.000 | 20.000 | 20.000 | 20.000 | 26.000 |
| Weld County | 20.559 | 20.056 | 21.474 | 19.957 | 17.900 | 16.804 | 16.804 | 16.804 | 16.804 | 16.804 |
| West Greeley Conservation District | 0.414 | 0.414 | 0.414 | 0.414 | 0.414 | 0.414 | 0.414 | 0.414 | 0.414 | 0.414 |
| Windshire Park Metro #1, #2 | N/A | N/A | N/A | N/A | 35.000 | 35.000 | 35.000 | 35.000 | 35.000 | 35.000 |
| Windsor Downtown Dev (WDDA) | N/A | 0.000 |
| Windsor NW Metro #1, #2, #4 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | N/A | N/A | N/A | N/A |
| Windsor NW Metro #3 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | N/A | N/A | N/A |
| Windsor NW Metro #4 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | N/A | N/A | N/A | N/A |
| Windsor RE-4 (includes Bond) | 56.224 | 55.118 | 52.964 | 48.735 | 43.446 | 46.129 | 47.418 | 46.372 | 48.449 | 48.991 |
| Winter Farm Metro #1, #2, #3 | N/A | 0.000 | 0.000 | 0.000 | 34.480 | 34.480 | 34.480 | 34.480 | 34.480 | 34.480 |
| LARIMER COUNTY - potentially overlapping rates | | | | | | | | | | |
| Ft Collins-Loveland Water District | 1.500 | 1.500 | 1.500 | 1.500 | 1.500 | 1.500 | 1.500 | 1.500 | 1.500 | 1.500 |
| Health Dist of North Larimer County | 2.167 | 2.167 | 2.167 | 2.167 | 2.167 | 2.167 | 2.167 | 2.167 | 2.167 | 2.167 |
| Highpointe Vista Metro #1 | N/A | N/A | N/A | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Highpointe Vista Metro #2 | N/A | N/A | N/A | 0.000 | 26.000 | 32.000 | 35.000 | 35.000 | 35.000 | 35.000 |
| Larimer County Pest Control District | 0.142 | 0.142 | 0.142 | 0.142 | 0.142 | 0.142 | 0.142 | 0.142 | 0.142 | 0.142 |
| Larimer County | 22.421 | 22.423 | 22.517 | 22.541 | 22.410 | 22.414 | 22.395 | 22.435 | 22.524 | 22.472 |
| Poudre R-1 Bond Payment | 10.400 | 12.149 | 12.318 | 13.000 | 13.555 | 12.605 | 12.605 | 12.703 | 12.119 | 11.339 |
| Poudre R-1 General Fund | 41.323 | 40.347 | 40.178 | 37.715 | 37.160 | 35.595 | 35.384 | 35.286 | 38.881 | 40.861 |
| Poudre River Public Library District | N/A | N/A | N/A | N/A | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |
| South Ft Collins Sanitation District | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 | 0.487 | 0.500 | 0.500 | 0.500 |
| Thompson R2-J Bond Payment | 13.126 | 13.126 | 10.000 | 10.510 | 10.298 | 9.021 | 8.668 | 9.120 | 9.156 | 9.655 |
| Thompson R2-J General Fund | 35.336 | 33.545 | 32.687 | 29.740 | 33.159 | 32.636 | 32.306 | 32.175 | 32.487 | 32.655 |
| Thompson Valley Hlth Serv District | 1.564 | 1.519 | 1.541 | 1.509 | 1.492 | 1.471 | 1.716 | 2.093 | 1.899 | 1.716 |
| Windsor Highlands Metro Dist #1 | N/A | N/A | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 |
| Windsor Highlands Metro Dist #2,3,4,5,6 | N/A | N/A | 30.000 | 30.000 | 35.000 | 35.000 | 35.000 | 35.000 | 35.000 | 35.000 |

Note: Not all of these entities overlap every parcel in the Town.

Source: Larimer and Weld County Assessors and Treasurers Offices, and Colorado Department of Local Affairs.

TOWN OF **WINDSOR**, COLORADO
PROPERTY TAX RATES –DIRECT AND PRIMARY OVERLAPPING ⁽¹⁾ GOVERNMENTS
 Last Ten Years per \$1,000 of Assessed Valuation
 (Unaudited)

| | Total Town Operating Millage | County | | School District | | | Total Direct and Overlapping Rates | |
|-------------|---------------------------------------|--|-----------------------------------|---------------------------------------|--|---|--|--------------------------------|
| | | Weld County Overlapping Millage | Larimer Overlapping Millage | Windsor RE-4 School District | Thompson R2-J School District | Windsor- Severance Fire District | Windsor/Weld Co Tax Rate | Windsor/Larimer Co Tax Rate |
| 2002 | 12.030 | 20.559 | 22.421 | 56.224 | 48.462 | 5.149 | 93.962 | 88.062 |
| 2003 | 10.860 | 20.056 | 22.423 | 55.118 | 46.671 | 5.219 | 91.253 | 85.173 |
| 2004 | 12.030 | 21.474 | 22.517 | 52.964 | 42.687 | 5.209 | 91.677 | 82.443 |
| 2005 | 12.030 | 19.957 | 22.541 | 48.735 | 40.250 | 4.944 | 85.666 | 79.765 |
| 2006 | 12.030 | 17.900 | 22.410 | 43.446 | 43.457 | 4.944 | 78.320 | 82.841 |
| 2007 | 12.030 | 16.804 | 22.414 | 46.129 | 41.657 | 4.944 | 79.907 | 81.045 |
| 2008 | 12.030 | 16.804 | 22.395 | 47.418 | 40.974 | 6.119 | 82.371 | 81.518 |
| 2009 | 12.030 | 16.804 | 22.435 | 46.372 | 41.295 | 6.684 | 81.890 | 82.444 |
| 2010 | 12.030 | 16.804 | 22.524 | 48.449 | 41.643 | 7.894 | 85.177 | 84.091 |
| 2011 | 12.030 | 16.804 | 22.472 | 48.991 | 42.310 | 7.904 | 85.729 | 84.716 |

Note: (1) Overlapping rates are those of local and county governments that apply to property owners within the Town of Windsor. The Town of Windsor operating and Windsor-Severance Fire District overlap with only one of the counties and one school district. Thus the Total Windsor/Weld Co Tax Rate includes Windsor's operating, Weld County, Windsor RE-4 and Windsor-Severance Fire District. Windsor/Larimer Co Tax Rate includes Windsor's operating, Larimer County, Thompson R2-J and Windsor-Severance Fire

(2) These are only the primary overlapping taxing districts. Several smaller districts, shown on the previous page, overlap as well.

Sources: Larimer and Weld County Assessors and Treasurers Offices.

TOWN OF **WINDSOR**, COLORADO

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Four Years Prior

(Unaudited)

| Taxpayer | 2007 | | | 2008 | | | 2009 | | | 2010 | | | 2011 | | |
|--|---------------------------------|------|-----------------------------------|---------------------------------|------|-----------------------------------|---------------------------------|------|-----------------------------------|---------------------------------|------|-----------------------------------|---------------------------------|------|-----------------------------------|
| | Assessed Value (in millions) | Rank | % of Total Town Assessed Value | Assessed Value (in millions) | Rank | % of Total Town Assessed Value | Assessed Value (in millions) | Rank | % of Total Town Assessed Value | Assessed Value (in millions) | Rank | % of Total Town Assessed Value | Assessed Value (in millions) | Rank | % of Total Town Assessed Value |
| Vestas Blades America Inc. | | | | \$ 4.17 | 1 | 1.60% | \$20.25 | 2 | 7.07% | \$25.92 | 1 | 7.03% | \$30.02 | 1 | 8.14% |
| Owens Brockway Glass Container Inc. | | | | | | | 24.59 | 1 | 8.58% | 16.72 | 2 | 4.54% | 15.13 | 2 | 4.10% |
| Brockway Glass Container Inc. | | | | | | | 11.20 | 3 | 3.91% | 12.23 | 3 | 3.32% | 11.33 | 3 | 3.07% |
| Front Range Energy LLC | \$2.25 | 2 | 1.07% | 2.25 | 2 | 0.86% | 3.07 | 4 | 1.07% | 10.12 | 4 | 2.74% | 9.61 | 4 | 2.61% |
| Hexcel Corp. | | | | | | | | | | 7.26 | 6 | 1.97% | 8.40 | 5 | 2.28% |
| Metal Container Corp. | 2.01 | 3 | 0.95% | 2.01 | 3 | 0.77% | 2.01 | 5 | 0.70% | 7.42 | 5 | 2.01% | 7.45 | 6 | 2.02% |
| Wells Fargo Bank NA | | | | | | | | | | | | | 2.82 | 7 | 0.76% |
| Poudre Valley Health Care, Inc. | | | | | | | | | | | | | 2.02 | 8 | 0.55% |
| BCG Enterprises LTD LLLP | 1.99 | 5 | 0.95% | 1.99 | 4 | 0.76% | 1.99 | 7 | 0.70% | 1.99 | 8 | 0.54% | 1.96 | 9 | 0.53% |
| S&E Investments LLC | | | | | | | | | | | | | 1.53 | 10 | 0.41% |
| Windsor Shops LLC | 2.83 | 1 | 1.35% | 1.74 | 5 | 0.67% | 2.86 | 6 | 1.00% | 2.86 | 7 | 0.78% | | | |
| Safeway Stores 46 INC | 1.57 | 6 | 0.74% | 1.39 | 6 | 0.53% | 1.57 | 8 | 0.55% | 1.57 | 9 | 0.42% | | | |
| Praxair Inc./ O-I Oxygen Plant | | | | | | | | | | 1.52 | 10 | 0.41% | | | |
| Deline- Cornerstone LLC | 1.46 | 7 | 0.70% | 1.08 | 10 | 0.42% | 1.46 | 9 | 0.51% | | | | | | |
| Champion Investments 2 LLC | 1.38 | 8 | 0.65% | 1.38 | 7 | 0.53% | 1.36 | 10 | 0.47% | | | | | | |
| Champion Investments 1 LLC | 1.38 | 9 | 0.65% | 1.38 | 8 | 0.53% | | | | | | | | | |
| 9351 Eastman Park Drive LLC | | | | 1.10 | 9 | 0.42% | | | | | | | | | |
| Meyers 4701, LLC - Larimer Co | 2.00 | 4 | 0.95% | | | | | | | | | | | | |
| Pelican Point Business Park LLC | 1.27 | 10 | 0.60% | | | | | | | | | | | | |
| | \$18.13 | | 8.61% | \$18.49 | | 7.10% | \$ 70.36 | | 24.57% | \$ 87.62 | | 23.76% | \$90.27 | | 24.48% |
| Total Town Assessed Valuation (in millions) | \$210.61 | | | \$260.63 | | | \$286.38 | | | \$356.36 | | | \$368.71 | | |

Note: Change in format of CAFR. In future years, as information becomes available, additional years will be presented.

Source: Weld and Larimer County Assessors Offices.

TOWN OF **WINDSOR**, COLORADO

COMPUTATION OF LEGAL DEBT MARGIN

As of December 31, 2011
(Unaudited)

The Town of Windsor's debt represents bonds secured solely by the specified revenue sources (i.e., sales and use tax revenue bonds), developer reimbursement obligations, the Colorado Water Conservation Board loan for the Kern Reservoir/Windsor Lake, and a Windsor Building Authority term note payable to the USDA. As the Town has no general obligation debt, the following computations are applied to the current long-term debt.

Policy#1: The Town's debt policy states general obligation debt will not exceed 10% of the total assessed valuation for tax purposes.

| | |
|---|------------------------|
| 2011 Assessed valuation ⁽¹⁾ | \$368,709,730 |
| Debt limit percentage | 10% |
| Legal debt limit | <u>\$36,870,973</u> |
| Less: | |
| Long-term debt outstanding ⁽²⁾ | <u>(\$11,961,114)</u> |
| Legal debt margin | <u>\$24,909,859</u> |

Sources: ⁽¹⁾ Weld and Larimer County Assessors Offices.
⁽²⁾ Town of Windsor Finance Department.

Policy #2: The Town's debt policy states debt service should be limited to 10-15% of operation expenditures exclusive of capital improvements and debt service expenditures.

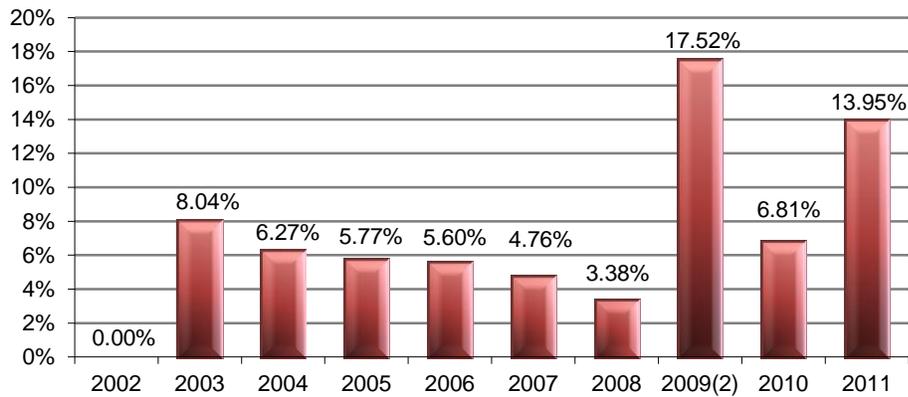
| | |
|--|----------------------|
| Operation expenditures ⁽¹⁾ | \$20,936,310 |
| Debt limit percentage | 10% - 15% |
| Legal debt limit 10% of operation expenditures | <u>\$2,093,631</u> |
| Legal debt limit 15% of operation expenditures | \$3,140,447 |
| Debt service for long-term debt ⁽²⁾ | <u>(\$2,243,896)</u> |
| | or 10.72% |
| Legal debt margin | <u>\$896,551</u> |

Sources: ⁽¹⁾ Current year's financial statements. General Governmental expenditures less capital and debt, and Proprietary and Internal Service funds operating expenditures less depreciation..
⁽²⁾ Current Year's financial statements. Governmental and Proprietary debt service on loans..

TOWN OF **WINDSOR**, COLORADO
**RATIO OF TOTAL DEBT SERVICE EXPENDITURES
TO NONCAPITAL GOVERNMENTAL EXPENDITURES**
Last Ten Calendar Years
(Unaudited)

| Year | Direct Operating Expense ⁽¹⁾ | Debt Service Requirements | | | Percentage of noncapital expenditures |
|---------------------|--|---------------------------|----------|--------------------|---|
| | | Principal | Interest | Total Debt Service | |
| 2002 | \$ 5,130,372 | \$ - | \$ - | \$ - | 0.00% |
| 2003 | 5,208,522 | - | 418,905 | 418,905 | 8.04% |
| 2004 | 6,682,762 | - | 418,905 | 418,905 | 6.27% |
| 2005 | 7,255,046 | - | 418,905 | 418,905 | 5.77% |
| 2006 | 8,167,643 | 170,000 | 287,712 | 457,712 | 5.60% |
| 2007 | 9,567,657 | 220,000 | 235,789 | 455,789 | 4.76% |
| 2008 | 13,513,221 | 235,000 | 221,142 | 456,142 | 3.38% |
| 2009 ⁽²⁾ | 12,605,828 | 1,998,356 | 210,808 | 2,209,163 | 17.52% |
| 2010 | 12,970,048 | 685,465 | 197,193 | 882,658 | 6.81% |
| 2011 | 13,912,930 | 1,770,442 | 170,293 | 1,940,735 | 13.95% |

**Ratio of Total Debt Service Expenditures
to Noncapital Expenditures**



Note: ⁽¹⁾ Includes operating expenses such as personal services, supplies and other services and charges, and transfers out. Excludes capital outlay and depreciation expense.

⁽²⁾ Began including Developer Reimbursement Agreements which fluctuate yearly.

Source: Current and prior years' financial statements.

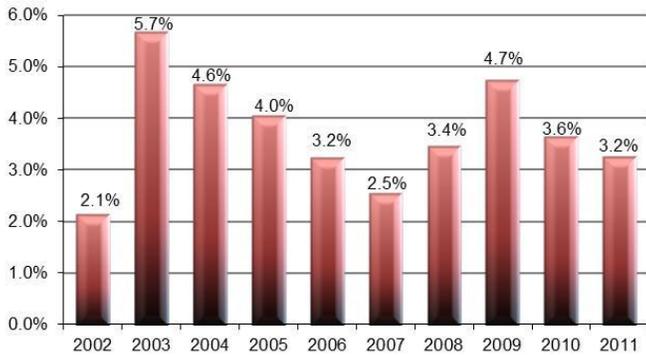
TOWN OF **WINDSOR**, COLORADO

RATIO OF OUTSTANDING DEBT BY TYPE

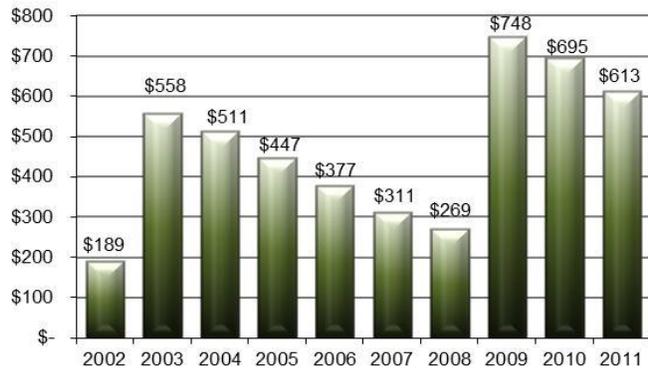
Last Ten Calendar Years
(Unaudited)

| Year | Governmental Activities | | | Business-Type Activities | | Total Primary Government | Debt to Assessed Valuation | Percentage of Personal Income | Debt Per Capita |
|------|-------------------------------------|--|------------------------------------|--------------------------|----------------------------|--------------------------|----------------------------|-------------------------------|-----------------|
| | Sales & Use Tax Revenue Bonds (CRC) | USDA Community Facilities Loan (Police Facility) | Developer Reimbursement Agreements | Sewer Loan Revenue Bonds | CWCB Loan (Kern Reservoir) | | | | |
| 2002 | \$ - | \$ - | \$ - | \$2,245,063 | \$ - | \$ 2,245,063 | 2.1% | 0.7% | \$ 189 |
| 2003 | 5,000,000 | - | - | 1,959,808 | - | 6,959,808 | 5.7% | 2.2% | 558 |
| 2004 | 5,000,000 | - | - | 1,663,988 | - | 6,663,988 | 4.6% | 2.0% | 511 |
| 2005 | 5,000,000 | - | - | 1,357,603 | - | 6,357,603 | 4.0% | 1.6% | 447 |
| 2006 | 4,830,000 | - | - | 1,040,653 | - | 5,870,653 | 3.2% | 1.3% | 377 |
| 2007 | 4,610,000 | - | - | 713,138 | - | 5,323,138 | 2.5% | 0.9% | 311 |
| 2008 | 4,375,000 | - | - | 369,777 | 4,241,556 | 8,986,333 | 3.4% | 1.6% | 510 |
| 2009 | 4,125,000 | 3,000,000 | 2,284,100 | - | 4,153,903 | 13,563,003 | 4.7% | 2.5% | 748 |
| 2010 | 3,880,000 | 3,000,000 | 2,010,887 | - | 4,061,780 | 12,952,667 | 3.6% | 2.2% | 695 |
| 2011 | 3,630,000 | 2,966,854 | 1,399,301 | - | 3,964,959 | 11,961,114 | 3.2% | 1.9% | 613 |

Long-Term Debt to Assessed Value



Long-Term Debt Per Capita



Note: Includes all long-term debt, including:

- Series 2002 Sales and Use Tax Revenue Bonds issued by the Town of Windsor to finance the construction of a community and recreation center.
- USDA Community Facilities Loan for construction of a new police facility, Windsor Building Authority (WBA) term loan.
- Developer Reimbursement Agreements.
- Colorado Water Resources and Power Development Authority Loan dated August 1, 1994, collateralized by Sewer Fund revenues, retired in 2008.
- Colorado Water Conservation Board (CWCB) Loan for Kern Reservoir / Windsor Lake.
- Compensated Absences are not reflected in the above chart.

Source: - Population information located in Demographic section.

- Assessed valuation from Weld and Larimer County Assessors Offices.

- Personal Income computed from US Department of Commerce, Bureau of Econ. Analysis and located in Demographic section.

- Details regarding outstanding debt can be found in the notes to the financial section.

- Compiled from current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO

RATIO OF ANNUAL DEBT SERVICE

FOR GENERAL BONDED DEBT

TO TOTAL GENERAL EXPENDITURES

Last Ten Calendar Years
(Unaudited)

| Year | Principal | Interest | Total Debt Service | Total General Expenditures | General Bonded Debt Service as a Percentage of Expenditures |
|------|-----------|----------|--------------------|----------------------------|---|
| 2002 | \$ - | \$ - | \$ - | \$ 10,247,309 | 0.00% |
| 2003 | - | - | - | 17,614,305 | 0.00% |
| 2004 | - | - | - | 16,874,498 | 0.00% |
| 2005 | - | - | - | 14,015,350 | 0.00% |
| 2006 | - | - | - | 18,668,250 | 0.00% |
| 2007 | - | - | - | 26,926,211 | 0.00% |
| 2008 | - | - | - | 24,911,879 | 0.00% |
| 2009 | - | - | - | 25,475,534 | 0.00% |
| 2010 | - | - | - | 18,431,518 | 0.00% |
| 2011 | - | - | - | 21,551,404 | 0.00% |

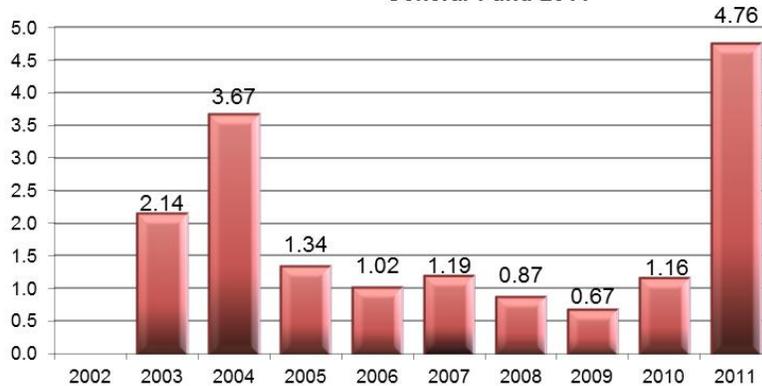
Note: There is no general obligation debt for 2011. Retired General Obligation, Series 1994, Water Refunding Bonds in 2001

Source: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO
REVENUE BOND COVERAGE
COMMUNITY RECREATION CENTER FUND 2002-2010
GENERAL FUND 2011 ⁽¹⁾
 Last Ten Calendar Years
 (Unaudited)

| Year | Gross Revenue (2) | Direct Operating Expense (3) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage Ratio ⁽⁴⁾ |
|------|----------------------|---------------------------------------|--|---------------------------|----------|---------|----------------------------------|
| | | | | Principal | Interest | Total | |
| 2002 | \$ 5,706,895 | \$ 193,039 | \$ 5,513,856 | \$ - | \$ - | \$ - | - |
| 2003 | 918,626 | 22,920 | 895,706 | - | 418,540 | 418,540 | 2.14 |
| 2004 | 1,893,523 | 354,677 | 1,538,846 | - | 418,905 | 418,905 | 3.67 |
| 2005 | 1,217,160 | 654,990 | 562,170 | - | 418,905 | 418,905 | 1.34 |
| 2006 | 1,209,310 | 783,973 | 425,337 | 170,000 | 248,905 | 418,905 | 1.02 |
| 2007 | 1,079,256 | 576,472 | 502,784 | 220,000 | 204,230 | 424,230 | 1.19 |
| 2008 | 1,076,676 | 700,766 | 375,910 | 235,000 | 197,080 | 432,080 | 0.87 |
| 2009 | 1,006,050 | 710,191 | 295,859 | 250,000 | 188,855 | 438,855 | 0.67 |
| 2010 | 1,160,109 | 669,233 | 490,876 | 245,000 | 179,480 | 424,480 | 1.16 |
| 2011 | 13,248,044 | 11,248,107 | 1,999,937 | 250,000 | 170,292 | 420,292 | 4.76 |

Revenue Bond Coverage Ratio
Community Recreation Center Fund 2002-2010
General Fund 2011



Note: Includes Sales and Use Tax Revenue Bonds, Series 2002, Dated August 1, 2002.
 Gross revenue for 2002 includes \$5,582,095 bond proceeds.

⁽¹⁾ GASB No. 54 implemented in 2011 combined the Community Recreation Center into the General Fund

⁽²⁾ Includes charges for services, sales and use tax, grants and contributions and other operating revenues, and interest income. Also includes transfers in.

⁽³⁾ Includes operating expenses such as personal services, supplies and other services and charges.

⁽⁴⁾ Net Revenue Available for Debt Service divided by Total Debt Service Requirements.

Source: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO
COMPUTATION OF DIRECT AND OVERLAPPING ACTIVITIES DEBT ⁽¹⁾
As of December 31, 2011
(Unaudited)

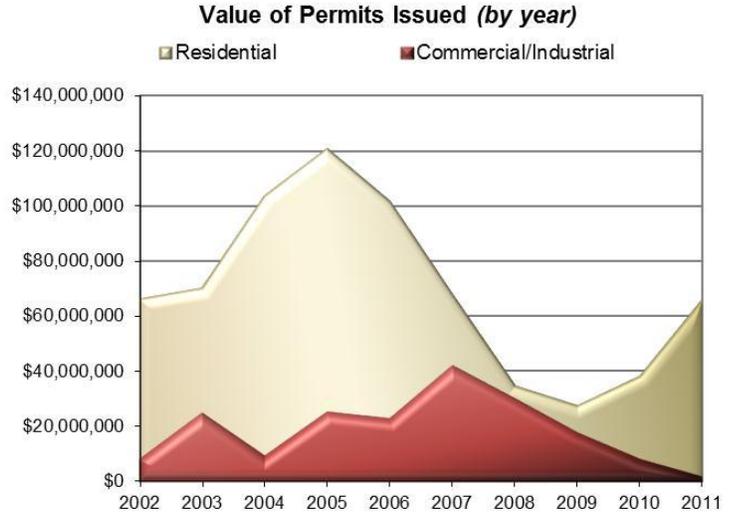
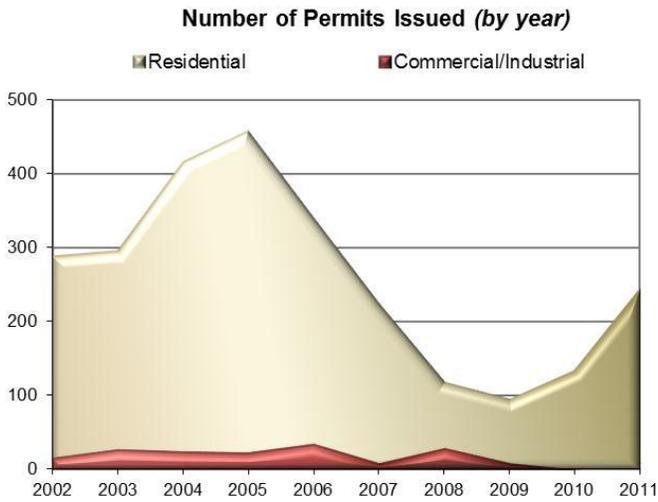
| Jurisdiction | Debt Outstanding | Estimated Percentage Applicable to Town ⁽²⁾ | Estimated Amount Applicable to Town |
|---|-----------------------|--|-------------------------------------|
| <i>Direct:</i> | | | |
| Town of Windsor - Direct Debt ^{(3) (A)} | | | |
| Sales and Use Tax Revenue Bonds | \$ 3,630,000 | | |
| Police Facility USDA Loan | 2,966,854 | | |
| Developer Reimbursement Agreements | 1,399,301 | | |
| Compensated Absences | 443,840 | | |
| TOTAL | \$ 8,439,995 | 100.00% | \$ 8,439,995 |
| <i>Overlapping:</i> | | | |
| Poudre R-1 School District ^(B) | \$ 220,492,593 | 3.33% | \$ 7,334,007 |
| Thompson R2-J School District ^(C) | 110,387,114 | 5.57% | 6,143,926 |
| Windsor RE-4 School District ^(D) | 52,295,000 | 56.16% | 29,366,532 |
| Weld County ^{(3) (E)} | - | - | - |
| Larimer County ^{(3) (E)} | - | - | - |
| Windsor-Severance Fire Protection District ^(F) | 3,720,000 | 67.20% | 2,499,738 |
| TOTAL | \$ 403,774,737 | | \$ 45,344,202 |
| TOTAL Direct and Overlapping Debt | | | \$ 53,784,197 |

- Note:*
- ⁽¹⁾ Computation of overlapping debt includes only six major governmental units and excludes several special districts that partially overlap the Town.
 - ⁽²⁾ Portion of debt applicable to Windsor is determined by the ratio of the assessed value of the portion of the applicable district located within the Town and Counties of Weld and Larimer to the total assessed value of the applicable taxing district.
 - ⁽³⁾ The Town of Windsor, and Weld and Larimer counties have no general obligation debt.

- Sources:*
- ^(A) Current and prior years' financial statements
 - ^(B) Poudre R-1 School District Finance Department
 - ^(C) Thompson R2-J School District Finance Department
 - ^(D) Weld County RE-4 School District Finance Department
 - ^(E) Weld and Larimer County Finance Departments
 - ^(F) Windsor-Severance Fire District Finance Department

TOWN OF **WINDSOR**, COLORADO
BUILDING PERMITS AND VALUE OF CONSTRUCTION
 Last Ten Calendar Years
 (Unaudited)

| Year | Number of New Residential Building Permits | Value of Construction for New Residential Construction | Number of New Commercial/Industrial Permits | Total Value of Construction for New Commercial/Industrial Buildings |
|------|--|--|---|---|
| 2002 | 288 | \$66,100,326 | 15 | \$7,679,247 |
| 2003 | 295 | 70,216,930 | 27 | 24,622,036 |
| 2004 | 416 | 103,492,351 | 24 | 9,103,063 |
| 2005 | 457 | 120,685,800 | 23 | 24,849,818 |
| 2006 | 340 | 101,655,452 | 34 | 22,654,503 |
| 2007 | 224 | 67,592,918 | 9 | 41,644,676 |
| 2008 | 119 | 34,505,269 | 28 | 29,779,690 |
| 2009 | 96 | 27,509,266 | 8 | 17,347,813 |
| 2010 | 134 | 38,228,286 | 3 | 7,680,533 |
| 2011 | 244 | 66,235,532 | 2 | 1,511,034 |



Source: Permit information is provided by the Town Planning and Zoning Department.

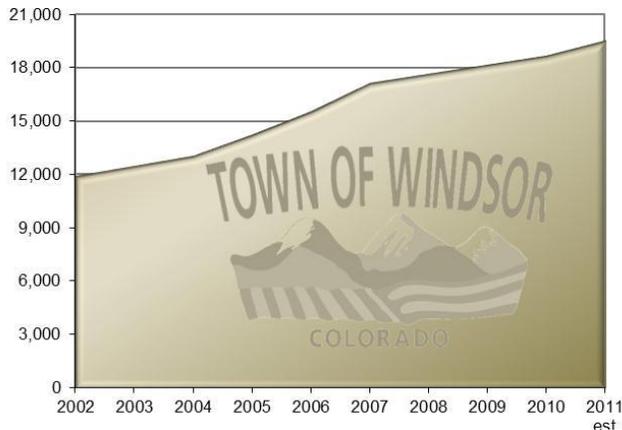
TOWN OF **WINDSOR**, COLORADO

DEMOGRAPHIC STATISTICS

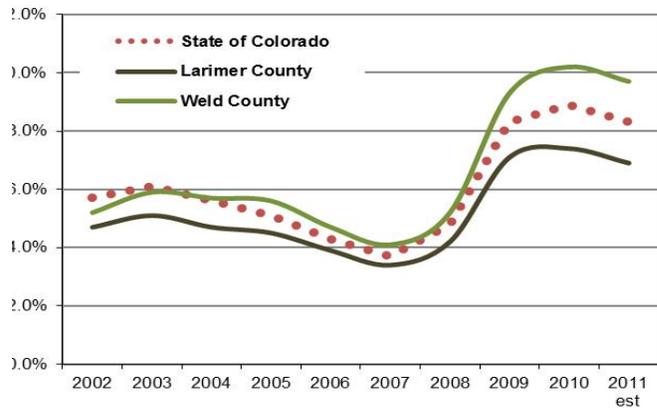
Last Ten Calendar Years
(Unaudited)

| Year | Population (1) | Median Household Income (2) | Mean Household Size (3) | Personal Income (in thousands(4) | Per Capita Personal Income (4) | Annual Unemployment Rate | | |
|----------|-------------------|-----------------------------------|-------------------------------|--|--------------------------------------|--------------------------|-------------------|----------------------|
| | | | | | | Larimer County(5) | Weld County(5) | Colorado State(5) |
| 2002 | 11,890 | \$ 58,700 | 2.73 | \$ 302,497 | \$ 25,441 | 4.7% | 5.2% | 5.7% |
| 2003 | 12,483 | 60,500 | 2.75 | 311,691 | 24,969 | 5.1% | 5.9% | 6.1% |
| 2004 | 13,029 | 62,300 | 2.75 | 337,107 | 25,874 | 4.7% | 5.7% | 5.6% |
| 2005 | 14,238 | 64,100 | 2.76 | 389,705 | 27,371 | 4.5% | 5.6% | 5.1% |
| 2006 | 15,554 | 66,000 | 2.76 | 442,167 | 28,428 | 3.9% | 4.7% | 4.3% |
| 2007 | 17,112 | 68,000 | 2.76 | 598,828 | 34,995 | 3.4% | 4.1% | 3.8% |
| 2008 | 17,623 | 70,000 | 2.76 | 556,515 | 31,580 | 4.2% | 5.2% | 4.8% |
| 2009 | 18,133 | 75,276 | 2.76 | 548,343 | 30,240 | 7.1% | 9.3% | 8.1% |
| 2010 | 18,644 | 75,970 | 2.76 | 577,307 | 30,965 | 7.4% | 10.2% | 8.9% |
| 2011 est | 19,519 | 76,664 | 2.76 | 630,076 | 32,280 | 6.9% | 9.7% | 8.3% |

Windsor Population



Annual Unemployment Rate



Population Decade Changes (2)

| Year | Town of Windsor | Percent Change | Weld County | Percent Change | Colorado | Percent Change |
|------|-----------------|----------------|-------------|----------------|-----------|----------------|
| 1960 | 4,509 | - | 72,344 | - | 1,753,947 | - |
| 1970 | 1,564 | 3.6% | 89,297 | 23.4% | 2,207,259 | 25.9% |
| 1980 | 4,277 | 173.5% | 123,438 | 38.2% | 2,889,964 | 30.9% |
| 1990 | 5,062 | 18.4% | 131,821 | 6.8% | 3,294,394 | 14.0% |
| 2000 | 9,896 | 95.5% | 180,926 | 37.3% | 4,301,261 | 30.6% |
| 2010 | 18,644 | 88.4% | 252,825 | 39.7% | 5,029,196 | 16.9% |

Note: Only the 2010 American Community Survey 5-yr estimate is available for the Town of Windsor for persons 16 years and older, the unemployment rate is 3.7%. No historical data is available.

Sources: (1) Population estimates based on Colorado Department of Local Affairs estimates and Town Planning and Zoning Department building permit data with 2010 census results for 2010.

(2) US Census Bureau.

(3) Colorado Department of Local Affairs (DOLA).

(4) Personal income computed from US Dept. of Commerce, Bureau of Econ. Analysis statistics.

(5) Greeley MSA & Fort Collins/Loveland MSA - State of Colorado, Division of Employment and Training, Labor Market Information, Colorado Labor Force Review.

TOWN OF **WINDSOR**, COLORADO

TOP 10 PRINCIPAL EMPLOYERS

Current Year and Four Years Prior
(Unaudited)

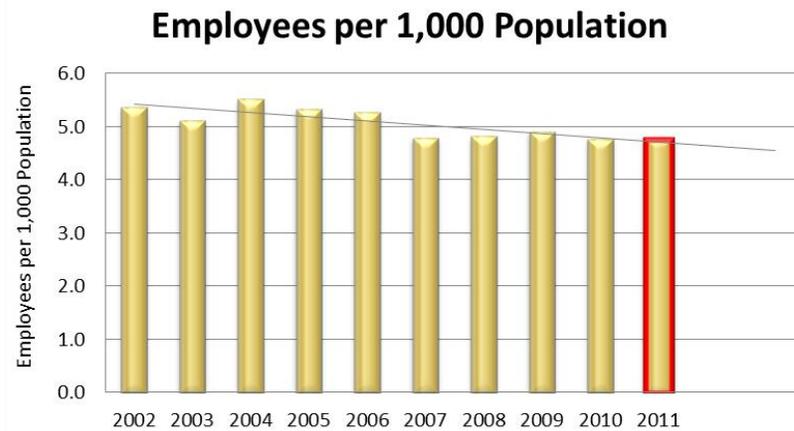
| | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | | % of Top 10 Total |
|-----------------------------------|--------------------------|------|--------------------------|------|--------------------------|------|--------------------------|------|--------------------------|------|----------------------|
| | Employees ⁽¹⁾ | Rank | Employees ⁽²⁾ | Rank | Employees ⁽²⁾ | Rank | Employees ⁽²⁾ | Rank | Employees ⁽³⁾ | Rank | |
| Vestas Blades America | | | 650 | 3 | 650 | 1 | 650 | 1 | 716 | 1 | 24.67% |
| Windsor RE-4 School District | 339 | 2 | 615 | 4 | 640 | 2 | 618 | 2 | 638 | 2 | 21.98% |
| Carestream Health, Inc. | | | 650 | 2 | 600 | 3 | 600 | 3 | 588 | 3 | 20.26% |
| O-I Glass Container | 175 | 3 | 200 | 6 | 206 | 5 | 206 | 5 | 205 | 4 | 7.06% |
| Kodak Colorado Division | 1,800 | 1 | 720 | 1 | 390 | 4 | 390 | 4 | 200 | 5 | 6.89% |
| SSC Windsor Operating Company LLC | | | | | | | | | 131 | 6 | 4.51% |
| King Soopers | | | | | | | | | 128 | 7 | 4.41% |
| Metal Container Corporation | 85 | 6 | 112 | 8 | 117 | 6 | 117 | 6 | 108 | 8 | 3.72% |
| Town of Windsor | 85 | 6 | 86 | 10 | 85 | 9 | 89 | 7 | 95 | 9 | 3.27% |
| Universal Forest Products, Inc. | 135 | 4 | 160 | 7 | 85 | 7 | 80 | 8 | 93 | 10 | 3.20% |
| Ice Energy, LLC | | | | | 55 | 10 | 55 | 9 | | | 0.00% |
| Front Range Energy | | | | | | | 35 | 10 | | | 0.00% |
| TOTAL Principal Employers | 2,619 | | 3,193 | | 2,828 | | 2,840 | | 2,902 | | 100.00% |

Note: Change in format of CAFR. Employer data is not available prior to 2007. In future years, as information becomes available, additional years will be presented.

*Sources: (1) Windsor Chamber of Commerce and company information
(2) Northern Colorado / Upstate Colorado
(3) Colorado Department of Labor QCEW*

TOWN OF **WINDSOR**, COLORADO
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION / PROGRAM
 Last Ten Calendar Years
 (Unaudited)

| Function/Program | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | % change in 10 yrs |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------------|
| General Government | | | | | | | | | | | |
| Administration ⁽¹⁾ | 13 | 13 | 14 | 16 | 19 | 18 | 20 | 22 | 24 | 24 | |
| Community Development | | | | | | | | | | | |
| | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 5 | 5 | |
| Public Safety | | | | | | | | | | | |
| Sworn | 16 | 16 | 16 | 17 | 17 | 18 | 18 | 20 | 20 | 20 | |
| Non-sworn | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | |
| Public Works | | | | | | | | | | | |
| Utilities ⁽²⁾⁽⁴⁾ | 7 | 7 | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 7 | |
| Streets & other | 7 | 7 | 8 | 8 | 9 | 9 | 9 | 8 | 8 | 14 | |
| Parks, Recreation & Culture | | | | | | | | | | | |
| | 13 | 13 | 13 | 13 | 13 | 16 | 17 | 18 | 17 | 16 | |
| Community Center ⁽³⁾ | 0 | 0 | 5 | 6 | 8 | 5 | 5 | 5 | 5 | 4 | |
| TOTAL | 64 | 64 | 72 | 76 | 82 | 82 | 85 | 89 | 89 | 93 | 45% |
| Population | 11,890 | 12,483 | 13,029 | 14,238 | 15,554 | 17,112 | 17,623 | 18,133 | 18,644 | 19,519 | 64% |
| Employees per 1,000 | | | | | | | | | | | |
| Population | 5.4 | 5.1 | 5.5 | 5.3 | 5.3 | 4.8 | 4.8 | 4.9 | 4.8 | 4.8 | -11% |



*Note: General Government Administration consists of Clerk, Town Manager, Finance, Human Resources, Engineering and Information Systems
 Community Development consists of the Town's Planning Department
 Utilities consists of Water, Sewer and Storm Drainage
 Public Works Streets and Other includes general Public Works, Streets, Fleet and Facilities divisions*

⁽¹⁾ Separate Human Resources division formed 2008
⁽²⁾ Public Works reorganized in 2006 - previously included IT
⁽³⁾ Community Recreation Center opening in 2004 and reorganization 2007
⁽⁴⁾ Public Works included Facilities Services in 2011

Source: Town of Windsor budget office and Demographic Section

GASB 34 implemented in 2004

TOWN OF **WINDSOR**, COLORADO
OPERATING INDICATORS BY FUNCTION / PROGRAM
 Last Eight Calendar Years
 (Unaudited)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | % change in 8 yrs |
|---|--------|--------|--------|--------|--------|--------|--------|----------------|----------------------|
| General Government | | | | | | | | | |
| Elected officials | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | |
| Full-time employees | 72 | 76 | 82 | 82 | 85 | 89 | 89 | 93 | 29% |
| Part-time employees | N/A | 15 | 15 | 13 | 14 | 12 | 12 | 40.95 FTE | |
| Seasonal employees | N/A | 130 | 132 | 133 | 134 | 133 | 133 | included above | |
| Public Safety | | | | | | | | | |
| Adult arrests | 201 | 199 | 212 | 272 | 195 | 234 | 264 | 310 | 54% |
| Juvenile detentions | 33 | 54 | 45 | 79 | 53 | 63 | 64 | 46 | 39% |
| Traffic citations | 307 | 464 | 442 | 689 | 1,365 | 1,749 | 2,208 | 2,036 | 563% |
| Calls for service | 4,495 | 5,483 | 6,352 | 6,747 | 5,242 | 5,442 | 7,506 | 6,123 | 36% |
| Other Public Works | | | | | | | | | |
| Paved road miles | 88.7 | 105.5 | 108.5 | 113.0 | 131.1 | 133.2 | 133.9 | 137.2 | 55% |
| Parks, Recreation & Culture, & Community Recreation Center | | | | | | | | | |
| Participants served | 45,526 | 69,104 | 47,782 | 55,713 | 59,082 | 75,203 | 77,020 | 74,022 | 63% |
| Community Development | | | | | | | | | |
| Building permits | 440 | 480 | 374 | 233 | 147 | 104 | 137 | 249 | -43% |
| Utilities (Water, Sewer, Storm Drainage, and Non-potable Water) | | | | | | | | | |
| Number of total accounts | 4,958 | 5,372 | 5,697 | 6,151 | 6,368 | 6,544 | 6,823 | 7,284 | 47% |
| New utility accounts | 288 | 438 | 366 | 378 | 236 | 124 | 165 | 244 | -15% |
| Average daily water consumption (millions of gallons) | 1.49 | 1.69 | 1.87 | 1.89 | 1.74 | 1.58 | 1.72 | 1.72 | 15% |
| Average daily water consumption per capita (gallons) | 114.36 | 104.65 | 95.80 | 87.07 | 84.55 | 82.17 | 79.92 | 76.34 | -33% |
| Annual consumption (millions of gallons) | 544.7 | 617.2 | 683.4 | 692.4 | 635.8 | 578.2 | 627.7 | 627.6 | 15% |
| Other Miscellaneous Data | | | | | | | | | |
| No. of registered voters | 8,339 | 9,215 | 9,938 | 9,935 | 11,879 | 12,310 | 12,240 | 13,150 | 58% |

*Note: Change in format of CAFR. Ten-year history not available.
 In future years, as information becomes available, additional years will be presented.*

Source: Various Town of Windsor departments

GASB 34 implemented in 2004

TOWN OF **WINDSOR**, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
 Last Eight Calendar Years
 (Unaudited)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | % change in 8 yrs |
|---|-------|-------|-------|-------|--------|-------|-------|-------|----------------------|
| Public Safety | | | | | | | | | |
| Patrol units | 16 | 17 | 17 | 18 | 18 | 20 | 20 | 21 | 31% |
| Public Works | | | | | | | | | |
| Area in square miles | 17.80 | 18.72 | 22.59 | 22.98 | 23.25 | 24.61 | 24.61 | 24.63 | 38% |
| Paved roads (<i>miles</i>) | 88.7 | 105.5 | 108.5 | 113.0 | 131.07 | 133.2 | 133.9 | 137.2 | 55% |
| Parks, Recreation & Culture | | | | | | | | | |
| Playgrounds | 5 | 7 | 7 | 7 | 8 | 10 | 12 | 12 | 140% |
| Swimming pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0% |
| Waterslides | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0% |
| Skate parks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0% |
| Community centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0% |
| Shelters | 11 | 12 | 15 | 15 | 15 | 15 | 16 | 16 | 45% |
| Museums (<i>includes Pioneer Village</i>) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0% |
| Multi-purpose fields (<i>Unlighted</i>) | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 0% |
| Acres managed | 290 | 313 | 320 | 358 | 366.2 | 445 | 445 | 445 | 53% |
| Developed parks (<i>acres</i>) ⁽¹⁾ | N/A | N/A | 97 | 106 | 106 | 126.1 | 129.6 | 133.6 | 38% |
| Undeveloped parks (<i>acres</i>) | N/A | N/A | 176 | 175 | 179.2 | 179.2 | 179.2 | 171.7 | -2% |
| Open space (<i>acres</i>) ⁽²⁾ | N/A | N/A | 76 | 80 | 127 | 139.7 | 139.7 | 139.7 | 80% |
| Trails (<i>miles</i>) | N/A | 38 | 40 | 42 | 42 | 42 | 42 | 42 | 11% |
| Utilities | | | | | | | | | |
| Water mains (<i>miles</i>) | N/A | 95.6 | 97 | N/A | 116 | 117 | 117 | 117 | 22% |
| Storage capacity (<i>millions of gallons</i>) | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 0% |
| Sewer treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0% |
| Sanitary sewer (<i>miles</i>) | 64.9 | N/A | 82 | N/A | 92 | 93 | 94 | 94 | 45% |
| Treatment capacity (<i>millions of gallons</i>) | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 0% |

⁽¹⁾ 2009 includes Cemetery

⁽²⁾ 2009 includes land adjacent to trails

Source: Various Town of Windsor departments

Note: Change in format of CAFR. Ten-year history not available.

In future years, as information becomes available, additional years will be presented.

GASB 34 implemented in 2004

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REPORTS TO GOVERNMENTAL AGENCIES

TOWN OF WINDSOR



COLORADO



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 the financial statements of the governmental activities, the business-type activities, 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, 2011, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 27, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2011-01 to be a material weakness.

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. We consider the deficiency described in the accompany schedule of findings and questioned costs as 2011-02 to be a significant deficiency.

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*.



We noted certain other matters that we reported to management of the Town in a separate letter dated July 27, 2012.

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Town Board, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anton Collins Mitchell LLP

Greeley, Colorado

July 27, 2012



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

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, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2011.

Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. 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 for the purpose of expressing our opinion on compliance 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.



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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Town Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anton Collins Mitchell LLP

Greeley, Colorado

July 27, 2012

TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2011

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Town of Windsor, Colorado (the "Town").
2. One material weakness in internal control over financial reporting was disclosed during the audit of the financial statements, which is reported in this schedule.
3. No instances of noncompliance material to the financial statements of the Town, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for the Town expresses an unqualified opinion on all major federal programs.
5. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
6. The program tested as major is as follows:

Department of Transportation, passed through Colorado Department of Transportation:
CFDA 20.205 – Highway Planning and Construction
7. The threshold used for distinguishing between Type A and B programs was \$300,000.
8. The Town did not qualify as a low-risk auditee, as defined by OMB Circular A-133.

FINDINGS—FINANCIAL STATEMENTS AUDIT

2011-01 – Capital Asset Recordkeeping (Material Weakness)

Finding and Recommendation:

The Town implemented a new computerized capital asset system reducing the need to track and record capital asset transactions manually. However, we identified several entries that were required to be made in the accounting system and capital asset system to accurately reflect capital asset activity. The Town did not properly record a capital asset, and related liabilities, for work that was completed on a construction project during 2011. The Town also did not properly record the capital asset additions in the enterprise funds. In addition, in the capital asset system, disposals of capital assets were removed at the amount of proceeds received at the time of sale, rather than at the assets' net book value. Finally, we noted that the Town did not record retainage payable owed to its general contractor for the Diamond Valley Project at year-end. We recommend that entries to record capital asset additions and disposals are reviewed to ensure that capital assets are accurately reflected in the accounting and capital asset systems.

Views of Responsible Officials and Planned Corrective Actions

The Town has instituted a monthly asset entry review system whereby the Director of Finance reviews all asset entries monthly. In the event the Director is unable to determine the proper handling of a particular item, he will consult with the audit team. Time constraints in implementing the system in 2011 did not allow for monthly asset entry review.

TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2011

2011-02 – Purchase Cards (Significant Deficiency)

Finding and Recommendation:

During our testing of purchase card transactions, we noted that heads of departments review and approve their own purchase card transactions. We recommend that all purchase card transactions be reviewed by someone other than the card holder to ensure that purchases are valid and are reasonable business expenses.

Views of Responsible Officials and Planned Corrective Actions

The Town has instituted a review policy whereby department heads and the Town Manager purchases are reviewed by the Director of Finance. The Director of Finance purchases are reviewed by the Town Manager. Additionally, the list of all bills paid, including purchase cards are reviewed by the Town Board monthly as part of their regular meeting. The monthly list of bills is a public record available to anyone.

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

2010 – 1 – Capital Asset Recordkeeping

Finding and Recommendation:

Currently, manual records are kept for all capital assets, which resulted in a number of adjustments to capital asset accounts as of and for the year ended December 31, 2010. We strongly recommend that the Town convert to a computerized system designed to accumulate asset cost and calculate depreciation expense. These types of capital asset accounting systems have been refined over the years and now can be purchased at a very reasonable cost. This will eliminate a significant amount of manual record-keeping duties, make operations more efficient, and provide more accurate information with which to make business decisions regarding capital assets.

Current Year Status:

The Town implemented a capital asset software program; however, the audit continued to find errors adjustments relating to capital assets. Finding is repeated as current year finding 2011-01.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>2011 Expenditures</u> |
|---|----------------------------|---|--------------------------|
| <u>Department of Commerce</u> | | | |
| Direct programs: | | | |
| ARRA - Investments for Public Works and Economic Development Facilities | 11.300 | | \$ 142,813 |
| Total Department of Commerce | | | 142,813 |
| <u>Department of Transportation</u> | | | |
| Passed through Colorado Department of Transportation: | | | |
| Highway Planning and Construction | 20.205 | | 336,000 |
| Total Department of Housing and Urban Development | | | 336,000 |
| <u>Department of Homeland Security</u> | | | |
| Direct programs: | | | |
| Hazard Mitigation Grant | 97.039 | | 114,571 |
| Total Department of Health and Human Services | | | 114,571 |
| Total Expenditures of Federal Awards | | | \$ 593,384 |

TOWN OF **WINDSOR**, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2011

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

There were no subrecipients of federal awards during the year ended December 31, 2011.

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