

Town of WINDSOR *Colorado*



**2012 COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Town of Windsor, Colorado
For the year ended December 31, 2012

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TOWN OF
Windsor, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
December 31, 2012



REPORT ISSUED BY:

DEPARTMENT OF FINANCE
DEAN MOYER, DIRECTOR

TOWN OF **WINDSOR**, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2012

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June 28, 2013

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, 2012, 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, 2012 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, 2012 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first component of the financial section of this report.

Profile of the Town

The Town 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 20,000.

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 to 20 years. The growth pattern that Windsor experienced since the mid 1990’s slowed considerably from 2007 through 2011 with building permit activity bottoming out in 2009. 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, 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 (34.0%) followed by property tax (24.8%), totaling 58.8% of the general revenues for fiscal year 2012. Fortunately, Windsor sales tax base consists mostly of necessity-related vendors such as supermarkets, restaurants and utility companies (73%), 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 2012.

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.

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 Independent Auditor's Report, 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, 2012. The independent auditor's 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, 2011. This was the fourth consecutive 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 2012 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 seventh such award the Town has received. The 2013 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,



Dean Moyer
Director of Finance

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TOWN OF **WINDSOR**, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2012

TOWN OFFICIALS

TOWN BOARD MEMBERS THROUGH DECEMBER 31, 2012

Elected for Four Year Terms

		<u>Term Expires</u>
Mayor - <i>at-large</i>	John Vazquez	<i>Apr 2016</i>
Mayor Pro Tem <i>District 4</i>	Kristie Melendez	<i>Apr 2014</i>
Town Board Member <i>District 1</i>	Myles Baker	<i>Apr 2016</i>
Town Board Member <i>District 2</i>	Don Thompson	<i>Apr 2014</i>
Town Board Member <i>District 3</i>	Jeremy Rose	<i>Apr 2016</i>
Town Board Member <i>District 5</i>	Robert Bishop-Cotner	<i>Apr 2016</i>
Town Board Member <i>District 6</i>	Ivan Adams	<i>Apr 2014</i>

APPOINTED OFFICIALS

Town Manager	Kelly Arnold
Town Attorneys	John Frey & Ian McCargar <i>of the Firm of Frey McCargar Plock & Root, LLC</i>
Municipal Court Judge	Mike Manning
Municipal Prosecutor	Kimberly Emil
Town Clerk / Customer Service Manager	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 & Culture	Melissa M. Chew
Director of Public Works	Terry Walker
Economic Development Manager	Stacy Johnson

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, 2011

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.



Christopher P. Moville

President

Jeffrey R. Enen

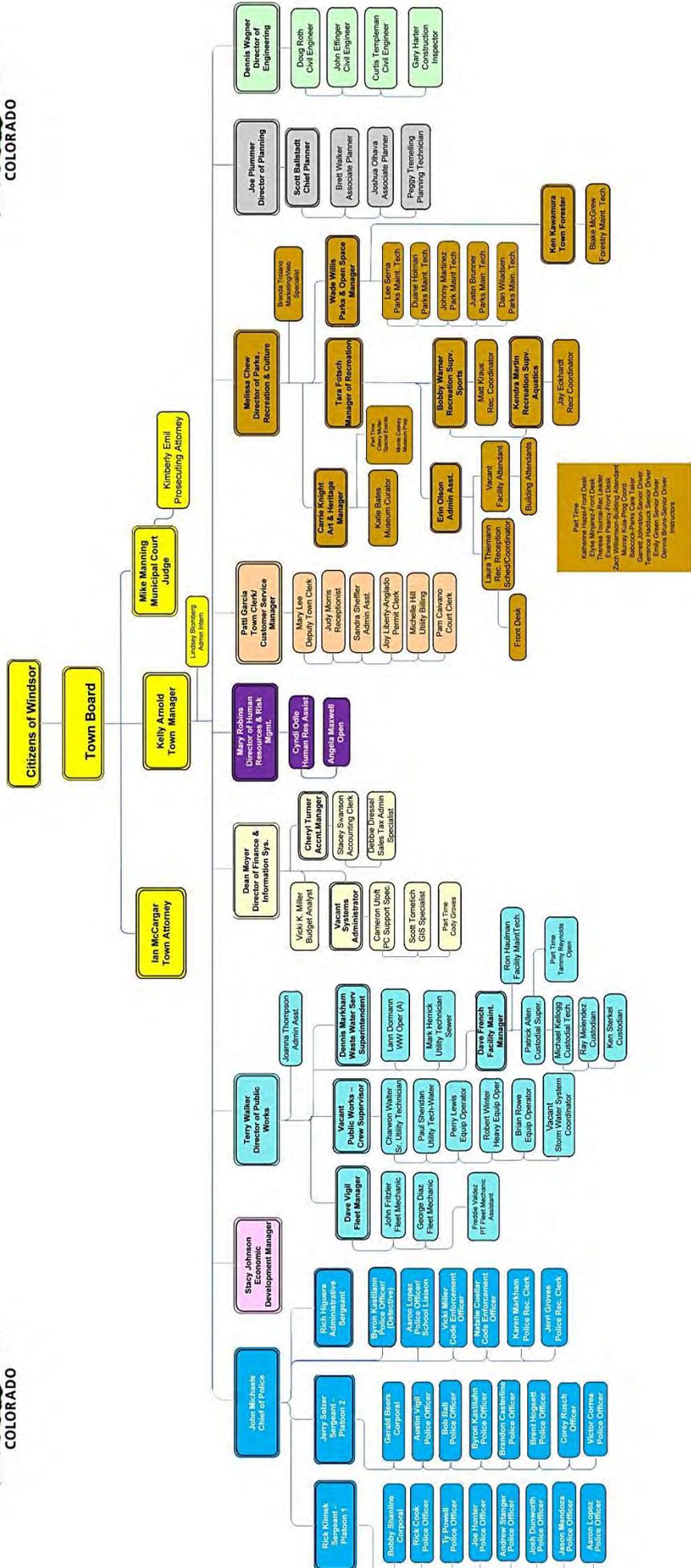
Executive Director

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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 the GFOA to determine its eligibility for another certificate.



2012 Town of Windsor Organizational Chart



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INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Windsor, Colorado (the "Town") as of December 31, 2012, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements.

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the Town incorporated deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of net position due to the adoption of Governmental Accounting Standards Board Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The adoption of this standard also provides a new statement of net position format to report all assets, deferred outflows of resources, deferred inflows of resources, and net position. Our opinion is not modified with respect to this matter.



As discussed in Note 1 to the basic financial statements, the Town has changed its method for accounting and reporting certain items previously reported as assets or liabilities during 2012 due to the early adoption of Governmental Accounting Standards Board Statement No. 65, "Items Previously Reported as Assets and Liabilities." The adoption of the standard required retrospective application resulting in a \$132,433 reduction of previously reported net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary comparison schedules, debt service requirements schedules, Local Highway Finance Report, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other information, such as the introductory and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules, debt service requirements schedules, Local Highway Finance Report, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued or report dated June 28, 2013, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Anton Collins Mitchell LLP

Greeley, Colorado
June 28, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS



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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, 2012.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of 2012 by \$181,312,070.
Of this amount, \$26,214,711 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$7,706,101, taken into account for the cumulative effect of change in accounting principle of \$132,433.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,349,797 or 42.4% of total general fund expenditures excluding transfers out.
- The Town's total debt increased by \$1,401,098 during the current fiscal year. The increase was primarily due to refunding of use tax bonds and new loan agreement detailed below.
- The Town refunded existing 2002 Sales Use Tax bonds in early 2012. The new issue bonds are due serially on December 1, with interest from 2.0%-3.0% payable semiannually. These bonds mature on December 31, 2023. The advance refunding resulted in an economic gain of approximately \$292,000.
- In November 2011 the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority for a total of \$3,110,543. The loan was used as a match to a grant from the Economic Development Authority to construct a head works facility at the waste water treatment plant. The project is expected to be completed in 2013.

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

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. 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).

TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

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.

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 Position 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 22-25 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 29-46 of this report.

Other information. The budgetary comparison for the General Fund and Park Improvement Fund can be found on pages 49-51. The combining statements referred to earlier in connection with non-major governmental funds are presented as supplementary information. The budgetary comparison for the Capital Improvement Fund can be found on page 55. Also on page 56 is the budgetary comparison schedule for the non-major governmental fund. The budgetary comparison schedule for the enterprise

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

funds can be found on pages 57-60 and the combining statements for internal service funds are on pages 61-63. The budgetary comparison schedule for the internal service funds is on pages 64-67.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$181,312,070.

By far, the largest portion of the Town's net position (81.7%) reflects its net 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 position may be used to meet the Town's ongoing obligations to citizens and creditors. Our analysis below focuses on the net position of the Town's governmental and business-type activities.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Component Unit Downtown Development Authority*	
	2012	2011	2012	2011	2012	2011	2012	2011
		(restated)				(restated)		
Assets								
Current Assets	\$15,986,117	\$ 16,093,379	\$ 23,167,343	\$ 19,473,070	\$ 39,153,460	\$ 35,566,449	\$ 50,322	\$ -
Restricted Assets	145,488	145,448	-	-	145,488	145,448	-	-
Capital Assets, Net	77,775,752	77,737,623	83,548,154	78,840,181	161,323,906	156,577,804	124,974	-
Total Assets	93,907,357	93,976,450	106,715,497	98,313,251	200,622,854	192,289,701	175,296	-
Deferred Outflows of Resources								
Deferred Loss on Refunding	133,715	-	-	-	133,715	-	-	-
Liabilities								
Current Liabilities	971,381	1,382,620	514,937	613,519	1,486,318	1,996,139	-	-
Noncurrent Liabilities	7,006,193	8,439,995	6,855,390	4,020,490	13,861,583	12,460,485	-	-
Total Liabilities	7,977,574	9,822,615	7,370,327	4,634,009	15,347,901	14,456,624	-	-
Deferred Inflows of Resources								
Deferred Revenue - Property Taxes	4,096,598	4,227,108	-	-	4,096,598	4,227,108	-	-
Net Position								
Net Investment in Capital Assets	71,372,079	69,741,468	76,752,836	74,875,222	148,124,915	144,616,690	124,974	-
Restricted	5,722,444	5,259,855	1,250,000	-	6,972,444	5,259,855	-	-
Unrestricted	4,872,377	4,925,404	21,342,334	18,804,020	26,214,711	23,729,424	50,322	-
Total Net Position	<u>\$81,966,900</u>	<u>\$ 79,926,727</u>	<u>\$ 99,345,170</u>	<u>\$ 93,679,242</u>	<u>\$181,312,070</u>	<u>\$ 173,605,969</u>	<u>\$ 175,296</u>	<u>\$ -</u>

*Downtown Development Authority was established by the Town Board in February 2011.

The *restricted portion of net position* (3.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$26,214,711) may be used to meet the Town's ongoing obligations to citizens and creditors. The main change in net position is the result of the work on the sewer waste water treatment plant headworks facility addition.

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Table 2 shows our next analysis focusing on changes in net position of the Town's governmental and business-type activities. The Town presents comparative data from 2012 and 2011 as required by the Governmental Accounting Standards Board pronouncement 34 (GASB 34).

Table 2
Condensed Changes in Net Position from Operating Results

	Governmental		Business-Type		Total Primary Government		Component Unit Downtown Development Authority*	
	Activities		Activities				Authority*	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues								
Program revenues								
Charges for services	\$ 3,526,919	\$ 2,390,052	\$ 6,736,381	\$ 5,571,298	\$ 10,263,300	\$ 7,961,350	\$ -	\$ -
Operating grants & contributions	11,250	18,691	-	-	11,250	18,691	-	-
Capital grants & contributions	818,017	2,828,024	4,940,832	4,090,958	5,758,849	6,918,982	-	-
General revenues								
Property taxes	4,059,462	4,332,996	-	-	4,059,462	4,332,996	-	-
Sales & use taxes	5,579,576	5,742,732	-	-	5,579,576	5,742,732	-	-
Other taxes	4,763,588	3,450,249	-	-	4,763,588	3,450,249	-	-
Intergovernmental	1,747,799	1,176,163	-	-	1,747,799	1,176,163	250,000	-
Earnings on investments	77,273	96,826	231,308	149,701	308,581	246,527	-	-
Gain on sale of capital assets	65,780	-	-	-	65,780	-	-	-
Other revenues	107,057	267,979	66,074	270,456	173,131	538,435	-	-
Total Revenues	20,756,721	20,303,712	11,974,595	10,082,413	32,731,316	30,386,125	250,000	-
Expenses								
General government	2,674,626	2,450,785	-	-	2,674,626	2,450,785	-	-
Public safety	2,826,313	2,664,155	-	-	2,826,313	2,664,155	-	-
Public works	5,662,954	5,457,935	-	-	5,662,954	5,457,935	-	-
Parks and recreation	4,498,409	4,616,024	-	-	4,498,409	4,616,024	-	-
Community development	1,819,818	1,589,562	-	-	1,819,818	1,589,562	-	-
Safety and loss control	2,778	6,764	-	-	2,778	6,764	-	-
Small equipment & maintenance	1,353,245	1,782,485	-	-	1,353,245	1,782,485	-	-
Debt Issuance costs	107,184	-	-	-	107,184	-	-	-
Interest on long-term debt	180,236	329,985	-	-	180,236	329,985	-	-
Water	-	-	3,287,679	2,711,740	3,287,679	2,711,740	-	-
Sewer	-	-	1,537,136	1,488,890	1,537,136	1,488,890	-	-
Storm drainage	-	-	672,899	608,734	672,899	608,734	-	-
Non-potable water	-	-	269,505	294,879	269,505	294,879	-	-
Total Expenses Primary Government	19,125,563	18,897,695	5,767,219	5,104,243	24,892,782	24,001,938	-	-
Component Unit								
Downtown Development Authority*	-	-	-	-	-	-	74,704	-
Excess in Net Position before transfers and special items	1,631,158	1,406,017	6,207,376	4,978,170	7,838,534	6,384,187	175,296	-
Transfers in (out)	541,448	1,791,518	(541,448)	(1,791,518)	-	-	-	-
Change in net position	2,172,606	3,197,535	5,665,928	3,186,652	7,838,534	6,384,187	175,296	-
Net position - beginning of year	79,926,727	76,729,192	93,679,242	90,492,590	173,605,969	167,221,782	-	-
Cumulative effect of change in accounting principle**	(132,433)	-	-	-	(132,433)	-	-	-
Net position - end of year	\$81,966,900	\$ 79,926,727	\$99,345,170	\$ 93,679,242	\$181,312,070	\$173,605,969	\$ 175,296	\$ -

*Downtown Development Authority was established by the Town Board February 2011

**Cumulative effect of change in accounting principle is explained in Note 1

Governmental Activities. There is a 2.2% increase in revenues from 2011 to 2012. Charges for services increased 47.6% in the amount of \$1,136,867, primarily from increased activity in the parks, recreation,

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and culture divisions, with \$13,154 increase from our new community events division, and also with a public works increase of \$4,060 being a new sale of recycle commodity from our new brush recycling facility. Property taxes did go down slightly from reappraisals but in general, most other revenues fared better for 2012. Even with the increase in charges for services there was an offsetting decrease in capital grants and contributions of 71.1% in the amount of \$2,010,007 due primarily to fewer grants received, and fewer developer contributed streets in 2012. The cost for these contributed streets was \$794,017 as compared to \$1,377,418 in 2011. While governmental revenues increased 2.2%, expenses increased only 1.2% or \$227,868.

Business-type Activities. Revenues increased 18.8% or about \$1.9 million, of which 61.6% of the gain is attributable to increased charges for services. This increase was due to water rate increases. Water, sewer and storm drainage expenses were all higher than 2011 rendering a 13.0% increase in expenses in 2012 amounting to \$662,976 again due to water supply increased costs.

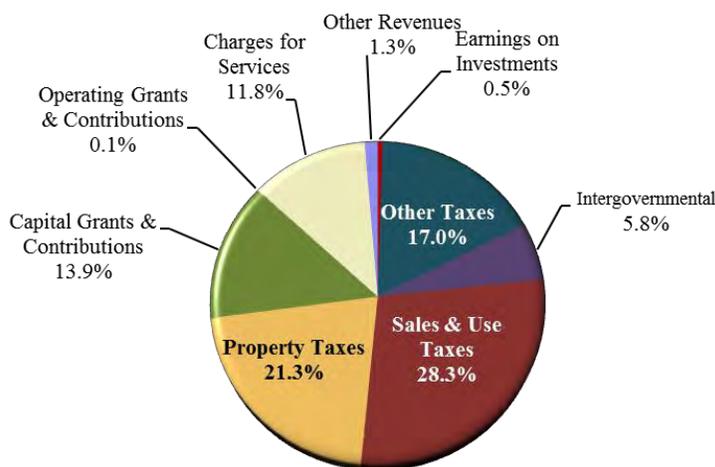
Overall, net position increased 4.4% or about \$7.7 million due to a 7.7% increase in revenues with only a 3.7 % increase in expenses. This is attributed to a 20.9% increase in charges for services described above.

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 \$13,170,493. Approximately 40.6% of this total amount (\$5,349,797) 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 \$4,810,218 restricted for capital improvements, \$580,992 restricted for emergencies, \$331,234 restricted for parks and recreation, and \$2,098,252 assigned for special revenue fund projects. Governmental fund balances are up 4.7% or \$595,629 from 2011 maintaining a slightly higher reserve in all funds.

TABLE 3
Revenues by Source-Governmental Activities 2011



Although 2012 Property tax is down \$273,534 or 6.3% from 2011, the percent of the total revenue is up 2.2% in 2012. Other taxes and charges for services increased. It is expected with the new reappraisals, the property taxes will still be slightly lower going forward.

There were more developer street contributions in 2011 in the Grasslands and Great Western Industrial Park subdivisions.

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TABLE 3
Revenues by Source-Governmental Activities 2012

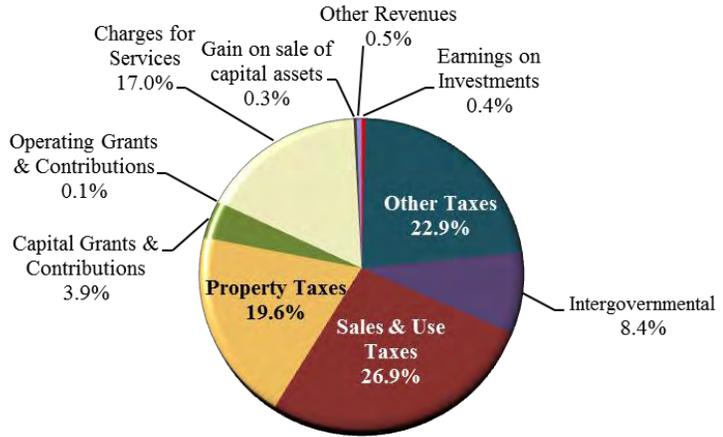


TABLE 4
2011 Expenditures by Category Governmental Activities

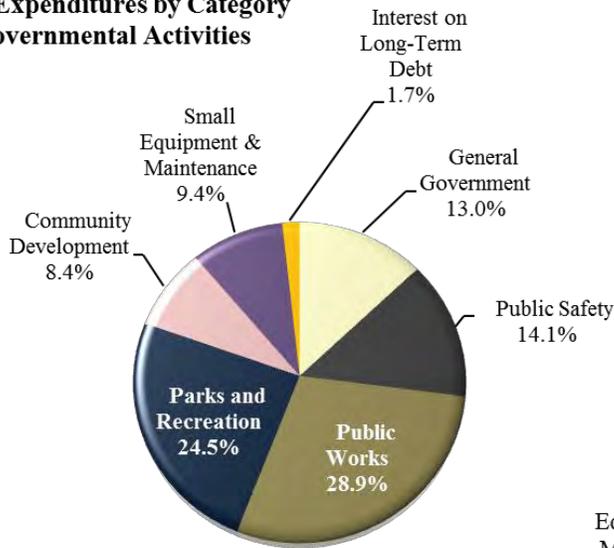
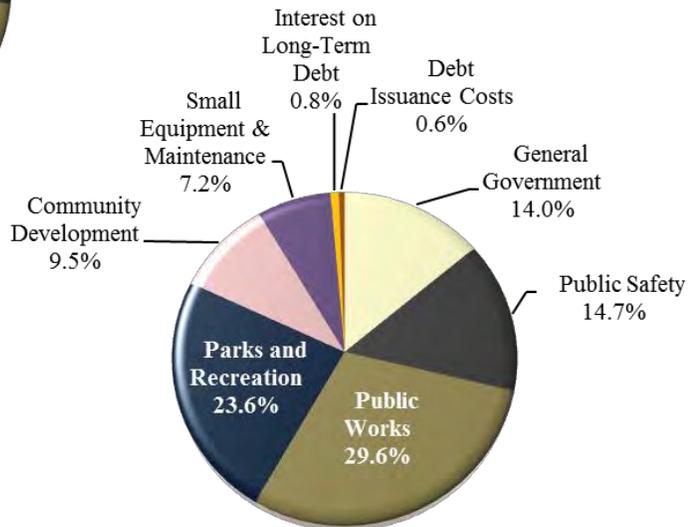


TABLE 4
2012 Expenditures by Category Governmental Activities



The distribution of expenses remains about the same for 2012. In 2012, the Town refinanced its CRC Revenue Bonds.

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Table 5
Balance Sheet Comparison by Fund
Governmental Funds

	General		Capital Improvement		Other Governmental Funds		Total	Total
	2012	2011 (restated)	2012	2011	2012	2011	2012	2011 (restated)
ASSETS								
Cash & Cash Equivalents	\$ 523,440	\$ 1,564,993	\$ 1,871,662	\$ 1,148,464	\$ 140,243	\$ 130,567	\$ 2,535,345	\$ 2,844,024
Equity in pooled cash and cash equivalents	1,183,101	-	-	1,349,616	63,136	2,665,366	1,246,237	4,014,982
Investments	2,345,860	3,435,145	2,279,327	746,900	-	-	4,625,187	4,182,045
Receivables	4,913,107	5,107,559	308,059	588,553	200,000	-	5,421,166	5,696,112
Interfund Receivable	1,380,649	-	2,043,642	2,610,597	2,182,608	-	5,606,899	2,610,597
Total Assets	10,346,157	10,107,697	6,502,690	6,444,130	2,585,987	2,795,933	19,434,834	19,347,760
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
<u>Liabilities</u>								
Accounts and Retainage Payable	38,604	215,710	279,272	593,528	101,769	38,774	419,645	848,012
Accrued Liabilities	498,098	447,776	-	-	-	-	498,098	447,776
Interfund Payable	-	-	1,250,000	1,250,000	-	-	1,250,000	1,250,000
Total Liabilities	536,702	663,486	1,529,272	1,843,528	101,769	38,774	2,167,743	2,545,788
<u>Deferred Inflows of Resources</u>								
Deferred Revenue - Property Taxes	4,096,598	4,227,108	-	-	-	-	4,096,598	4,227,108
Fund Balances								
Restricted for Emergencies	363,060	367,017	163,200	120,089	54,732	29,456	580,992	516,562
Restricted for Capital Improvements	-	-	4,810,218	4,480,513	-	-	4,810,218	4,480,513
Restricted for Parks and Recreation	-	-	-	-	331,234	262,780	331,234	262,780
Assigned for Special Revenue Funds	-	-	-	-	2,098,252	2,464,923	2,098,252	2,464,923
Unassigned	5,349,797	4,850,086	-	-	-	-	5,349,797	4,850,086
Total Fund Balances	5,712,857	5,217,103	4,973,418	4,600,602	2,484,218	2,757,159	13,170,493	12,574,864
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$10,346,157	\$10,107,697	\$ 6,502,690	\$ 6,444,130	\$ 2,585,987	\$ 2,795,933	\$19,434,834	\$19,347,760

In all, the total governmental assets increased 0.5%, liabilities decreased 14.8%, deferred inflows of resources decreased 3.1%, and fund balances increased 4.7%. In the course of the year, revenues that are dedicated to these governmental funds, namely sales tax and construction use tax, both exceeded budget expectations. Retail sales tax collections set a new historical high. Construction use tax was driven by an unexpected increase in the number of single family home building permits issued in 2012. The unanticipated collections were used to pay off existing obligations and accelerate the construction of three parks that were originally planned for 2013 and beyond. The combination of these factors led to an increase in total fund balances.

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 position of the water, sewer, storm drainage and non-potable water operations at the end of the year were \$14,160,452, \$5,783,751, \$1,846,029 and (\$622,120), 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
2011

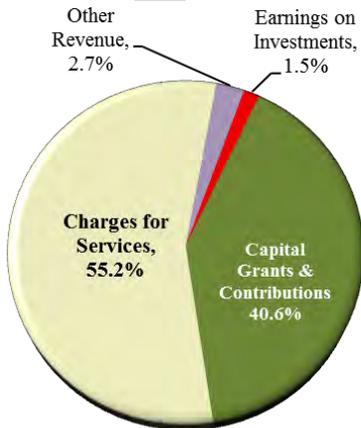
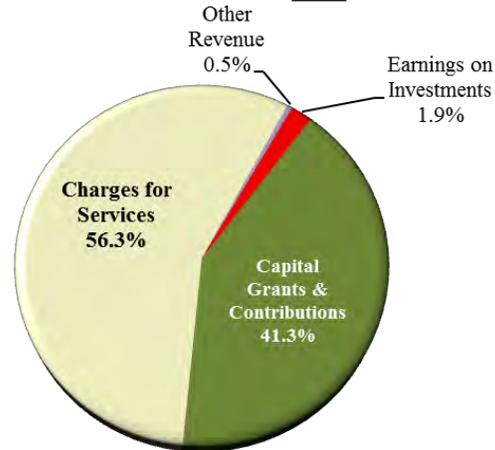


TABLE 6
Revenues by Source-Business-Type Activities
2012



Charges for services increased \$1,165,083 in 2012. Grants and contributions are \$894,874 higher in 2012 due primarily to increased developer contributions. Total revenues are thus up 18.8% (\$1,892,182) in 2012 reflecting the increase in water charges as mentioned before.

TABLE 7
Expenditures by Source-Business-Type
Activities 2011

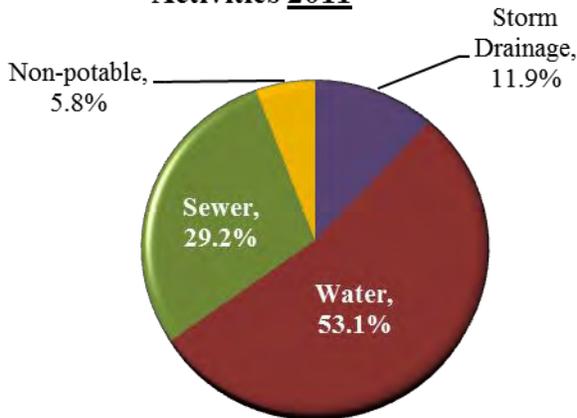
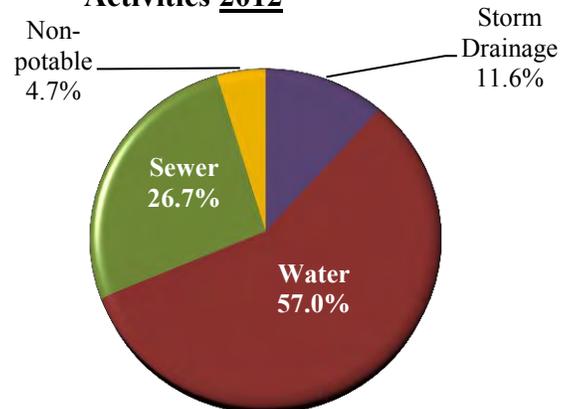


TABLE 7
Expenditures by Source-Business-Type
Activities 2012



Distributions of business-type expenditure activities for 2011 and 2012 are close to the same.

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Table 8
Statement of Net Positions Comparison by Fund
Proprietary Funds

	Water		Sewer		Storm Drainage		Non-Potable Water		Total	Total
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
ASSETS										
Total Current Assets	\$18,383,764	\$15,684,950	\$ 3,974,030	\$ 5,988,615	\$ 1,852,768	\$ 1,435,837	\$ -	\$ 114,571	\$ 24,210,562	\$23,223,973
Loan Proceeds Receivable	-	-	3,110,543	-	-	-	-	-	3,110,543	-
Capital Assets, Net	37,724,287	37,065,754	26,945,253	22,842,519	13,638,945	13,805,564	5,239,669	5,126,344	83,548,154	78,840,181
Total Assets	56,108,051	52,750,704	34,029,826	28,831,134	15,491,713	15,241,401	5,239,669	5,240,915	110,869,259	102,064,154
LIABILITIES										
Total Current Liabilities	4,194,176	3,277,813	201,008	489,100	4,042	3,155	729,070	873,794	5,128,296	4,643,862
Total Noncurrent Liabilities	29,136	28,186	2,781,932	25,289	2,697	2,056	3,756,250	3,863,200	6,570,015	3,918,731
Total Liabilities	4,223,312	3,305,999	2,982,940	514,389	6,739	5,211	4,485,320	4,736,994	11,698,311	8,562,593
NET POSITION										
Net Investment in Capital Assets	37,724,287	37,065,754	24,013,135	22,842,519	13,638,945	13,805,564	1,376,469	1,161,385	76,752,836	74,875,222
Restricted for operations and maintenance	-	-	1,250,000	-	-	-	-	-	1,250,000	-
Unrestricted	14,160,452	12,378,951	5,783,751	5,474,226	1,846,029	1,430,626	(622,120)	(657,464)	21,168,112	18,626,339
Total Net Position	\$51,884,739	\$49,444,705	\$31,046,886	\$ 28,316,745	\$15,484,974	\$15,236,190	\$ 754,349	\$ 503,921	\$ 99,170,948	\$93,501,561

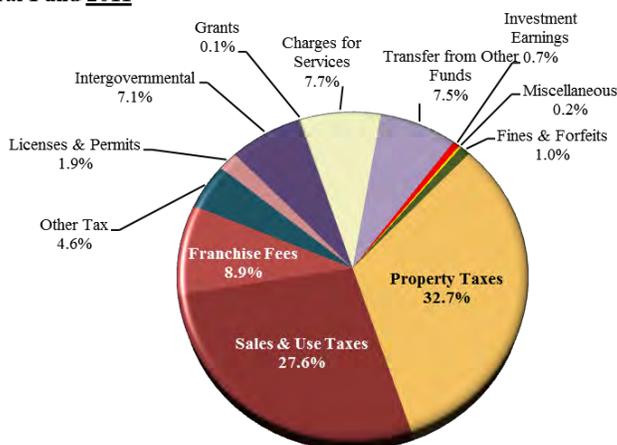
Amounts reported for business-type activities in the Statement of Net Position are different because Cumulative portion of internal service funds net operating income (loss) attributed to business-type activities

Total assets for the proprietary funds increased in 2012 to reflect a total increase of 8.6% (\$8,805,105), while liabilities increased 36.6% (\$3,135,718). Both increases are due primarily to the Sewer Fund's Headworks project accounting for over \$4.8 million in 2012. The overall net position increased 6.1% (\$5,669,387).

The unexpected increase in the number of building permits is also reflected in the business-type accounts. Plant investment fees collected on building permits at the time of issuance generated a large influx of cash that was retained for future projects.

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 2012, the unassigned fund balance of the General Fund totaled \$5,349,797, while the total fund balance was \$5,712,857. 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 2012, unassigned fund balance represents 42.4% of total fund expenditures while total fund balance represents 45.3% of that same amount.

TABLE 9
Revenues by Source
General Fund 2011



The distribution of revenue sources for 2011 and 2012 would be very similar as shown in the by the following 2012 charts. There was a refinancing of the revenue bonds for the Community Recreation Center that skews the chart for 2012 amounting to \$3,894,944 for proceeds and premium. There is only a 1.9% total loss in revenues from 2011 to 2012 due mainly to a loss of 6.3% (\$273,534) in property tax.

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TABLE 9
Revenues by Source
General Fund 2012

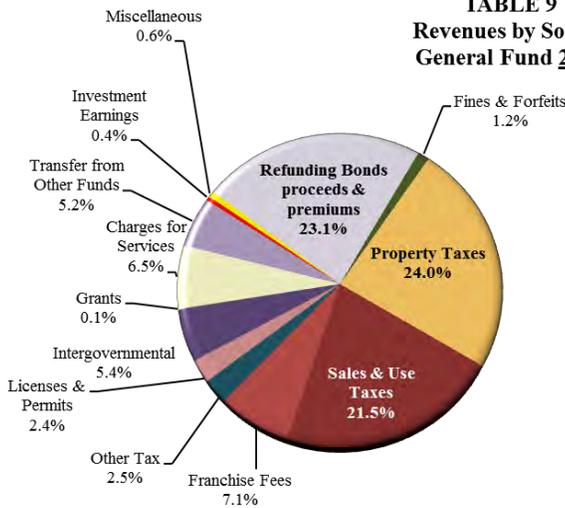
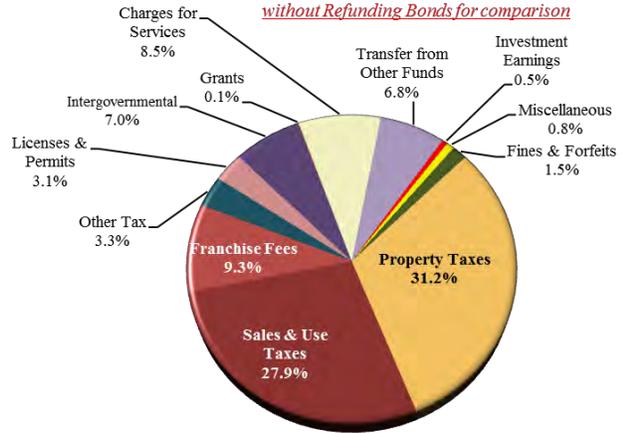


TABLE 9
Revenues by Source General Fund 2012
without Refunding Bonds for comparison



General government expenditures include all administrative functions of the Town (i.e., Town Board, Town Clerk, Municipal Court, Town Manager, Finance, Town Attorney, Economic Development and Human Resources). The 2011 General Fund chart included transfers of \$1,250,000 to the Capital Improvement Fund for half of the I-25/SH392 intersection project. The Water Fund provided a loan for the other half. Otherwise, 2012 expenditures are only 3.5% more than those of 2011.

TABLE 10
Expenditures by Type
General Fund 2011

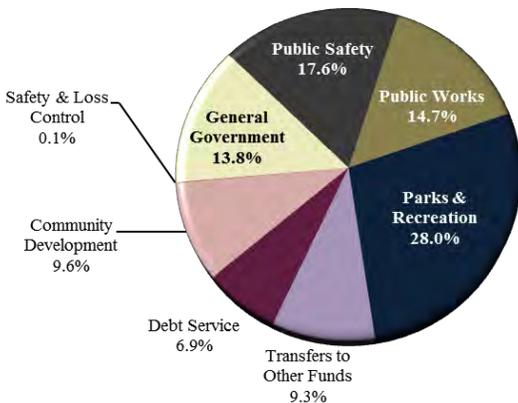
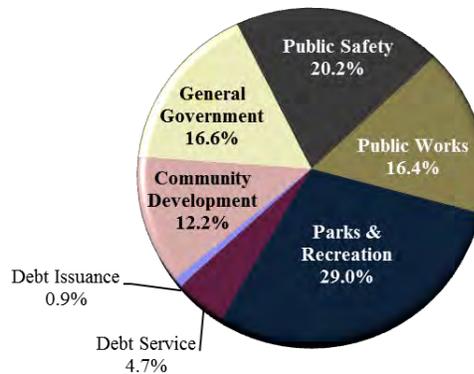


TABLE 10
Expenditures by Type
General Fund 2012
without Refunding Bonds for comparison



As of 2011, the 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 included in the General Fund chart.

The 2012 chart for expenditures does not include the payment to the escrow agent for the Refunding Bonds, again for comparison purposes.

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, 2012, amounts to \$161,323,906 (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 3.0% (a 0.05% increase for governmental activities and a 6.0% increase for business-type activities) due to the increase of the Sewer Waste Water Treatment Plant headworks facility.

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Table 11
Capital Assets, Net

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Construction in progress	\$ 2,342,531	\$ 2,096,711	\$ 6,305,110	\$ 1,739,131	\$ 8,647,641	\$ 3,835,842
Land and water rights	2,294,920	2,294,920	17,533,958	16,948,158	19,828,878	19,243,078
Site improvements	7,792,717	6,412,294	-	-	7,792,717	6,412,294
Buildings and improvements	12,848,504	13,687,011	-	-	12,848,504	13,687,011
Streets and improvements	42,846,301	45,410,001	-	-	42,846,301	45,410,001
Parks and improvements	6,894,399	5,202,009	-	-	6,894,399	5,202,009
Machinery and equipment	2,662,015	2,538,942	-	-	2,662,015	2,538,942
Furniture and fixtures	94,365	95,735	-	-	94,365	95,735
Utility systems and equipment	-	-	59,709,086	60,152,892	59,709,086	60,152,892
Total	\$ 77,775,752	\$ 77,737,623	\$ 83,548,154	\$ 78,840,181	\$ 161,323,906	\$ 156,577,804

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 \$3,415,000. The Town's debt represents bonds secured solely by the specified revenue sources (i.e., refunding sales and use tax bonds), a USDA loan for the police facility, two combined loans related to the Kern Reservoir, a Sewer Waste Water Treatment Plant loan, and compensated absences.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Sales and Use Tax Revenue						
Bonds Payable	\$ -	\$ 3,630,000	\$ -	\$ -	\$ -	\$ 3,630,000
Refunding Sales & Use Tax						
Bonds	3,415,000	-	-	-	3,415,000	-
Bond Premium	189,944	-	-	-	189,944	-
Developer Reimbursement						
Agreements	-	1,399,301	-	-	-	1,399,301
USDA Community						
Facilities Loan (WBA)	2,932,444	2,966,854	-	-	2,932,444	2,966,854
CWCB Loan						
(Kern Reservoir)	-	-	3,863,200	3,964,959	3,863,200	3,964,959
CWRPDA Loan						
Sewer WWTP	-	-	2,932,118	-	2,932,118	-
Compensated Absences	468,805	443,840	60,072	55,531	528,877	499,371
Total	\$ 7,006,193	\$ 8,439,995	\$ 6,855,390	\$ 4,020,490	\$ 13,861,583	\$ 12,460,485

The Town's debt increased 11.2% (\$1,401,098) from 2011. Governmental activities debt reduced by 17.0% by satisfying developer obligations while business-type activities debt increased 70.5% with the addition of the sewer loan.

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The Town's debt policy imposes a legal debt margin 10% of assessed valuation. The debt limit at December 31, 2012 was \$34,444,326. The amount of debt applicable to the debt limit is \$13,332,760 leaving a legal debt margin of \$22,111,566.

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 2013 Budget was approved and adopted by the Town Board on November 26, 2012, appropriating \$32,104,148 for expenditures representing a 10.2% decrease over the original 2012 Budget. Debt expenditures decreased from 2012 with paying off over \$1.3 million developer reimbursement obligations in 2012. Also, there was \$2 million less in capital outlay for 2013, partially attributed to completion of the Waste Water Headworks Treatment Facility being financed principally in 2012. Fund balances should increase moderately as a result of capital project expenditures decreasing over those of 2012. Property tax will decrease slightly as a result of a decrease in the Town's assessed valuation. Retail sales tax and use tax are expected to remain about the same. Water rates are anticipated to increase in 2013, keeping pace with the increased cost of services provided by the Town. A rate study will be completed in 2013 to evaluate utility rates.

There is provision for modest wage increases in the 2013 budget, and three new positions have been added. One position moves from part-time to full-time in the fleet department, a new parks technician for maintenance of the four new parks, and full-time front desk person at the Community Recreation Center which will eliminate the need for seasonal workers, resulting in a savings. The net addition of these three positions is only 0.72 FTE.

Parks and Recreation programs and facilities have also been important to our growing community. A total of \$8,271,458 has been allocated to quality of life and recreational programs. Completion of the Northern Lights Park, along with some trail construction and upgrades will be the focus of parks and recreation expenditures in 2013.

Improving infrastructure is a primary concern in 2013 with several projects. A three-million gallon water tank is being constructed in 2013. Funds are allocated to improve and maintain several streets and bridges and a railroad crossing. There is still some final signage and landscaping to be done for the intersection of I-25/SH392, a project which began in 2011.

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

BASIC FINANCIAL STATEMENTS

TOWN OF WINDSOR



COLORADO

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TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<u>Assets</u>				
Cash and cash equivalents	\$ 2,535,345	\$ 7,634,232	\$ 10,169,577	\$ 50,322
Equity in pooled cash and cash equivalents	1,599,851	797,659	2,397,510	-
Investments	4,625,187	12,488,238	17,113,425	-
Receivables	5,421,585	4,051,363	9,472,948	-
Internal balances	1,804,149	(1,804,149)	-	-
Restricted assets:				
Cash and cash equivalents	145,488	-	145,488	-
Capital assets, not being depreciated	4,637,451	23,839,068	28,476,519	93,349
Capital assets, being depreciated, net	73,138,301	59,709,086	132,847,387	31,625
<u>Total assets</u>	<u>93,907,357</u>	<u>106,715,497</u>	<u>200,622,854</u>	<u>175,296</u>
<u>Deferred outflows of resources</u>				
Deferred loss on refunding	133,715	-	133,715	-
<u>Total deferred outflows of resources</u>	<u>133,715</u>	<u>-</u>	<u>133,715</u>	<u>-</u>
<u>Liabilities</u>				
Accounts payable and other liabilities	463,451	463,767	927,218	-
Accrued payroll	498,098	17,930	516,028	-
Accrued interest payable	9,832	33,240	43,072	-
Noncurrent liabilities:				
Accrued compensated absences	468,805	60,072	528,877	-
Due within one year	315,723	285,375	601,098	-
Due in more than one year	6,221,665	6,509,943	12,731,608	-
<u>Total liabilities</u>	<u>7,977,574</u>	<u>7,370,327</u>	<u>15,347,901</u>	<u>-</u>
<u>Deferred inflows of resources</u>				
Unearned revenue - property taxes	4,096,598	-	4,096,598	-
<u>Total deferred inflows of resources</u>	<u>4,096,598</u>	<u>-</u>	<u>4,096,598</u>	<u>-</u>
<u>Net position</u>				
Net investment in capital assets	71,372,079	76,752,836	148,124,915	124,974
Restricted for:				
Capital projects	4,810,218	-	4,810,218	-
TABOR emergency reserve	580,992	-	580,992	-
Parks and recreation	331,234	-	331,234	-
Operations and maintenance	-	1,250,000	1,250,000	-
Unrestricted	4,872,377	21,342,334	26,214,711	50,322
<u>Total net position</u>	<u>\$ 81,966,900</u>	<u>\$ 99,345,170</u>	<u>\$ 181,312,070</u>	<u>\$ 175,296</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, 2012

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,674,626	\$ -	\$ 11,250	\$ -
Public safety	2,826,313	227,231	-	-
Public works	5,662,954	479,043	-	818,017
Parks and recreation	4,498,409	2,820,645	-	-
Community development	1,819,818	-	-	-
Safety and loss control	2,778	-	-	-
Small equipment and maintenance	1,353,245	-	-	-
Debt issuance costs	107,184	-	-	-
Interest on long-term debt	180,236	-	-	-
<u>Total governmental activities</u>	<u>19,125,563</u>	<u>3,526,919</u>	<u>11,250</u>	<u>818,017</u>
Business-type activities:				
Water	3,287,679	4,507,939	-	1,470,429
Sewer	1,537,136	1,697,989	-	2,682,790
Storm drainage	672,899	305,141	-	766,964
Non-potable water	269,505	225,312	-	20,649
<u>Total business-type activities</u>	<u>5,767,219</u>	<u>6,736,381</u>	<u>-</u>	<u>4,940,832</u>
<u>Total primary government</u>	<u>\$ 24,892,782</u>	<u>\$ 10,263,300</u>	<u>\$ 11,250</u>	<u>\$ 5,758,849</u>
<u>Component unit</u>				
Downtown Development Authority	\$ 74,704	\$ -	\$ -	\$ -

General revenues

Taxes:

Property taxes
Sales and use taxes
Franchise taxes
Other taxes

Intergovernmental
Earnings on investments
Gain on sale of capital assets
Other revenues

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net position

Net position at beginning of year

Cumulative effect of change in accounting principle

Net position at end of year

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Net (Expense) Revenue and Changes in Net Position			Component Unit Downtown Development Authority
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (2,663,376)	\$ -	\$ (2,663,376)	\$ -
(2,599,082)	-	(2,599,082)	-
(4,365,894)	-	(4,365,894)	-
(1,677,764)	-	(1,677,764)	-
(1,819,818)	-	(1,819,818)	-
(2,778)	-	(2,778)	-
(1,353,245)	-	(1,353,245)	-
(107,184)	-	(107,184)	-
(180,236)	-	(180,236)	-
<u>(14,769,377)</u>	<u>-</u>	<u>(14,769,377)</u>	<u>-</u>
-	2,690,689	2,690,689	-
-	2,843,643	2,843,643	-
-	399,206	399,206	-
-	(23,544)	(23,544)	-
<u>-</u>	<u>5,909,994</u>	<u>5,909,994</u>	<u>-</u>
<u>(14,769,377)</u>	<u>5,909,994</u>	<u>(8,859,383)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>74,704</u>
4,059,462	-	4,059,462	-
5,579,576	-	5,579,576	-
1,202,273	-	1,202,273	-
3,561,315	-	3,561,315	-
1,747,799	-	1,747,799	250,000
77,273	231,308	308,581	-
65,780	-	65,780	-
107,057	66,074	173,131	-
<u>16,400,535</u>	<u>297,382</u>	<u>16,697,917</u>	<u>250,000</u>
<u>541,448</u>	<u>(541,448)</u>	<u>-</u>	<u>-</u>
<u>16,941,983</u>	<u>(244,066)</u>	<u>16,697,917</u>	<u>250,000</u>
2,172,606	5,665,928	7,838,534	175,296
79,926,727	93,679,242	173,605,969	-
<u>(132,433)</u>	<u>-</u>	<u>(132,433)</u>	<u>-</u>
<u>\$ 81,966,900</u>	<u>\$ 99,345,170</u>	<u>\$ 181,312,070</u>	<u>\$ 175,296</u>

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

TOWN OF **WINDSOR**, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	General	Capital Improvement	Park Improvement	Conservation Trust (Non Major)	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 523,440	\$ 1,871,662	\$ 57,523	\$ 82,720	\$ 2,535,345
Equity in pooled cash and cash equivalents	1,183,101	-	-	63,136	1,246,237
Investments	2,345,860	2,279,327	-	-	4,625,187
Receivables	4,913,107	308,059	-	200,000	5,421,166
Interfund receivable	1,380,649	2,043,642	2,182,608	-	5,606,899
<u>Total assets</u>	<u>\$ 10,346,157</u>	<u>\$ 6,502,690</u>	<u>\$ 2,240,131</u>	<u>\$ 345,856</u>	<u>\$ 19,434,834</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts and retainage payable	\$ 38,604	\$ 279,272	\$ 87,147	\$ 14,622	\$ 419,645
Accrued liabilities	498,098	-	-	-	498,098
Interfund payable	-	1,250,000	-	-	1,250,000
<u>Total liabilities</u>	<u>536,702</u>	<u>1,529,272</u>	<u>87,147</u>	<u>14,622</u>	<u>2,167,743</u>
<u>Deferred inflows of resources</u>					
Deferred revenue - property taxes	4,096,598	-	-	-	4,096,598
<u>Fund balances</u>					
Restricted for emergencies	363,060	163,200	54,732	-	580,992
Restricted for capital improvements	-	4,810,218	-	-	4,810,218
Restricted for parks and recreation	-	-	-	331,234	331,234
Assigned for special revenue funds	-	-	2,098,252	-	2,098,252
Unassigned	5,349,797	-	-	-	5,349,797
<u>Total fund balances</u>	<u>5,712,857</u>	<u>4,973,418</u>	<u>2,152,984</u>	<u>331,234</u>	<u>13,170,493</u>
<u>Total liabilities, deferred inflows of resources and fund balances</u>	<u>\$ 10,346,157</u>	<u>\$ 6,502,690</u>	<u>\$ 2,240,131</u>	<u>\$ 345,856</u>	<u>\$ 19,434,834</u>

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

TOWN OF **WINDSOR**, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2012

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

Total fund balances - governmental funds \$ 13,170,493

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

The cost of capital assets, net of accumulated depreciation 71,382,391

The deferred loss on refunding is not current financial resources and, therefore, is not reported as a deferred outflows of resources in the governmental funds. 133,715

Long-term liabilities, including bonds payable, are not due and payable from the current financial resources and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Long-term debt	\$ (3,415,000)	
Premium on bonds	(189,944)	
Accrued interest payable	(9,832)	
Accrued compensated absences	<u>(438,074)</u>	(4,052,850)

Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 1,333,151

Total net position of governmental activities \$ 81,966,900

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General	Capital Improvement	Park Improvement	Conservation Trust (Non Major)	Total Governmental Funds
Revenues					
Taxes and assessments	\$ 9,313,462	\$ 5,089,164	\$ -	\$ -	\$ 14,402,626
Licenses and permits	402,493	-	-	-	402,493
Intergovernmental	909,440	343,261	106,929	388,169	1,747,799
Grants and contributions	11,250	818,017	-	-	829,267
Charges for services	1,100,293	-	1,823,793	-	2,924,086
Fines and forfeitures	200,340	-	-	-	200,340
Earnings on investments	71,417	5,062	603	151	77,233
Miscellaneous	104,545	2,512	-	-	107,057
Total revenues	12,113,240	6,258,016	1,931,325	388,320	20,690,901
Expenditures					
Current:					
General government	2,090,915	-	-	-	2,090,915
Public safety	2,543,883	-	-	-	2,543,883
Public works	2,062,330	-	-	-	2,062,330
Parks and recreation	3,661,874	-	500	-	3,662,374
Community development	1,539,445	-	-	-	1,539,445
Safety and loss control	2,778	-	-	-	2,778
Small equipment and maintenance	-	1,344,245	-	9,000	1,353,245
Debt service	597,276	1,156,475	-	-	1,753,751
Debt issuance costs	107,184	-	-	-	107,184
Capital outlay	-	2,976,747	2,195,303	310,869	5,482,919
Total expenditures	12,605,685	5,477,467	2,195,803	319,869	20,598,824
Revenues over (under) expenditures	(492,445)	780,549	(264,478)	68,451	92,077
Other financing sources (uses)					
Refunding bond proceeds	3,705,000	-	-	-	3,705,000
Premiums on refunding bonds	189,944	-	-	-	189,944
Payments to refunding bonds escrow agent	(3,787,760)	-	-	-	(3,787,760)
Transfers in	881,015	-	-	-	881,015
Transfers out	-	(407,733)	(76,914)	-	(484,647)
Total other financing sources (uses)	988,199	(407,733)	(76,914)	-	503,552
Net changes in fund balances	495,754	372,816	(341,392)	68,451	595,629
Fund balance at beginning of year	5,217,103	4,600,602	2,494,376	262,783	12,574,864
Fund balance at end of year	\$ 5,712,857	\$ 4,973,418	\$ 2,152,984	\$ 331,234	\$ 13,170,493

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, 2012

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

Total net change in fund balance - governmental funds.		\$ 595,629
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeded capital outlay during the period:</p>		
Capital outlay	\$ 5,482,919	
Depreciation expense	<u>(5,530,414)</u>	(47,495)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term debt liabilities in the Statement of Net Position.</p>		
		(107,184)
<p>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 Position and do not affect the Statement of Activities.</p>		
		1,689,301
<p>Increase in accrued interest payable reflected against an expense on the Statement of Activities and not reflected as an expense on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances.</p>		
		(5,116)
<p>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.</p>		
		(25,155)
<p>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.</p>		
		<u>72,626</u>
Change in net position of governmental activities		<u><u>\$ 2,172,606</u></u>

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Drainage	Non-potable Water (Nonmajor)	Total	Internal Service Funds
ASSETS						
Current assets						
Cash and cash equivalents	4,223,401	2,991,330	\$ 419,501	\$ -	\$ 7,634,232	\$ -
Equity in pooled cash and cash equivalents	-	-	797,659	-	797,659	353,614
Investments	12,488,238	-	-	-	12,488,238	-
Interfund receivable	1,250,000	510,733	588,880	-	2,349,613	-
Intergovernmental receivable	-	307,393	-	-	307,393	-
Accounts receivable	422,125	162,539	46,728	-	631,392	419
Accrued interest receivable	-	2,035	-	-	2,035	-
Total current assets	18,383,764	3,974,030	1,852,768	-	24,210,562	354,033
Noncurrent assets						
Restricted cash and investments	-	-	-	-	-	145,488
Loan proceeds receivable	-	3,110,543	-	-	3,110,543	-
Capital assets:						
Land	99,555	84,083	9,000	-	192,638	157,853
Water rights	17,341,320	-	-	-	17,341,320	-
Utility system	25,789,312	29,551,590	16,132,448	5,276,477	76,749,827	-
Buildings and improvements	163,319	887,725	-	-	1,051,044	4,994,533
Machinery and equipment	755,066	730,034	46,382	-	1,531,482	3,233,252
Construction in progress	809,609	5,332,775	162,726	-	6,305,110	-
Less: accumulated depreciation	(7,233,894)	(9,640,954)	(2,711,611)	(36,808)	(19,623,267)	(1,992,277)
Total capital assets, net	37,724,287	26,945,253	13,638,945	5,239,669	83,548,154	6,393,361
Total noncurrent assets	37,724,287	30,055,796	13,638,945	5,239,669	86,658,697	6,538,849
Total assets	56,108,051	34,029,826	15,491,713	5,239,669	110,869,259	6,892,882
LIABILITIES						
Current liabilities						
Interfund payable	3,739,104	-	-	588,880	4,327,984	2,378,528
Accounts payable	448,127	14,004	1,636	-	463,767	16,967
Accrued expenses	6,945	8,579	2,406	33,240	51,170	26,839
Loans payable - current	-	178,425	-	106,950	285,375	35,723
Total current liabilities	4,194,176	201,008	4,042	729,070	5,128,296	2,458,057
Noncurrent liabilities						
Accrued compensated absences	29,136	28,239	2,697	-	60,072	30,731
Loans payable	-	2,753,693	-	3,756,250	6,509,943	2,896,721
Total noncurrent liabilities	29,136	2,781,932	2,697	3,756,250	6,570,015	2,927,452
Total liabilities	4,223,312	2,982,940	6,739	4,485,320	11,698,311	5,385,509
NET POSITION						
Net investment in capital assets	37,724,287	24,013,135	13,638,945	1,376,469	76,752,836	3,460,917
Restricted for operations and maintenance	-	1,250,000	-	-	1,250,000	-
Unrestricted	14,160,452	5,783,751	1,846,029	(622,120)	21,168,112	(1,953,544)
Total net position	\$ 51,884,739	\$ 31,046,886	\$ 15,484,974	\$ 754,349	99,170,948	\$ 1,507,373

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	174,222
	<u>\$ 99,345,170</u>

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Drainage	Non-potable Water (Nonmajor)	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 3,443,598	\$ 1,688,744	\$ 304,356	\$ 225,312	\$ 5,662,010	\$ 2,241,852
Gain on sale of capital assets	-	-	-	-	-	65,780
Miscellaneous	1,064,341	9,245	785	-	1,074,371	-
Total operating revenues	4,507,939	1,697,989	305,141	225,312	6,736,381	2,307,632
Operating expenses						
Wages and benefits	193,515	241,010	75,803	-	510,328	766,279
Operating costs	2,732,612	605,430	266,489	52,416	3,656,947	858,917
Depreciation	360,364	636,161	329,978	14,876	1,341,379	647,719
Total operating expenses	3,286,491	1,482,601	672,270	67,292	5,508,654	2,272,915
Operating income (loss)	1,221,448	215,388	(367,129)	158,020	1,227,727	34,717
Nonoperating revenues (expenses)						
Earnings on investments	223,572	6,801	935	-	231,308	40
Other income	-	66,074	-	-	66,074	-
Interest expense	-	(52,893)	-	(202,213)	(255,106)	(110,670)
Total nonoperating revenues (expenses)	223,572	19,982	935	(202,213)	42,276	(110,630)
Income (loss) before contributions and transfers	1,445,020	235,370	(366,194)	(44,193)	1,270,003	(75,913)
Capital contributions	1,457,777	1,260,900	766,964	-	3,485,641	-
Grants	12,652	1,421,890	-	20,649	1,455,191	-
Transfers in	62,653	-	-	303,972	366,625	151,080
Transfers out	(538,068)	(188,019)	(151,986)	(30,000)	(908,073)	(6,000)
Change in net position	2,440,034	2,730,141	248,784	250,428	5,669,387	69,167
Net position at beginning of year	49,444,705	28,316,745	15,236,190	503,921		1,570,639
Cumulative change in accounting principle	-	-	-	-		(132,433)
Net position at end of year	\$ 51,884,739	\$ 31,046,886	\$ 15,484,974	\$ 754,349		\$ 1,507,373

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	(3,459)
	<u>\$ 5,665,928</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, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Drainage	Non-potable Water	Total	Internal Service Funds
				(Nonmajor)		
<u>Cash flows from operating activities</u>						
Cash received from customers	\$ 4,347,198	\$ 1,574,226	\$ 300,391	\$ 339,883	\$ 6,561,698	\$ 2,307,938
Cash payments to suppliers	(2,333,856)	(621,067)	(265,602)	(84,124)	(3,304,649)	(936,180)
Cash payments to employees	(192,565)	(238,060)	(75,162)	-	(505,787)	(769,251)
Net cash flows from operating activities	1,820,777	715,099	(40,373)	255,759	2,751,262	602,507
<u>Cash flows from non-capital financing activities</u>						
Change in interfund payable	517,607			(118,207)	399,400	-
Change in interfund receivable	-	2,210,622	386,280	-	2,596,902	-
Transfers from other funds	62,653	-	-	303,972	366,625	151,080
Transfers to other funds	(538,068)	(188,019)	(151,986)	(30,000)	(908,073)	(6,000)
Net cash flows from non-capital financing activities	42,192	2,022,603	234,294	155,765	2,454,854	145,080
<u>Cash flows from capital and related financing activities</u>						
Capital contributions	640,723	2,460,967	604,636	20,649	3,726,975	-
Principal paid on debt	-	(178,425)	-	(101,759)	(280,184)	(34,410)
Interest paid on debt	-	(52,893)	-	(202,213)	(255,106)	(110,670)
Proceeds from sale of capital assets	-	-	-	-	-	65,780
Acquisition of capital assets	(189,191)	(4,967,952)	(1,031)	(128,201)	(5,286,375)	(733,343)
Net cash flows from capital and related financing activities	451,532	(2,738,303)	603,605	(411,524)	(2,094,690)	(812,643)
<u>Cash flows from investing activities</u>						
Proceeds from sales of investments	2,510,135	-	-	-	2,510,135	-
Purchases of investments	(5,303,208)	-	-	-	(5,303,208)	-
Net change in restricted cash	-	-	-	-	-	(40)
Earnings on investments	249,531	6,801	935	-	257,267	40
Net cash flows from investing activities	(2,543,542)	6,801	935	-	(2,535,806)	-
Net change in cash and cash equivalents	(229,041)	6,200	798,461	-	575,620	(65,056)
Cash and cash equivalents at beginning of year	4,452,442	2,985,130	418,699	-	7,856,271	418,670
Cash and cash equivalents at end of year	\$ 4,223,401	\$ 2,991,330	\$ 1,217,160	\$ -	\$ 8,431,891	\$ 353,614
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>						
Operating income (loss)	\$ 1,221,448	\$ 215,388	\$ (367,129)	\$ 158,020	\$ 1,227,727	\$ 34,717
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	360,364	636,161	329,978	14,876	1,341,379	647,719
Other nonoperating income	-	66,074	-	-	66,074	-
Gain on disposition of capital assets	-	-	-	-	-	(65,780)
Changes in operating assets and liabilities:						
Accounts receivable	(160,741)	(189,837)	(4,750)	114,571	(240,757)	(4,412)
Accounts payable and accrued expenses	399,706	(12,687)	1,528	(31,708)	356,839	(9,737)
Net cash flows from operating activities	\$ 1,820,777	\$ 715,099	\$ (40,373)	\$ 255,759	\$ 2,751,262	\$ 602,507
<u>Non-cash investing, capital and financing activities</u>						
Contributed capital assets	\$ 829,706	\$ 221,823	\$ 162,328	\$ -	\$ 1,213,857	\$ -
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, 2012

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 GAAP, these financial statements present the Town (the primary government) and its component units. The component units discussed below are included in the Town’s reporting entity because of the significance of their operational or financial relationships with the Town.

Discretely Presented Component Unit

The Windsor Downtown Development Authority (“DDA”) was formed in January 2011 by a vote of the downtown business and property owners, and officially approved and adopted as an organization by the Town of Windsor Board on February 28, 2011. Comprised of a seven member board of directors plus a representative from the Town of Windsor Board, the DDA is dedicated to revitalizing downtown Windsor while preserving the history and heritage of this thriving community. In November 2011, the Town entered into an intergovernmental agreement with the DDA to provide funding through 2016 from sales tax revenue generated within the DDA boundaries.

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 Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenses or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Cost reimbursement grant revenues are considered to be available at the point the expenditure is incurred. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

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

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

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

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

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

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

There are no fiduciary funds included in this report.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, Storm Drainage and Non-potable Water funds and the government's internal service funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets and Budgetary Accounting

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

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, 2012

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, 2012:

	Original Budget	Total Revisions	Revised Budget
<u>Governmental funds:</u>			
General fund	\$ 13,242,843	\$ 4,118,234	\$ 17,361,077
<u>Special revenue funds:</u>			
Park improvement fund	2,501,831	-	2,501,831
Conservation trust fund	350,000	-	350,000
<u>Capital projects funds:</u>			
Capital improvements fund	4,905,182	1,079,260	5,984,442
<u>Business-type funds:</u>			
Water fund	3,865,966	1,199,756	5,065,722
Sewer fund	6,212,426	453,141	6,665,567
Storm drainage fund	975,048	202,328	1,177,376
Non-potable water fund	537,211	-	537,211
<u>Internal service funds:</u>			
Fleet management fund	1,334,931	-	1,334,931
Information technology fund	735,049	-	735,049
Windsor building authority	145,080	-	145,080
Facility service fund	550,596	-	550,596
Total funds	\$ 35,356,163	\$ 7,052,719	\$ 42,408,882

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).

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012.

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, 2012.

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, 2012

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

Fund Balance

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

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

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

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

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

Unassigned – all other spendable amounts.

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

Net Position

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

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

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

Contribution of Capital

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

Interfund Transactions

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2012.

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 Pronouncements

During 2012, the Town implemented GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." This statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure, which do not conflict with or contradict GASB Pronouncements. This statement had no impact to the Town's financial statements.

During 2012, the Town implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, "Elements of Financial Statements" into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new Statement of Net Position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

During 2012, the Town early implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities." This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Due to the implementation of this statement, debt issuance costs were eliminated as they should be recognized as an expense in the period incurred. In addition, the deferred revenue for property taxes is now classified as a deferred inflow of resources instead of a liability. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The result of the implementation of the standard was to decrease the net position at the beginning of the year by \$132,433, in the Windsor Building Authority, which is the amount of unamortized debt issuance costs at December 31, 2011.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012, is as follows:

<u>Cash, Cash Equivalents and Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity Date (in days)</u>	<u>Concentration of Credit Risk</u>
Cash on hand	\$ 3,125	-	N/A
Cash held by County Treasurer	41,232	-	N/A
Cash in financial institution	3,819,942	-	N/A
Certificates of deposit	6,025,109	663	23.2%
U.S. Treasury Notes	123,000	815	0.5%
FHLMC	2,042,759	1,269	7.9%
FNMA	6,033,704	1,629	23.2%
Other U.S. instrumentalities	459,402	671	1.8%
Municipal bonds	1,944,451	878	7.5%
Corporate securities	630,488	964	2.4%
COLOTRUST	6,203,282	N/A	23.7%
CSAFE	2,549,828	N/A	9.8%
Total cash, cash equivalents and investments	\$ 29,876,322		

<u>Cash, Cash Equivalents and Investments</u>	<u>S&P Rating</u>	<u>Moody Rating</u>
FHLMC	AA+	Aaa
FNMA	AA+	Aaa
Other U.S. instrumentalities	AA+	NR
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	AAAm	N/A
CSAFE	AAAm	N/A
US Treasury Notes	AA+	Aaa

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

Cash and cash equivalents	\$ 10,169,577
Equity in pooled cash and cash equivalents	2,397,510
Investments	17,113,425
Restricted cash and cash equivalents	145,488
<u>Cash and cash equivalents - component unit</u>	<u>50,322</u>
Total cash, cash equivalents and investments	\$ 29,876,322

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012 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, 2012, 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, 2012, the Town had invested \$8,753,110 in the Colorado Secure Assets Fund ("CSAFE") and COLOTRUST, local government investment pools established in Colorado to pool surplus funds for investment purposes. These funds operate similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial banks. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. Pooled investments are rated AAAM by Standard & Poor's. The investment policy of CSAFE and COLOTRUST does not include investing in derivatives.

Interest Rate Risk

Colorado Revised Statutes and the Town's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The approximate weighted average yield to maturity for investments held at December 31, 2012 is 1.66% and the weighted average remaining term of investments is approximately 1,562 days.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 3 - Receivables

Receivables at December 31, 2012, consist of the following:

<u>Receivables</u>	General	Capital Projects	Other Govern- mental	Enterprise	Internal Service	Total
Taxes	\$ 4,096,598	\$ -	\$ -	\$ -	\$ -	\$ 4,096,598
Trade accounts	647,767	-	-	522,569	-	1,170,336
Intergovernmental	59,805	308,059	200,000	307,393	419	875,676
Loan proceeds receivable	-	-	-	3,110,543	-	3,110,543
Other	108,937	-	-	110,858	-	219,795
Total	\$ 4,913,107	\$ 308,059	\$ 200,000	\$ 4,051,363	\$ 419	\$ 9,472,948

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, 2012:

	Transfers Out						Total
	Capital Improvement Fund	Park Improvement Fund	Water Fund	Sewer Fund	Storm Drainage	Non-potable Water	
Transfers in:							
Governmental funds:							
General	\$ 200,000	\$ 76,914	\$ 386,082	\$ 188,019	\$ -	\$ 30,000	\$ 881,015
Capital Improvement	-	-	-	-	-	-	-
Total governmental funds:	200,000	76,914	386,082	188,019	-	30,000	881,015
Proprietary funds:							
Enterprise funds:							
Water	62,653	-	-	-	-	-	62,653
Non-potable Water	-	-	151,986	-	151,986	-	303,972
Internal service fund	145,080	-	-	-	-	-	145,080
Total proprietary fund	207,733	-	151,986	-	151,986	-	511,705
Total transfers	\$ 407,733	\$ 76,914	\$ 538,068	\$ 188,019	\$ 151,986	\$ 30,000	\$ 1,392,720

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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

The Town's interfund receivables and payables at December 31, 2012 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances result from (1) the need to cover the temporary negative cash positions in individual funds and (2) to record a loan from the Water Fund to the Capital Improvement Fund for the interchange improvement project at I-25 and State Highway 392. The loan is to be repaid over 20 years at .467% interest.

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

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2012 for governmental activities was as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 2,294,920	\$ -	\$ -	\$ 2,294,920
Construction in progress	2,096,711	1,433,222	(1,187,402)	2,342,531
				Total capital assets, not being depreciated
	4,391,631	1,433,222	(1,187,402)	4,637,451
Capital assets, being depreciated:				
Site improvements	8,687,226	1,906,088	-	10,593,314
Buildings and improvements	20,346,757	-	-	20,346,757
Streets and improvements	67,937,721	892,086	-	68,829,807
Parks and improvements	9,749,174	2,188,819	-	11,937,993
Machinery and equipment	7,640,132	954,032	(259,855)	8,334,309
Furniture and fixtures	452,165	29,417	-	481,582
				Total capital assets, being depreciated
	114,813,175	5,970,442	(259,855)	120,523,762

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 5 - Capital Assets (Continued)

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Less accumulated depreciation for:				
Site improvements	(2,274,932)	(525,665)	-	(2,800,597)
Buildings and improvements	(6,659,746)	(838,507)	-	(7,498,253)
Streets and improvements	(22,527,720)	(3,455,786)	-	(25,983,506)
Parks and improvements	(4,547,165)	(496,429)	-	(5,043,594)
Machinery and equipment	(5,101,190)	(830,959)	259,855	(5,672,294)
Furniture and fixtures	(356,430)	(30,787)	-	(387,217)
Total accumulated depreciation	(41,467,183)	(6,178,133)	259,855	(47,385,461)
Total capital assets, being depreciated, net	73,345,992	(207,691)	-	73,138,301
Governmental activities capital assets, net	\$ 77,737,623	\$ 1,225,531	\$(1,187,402)	\$ 77,775,752

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

General government	\$ 553,041
Public safety	276,521
Public works	3,594,769
Parks and recreation	829,562
Community development	276,521
Capital assets held by internal service funds are charged to the various functions based on usage	647,719
Total depreciation expense - governmental activities	\$ 6,178,133

Capital asset activity for the year ended December 31, 2012 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	\$ 1,739,131	\$ 4,579,179	\$ (13,200)	\$ 6,305,110
Land and water rights	16,948,158	585,800	-	17,533,958
Total capital assets, not being depreciated	18,687,289	5,164,979	(13,200)	23,839,068
Capital assets, being depreciated:				
Utility systems and equipment	78,643,408	897,573	(208,628)	79,332,353
	78,643,408	897,573	(208,628)	79,332,353
Less accumulated depreciation for:				
Utility systems and equipment	(18,490,516)	(1,341,379)	208,628	(19,623,267)
Total accumulated depreciation	(18,490,516)	(1,341,379)	208,628	(19,623,267)
Total capital assets, being depreciated, net	60,405,971	(443,806)	-	59,709,086
Business - type activities capital assets, net	\$ 79,093,260	\$ 4,721,173	\$ (13,200)	\$ 83,548,154

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 5 - Capital Assets (Continued)

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

Water	\$	360,364
Sewer		636,161
Storm drainage		329,978
Non-potable water		14,876
<hr/>		
Total depreciation expense - business-type activities	\$	1,341,379

Capital asset activity for the Downtown Development Authority, the discretely presented component unit, as of December 31, 2012, is as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Land	\$ -	\$ 93,349	\$ -	\$ 93,349
Site improvements	-	31,625	-	31,625
<hr/>				
Discretely presented component unit capital assets	\$ -	\$ 124,974	\$ -	\$ 124,974

The Downtown Development Authority did not charge depreciation expense as of December 31, 2012.

Note 6 - Long-Term Debt

Governmental Activities

Revenue Bonds

Sales and Use Tax Revenue Bonds, Series 2002, were due serially on December 1, with interest from 2.75% to 4.8% payable semiannually. These bonds were advance refunded in January 2012.

On January 24, 2012, the Town issued \$3,705,000 in sales and use tax refunding revenue bonds and defeased the 2002 revenue bonds by placing the proceeds of the new bonds totaling \$3,787,760 (after payment of \$107,184 in underwriting fees, insurance and other issuance costs), in an irrevocable trust to provide for all future debt payments of the old bonds. Accordingly, the trust assets and the liability for the defeased debt are not included in the Town's financial statements.

The deferred loss on refunding of \$133,715 is the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt. This difference, reported in the accompanying financial statements as a deferred outflow of resources, will be charged to operations through 2023 using the effective-interest method. The Town refunded the 2002 bonds to reduce its total debt service payments over the next 12 years by approximately \$303,000. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments of the debt service payments on the old and new debt) of approximately \$292,000.

The 2012 sales and use tax refunding revenue bonds are due serially on December 1, with interest from 2.0% to 3.0% payable semiannually; these bonds mature on December 1, 2023.

USDA Community Facilities Fund

In 2010, the Authority entered into a Letter of Conditions with the United States Department of Agriculture ("USDA"), whereby the Construction Loan entered into in previous years was fully repaid and converted to a term note payable (the "Term Loan"). The Term Loan is payable in monthly principal and interest payments over a 40 year term, accruing interest at an interest rate of 3.75%. The Term Loan matures on December 17, 2050. The principal balance due as of December 31, 2012 is \$2,932,444.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 6 - Long-Term Debt (Continued)

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 are 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, 2012, all balances relating to these agreements were paid in full.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
USDA Community Facilities Loan	\$2,966,854	\$ -	\$ (34,410)	\$ 2,932,444	\$ 35,723
Sales and use tax revenue bonds payable	3,630,000	-	(3,630,000)	-	-
Refunding sales and use tax bonds	-	3,705,000	(290,000)	3,415,000	280,000
Bond premium	-	189,944	-	189,944	-
Developer reimbursement obligations	1,399,301	-	(1,399,301)	-	-
Compensated absences	443,840	497,007	(472,042)	468,805	-
Total long-term debt	\$8,439,995	\$ 4,391,951	\$ (5,825,753)	\$ 7,006,193	\$ 315,723

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

The annual requirements to amortize governmental activities debt outstanding as of December 31, 2012, are as follows:

Year Ending December 31	Principal	Interest	Total
2013	\$ 315,723	\$ 201,632	\$ 517,355
2014	317,086	194,669	511,755
2015	338,501	187,654	526,155
2016	339,970	177,185	517,155
2017	351,495	168,910	520,405
2018 - 2022	1,977,463	683,287	2,660,750
2023 - 2027	480,322	451,078	931,400
2028 - 2032	338,034	387,366	725,400
2033 - 2037	407,627	317,773	725,400
2038 - 2042	491,548	233,852	725,400
2043 - 2047	592,748	132,652	725,400
2048 - 2050	396,927	22,530	419,457
Total	\$ 6,347,444	\$ 3,158,588	\$ 9,506,032

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 6 - Long-Term Debt (Continued)

Business-type Activities

Colorado Water Conservation Board (“CWCB”) Loan

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

Water Pollution Control Revolving Loan

In November 2011, the Town entered into a loan agreement (the “Agreement”) with the Colorado Water Resource and Power Development Authority (“CWR&PDA”) for a principal amount of \$2,615,000, plus a premium of \$495,543 for total proceeds of \$3,110,543. The loan accrues at interest at 1.94% and is payable in semi-annual principal and interest payments, beginning on February 1, 2012 with a maturity date of August 1, 2027. The loan is secured by the net revenues of the ownership and operation of the sanitary sewer collection and treatment system, as defined within the Agreement. As of December 31, 2012, the Town has not drawn down any funds from this loan. The remaining amount available to be received is reflected as loan proceeds receivable in the accompanying statement of net position.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
CWCB loan	\$ 3,964,959	\$ -	\$ (101,759)	\$ 3,863,200	\$ 106,950
CWR&PDA Loan	-	3,110,543	(178,425)	2,932,118	178,425
Compensated absences	55,531	39,030	(34,489)	60,072	-
Total long term debt	\$ 4,020,490	\$ 3,149,573	\$ (314,673)	\$ 6,855,390	\$ 285,375

The annual requirements to amortize all business-type activities debt outstanding as of December 31, 2012, are as follows:

Year Ending December 31	Principal	Interest	Total
2013	\$ 285,375	\$ 251,726	\$ 537,101
2014	290,828	243,567	534,395
2015	302,509	233,859	536,368
2016	314,481	224,080	538,561
2017	320,813	214,343	535,156
2018 - 2022	1,734,736	933,024	2,667,760
2023 - 2027	2,008,628	651,401	2,660,029
2028 - 2032	1,248,725	271,135	1,519,860
2033	289,223	14,751	303,974
Total	\$ 6,795,318	\$ 3,037,886	\$ 9,833,204

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012, there were 85 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
2012	\$ 6,135,644	\$ 5,881,268	\$ 236,343
2011	6,003,281	5,644,106	232,220
2010	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.

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

Plan members and the Town are required to contribute at a rate set by State statute. The contribution rate for members is 4.0% of covered salary and for the Town is 4.0% of covered salary. There were 21 sworn officers participating as of December 31, 2012. The following table shows payroll and contribution related data for the years ending December, 31:

Year	Total Covered Payroll	Town Contribution	Contribution Percentage
2012	\$ 1,243,925	\$ 49,757	4.0%
2011	1,159,875	46,395	4.0%
2010	1,129,576	45,183	4.0%

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 7 - Employees' Retirement Plans (Continued)

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 received payments of \$50,000, principal and interest, on March 1, 2011 and 2012 and the remaining principal and interest is payable on March 1, 2013. The remaining balance due at December 31, 2012 is approximately \$400,000. Due to the uncertainty surrounding the collection of this amount, the Town will recognize capital contributions, as principal payments are made.

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 2012 contributions were \$160,300 and \$167,680 and share of surplus at December 31, 2012, amounted to approximately \$255,124 and \$75,830 for the property and casualty pool and the workers' compensation pool, respectively.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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 \$555,716 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.

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

Note 12 - Commitments

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

Note 13 - Subsequent Events

Management of the Town has evaluated subsequent events through June 28, 2013, 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.

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

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



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TOWN OF **WINDSOR**, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues</u>				
Taxes	\$ 8,878,562	\$ 9,152,506	\$ 9,313,462	\$ 160,956
Licenses and permits	249,080	249,080	402,493	153,413
Intergovernmental	947,343	947,343	909,440	(37,903)
Grants and contributions	2,000	2,000	11,250	9,250
Charges for services	997,246	997,246	1,100,293	103,047
Fines and forfeitures	123,220	123,220	200,340	77,120
Earnings on investments	48,007	48,007	71,417	23,410
Miscellaneous	111,272	111,272	104,545	(6,727)
<u>Total revenues</u>	<u>11,356,730</u>	<u>11,630,674</u>	<u>12,113,240</u>	<u>482,566</u>
<u>Expenditures</u>				
General government				
Legislative	465,631	465,631	405,921	59,710
Judicial	19,664	19,664	18,746	918
Administrative and finance	2,273,818	2,273,818	1,117,443	1,156,375
Town clerk	544,564	544,564	548,805	(4,241)
Public safety	2,560,555	2,560,555	2,543,883	16,672
Public works				
Streets and alleys	963,992	963,992	977,107	(13,115)
Administration	398,028	398,028	383,808	14,220
Cemetery	116,653	116,653	107,912	8,741
Engineering	583,852	583,852	593,503	(9,651)
Parks and recreation	3,714,660	3,714,660	3,661,874	52,786
Community development	541,133	541,133	1,539,445	(998,312)
Safety and loss control	10,000	10,000	2,778	7,222
Debt service	425,293	425,293	597,276	(171,983)
Debt issuance costs	-	107,184	107,184	-
<u>Total expenditures</u>	<u>12,617,843</u>	<u>12,725,027</u>	<u>12,605,685</u>	<u>119,342</u>
<u>Revenues over (under) expenditures</u>	<u>(1,261,113)</u>	<u>(1,094,353)</u>	<u>(492,445)</u>	<u>601,908</u>
<u>Other financing sources (uses)</u>				
Refunding bond proceeds	-	3,705,000	3,705,000	-
Premiums on refunding bonds	-	189,944	189,944	-
Payments to refunding bonds escrow agent	-	(3,787,760)	(3,787,760)	-
Transfers in	881,015	881,015	881,015	-
Transfers out	(625,000)	(848,290)	-	848,290
<u>Total other financing sources (uses)</u>	<u>256,015</u>	<u>139,909</u>	<u>988,199</u>	<u>848,290</u>
<u>Net change in fund balances</u>	<u>\$ (1,005,098)</u>	<u>\$ (954,444)</u>	<u>495,754</u>	<u>\$ 1,450,198</u>
<u>Fund balance at beginning of year</u>			<u>5,217,103</u>	
<u>Fund balance at end of year</u>			<u>\$ 5,712,857</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
PARK IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 641,880	\$ 1,818,127	\$ 1,823,793	\$ 5,666
Intergovernmental	56,672	56,672	106,929	50,257
Earnings on investments	998	998	603	(395)
<u>Total revenues</u>	699,550	1,875,797	1,931,325	55,528
<u>Expenditures</u>				
Parks and recreation	10,000	10,000	500	9,500
Capital outlay	2,414,917	2,414,917	2,195,303	219,614
<u>Total expenditures</u>	2,424,917	2,424,917	2,195,803	229,114
<u>Revenues over (under) expenditures</u>	(1,725,367)	(549,120)	(264,478)	284,642
Transfers out	(76,914)	(76,914)	(76,914)	-
<u>Net change in fund balance</u>	\$ (1,802,281)	\$ (626,034)	(341,392)	\$ 284,642
<u>Fund balance at beginning of year</u>			2,494,376	
<u>Fund balance at end of year</u>			\$ 2,152,984	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
GENERAL FUND AND PARK IMPROVEMENT FUND
NOTE TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended December 31, 2012

Note 1 – Budgetary Information

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

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

See accompanying independent auditor's report.

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OTHER SUPPLEMENTARY INFORMATION
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
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 3,318,540	\$ 5,065,108	\$ 5,089,164	\$ 24,056
Intergovernmental	170,232	170,232	343,261	173,029
Grants and contributions	48,000	842,017	818,017	(24,000)
Earnings on investments	7,423	7,423	5,062	(2,361)
Miscellaneous	-	-	2,512	2,512
<u>Total revenues</u>	<u>3,544,195</u>	<u>6,084,780</u>	<u>6,258,016</u>	<u>173,236</u>
<u>Expenditures</u>				
Small equipment and maintenance	1,426,178	1,468,551	1,344,245	124,306
Capital outlay	2,686,088	3,480,105	2,976,747	503,358
Debt service	530,263	773,133	1,156,475	(383,342)
<u>Total expenditures</u>	<u>4,642,529</u>	<u>5,721,789</u>	<u>5,477,467</u>	<u>244,322</u>
<u>Revenues over (under) expenditures</u>	<u>(1,098,334)</u>	<u>362,991</u>	<u>780,549</u>	<u>417,558</u>
<u>Other financing sources (uses)</u>				
Transfers in	1,250,000	1,250,000	-	(1,250,000)
Transfers out	(262,653)	(262,653)	(407,733)	(145,080)
<u>Total other financing sources (uses)</u>	<u>987,347</u>	<u>987,347</u>	<u>(407,733)</u>	<u>(1,395,080)</u>
<u>Net change in fund balance</u>	<u>\$ (110,987)</u>	<u>\$ 1,350,338</u>	<u>372,816</u>	<u>\$ (977,522)</u>
<u>Fund balance at beginning of year</u>			<u>4,600,602</u>	
<u>Fund balance at end of year</u>			<u>\$ 4,973,418</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 351,370	\$ 351,370	\$ 388,169	\$ 36,799
Earnings on investments	122	122	151	29
<u>Total operating revenues</u>	351,492	351,492	388,320	36,828
<u>Expenditures</u>				
Small equipment and maintenance	10,000	10,000	9,000	1,000
Capital outlay	340,000	340,000	310,869	29,131
<u>Total operating expenditures</u>	350,000	350,000	319,869	30,131
<u>Net change in fund balance</u>	\$ 1,492	\$ 1,492	68,451	\$ 66,959
<u>Fund balance at beginning of year</u>			262,783	
<u>Fund balance at end of year</u>			\$ 331,234	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 3,179,774	\$ 3,179,774	\$ 3,443,598	\$ 263,824
Miscellaneous	188,385	188,385	1,064,341	875,956
<u>Total operating revenues</u>	<u>3,368,159</u>	<u>3,368,159</u>	<u>4,507,939</u>	<u>1,139,780</u>
<u>Budgetary expenditures</u>				
Wages and benefits	197,043	197,043	193,515	3,528
Operating costs	1,715,850	1,715,850	2,732,612	(1,016,762)
Capital outlay	790,005	1,989,761	189,191	1,800,570
<u>Total budgetary expenditures</u>	<u>2,702,898</u>	<u>3,902,654</u>	<u>3,115,318</u>	<u>787,336</u>
<u>Operating revenues over (under) budgetary expenditures</u>	<u>665,261</u>	<u>(534,495)</u>	<u>1,392,621</u>	<u>1,927,116</u>
<u>Nonoperating revenue</u>				
Earnings on investments	111,502	111,502	223,572	112,070
<u>Total nonoperating revenue</u>	<u>111,502</u>	<u>111,502</u>	<u>223,572</u>	<u>112,070</u>
<u>Income (loss) before contributions and transfers</u>	<u>776,763</u>	<u>(422,993)</u>	<u>1,616,193</u>	<u>2,039,186</u>
Transfers in	62,653	62,653	62,653	-
Transfers out	(1,163,068)	(1,163,068)	(538,068)	625,000
Grants and contributions	150,000	150,000	12,652	(137,348)
Contributed capital	684,642	1,514,348	1,457,777	(56,571)
<u>Income budgetary basis</u>	<u>\$ 510,990</u>	<u>\$ 140,940</u>	<u>2,611,207</u>	<u>\$ 2,470,267</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(360,364)	
Capital outlay			189,191	
<u>Change in net position - GAAP basis</u>			<u>2,440,034</u>	
<u>Net position at beginning of year</u>			<u>49,444,705</u>	
<u>Net position at end of year</u>			<u>\$ 51,884,739</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 1,624,129	\$ 1,624,129	\$ 1,688,744	\$ 64,615
Miscellaneous	-	-	9,245	9,245
<u>Total operating revenues</u>	<u>1,624,129</u>	<u>1,624,129</u>	<u>1,697,989</u>	<u>73,860</u>
<u>Budgetary expenditures</u>				
Wages and benefits	244,835	244,835	241,010	3,825
Operating costs	537,472	537,472	605,430	(67,958)
Interest	-	52,893	52,893	-
Principal paid	-	178,425	178,425	-
Capital outlay	5,242,100	5,463,923	4,967,952	495,971
<u>Total budgetary expenditures</u>	<u>6,024,407</u>	<u>6,477,548</u>	<u>6,045,710</u>	<u>431,838</u>
<u>Operating revenues over (under) budgetary expenditures</u>	<u>(4,400,278)</u>	<u>(4,853,419)</u>	<u>(4,347,721)</u>	<u>505,698</u>
<u>Nonoperating revenues</u>				
Earnings on investments	2,716	2,716	6,801	4,085
Other income	30,509	30,509	66,074	35,565
<u>Total nonoperating revenues</u>	<u>33,225</u>	<u>33,225</u>	<u>72,875</u>	<u>39,650</u>
<u>Income (loss) before contributions and transfers</u>	<u>(4,367,053)</u>	<u>(4,820,194)</u>	<u>(4,274,846)</u>	<u>545,348</u>
Transfers out	(188,019)	(188,019)	(188,019)	-
Grants and contributions	-	-	1,421,890	1,421,890
Contributed capital	-	221,823	1,260,900	1,039,077
<u>Income budgetary basis</u>	<u>\$ (4,555,072)</u>	<u>\$ (4,786,390)</u>	<u>(1,780,075)</u>	<u>\$ 3,006,315</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(636,161)	
Principal paid			178,425	
Capital outlay			4,967,952	
<u>Change in net position - GAAP basis</u>			<u>2,730,141</u>	
<u>Net position at beginning of year</u>			<u>28,316,745</u>	
<u>Net position at end of year</u>			<u>\$ 31,046,886</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
STORM DRAINAGE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 295,941	\$ 295,941	\$ 304,356	\$ 8,415
Miscellaneous	-	-	785	785
<u>Total operating revenues</u>	<u>295,941</u>	<u>295,941</u>	<u>305,141</u>	<u>9,200</u>
<u>Budgetary expenditures</u>				
Wages and benefits	90,905	90,905	75,803	15,102
Operating costs	239,857	279,857	266,489	13,368
Capital outlay	492,300	654,628	163,359	491,269
<u>Total budgetary expenditures</u>	<u>823,062</u>	<u>1,025,390</u>	<u>505,651</u>	<u>519,739</u>
<u>Operating revenues over (under) budgetary expenditures</u>	<u>(527,121)</u>	<u>(729,449)</u>	<u>(200,510)</u>	<u>528,939</u>
<u>Nonoperating revenue</u>				
Earnings on investments	802	802	935	133
<u>Total nonoperating revenue</u>	<u>802</u>	<u>802</u>	<u>935</u>	<u>133</u>
<u>Loss before transfers and contributions</u>	<u>(526,319)</u>	<u>(728,647)</u>	<u>(199,575)</u>	<u>529,072</u>
Transfers out	(151,986)	(151,986)	(151,986)	-
Contributed capital	703,663	865,991	766,964	(99,027)
<u>Income budgetary basis</u>	<u>\$ 25,358</u>	<u>\$ (14,642)</u>	415,403	<u>\$ 430,045</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(329,978)	
Capital outlay			163,359	
<u>Change in net position - GAAP basis</u>			<u>248,784</u>	
<u>Net position at beginning of year</u>			<u>15,236,190</u>	
<u>Net position at end of year</u>			<u>\$ 15,484,974</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
NON-POTABLE WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 219,700	\$ 219,700	\$ 225,312	\$ 5,612
<u>Total operating revenues</u>	219,700	219,700	225,312	5,612
<u>Budgetary expenditures</u>				
Operating costs	62,751	62,751	52,416	10,335
Interest expense	202,213	202,213	202,213	-
Principal paid	101,579	101,579	101,579	-
Capital outlay	140,668	140,668	128,201	12,467
<u>Total budgetary expenditures</u>	507,211	507,211	484,409	22,802
<u>Income (loss) before contributions and transfers</u>	(287,511)	(287,511)	(259,097)	28,414
Transfers in	303,972	303,972	303,972	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Grants and contributions	-	-	20,649	20,649
<u>Income (loss) budgetary basis</u>	<u>\$ (13,539)</u>	<u>\$ (13,539)</u>	35,524	<u>\$ 49,063</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(14,876)	
Capital outlay			128,201	
Principal paid			101,579	
<u>Change in net position - GAAP basis</u>			250,428	
<u>Net position at beginning of year</u>			503,921	
<u>Net position at end of year</u>			<u>\$ 754,349</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>ASSETS</u>					
<u>Current assets</u>					
Equity in pooled cash and cash equivalents	\$ 131,273	\$ 130,356	\$ 30	\$ 91,955	\$ 353,614
Accounts receivable	-	419	-	-	419
<u>Total current assets</u>	131,273	130,775	30	91,955	354,033
<u>Noncurrent assets</u>					
Restricted investments	-	-	145,488	-	145,488
Capital assets:					
Land	-	-	157,853	-	157,853
Buildings and improvements	6,924	-	4,987,609	-	4,994,533
Machinery and equipment	651,252	2,582,000	-	-	3,233,252
Less accumulated depreciation	(278,047)	(1,160,643)	(553,587)	-	(1,992,277)
Total capital assets, net	380,129	1,421,357	4,591,875	-	6,393,361
<u>Total noncurrent assets</u>	380,129	1,421,357	4,737,363	-	6,538,849
<u>Total assets</u>	511,402	1,552,132	4,737,393	91,955	6,892,882
<u>LIABILITIES</u>					
<u>Current liabilities</u>					
Interfund payable	-	-	2,378,528	-	2,378,528
Accounts payable	15,640	-	-	1,327	16,967
Accrued expenses	5,804	8,940	-	12,095	26,839
Loan payable - current	-	-	35,723	-	35,723
<u>Total current liabilities</u>	21,444	8,940	2,414,251	13,422	2,458,057
<u>Noncurrent liabilities</u>					
Accrued compensated absences	6,935	15,277	-	8,519	30,731
Loan payable	-	-	2,896,721	-	2,896,721
<u>Total noncurrent liabilities</u>	6,935	15,277	2,896,721	8,519	2,927,452
<u>Total liabilities</u>	28,379	24,217	5,310,972	21,941	5,385,509
<u>NET POSITION</u>					
Net investment in capital assets	380,129	1,421,357	1,659,431	-	3,460,917
Unrestricted	102,894	106,558	(2,233,010)	70,014	(1,953,544)
<u>Total net position</u>	\$ 483,023	\$ 1,527,915	\$ (573,579)	\$ 70,014	\$ 1,507,373

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>Operating revenues</u>					
Charges for services	\$ 615,582	1,029,674	-	596,596	\$ 2,241,852
Gain on sale of capital assets	-	65,780	-	-	65,780
<u>Total operating revenues</u>	<u>615,582</u>	<u>1,095,454</u>	<u>-</u>	<u>596,596</u>	<u>2,307,632</u>
<u>Operating expenses</u>					
Wages and benefits	183,902	244,431	-	337,946	766,279
Operating costs	374,276	288,427	5	196,209	858,917
Depreciation	40,689	357,650	249,380	-	647,719
<u>Total operating expenses</u>	<u>598,867</u>	<u>890,508</u>	<u>249,385</u>	<u>534,155</u>	<u>2,272,915</u>
<u>Operating income (loss)</u>	<u>16,715</u>	<u>204,946</u>	<u>(249,385)</u>	<u>62,441</u>	<u>34,717</u>
<u>Nonoperating revenue (expense)</u>					
Interest Expense	-	-	(110,670)	-	(110,670)
Earnings on investments	-	-	40	-	40
<u>Total nonoperating revenue (expense)</u>	<u>-</u>	<u>-</u>	<u>(110,630)</u>	<u>-</u>	<u>(110,630)</u>
<u>Income (loss) before transfers</u>	<u>16,715</u>	<u>204,946</u>	<u>(360,015)</u>	<u>62,441</u>	<u>(75,913)</u>
Transfers in	-	6,000	145,080	-	151,080
Transfers out	-	-	-	(6,000)	(6,000)
<u>Change in net position</u>	<u>16,715</u>	<u>210,946</u>	<u>(214,935)</u>	<u>56,441</u>	<u>69,167</u>
<u>Net position at beginning 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>
<u>Cumulative effect of a change in accounting principle</u>	<u>-</u>	<u>-</u>	<u>(132,433)</u>	<u>-</u>	<u>(132,433)</u>
<u>Net position at end of year</u>	<u>\$ 483,023</u>	<u>\$ 1,527,915</u>	<u>\$ (573,579)</u>	<u>\$ 70,014</u>	<u>\$ 1,507,373</u>

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>Cash flows from operating activities</u>					
Cash received from customers	\$ 616,307	\$ 1,095,035	\$ -	\$ 596,596	\$ 2,307,938
Cash payments to suppliers	(367,627)	(372,031)	(5)	(196,517)	(936,180)
Cash payments to employees	(185,066)	(244,848)	-	(339,337)	(769,251)
<u>Net cash flows from operating activities</u>	<u>63,614</u>	<u>478,156</u>	<u>(5)</u>	<u>60,742</u>	<u>602,507</u>
<u>Cash flows from non-capital financing activities</u>					
Transfers from other funds	-	6,000	145,080	-	151,080
Transfer to other funds	-	-	-	(6,000)	(6,000)
<u>Net cash flows from non-capital activities</u>	<u>-</u>	<u>6,000</u>	<u>145,080</u>	<u>(6,000)</u>	<u>145,080</u>
<u>Cash flows from capital and related financing activities</u>					
Principal paid on debt	-	-	(34,410)	-	(34,410)
Interest paid on debt	-	-	(110,670)	-	(110,670)
Proceeds from sale of capital assets	-	65,780	-	-	65,780
Acquisition of capital assets	(120,888)	(612,455)	-	-	(733,343)
<u>Net cash flows from capital and related financing activities</u>	<u>(120,888)</u>	<u>(546,675)</u>	<u>(145,080)</u>	<u>-</u>	<u>(812,643)</u>
<u>Cash flows from investing activities</u>					
Net change in restricted cash and investments	-	-	(40)	-	(40)
Earnings on investments	-	-	40	-	40
<u>Net cash flows from investing activities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net change in cash and cash equivalents</u>	<u>(57,274)</u>	<u>(62,519)</u>	<u>(5)</u>	<u>54,742</u>	<u>(65,056)</u>
<u>Cash and cash equivalents at beginning of year</u>	<u>188,547</u>	<u>192,875</u>	<u>35</u>	<u>37,213</u>	<u>418,670</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$ 131,273</u>	<u>\$ 130,356</u>	<u>\$ 30</u>	<u>\$ 91,955</u>	<u>\$ 353,614</u>
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>					
Operating income (loss)	\$ 16,715	\$ 204,946	\$ (249,385)	\$ 62,441	\$ 34,717
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	40,689	357,650	249,380	-	647,719
Gain on disposition of capital assets	-	(65,780)	-	-	(65,780)
Changes in operating assets and liabilities:					
Accounts receivable	725	(419)	-	(4,718)	(4,412)
Accounts payable and accrued expenses	5,485	(18,241)	-	3,019	(9,737)
<u>Net cash flows from operating activities</u>	<u>\$ 63,614</u>	<u>\$ 478,156</u>	<u>\$ (5)</u>	<u>\$ 60,742</u>	<u>\$ 602,507</u>

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
INFORMATION TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 615,582	\$ 615,582	\$ 615,582	\$ -
<u>Total operating revenues</u>	615,582	615,582	615,582	-
<u>Budgetary expenditures</u>				
Wages and benefits	248,507	248,507	183,902	64,605
Operating costs	393,892	393,892	374,276	19,616
Capital outlay	92,650	92,650	120,888	(28,238)
<u>Total budgetary expenditures</u>	735,049	735,049	679,066	55,983
<u>Income (loss) budgetary basis</u>	<u>\$ (119,467)</u>	<u>\$ (119,467)</u>	(63,484)	<u>\$ 55,983</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(40,689)	
Capital outlay			120,888	
<u>Change in net position - GAAP basis</u>			16,715	
<u>Net position at beginning of year</u>			466,308	
<u>Net position at end of year</u>			<u>\$ 483,023</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
FLEET MANAGEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 1,029,674	\$ 1,029,674	\$ 1,029,674	\$ -
Gain on sale of capital assets	101,000	101,000	65,780	(35,220)
<u>Total operating revenues</u>	<u>1,130,674</u>	<u>1,130,674</u>	<u>1,095,454</u>	<u>(35,220)</u>
<u>Budgetary expenditures</u>				
Wages and benefits	256,290	256,290	244,431	11,859
Operating costs	346,185	346,185	288,427	57,758
Capital outlay	732,456	732,456	612,455	120,001
<u>Total budgetary expenditures</u>	<u>1,334,931</u>	<u>1,334,931</u>	<u>1,145,313</u>	<u>189,618</u>
<u>Loss before transfers</u>	(204,257)	(204,257)	(49,859)	154,398
Transfers in	6,000	6,000	6,000	-
<u>Loss budgetary basis</u>	<u>\$ (198,257)</u>	<u>\$ (198,257)</u>	(43,859)	<u>\$ 154,398</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(357,650)	
Capital outlay			<u>612,455</u>	
<u>Change in net position - GAAP basis</u>			210,946	
<u>Net position at beginning of year</u>			<u>1,316,969</u>	
<u>Net position at end of year</u>			<u>\$ 1,527,915</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO

WINDSOR BUILDING AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Earnings on investments	\$ 23	\$ 23	\$ 40	\$ 17
<u>Total operating revenues</u>	<u>23</u>	<u>23</u>	<u>40</u>	<u>17</u>
<u>Budgetary expenditures</u>				
Operating costs	-	-	5	(5)
Interest expense	110,670	110,670	110,670	-
Principal paid	34,410	34,410	34,410	-
<u>Total budgetary expenditures</u>	<u>145,080</u>	<u>145,080</u>	<u>145,085</u>	<u>(5)</u>
<u>Loss before contributions and transfers</u>	<u>(145,057)</u>	<u>(145,057)</u>	<u>(145,045)</u>	<u>12</u>
Transfers in	145,080	145,080	145,080	-
<u>Income budgetary basis</u>	<u>\$ 23</u>	<u>\$ 23</u>	<u>35</u>	<u>\$ 12</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(249,380)	
Principal paid			34,410	
<u>Change in net position - GAAP basis</u>			<u>(214,935)</u>	
<u>Net position at beginning of year</u>			<u>(226,211)</u>	
<u>Cumulate effect of a change in accounting principle</u>			<u>(132,433)</u>	
<u>Net position at end of year</u>			<u>\$ (573,579)</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
FACILITY SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 596,596	\$ 596,596	\$ 596,596	\$ -
<u>Total operating revenues</u>	596,596	596,596	596,596	-
<u>Budgetary expenditures</u>				
Wages and benefits	341,231	341,231	337,946	3,285
Operating costs	203,365	203,365	196,209	7,156
<u>Total budgetary expenditures</u>	544,596	544,596	534,155	10,441
<u>Income (loss) before contributions and transfers</u>	52,000	52,000	62,441	10,441
Transfers out	(6,000)	(6,000)	(6,000)	-
<u>Income (loss) budgetary basis</u>	<u>\$ 46,000</u>	<u>\$ 46,000</u>	56,441	<u>\$ 10,441</u>
<u>Change in net position - GAAP basis</u>			56,441	
<u>Net position at beginning of year</u>			<u>13,573</u>	
<u>Net position at end of year</u>			<u>\$ 70,014</u>	

See accompanying independent auditor's report.

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OTHER FINANCIAL INFORMATION

TOWN OF WINDSOR



COLORADO

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TOWN OF **WINDSOR**, COLORADO

DEBT SERVICE REQUIREMENTS

December 31, 2012

GOVERNMENTAL ACTIVITIES

SALES & USE TAX REVENUE REFUNDING BONDS - Series 2012				
COMMUNITY & RECREATION CENTER				
Year	Principal	Interest	Total Payment	Principal Balance
				\$ 3,705,000
2012	\$ 290,000	\$ 83,636	\$ 373,636	3,415,000
2013	280,000	92,275	372,275	3,135,000
2014	280,000	86,675	366,675	2,855,000
2015	300,000	81,075	381,075	2,555,000
2016	300,000	72,075	372,075	2,255,000
2017	310,000	65,325	375,325	1,945,000
2018	325,000	58,350	383,350	1,620,000
2019	340,000	48,600	388,600	1,280,000
2020	350,000	38,400	388,400	930,000
2021	360,000	27,900	387,900	570,000
2022	370,000	17,100	387,100	200,000
2023	200,000	6,000	206,000	\$ -
TOTALS	\$ 3,705,000	\$ 677,411	\$ 4,382,411	

TOWN OF **WINDSOR**, COLORADO

DEBT SERVICE REQUIREMENTS

December 31, 2012

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	\$ -
TOTALS	\$ 3,000,000	\$ 2,787,416	\$ 5,787,416	

TOWN OF **WINDSOR**, COLORADO

DEBT SERVICE REQUIREMENTS

December 31, 2012

BUSINESS-TYPE ACTIVITIES

FOR KERN RESERVOIR/ WINDSOR LAKE 30-YEAR REPAYMENT AT 5.10% INTEREST 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	136,631	303,972	2,511,711
2023	175,875	128,097	303,972	2,335,836
2024	184,845	119,127	303,972	2,150,991
2025	194,272	109,700	303,972	1,956,720
2026	204,179	99,793	303,972	1,752,540
2027	214,593	89,379	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	289,224	14,750	303,974	\$ -
TOTALS	\$ 4,620,000	\$ 4,499,162	\$ 9,119,162	

TOWN OF **WINDSOR**, COLORADO

DEBT SERVICE REQUIREMENTS

December 31, 2012

WASTE WATER TREATMENT FACILITY UPGRADE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY (CWRPDA) CLEAN WATER REVENUE BONDS 2011 SERIES A SEWER FUND LOAN Repayment at 1.94%						
Payment	Principal	Interest	Administrative Fee	Total Payment	Principal Balance	
						\$ 3,110,543
2/1/2012	\$ 89,213	\$ 15,049	\$ 10,109	\$ 114,371	3,021,331	
8/1/2012	89,212	17,625	10,109	116,946	2,932,118	
2/1/2013	89,213	16,272	11,074	116,559	2,842,906	
8/1/2013	89,212	16,283	11,074	116,569	2,753,693	
2/1/2014	89,213	14,925	11,074	115,212	2,664,481	
8/1/2014	89,212	14,925	11,074	115,211	2,575,268	
2/1/2015	92,186	12,938	11,074	116,198	2,483,082	
8/1/2015	92,187	12,937	11,074	116,198	2,390,896	
2/1/2016	95,160	11,061	11,074	117,295	2,295,736	
8/1/2016	95,160	11,061	11,074	117,295	2,200,576	
2/1/2017	95,160	9,358	11,074	115,592	2,105,415	
8/1/2017	95,160	9,358	11,074	115,592	2,010,255	
2/1/2018	95,160	7,883	11,074	114,117	1,915,095	
8/1/2018	95,160	7,883	11,074	114,117	1,819,935	
2/1/2019	98,134	7,227	11,074	116,435	1,721,802	
8/1/2019	98,134	7,227	11,074	116,435	1,623,668	
2/1/2020	98,134	6,144	11,074	115,352	1,525,534	
8/1/2020	98,134	6,144	11,074	115,352	1,427,400	
2/1/2021	98,134	5,216	11,074	114,424	1,329,267	
8/1/2021	98,134	5,216	11,074	114,424	1,231,133	
2/1/2022	98,133	4,415	11,074	113,622	1,132,999	
8/1/2022	98,133	4,415	11,074	113,622	1,034,865	
2/1/2023	101,108	3,667	11,074	115,848	933,758	
8/1/2023	101,108	3,667	11,074	115,848	832,650	
2/1/2024	101,108	2,994	11,074	115,175	731,543	
8/1/2024	101,108	2,994	11,074	115,175	630,435	
2/1/2025	101,108	2,409	8,984	112,501	529,328	
8/1/2025	101,108	2,409	8,984	112,501	428,220	
2/1/2026	104,081	1,905	6,434	112,420	324,139	
8/1/2026	104,081	1,905	6,434	112,420	220,058	
2/1/2027	110,028	1,343	2,768	114,139	110,029	
8/1/2027	110,027	1,344	2,768	114,139	\$ -	
TOTALS	\$ 3,110,543	\$ 248,199	\$ 322,366	\$ 3,681,104		

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 2012

This Information From The Records Of (example - City of _ or County of _)	Prepared By: DEAN MOYER
	Phone: (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)	5,067,749
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	977,109
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	2,956,356	b. Snow and ice removal	
3. Other local imposts (from page 2)	2,652,113	c. Other	
4. Miscellaneous local receipts (from page 2)	187,584	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	383,810
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,271,942
a. Bonds - Original Issues		6. Total (1 through 5)	7,700,610
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	5,796,053	b. Redemption	
B. Private Contributions	794,017	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,110,540	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	7,700,610	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)	7,700,610

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,250,000		59,583	1,190,417
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		7,700,610	7,700,610		0

Notes and Comments:

TOWN OF **WINDSOR**, COLORADO

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2012

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	2,544
b. Other local imposts:		b. Traffic Fines & Penalties	185,040
1. Sales Taxes	1,435,883	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,018,169	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	198,061	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,652,113	h. Other	
c. Total (a. + b.)	2,652,113	i. Total (a. through h.)	187,584
	(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	711,379	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	399,161	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	399,161	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,110,540	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	1,737	15,083	16,820
c. Construction:			
(1). New Facilities		794,017	794,017
(2). Capacity Improvements	1,347,049	1,379,765	2,726,814
(3). System Preservation		1,347,197	1,347,197
(4). System Enhancement & Operation	8,300	174,601	182,901
(5). Total Construction (1) + (2) + (3) + (4)	1,355,349	3,695,580	5,050,929
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	1,357,086	3,710,663	5,067,749
			(Carry forward to page 1)

Notes and Comments:

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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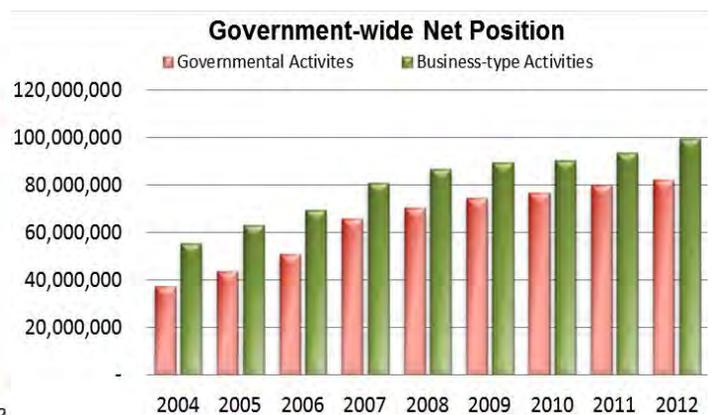
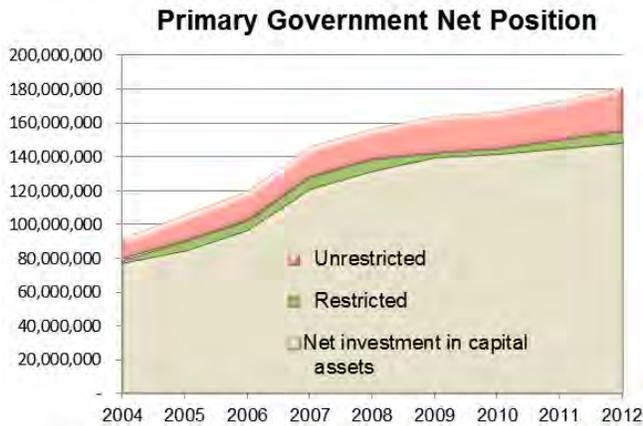
TOWN OF **WINDSOR**, COLORADO

NET POSITION BY COMPONENT

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

For the Calendar Year Ended December 31,

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities									
Net investment in capital assets	\$ 34,594,472	\$ 37,477,180	\$ 43,845,310	\$ 56,506,921	\$ 60,621,653	\$ 66,543,815	\$ 68,435,996	\$ 69,741,468	\$ 71,372,079
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	5,722,444
Unrestricted	529,970	1,048,560	1,944,243	2,546,618	2,995,044	5,106,232	5,095,783	4,925,404	4,872,377
Total governmental activities net position	37,206,721	43,633,980	50,772,402	65,684,854	70,440,992	74,652,715	76,729,192	79,926,727	81,966,900
Business-type Activities									
Net investment in capital assets	43,028,204	47,705,989	53,242,927	64,597,102	70,928,478	72,733,118	72,788,122	74,875,222	76,752,836
Restricted	327,344	542,653	540,490	379,247	522,895	-	-	-	1,250,000
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	21,342,334
Total business-type activities net position	55,525,362	63,051,525	69,563,492	80,871,367	86,635,035	89,411,536	90,492,590	93,679,242	99,345,170
Net Position									
Net investment in capital assets	77,622,676	85,183,169	97,088,237	121,104,023	131,550,131	139,276,933	141,224,118	144,616,690	148,124,915
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	6,972,444
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	26,214,711
Total primary government net position	\$ 92,732,083	\$ 106,685,505	\$ 120,335,894	\$ 146,556,221	\$ 157,076,027	\$ 164,064,251	\$ 167,221,782	\$ 173,605,969	\$ 181,312,070



Notes: 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.

As per GASB 63, 2011 and prior in the above chart represents: Net Assets as opposed to Net Position; Invested in capital assets, net of related debt as opposed to net investment in capital assets; and does not include the new Downtown Development Authority component unit, only the primary government.

GASB 34 implemented in 2004

Source: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO

CHANGES IN NET POSITION

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

For the Calendar Year Ended December 31,

	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 2,674,626
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	2,826,313
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	5,662,954
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	4,498,409
Community development	401,556	410,164	498,436	785,239	569,008	1,497,962	1,489,965	1,589,562	1,819,818
Safety and loss control	39,639	12,958	18,738	17,918	12,126	8,793	7,599	6,764	2,778
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	1,353,245
Loss on disposal of capital assets	-	-	-	17,864	-	97,715	44,071	-	-
Dibt issuance costs	-	-	-	-	-	-	-	-	107,184
Interest on long-term debt	418,905	418,905	287,364	127,674	196,395	656,591	201,024	329,985	180,236
Depreciation - unallocated	1,952,237	2,614,112	2,979,398	-	-	-	-	-	-
Total governmental activities	9,047,448	9,977,466	11,473,979	13,500,698	20,016,249	17,751,185	17,461,497	18,897,695	19,125,563
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	3,287,679
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	1,537,136
Storm drainage	358,070	398,101	452,471	471,513	502,491	825,013	725,892	608,734	672,899
Non-potable water	-	-	-	-	-	481,335	138,887	294,879	269,505
Total business-type activities	3,647,959	4,009,256	4,479,656	4,853,214	4,857,961	5,666,017	5,300,998	5,104,243	5,767,219
Total primary government	12,695,407	13,986,722	15,953,635	18,353,912	24,874,210	23,417,202	22,762,495	24,001,938	24,892,782
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	227,231
Public works	40,935	64,385	47,850	-	1,284,342	48,600	97,137	297,237	479,043
Parks, recreation & culture	444,760	601,305	615,657	1,440,272	1,224,901	1,151,439	1,410,310	1,908,107	2,820,645
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	11,250
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	818,017
Total governmental activities	3,615,811	4,825,653	6,825,778	17,059,851	10,442,384	7,819,294	4,363,457	5,236,767	4,356,186
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	4,507,939
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	1,697,989
Storm drainage	142,335	185,294	228,780	254,244	242,688	317,313	292,357	341,822	305,141
Non-potable water	-	-	-	-	-	356,416	198,192	214,606	225,312
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	4,940,832
Total business-type activities	8,969,666	11,656,499	10,946,368	15,911,444	11,062,984	10,605,950	7,251,302	9,662,256	11,677,213
Total primary government	\$12,585,477	\$16,482,152	\$17,772,146	\$32,971,295	\$21,505,368	\$18,425,244	\$11,614,759	\$14,899,023	\$16,033,399

TOWN OF **WINDSOR**, COLORADO

CHANGES IN NET POSITION (continued)

Last Nine Calendar Years

(accrual basis of accounting)

(Unaudited)

For the Calendar Year Ended December 31,

	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	\$ (14,769,377)
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	5,909,994
Total primary government net expenses	(109,930)	2,495,430	1,818,511	14,617,383	(3,368,842)	(4,991,958)	(11,147,736)	(9,102,915)	(8,859,383)
General Revenues and Other Changes in Net Position									
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	4,059,462
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	5,579,576
Franchise taxes	-	-	-	-	-	1,225,888	1,123,574	1,178,866	1,202,273
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	3,561,315
Intergovernmental	-	-	-	-	-	943,578	1,074,207	1,176,163	1,747,799
Unrestricted grants and contributions	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	77,273
Other revenue	267,851	1,714,817	225,010	127,745	144,070	2,359,401	873,363	267,979	107,057
Gain on sale of capital assets	-	-	-	-	-	-	-	-	65,780
Transfers & insurance proceeds	240,184	441,037	522,387	551,549	3,544,815	487,184	987,846	1,791,518	541,448
Total governmental activities	9,853,116	11,579,072	11,786,623	11,353,299	14,330,003	15,464,938	15,174,516	16,858,463	16,941,983
Business-type activities:									
Investment income	137,974	319,957	567,642	801,195	517,560	144,431	90,410	149,701	231,308
Other revenue	-	-	-	-	-	26,547	28,187	270,456	66,074
Impairment loss	-	-	-	-	-	(1,923,217)	-	-	-
Transfers	(240,184)	(441,037)	(522,387)	(551,549)	(958,915)	(487,184)	(987,846)	(1,791,518)	(541,448)
Total business-type activities	(102,210)	(121,080)	45,255	249,646	(441,355)	(2,239,423)	(869,249)	(1,371,361)	(244,066)
Total primary government	9,750,906	11,457,992	11,831,878	11,602,945	13,888,648	13,225,515	14,305,267	15,487,102	16,697,917
Changes in Net Position									
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	2,172,606
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	5,665,928
Total primary government	\$ 9,640,976	\$ 13,953,422	\$ 13,650,389	\$ 26,220,328	\$ 10,519,806	\$ 8,233,557	\$ 3,157,531	\$ 6,384,187	\$ 7,838,534

Notes: 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.

As per GASB 63, 2011 and prior in the above chart represents: Net Assets as opposed to Net Position.

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

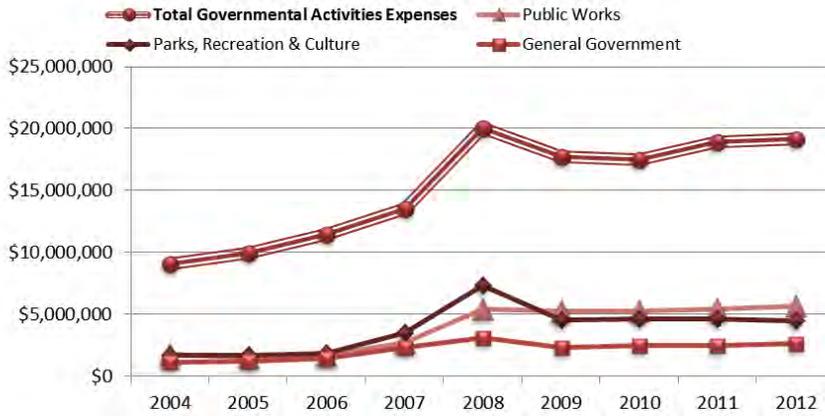
Source: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO

CHANGES IN NET POSITION (continued)

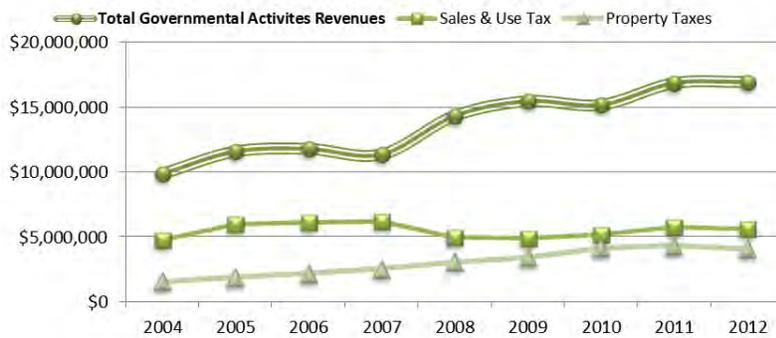
Last Nine Calendar Years
(accrual basis of accounting)
(Unaudited)

General Governmental Expenses



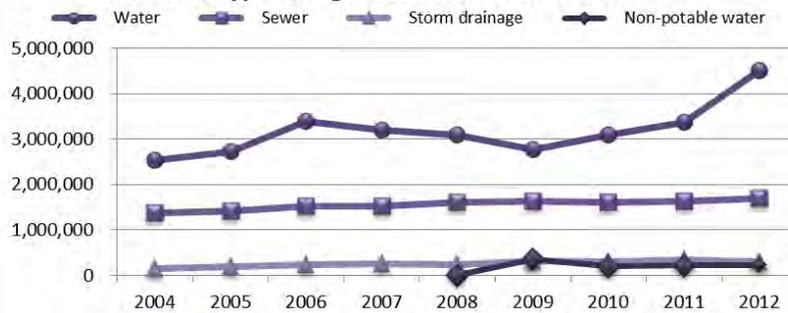
*Note: Only the top three activities are represented in this chart.
This chart reflects increased expenditures due to the 2008 tornado.*

General Governmental Revenues



*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.*

Business-type Charges for Services Revenues



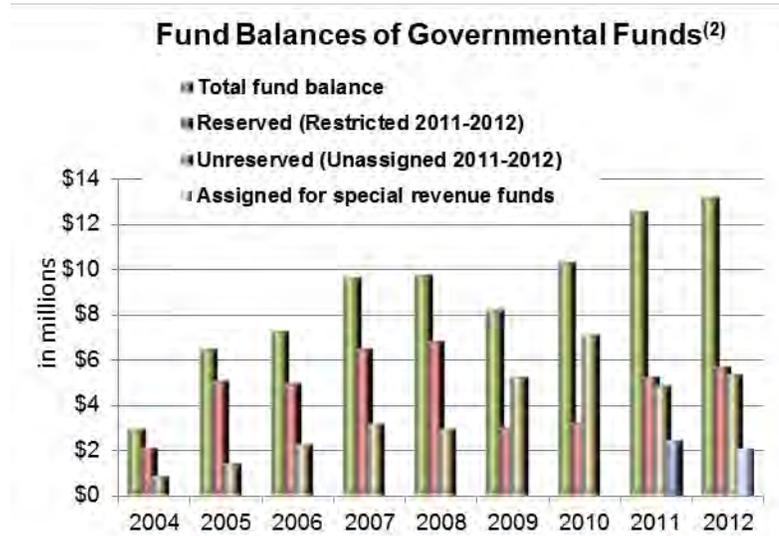
*Note: This is service charges collected for the utility funds.
The Non-potable water fund began in 2008, previously combined with the water fund.
Drainage services the whole town, while water and sewer each only service parts of Windsor.*

TOWN OF **WINDSOR**, COLORADO

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Nine 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⁾	2012
General Fund									
Reserved / Restricted ⁽²⁾	\$ 162,440	\$ 201,642	\$ 221,702	\$ 243,022	\$ 270,632	\$ 302,569	\$ 366,234	\$ 367,017	\$ 363,060
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	5,349,797
Total general fund	916,883	1,643,585	2,308,191	2,666,310	1,819,333	3,827,428	5,216,175	5,217,103	5,712,857
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	4,892,838	5,359,384
Assigned for special revenue funds	-	-	-	-	-	-	-	2,464,923	2,098,252
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	2,056,545	4,867,577	4,963,989	6,957,652	7,927,091	4,409,122	5,112,353	7,357,761	7,457,636
Total general fund + all other governmental funds	\$2,973,428	\$6,511,162	\$7,272,180	\$9,623,962	\$9,746,424	\$8,236,550	\$10,328,528	\$12,574,864	\$13,170,493



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 beginning 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 Nine Calendar Years
(modified accrual basis of accounting)
(Unaudited)

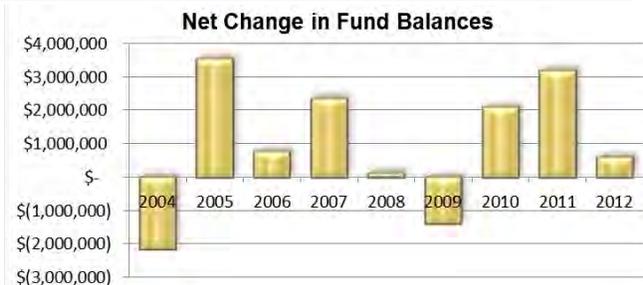
For the Calendar Year Ended December 31,

	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 14,402,626
Licenses and permits	289,683	469,993	375,659	244,957	322,144	243,329	194,424	249,613	402,493
Intergovernmental	697,638	1,110,671	700,684	842,998	1,072,378	943,578	1,074,207	1,176,163	1,747,799
Charges for services	511,195	492,784	667,322	1,475,282	1,361,611	1,247,010	1,526,490	2,006,666	2,924,086
Fines and forfeitures	62,088	82,004	89,191	104,097	102,873	109,153	165,410	133,773	200,340
Earnings on investments	88,674	223,498	509,534	398,626	311,112	173,845	106,136	96,485	77,233
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	829,267
Miscellaneous	294,469	136,361	135,471	289,563	135,773	37,017	176,388	266,903	107,057
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	20,690,901
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	2,090,915
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	2,543,883
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	2,062,330
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	3,662,374
Community development	403,729	410,164	498,346	527,848	604,976	1,345,074	1,243,176	1,298,061	1,539,445
Safety and loss control	39,639	12,958	18,738	9,153	12,126	8,793	7,599	6,764	2,778
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	1,477,585
Debt services									
Principal	-	-	170,000	220,000	235,000	1,998,356	685,465	1,770,442	1,669,915
Interest	418,905	418,905	287,712	235,789	221,142	210,808	197,193	170,293	83,836
Debt issuance costs	-	-	-	-	-	-	-	-	107,184
Capital outlay	8,500,371	5,496,810	9,187,248	16,107,765	10,215,216	9,838,207	4,578,812	4,750,510	5,358,579
Total expenditures	15,602,038	13,170,761	17,812,603	26,131,211	24,184,579	24,653,198	17,609,684	18,774,608	20,598,824
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	1,527,687	92,077
Other Financing Sources (Uses)									
Insurance proceeds/Refunding bond proceeds	-	-	-	-	2,585,900	1,969,902	328,290	-	3,705,000
Premiums on refunding bonds	-	-	-	-	-	-	-	-	189,944
Payments to refunding bonds escrow agent	-	-	-	-	-	-	-	-	(3,787,760)
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	881,015
Transfers out	(1,272,460)	(844,589)	(855,647)	(795,000)	(727,300)	(1,110,684)	(821,834)	(1,829,567)	(484,647)
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	503,552
Net change in fund balances	\$(2,133,111)	\$ 3,537,734	\$ 761,018	\$ 2,351,782	\$ 122,462	\$(1,370,123)	\$ 2,091,978	\$ 3,193,565	\$ 595,629
Debt service as a percentage of noncapital expenditure	5.9%	5.5%	5.3%	4.5%	3.3%	14.9%	6.8%	13.8%	11.5%

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.

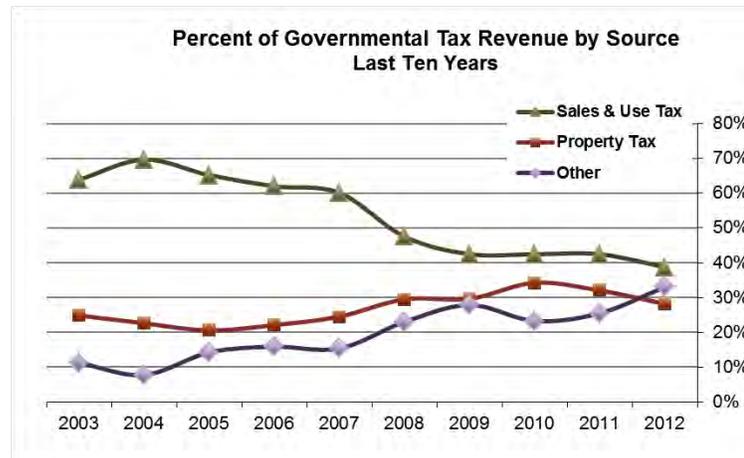
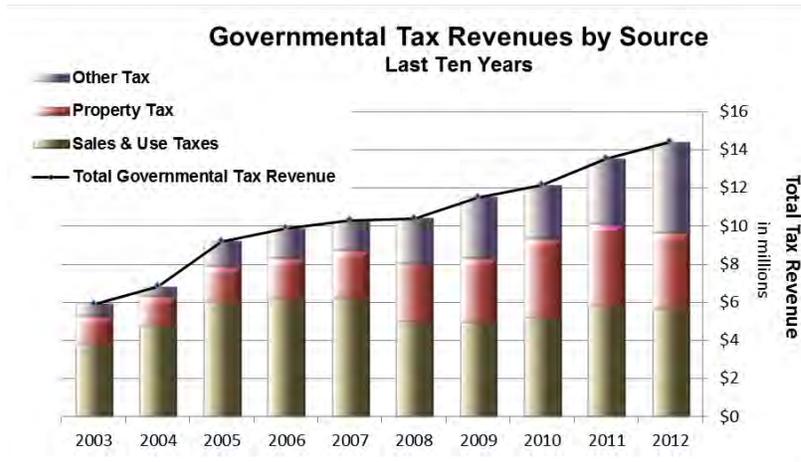


TOWN OF **WINDSOR**, COLORADO

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
2012	\$4,059,462	28.2%	\$5,579,576	38.7%	\$4,763,588	33.1%	\$14,402,626
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



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

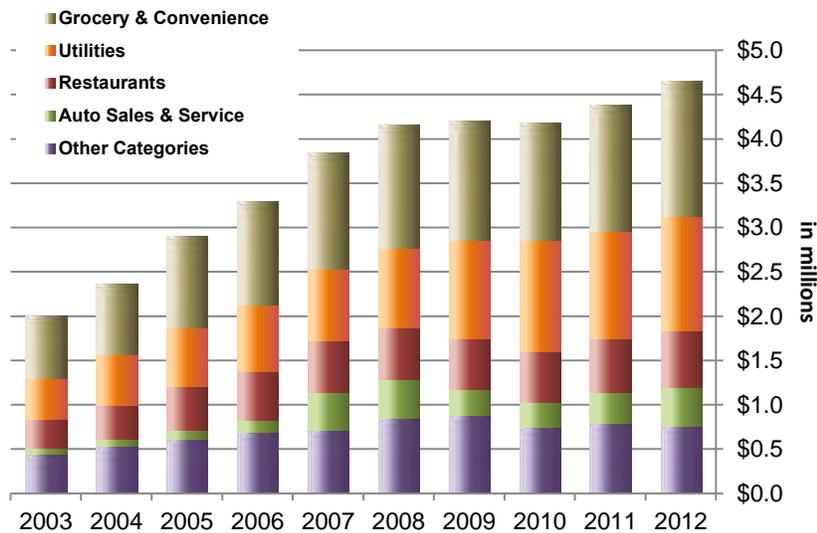
SALES TAX COLLECTIONS BY CATEGORY

Last Ten Calendar Years
(Unaudited)

	Grocery & Convenience	Restaurants	Liquor	Hardware & Appliance	Other Retail	Utilities	Auto Sales & Service	Industry	Motel / Lodging	Entertainment	Total
2012	\$ 1,520,983	\$ 644,321	\$ 198,862	\$ 169,689	\$ 261,420	\$ 1,287,931	\$ 435,027	\$ 41,380	\$ 46,516	\$ 50,224	\$ 4,656,353
% of Total	32.7%	13.8%	4.3%	3.6%	5.6%	27.7%	9.3%	0.9%	1.0%	1.1%	100.0%
% of Change	7.6%	7.4%	-0.6%	-0.8%	0.4%	5.6%	26.0%	-53.5%	27.4%	11.1%	6.3%

2012	\$ 1,520,983	\$ 644,321	\$ 198,862	\$ 169,689	\$ 261,420	\$ 1,287,931	\$ 435,027	\$ 41,380	\$ 46,516	\$ 50,224	\$ 4,656,353
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

Sales Tax by Major Category



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

State collected sales tax through 2004.

Home Rule 2005 to present.

2012 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

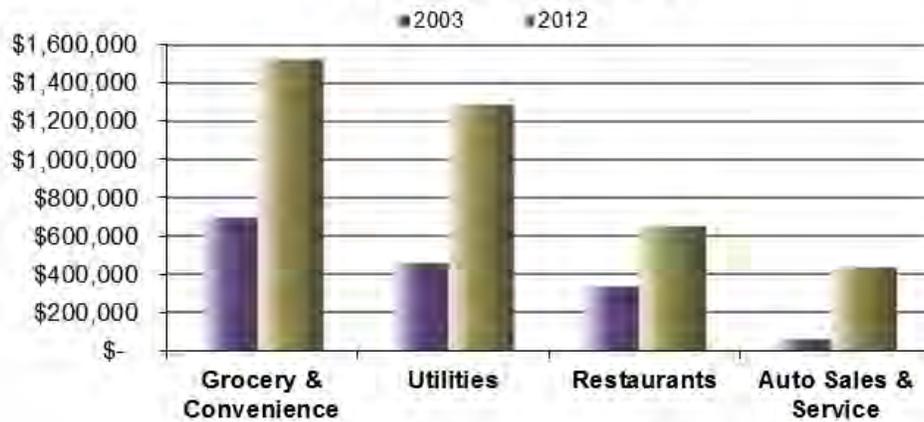
TOWN OF **WINDSOR**, COLORADO

PRINCIPAL SALES TAX CATEGORIES

Current and Nine Years Prior
(Unaudited)

<u>Top Four Categories</u>	<u>2003</u>	<u>2012</u>
Grocery & Convenience	\$ 697,054	\$ 1,520,983
Utilities	459,037	1,287,931
Restaurants	334,195	644,321
Auto Sales & Service	57,671	435,027
Total	1,547,957	3,888,262
Aggregate all other categories	456,628	768,091
Total sales tax	\$ 2,004,585	\$ 4,656,353
Top four categories as a percentage of total sales tax	77.2%	83.5%

Principal Sales Tax Categories
Current and Nine Years Prior



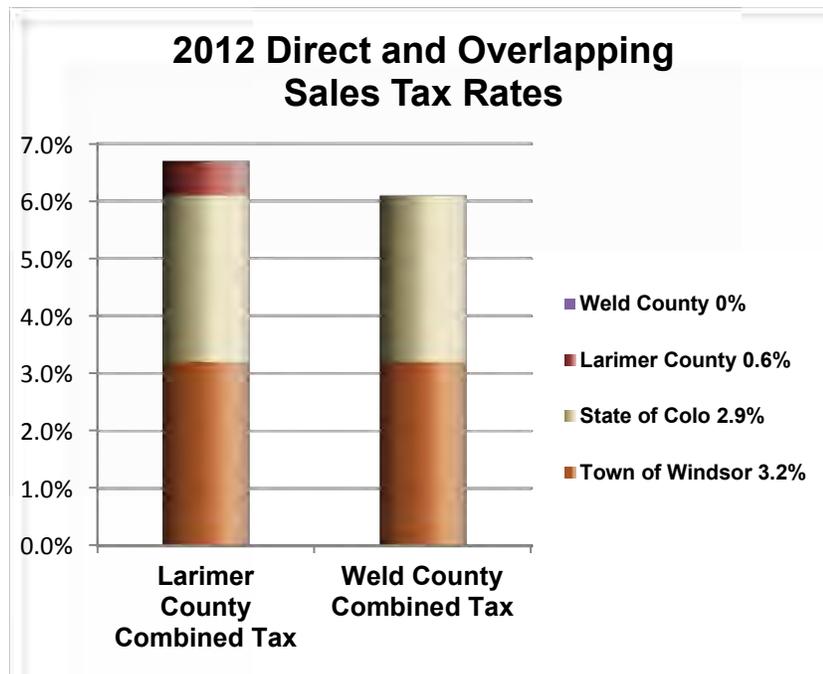
Note: Information in this chart is not all inclusive of all accounts but representative of main business collections.

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		
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%
2012	3.2%	2.9%	0.0%	0.6%	6.1%	6.7%

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



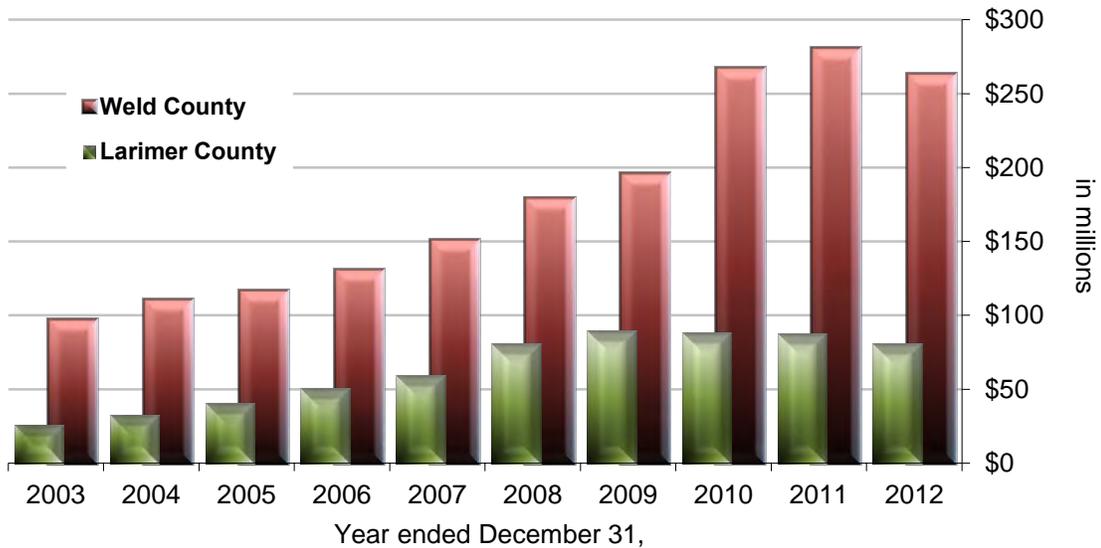
Sources: Current and prior years' financial statements.
 Larimer and Weld County Assessors Offices.

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
2012	\$ 80,632,340	\$ 263,810,920	\$ 344,443,260	\$ 2,287,406,027	15.06%	2011	12.03
% change	-8.0%	-6.1%	-6.6%	-8.3%			
2012	\$ 80,632,340	\$ 263,810,920	\$ 344,443,260	\$ 2,287,406,027	15.06%	2011	12.03
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

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 August 25, 2011.*

Source: Larimer and Weld County Assessors Offices.

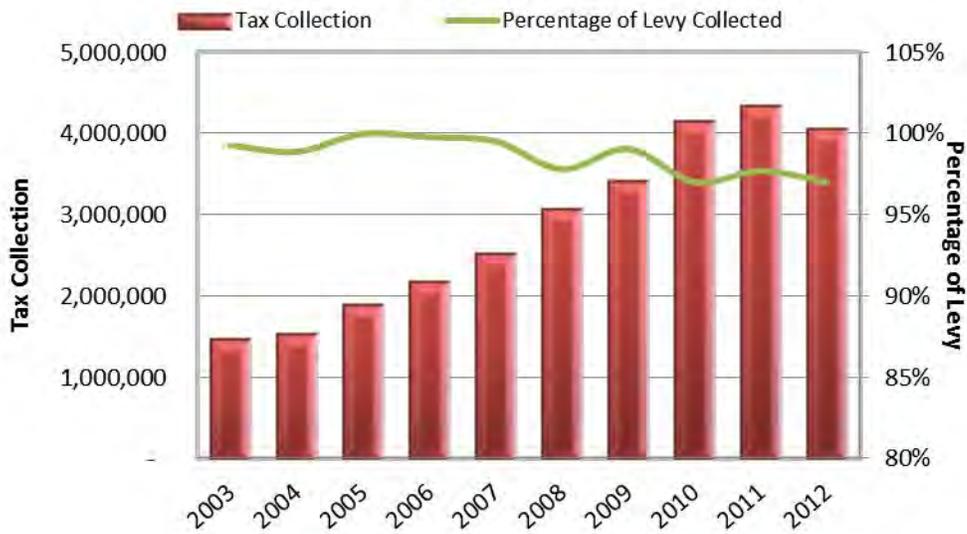
TOWN OF **WINDSOR**, COLORADO

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
\$ 344,443,260	12.030	2012	\$ 4,143,652	\$ 4,059,462	97.97%	\$ -	\$ 4,059,462	97.97%	\$ 84,190	2.0%
368,709,730	12.030	2011	4,435,578	4,335,249	97.74%	(2,253)	4,332,996	97.69%	102,582	2.3%
356,359,957	12.030	2010	4,287,010	4,201,801	98.01%	(43,458)	4,158,343	97.00%	128,667	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%

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)

Property Tax Rates - Direct and Overlapping Governments - Last 10 Years per \$1,000 of Assessed Valuation

Levy Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Town of Windsor direct rate	10.860	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030
Windsor-Severance Fire Rescue	5.219	5.209	4.944	4.944	4.944	6.119	6.074	7.194	7.194	7.194
Windsor-Severance Fire Rescue Bond 2023	N/A	N/A	N/A	N/A	N/A	N/A	0.610	0.700	0.710	0.770
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
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
WELD COUNTY - potentially overlapping rates										
Aims Community College District	6.322	6.322	6.328	6.357	6.308	6.323	6.312	6.360	6.355	6.318
Big Thompson Conservation District	N/A	N/A	N/A	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Boxelder Sanitation District	N/A	N/A	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Clearview Library	3.546	3.546	3.546	3.584	3.557	3.546	3.546	3.579	3.615	3.594
Ft Collins Conservation District	0.000	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	0.000	0.000	0.000	0.000	0.000
Great Western Metro #2	N/A	N/A	N/A	N/A	N/A	35.000	35.000	35.000	35.000	35.000
Great Western Metro #3, #4	N/A	N/A	N/A	N/A	N/A	25.000	25.000	25.000	25.000	25.000
Great Western Metro #5	N/A	N/A	N/A	N/A	N/A	25.000	35.000	35.000	35.000	35.000
Great Western Metro #6	N/A	N/A	N/A	N/A	N/A	20.000	20.000	20.000	20.000	20.000
Great Western Metro #7	N/A	N/A	N/A	N/A	N/A	11.000	11.000	11.000	11.000	11.000
Greenspire Metro #1 - Weld	N/A	0.000	0.000	0.000	0.000	0.000	32.000	32.000	32.000	32.000
Greenspire Metro #2, #3 - Weld	N/A	0.000	20.000	20.000	16.092	27.000	32.000	32.000	32.000	32.000
Greenwald Farms Metro #1, #2	N/A	N/A	N/A	N/A	N/A	N/A	0.000	0.000	0.000	0.000
Iron Mountain Metro #1	N/A	N/A	N/A	N/A	0.000	0.000	0.000	0.000	0.000	0.000
Iron Mountain Metro #2, #3	N/A	N/A	N/A	N/A	20.000	20.000	20.000	20.000	20.000	20.000
Jacoby Farm Metro	N/A	N/A	N/A	N/A	N/A	N/A	30.000	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	30.000	30.000	30.000	30.000	30.000
Poudre Tech Metro	0.000	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	N/A	N/A	N/A	N/A	N/A	0.000	0.000	0.000	0.000
Water Valley Metro #1, #2	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	26.000	39.000
Weld County	20.056	21.474	19.957	17.900	16.804	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	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Windsor Downtown Dev (WDDA)	N/A	0.000	1.000							
Windsor NW Metro #1, #2, #4	30.000	30.000	30.000	30.000	30.000	N/A	N/A	N/A	N/A	N/A
Windsor NW Metro #3	30.000	30.000	30.000	30.000	30.000	30.000	N/A	N/A	N/A	N/A
Windsor NW Metro #4	30.000	30.000	30.000	30.000	30.000	N/A	N/A	N/A	N/A	N/A
Windsor RE-4 (includes Bond)	55.118	52.964	48.735	43.446	46.129	47.418	46.372	48.449	48.991	47.949
Winter Farm Metro #1	0.000	0.000	0.000	34.480	34.480	34.480	34.480	34.480	34.480	0.000
Winter Farm Metro #2	0.000	0.000	0.000	34.480	34.480	34.480	34.480	34.480	34.480	34.480
Winter Farm Metro #3	0.000	0.000	0.000	34.480	34.480	34.480	34.480	34.480	34.480	0.000
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Highpointe Vista Metro #2	N/A	N/A	0.000	26.000	32.000	35.000	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	22.423	22.517	22.541	22.410	22.414	22.395	22.435	22.524	22.472	22.520
Poudre R-1 Bond Payment	12.149	12.318	13.000	13.555	12.605	12.605	12.703	12.119	11.339	12.430
Poudre R-1 General Fund & abatements	40.347	40.178	37.715	37.160	35.595	35.384	35.286	38.881	40.861	42.274
Poudre River Public Library District	N/A	N/A	N/A	3.000	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	0.487	0.500	0.500	0.500	0.500
Thompson R2-J Bond Payment	13.126	10.000	10.510	10.298	9.021	8.668	9.120	9.156	9.655	8.054
Thompson R2-J General Fund & abatements	33.545	32.687	29.740	33.159	32.636	32.306	32.175	32.487	32.655	32.830
Thompson Valley Hlth Serv District	1.519	1.541	1.509	1.492	1.471	1.716	2.093	1.899	1.716	1.757
Windsor Highlands Metro Dist #1	N/A	30.000	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	30.000	30.000	35.000	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			Windsor- Severance Fire Rescue	Total Direct and Overlapping Rates	
		Weld County Overlapping Millage	Larimer Overlapping Millage	Windsor RE- 4 School District	Thompson R2-J School District	Poudre R-1 School District		Windsor/Weld Co Tax Rate	Windsor/Larimer Co Tax Rate
2002	12.030	20.559	22.421	56.224	48.462	51.723	5.149	93.962	88.062
2003	10.860	20.056	22.423	55.118	46.671	52.496	5.219	91.253	85.173
2004	12.030	21.474	22.517	52.964	42.687	52.496	5.209	91.677	82.443
2005	12.030	19.957	22.541	48.735	40.250	50.715	4.944	85.666	79.765
2006	12.030	17.900	22.410	43.446	43.457	40.160	4.944	78.320	82.841
2007	12.030	16.804	22.414	46.129	41.657	3.500	4.944	79.907	81.045
2008	12.030	16.804	22.395	47.418	40.974	9.155	6.119	82.371	81.518
2009	12.030	16.804	22.435	46.372	41.295	41.295	6.684	81.890	82.444
2010	12.030	16.804	22.524	48.449	41.643	34.386	7.894	85.177	84.091
2011	12.030	16.804	22.472	48.991	42.310	31.716	7.904	85.729	84.716
2012	12.030	16.804	22.520	47.949	40.884	65.000	7.964	84.747	83.398

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 Rescue 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 Rescue. Windsor/Larimer Co Tax Rate includes Windsor's operating, Larimer County, Thompson R2-J, Poudre R-1, and Windsor-Severance Fire Rescue.

(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 Five Years Prior
(Unaudited)

Taxpayer	2007			2008			2009			2010			2011			2012		
	Assessed Value (in millions)	Rank	% of Total Town Assessed	Assessed Value (in millions)	Rank	% of Total Town Assessed	Assessed Value (in millions)	Rank	% of Total Town Assessed	Assessed Value (in millions)	Rank	% of Total Town Assessed	Assessed Value (in millions)	Rank	% of Total Town Assessed	Assessed Value (in millions)	Rank	% of Total Town Assessed
Vestas Blades America Inc.				\$4.2	1	1.60%	\$20.3	2	7.07%	\$25.9	1	7.27%	\$30.0	1	8.14%	\$31.0	1	9.00%
Owens Brookway Glass Container Inc.							24.6	1	8.58%	16.7	2	4.63%	15.1	2	4.10%	13.2	2	3.85%
Brookway Glass Container Inc.							11.2	3	3.91%	12.2	3	3.43%	11.3	3	3.07%	11.3	3	3.29%
Front Range Energy LLC	\$2.3	2	1.07%	2.3	2	0.86%	3.1	4	1.07%	10.1	4	2.84%	9.6	4	2.61%	9.1	4	2.64%
Metal Container Corp.	2.0	3	0.95%	2.0	3	0.77%	2.0	5	0.70%	7.4	5	2.08%	7.5	6	2.02%	7.5	5	2.18%
Hexcel Corp.										7.3	6	2.04%	8.4	5	2.28%	5.7	6	1.67%
New Windsor Station LLC																2.8	7	0.82%
BCG Enterprises LTD LLLP	2.0	5	0.95%	2.0	4	0.76%	2.0	7	0.70%	2.0	8	0.56%	2.0	9	0.53%	2.0	8	0.57%
Poudre Valley Health Care, Inc.													2.0	8	0.55%	1.9	9	0.56%
S&E Investments LLC													1.5	10	0.41%	1.5	10	0.44%
Wells Fargo Bank NA													2.8	7	0.76%			
Windsor Shops LLC	2.8	1	1.35%	1.7	5	0.67%	2.9	6	1.00%	2.9	7	0.80%						
Safeway Stores 46 INC	1.6	6	0.74%	1.4	6	0.53%	1.6	8	0.55%	1.6	9	0.44%						
Praxair Inc./ O-I Oxygen Plant										1.5	10	0.43%						
Deline-Cornerstone LLC	1.5	7	0.70%	1.1	10	0.42%	1.5	9	0.51%									
Champion Investments 2 LLC	1.4	8	0.65%	1.4	7	0.53%	1.4	10	0.47%									
Champion Investments 1 LLC	1.4	9	0.65%	1.4	8	0.53%												
9351 Eastman Park Drive LLC				1.1	9	0.42%												
Meyers 4701, LLC - Larimer Co	2.0	4	0.95%															
Pelican Point Business Park LLC	1.3	10	0.60%															
Total Town Assessed Valuation / (in millions)	18.1	8.61%		18.5	7.10%		70.4	24.57%		87.6	24.59%		90.3	24.48%		86.2	25.02%	
	\$210.6			\$260.6			\$286.4			\$356.4			\$368.7			\$344.4		

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, 2012
(Unaudited)

The Town of Windsor's debt represents bonds secured solely by specified revenue sources (i.e., sales and use tax revenue refunding bonds), Colorado Water Conservation Board loan for the Kern Reservoir/Windsor Lake, Sewer Waste Water Treatment Plant Colorado Water Resources and Power Development Authority loan, 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.

2012 Assessed valuation ⁽¹⁾	\$344,443,260
Debt limit percentage	10%
Legal debt limit	<u>\$34,444,326</u>
Less:	
Long-term debt outstanding ⁽²⁾	<u>(\$13,332,706)</u>
Legal debt margin	<u>\$21,111,620</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⁾	\$20,677,685
Debt limit percentage	10% - 15%
Legal debt limit 10% of operation expenditures	<u>\$2,067,769</u>
Legal debt limit 15% of operation expenditures	\$3,101,653
Debt service for long-term debt ⁽²⁾	<u>(\$2,289,041)</u>
	or 11.07%
Legal debt margin	<u>\$812,621</u>

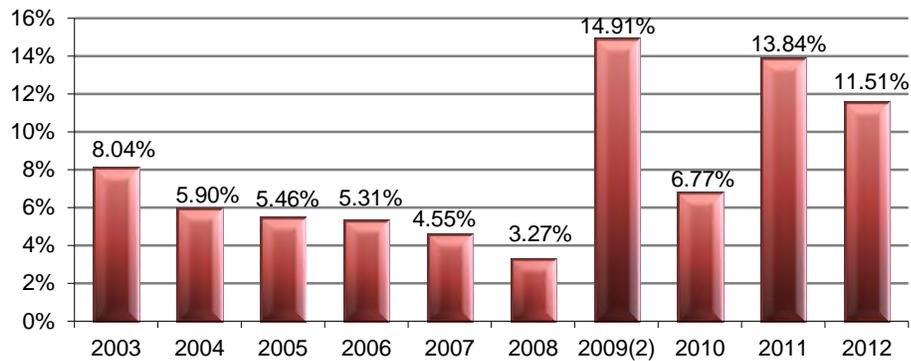
Sources: ⁽¹⁾ Current year's financial statements. General Governmental expenditures less capital and debt, and Proprietary and Internal Service funds operating expenditures less depreciation.

⁽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	
2003	\$ 5,208,522	\$ -	\$ 418,905	\$ 418,905	8.04%
2004	7,101,667	-	418,905	418,905	5.90%
2005	7,673,951	-	418,905	418,905	5.46%
2006	8,625,355	170,000	287,712	457,712	5.31%
2007	10,023,446	220,000	235,789	455,789	4.55%
2008	13,969,363	235,000	221,142	456,142	3.27%
2009 ⁽²⁾	14,814,991	1,998,356	210,808	2,209,163	14.91%
2010	13,030,872	685,465	197,193	882,658	6.77%
2011	14,024,098	1,770,442	170,293	1,940,735	13.84%
2012	15,240,245	1,669,915	83,836	1,753,751	11.51%

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



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

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

Source: Current and prior years' financial statements.

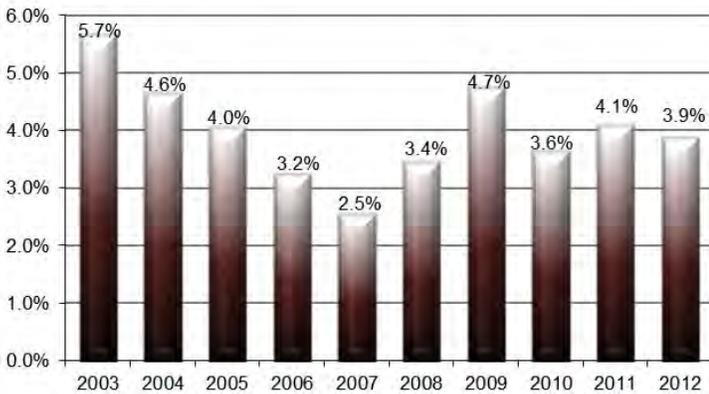
TOWN OF **WINDSOR**, COLORADO

RATIO OF OUTSTANDING DEBT BY TYPE

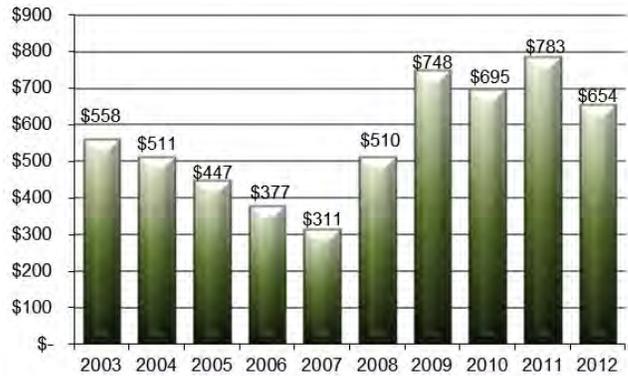
Last Ten Calendar Years
(Unaudited)

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 /Refunding Sales & Use Tax Bonds (CRC)	USDA Community Facilities Loan (Police Facility)	Developer Reimbursement Agreements	Sewer Loan Revenue Bonds	Sewer WWTP CWRPDA Loan	CWCB Loan (Kern Reservoir)				
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%	2.4%	748
2010	3,880,000	3,000,000	2,010,887	-	-	4,061,780	12,952,667	3.6%	2.3%	695
2011	3,630,000	2,966,854	1,399,301	-	3,110,543	3,964,959	15,071,657	4.1%	2.5%	783
2012	3,604,944	2,932,444	-	-	2,932,118	3,863,200	13,332,706	3.9%	2.1%	654

Long-Term Debt to Assessed Value



Long-Term Debt Per Capita



Notes: Includes all long-term debt, including:

- Series 2012 Sales and Use Tax Revenue Refunding 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).
- Developer Reimbursement Agreements.
- Colorado Water Resources and Power Development Authority Loan dated August 1, 1994, collateralized by Sewer Fund revenues, retired in 2008.
- Sewer Loan from Colorado Water Resources and Power Development Authority (CWRPDA) for Waste Water Treatment Facility (WWTP) Upgrade
- 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)

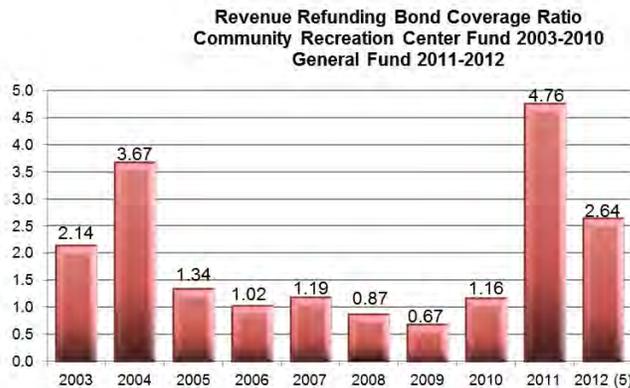
Year	Principal	Interest	Total Debt Service	Total General Expenditures	General Bonded Debt Service as a Percentage of Expenditures
2003	\$ -	\$ -	\$ -	\$ 17,614,305	0.00%
2004	-	-	-	16,874,498	0.00%
2005	-	-	-	14,015,350	0.00%
2006	-	-	-	18,668,250	0.00%
2007	-	-	-	26,926,211	0.00%
2008	-	-	-	24,911,879	0.00%
2009	-	-	-	25,475,534	0.00%
2010	-	-	-	18,431,518	0.00%
2011	-	-	-	21,551,404	0.00%
2012	-	-	-	21,083,471	0.00%

Note: There is no general obligation debt for 2012.

Source: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO
REVENUE REFUNDING BOND COVERAGE
COMMUNITY RECREATION CENTER FUND 2003-2010
GENERAL FUND 2011-2012 ⁽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	
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
2012 ⁽⁵⁾	12,994,255	12,008,409	985,846	290,000	83,636	373,636	2.64



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, 2012
(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 Refunding Bonds	\$ 3,415,000		
Police Facility USDA Loan	2,932,444		
Developer Reimbursement Agreements	-		
TOTAL	6,347,444	100.00%	\$ 6,347,444
<i>Overlapping:</i>			
Poudre R-1 School District ^(B)	233,532,906	3.39%	7,923,272
Thompson R2-J School District ^(C)	106,960,000	6.09%	6,517,639
Windsor RE-4 School District ^(D)	47,195,000	52.73%	24,884,530
Weld County ^{(3) (E)}	-	-	-
Larimer County ^{(3) (E)}	-	-	-
Windsor-Severance Fire Protection District ^(F)	3,360,000	66.14%	2,222,322
TOTAL	\$ 391,047,906		41,547,763
TOTAL Direct and Overlapping Debt			\$ 47,895,207

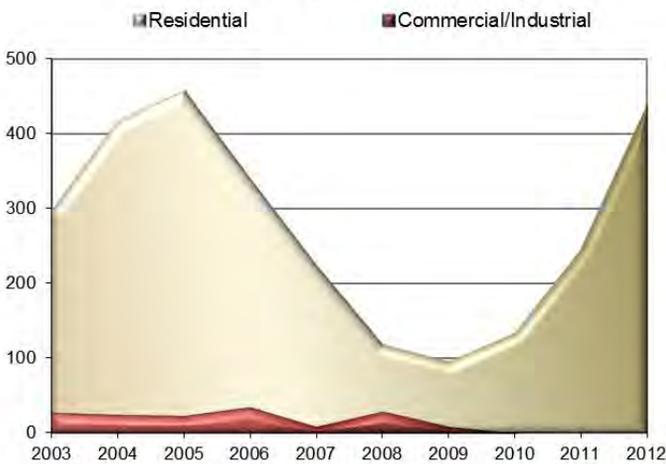
- Note:*
- ⁽¹⁾ Computation of overlapping debt includes only six major governmental units and excludes several special districts that partially overlap the Town.
 - ⁽²⁾ Portion of debt applicable to Windsor is determined by the ratio of the assessed value of the portion of the applicable district located 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 Rescue Finance Department

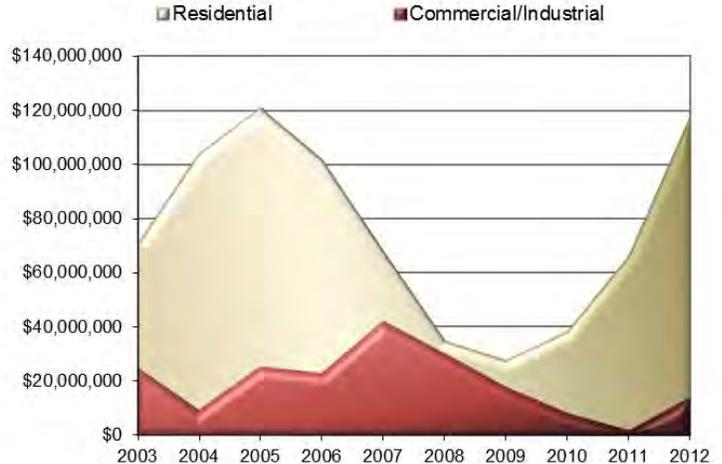
TOWN OF **WINDSOR**, COLORADO
BUILDING PERMITS AND VALUE OF CONSTRUCTION
 Last Ten Calendar Years
 (Unaudited)

<u>Year</u>	<u>Number of New Residential Building Permits</u>	<u>Value of Construction for New Residential Construction</u>	<u>Number of New Commercial/Industrial Permits</u>	<u>Total Value of Construction for New Commercial/Industrial Buildings</u>
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
2012	437	117,686,539	4	13,816,992

Number of Permits Issued (by year)



Value of Permits Issued (by year)



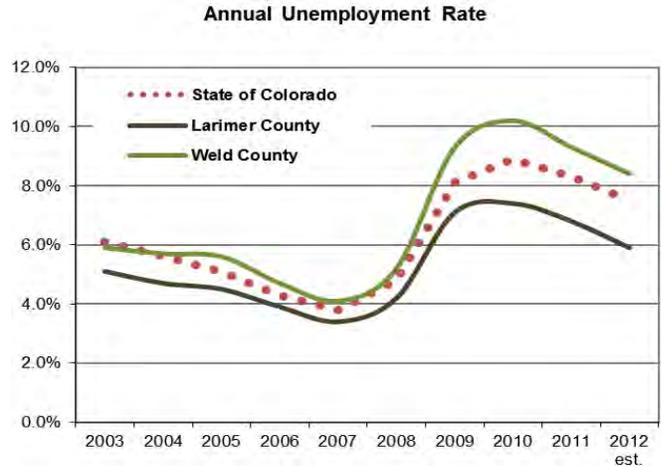
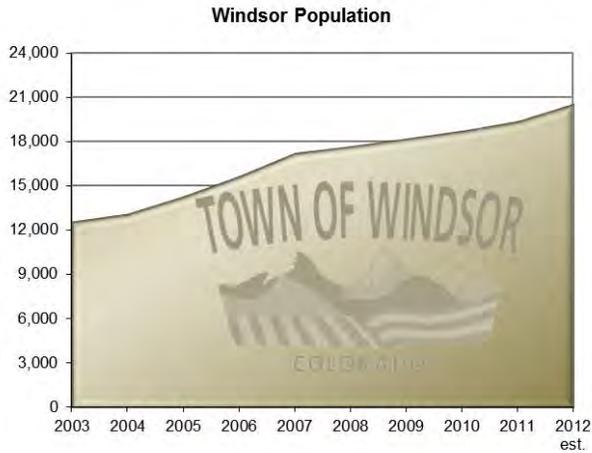
Source: Permit information is provided by the Town Planning and Zoning Department.

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⁾	Town of Windsor ⁽⁶⁾
2003	12,483	\$ 60,500	2.75	\$ 311,691	\$ 24,969	5.1%	5.9%	6.1%	N/A
2004	13,029	62,300	2.75	337,107	25,874	4.7%	5.7%	5.6%	N/A
2005	14,238	64,100	2.76	389,705	27,371	4.5%	5.6%	5.1%	4.4%
2006	15,554	66,000	2.76	442,167	28,428	3.9%	4.7%	4.3%	3.3%
2007	17,112	68,000	2.76	598,828	34,995	3.4%	4.1%	3.8%	3.6%
2008	17,623	70,000	2.76	574,009	32,572	4.2%	5.2%	4.8%	4.8%
2009	18,133	75,276	2.76	559,789	30,871	7.1%	9.3%	8.1%	7.3%
2010	18,644	75,970	2.76	573,927	30,783	7.4%	10.2%	8.9%	7.4%
2011	19,259	78,013	2.76	601,846	31,250	6.8%	9.3%	8.3%	6.1%
2012 est.	20,455	80,056	2.76	648,678	31,712	5.9%	8.4%	7.5%	5.9%



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%

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.
- ⁽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.
- ⁽⁶⁾ Online at www.homefacts.com

TOWN OF **WINDSOR**, COLORADO

TOP 10 PRINCIPAL EMPLOYERS

Current Year and Five Years Prior
(Unaudited)

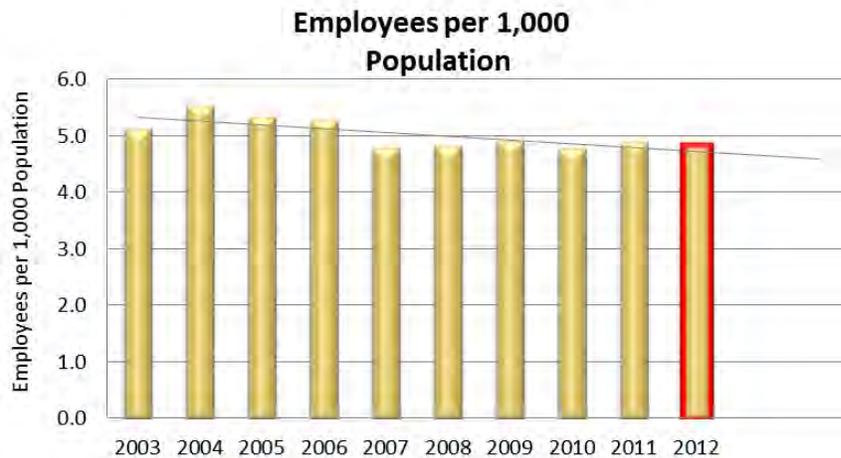
	2007		2008		2009		2010		2011		2012		% of Top 10 Total
	Employees ⁽¹⁾	Rank	Employees ⁽²⁾	Rank	Employees ⁽²⁾	Rank	Employees ⁽²⁾	Rank	Employees ⁽³⁾	Rank	Employees ⁽³⁾	Rank	
Windsor RE-4 School District	339	2	615	4	640	2	618	2	638	2	600	1	24.27%
Vestas Blades America			650	3	650	1	650	1	716	1	475	2	19.22%
Carestream Health, Inc.			650	2	600	3	600	3	588	3	430	3	17.39%
Kodak Colorado Division	1,800	1	720	1	390	4	390	4	200	5	225	4	9.10%
O-I Glass Container	175	3	200	6	206	5	206	5	205	4	182	5	7.36%
King Soopers									128	7	132	6	5.34%
SSC Windsor Operating Company LLC									131	6	131	7	5.30%
Metal Container Corporation	85	6	112	8	117	6	117	6	108	8	107	8	4.33%
Universal Forest Products, Inc.	135	4	160	7	85	7	80	8	93	10	95	9	3.84%
Town of Windsor	85	6	86	10	85	9	89	7	95	9	95	10	3.84%
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		2,472		75.73%

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
(4) Totals directly from companies*

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	% change in 10 yrs
General Government											
Administration ⁽¹⁾	13	14	16	19	18	20	22	24	25	25	
Community Development	5	5	5	6	6	6	6	5	5	5	
Public Safety											
Sworn	16	16	17	17	18	18	20	20	20	21	
Non-sworn	3	3	3	3	3	3	3	3	3	4	
Public Works											
Utilities ^{(2) (4)}	7	8	8	7	7	7	7	7	7	7	
Streets & other	7	8	8	9	9	9	8	8	14	14	
Parks, Recreation & Culture	13	13	13	13	16	17	18	17	16	16	
Community Center ⁽³⁾	0	5	6	8	5	5	5	5	4	4	
TOTAL	64	72	76	82	82	85	89	89	94	96	50%
Population	12,483	13,029	14,238	15,554	17,112	17,623	18,133	18,644	19,259	19,874	59%
Employees per 1,000 Population	5.1	5.5	5.3	5.3	4.8	4.8	4.9	4.8	4.9	4.8	-6%



*Note: General Government Administration consists of Clerk, Town Manager, Finance, Human Resources, Economic Development, 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 from 2011 forward

Source: Town of Windsor budget office and Demographic Section

GASB 34 implemented in 2004

TOWN OF **WINDSOR**, COLORADO
OPERATING INDICATORS BY FUNCTION / PROGRAM

Last Nine Calendar Years
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	% change in 9 yrs
General Government										
Elected officials	7	7	7	7	7	7	7	7	7	
Full-time employees	72	76	82	82	85	89	89	94	96	33%
Part-time employees	N/A	15	15	13	14	12	12	40.95 FTE	42.13 FTE	
Seasonal employees	N/A	130	132	133	134	133	133	included above	included above	
Public Safety										
Adult arrests	201	199	212	272	195	234	264	310	329	64%
Juvenile detentions	33	54	45	79	53	63	64	46	57	73%
Traffic citations	307	464	442	689	1,365	1,749	2,208	2,036	2,471	705%
Calls for service	4,495	5,483	6,352	6,747	5,242	5,442	7,506	6,123	6,344	41%
Other Public Works										
Paved road miles	88.7	105.5	108.5	113.0	131.1	133.2	133.9	137.2	137.7	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	73,885	62%
Community Development										
Building permits	440	480	374	233	147	104	137	246	441	0%
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	7,969	61%
New utility accounts	288	438	366	378	236	124	165	244	437	52%
Average daily water consumption (millions of gallons)	1.49	1.69	1.87	1.89	1.74	1.58	1.72	1.72	2.01	35%
Average daily water consumption per capita (gallons)	114.36	118.70	120.23	110.45	98.73	87.13	92.25	89.31	98.26	-14%
Annual consumption (millions of gallons)	544.7	617.2	683.4	692.4	635.8	578.2	627.7	627.6	735.3	35%
Other Miscellaneous Data										
No. of registered voters	8,339	9,215	9,938	9,935	11,879	12,310	12,240	13,150	14,681	76%

*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 Nine Calendar Years
 (Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	% change in 9 years
Public Safety										
Patrol units	16	17	17	18	18	20	20	21	22	38%
Public Works										
Area in square miles	17.80	18.72	22.59	22.98	23.25	24.61	24.61	24.63	24.67	39%
Paved roads (<i>miles</i>)	88.7	105.5	108.5	113.0	131.07	133.2	133.9	137.2	137.7	55%
Parks, Recreation & Culture										
Playgrounds	5	7	7	7	8	10	12	12	16	220%
Swimming pools	1	1	1	1	1	1	1	1	1	0%
Waterslides	1	1	1	1	1	1	1	1	1	0%
Skate parks	1	1	1	1	1	1	1	1	1	0%
Community centers	1	1	1	1	1	1	1	1	1	0%
Shelters	11	12	15	15	15	15	16	16	22	100%
Museums (<i>includes Pioneer Village</i>)	1	1	1	1	1	1	1	1	1	0%
Multi-purpose fields (<i>Unlighted</i>)	15	15	15	15	15	15	15	15	15	0%
Acres managed	290	313	320	358	366.2	445	445	445	445	53%
Developed parks (<i>acres</i>) ⁽¹⁾	N/A	N/A	97	106	106	126.1	129.6	133.6	139.2	44%
Undeveloped parks (<i>acres</i>)	N/A	N/A	176	175	179.2	179.2	179.2	171.7	166.1	-6%
Open space (<i>acres</i>) ⁽²⁾	N/A	N/A	76	80	127	139.7	139.7	139.7	139.7	84%
Trails (<i>miles</i>)	N/A	38	40	42	42	42	42	42	42	11%
Utilities										
Water mains (<i>miles</i>)	N/A	95.6	97	N/A	116	117	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	2.0	0%
Sewer treatment plants	1	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	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	2.8	0%

⁽¹⁾ 2009 to present includes Cemetery

⁽²⁾ 2009 to present 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





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Windsor, Colorado (the "Town"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 28, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questions costs, identified as 2012-01 and 2012-02 that we consider to be significant deficiencies.

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*.



The Town's Response to Findings

The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Anton Collins Mitchell LLP

Greeley, Colorado
June 28, 2013



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

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Windsor's (the "Town") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2012. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance



with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

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

Anton Collins Mitchell LLP

Greeley, Colorado
June 28, 2013

TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

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. Two significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements, which are 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 Commerce:
CFDA 11.300 – Investments for Public Works and Economic Development Facilities
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

2012-01 – Long Term Debt (Significant Deficiency)

Finding and Recommendation:

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

Views of Responsible Officials and Planned Corrective Actions

As per auditor recommendation, correcting entries were made to the accounts affected prior to closing. The Town has instituted a monthly long-term debt entry review system whereby the Director of Finance reviews all debt 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.

TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

2012-02 – Purchase Cards (Significant Deficiency)

Finding and Recommendation:

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

Views of Responsible Officials and Planned Corrective Actions

Agreements that were unsigned have since been signed. Purchase card purchases are approved by both department head, Director of Finance and in some cases the Town Manager. Missing receipts are of course discouraged but an affidavit of proper use for government business is signed in the stead of the missing receipt.

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

2011 – 01 – Capital Asset Recordkeeping

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.

Current Year Status:

Implemented.

2011-02 – Purchase Cards

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.

Current Year Status:

Partially implemented. The Town implemented a review process over purchase cards; however, we identified that purchase card agreements were not in place for some cardholders and that receipts were not always maintained. See current year recommendation at 2012-02.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



TOWN OF **WINDSOR**, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2012 Expenditures</u>
<u>Department of Commerce</u>			
Direct programs:			
Investments for Public Works and Economic Development Facilities	11.300		\$ 1,421,890
Total Department of Commerce			<u>1,421,890</u>
<u>Department of Homeland Security</u>			
Direct programs:			
Hazard Mitigation Grant	97.039		<u>10,808</u>
Total Department of Health and Human Services			<u>10,808</u>
<u>Department of Transportation</u>			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205		14,933
Passed through Colorado Department of Natural Resources			
Recreation Trails Program	20.219		<u>200,000</u>
Total Department of Transportation			<u>214,933</u>
Total Expenditures of Federal Awards			<u>\$ 1,647,631</u>

TOWN OF **WINDSOR**, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2012

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, 2012.