

2016
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR PERIOD ENDING DECEMBER 31, 2016

TOWN OF WINDSOR - 301 WALNUT STREET - WINDSOR, CO 80550

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TOWN OF Windsor, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the fiscal year ended December 31, 2016



REPORT ISSUED BY:

DEPARTMENT OF FINANCE
DEAN MOYER, DIRECTOR

TOWN OF **WINDSOR**, COLORADO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 December 31, 2016

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June 29, 2017

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, 2016, 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’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, 2016 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 unmodified opinion that the Town’s financial statements for the year ended December 31, 2016 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 25,000.

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. Projects extending beyond the current budget year-end are 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 operates.

Local economy. Nearly all of the Town’s sources of revenue are affected by population and have seen tremendous increases in the past 20 to 25 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 had 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. In 2016, the Town broke all records with 690 single family building permits.

Sales and use tax is the primary source of general revenues (56.2%) followed by property tax (19.1%), totaling 75.3% of the general revenues for fiscal year 2016. Fortunately, the Town’s sales tax base consists mostly of necessity-related vendors such as supermarkets, restaurants and utility companies (50.7%), 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 2016.

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 ensures long-term financial stability, planning for future replacement and maintenance of capital assets, maintaining current levels of services provided to Windsor citizens and addresses increasing service levels for the organization.

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

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, 2016. 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, 2015. This was the eighth 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 2016 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 eleventh such award the Town has received. The 2017 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



Government Finance Officers Association

**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, 2015

Executive Director/CEO

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TOWN OF **WINDSOR**, COLORADO
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TOWN OFFICIALS

TOWN BOARD MEMBERS THROUGH DECEMBER 31, 2016

Elected for Four Year Terms

		<u>Term Expires</u>
Mayor - <i>at-large</i>	Kristie Melendez	<i>Apr 2020</i>
Mayor Pro Tem <i>District 1</i>	Myles Baker	<i>Apr 2020</i>
Town Board Member <i>District 2</i>	Christian Morgan	<i>Apr 2018</i>
Town Board Member <i>District 3</i>	Ken Bennett	<i>Apr 2020</i>
Town Board Member <i>District 4</i>	Paul Rennemeyer	<i>Apr 2018</i>
Town Board Member <i>District 5</i>	Brenden Boudreau	<i>Apr 2020</i>
Town Board Member <i>District 6</i>	Ivan Adams	<i>Apr 2018</i>

APPOINTED OFFICIALS

Town Manager	Kelly Arnold
Town Attorney	Ian McCargar
Municipal Court Judge	Mike Manning
Town Clerk / Assistant to Town Manager	Patti Garcia
Director of Finance / Information Systems	Dean Moyer
Director of Human Resources / Risk Management	Mary Robins
Director of Planning	Scott Ballstadt
Economic Development Manager	Stacy Johnson
Chief of Police	Rick Klimek
Director of Public Works	Terry Walker
Director of Engineering	Dennis Wagner
Director of Parks, Recreation & Culture	Eric Lucas

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INDEPENDENT AUDITOR'S REPORT







Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Windsor (the "Town"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Windsor, Colorado as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, the budgetary comparison information on pages 54 and 55, the Schedule of the Town's Proportionate Share of Net Pension Liability/(Asset) on page 57, and the Schedule of the Town's Contributions on page 58 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 evidence sufficient to express an opinion or provide any assurance.

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 combining and individual nonmajor fund financial statements, budgetary comparison schedules, debt service requirements schedules, Local Highway Finance Report, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 combining and individual nonmajor fund financial statements, 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 *Governmental Auditing Standards*, we have also issued our report dated June 29, 2017 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Anton Collins Mitchell LLP

Greeley, Colorado
June 29, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS





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, 2016.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of 2016 by \$240,673,146.
Of this amount, \$41,178,990 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$35,388,209.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,106,627 or 64.9 % of total General Fund expenditures excluding transfers out.
- The Town's total debt increased by \$1,429,052 during the current fiscal year. The increase was due to annual principal payments applied to the 2012 Refunding Sales and Use Tax Bonds, the USDA, CWCB and CWR&PDA Loans.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net 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).

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

TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

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 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, and storm drainage 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 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 29-52 of this report.

Other information. The budgetary comparison for the General Fund and Community Recreation Center Expansion Fund can be found on pages 54-56. The combining statements for the non-major Park Improvement, Community Recreation Center, and Conservation Trust Funds are on pages 60-61. The budgetary comparison for the Capital Improvement Fund can be found on page 62. The budgetary comparison for the non-major Park Improvement, Community Recreation Center, and Conservation Trust Funds are found on pages 63-65. The budgetary comparison schedule for the enterprise funds can be found on pages 66-68 and the combining statements for internal service funds are on pages 69-71. The budgetary comparison schedule for the internal service funds is on pages 72-75.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net position serves 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 \$240,673,146.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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By far, the largest portion of the Town's net position (73.6%) reflects its net investment in capital assets (e.g., land, buildings, distribution and collection systems, infrastructure, 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		Business-Type		Total		Component Unit	
	Activities		Activities				Downtown	Development
	2016	2015	2016	2015	2016	2015	2016	2015
Assets								
Current assets	\$ 42,602,206	\$ 43,892,103	\$ 30,485,428	\$ 28,625,128	\$ 73,087,634	\$ 72,517,231	\$ 698,554	\$ 541,509
Restricted assets	145,542	145,528	-	-	145,542	145,528	-	-
Loan proceeds receivable	-	-	1,299,730	1,299,730	1,299,730	1,299,730	-	-
Capital assets, net	95,713,819	76,883,424	112,610,942	95,940,813	208,324,761	172,824,237	239,900	241,481
Net pension asset	2,830	174,070	-	-	2,830	174,070	-	-
Total assets	\$ 138,464,397	\$ 121,095,125	\$ 144,396,100	\$ 125,865,671	\$ 282,860,497	\$ 246,960,796	\$ 938,454	\$ 782,990
Deferred outflows of resources								
Deferred loss on refunding	51,652	65,879	-	-	51,652	65,879	-	-
Deferred outflows of resources - pensions	276,373	76,276	-	-	276,373	76,276	-	-
Total deferred outflows of resources	328,025	142,155	-	-	328,025	142,155	-	-
Liabilities								
Current liabilities	2,941,470	1,774,707	971,876	443,388	3,913,346	2,218,095	43,477	100
Noncurrent liabilities	22,843,873	23,987,912	10,204,160	10,490,553	33,048,033	34,478,465	-	-
Total liabilities	\$ 25,785,343	\$ 25,762,619	\$ 11,176,036	\$ 10,933,941	\$ 36,961,379	\$ 36,696,560	\$ 43,477	\$ 100
Deferred inflows of resources								
Unearned revenue - property taxes	5,541,778	5,115,539	-	-	5,541,778	5,115,539	-	-
Deferred inflows of resources - pensions	12,219	5,915	-	-	12,219	5,915	-	-
Total deferred inflows of resources	5,553,997	5,121,454	-	-	5,553,997	5,121,454	-	-
Net position								
Net investment in capital assets	73,455,414	53,524,675	103,763,546	86,778,936	177,218,960	140,303,611	239,900	241,481
Restricted	21,025,196	27,982,345	1,250,000	1,250,000	22,275,196	29,232,345	-	-
Unrestricted	12,972,472	8,846,187	28,206,518	26,902,794	41,178,990	35,748,981	655,077	541,409
Total net position	\$ 107,453,082	\$ 90,353,207	\$ 133,220,064	\$ 114,931,730	\$ 240,673,146	\$ 205,284,937	\$ 894,977	\$ 782,890

The *restricted portion of net position* (9.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$41,178,990) may be used to meet the Town's ongoing obligations to citizens and creditors. The main changes in net position are due to

TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

the completion of the Community Recreation Expansion Center and two projects associated with the Law Basin Master Channel.

Table 2
Condensed Changes in Net Position from Operating Results

	Governmental		Business-Type		Total Primary Government		Component Unit Downtown Development Authority	
	Activities		Activities				Authority	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues								
Program revenues								
Charges for services	\$ 5,253,167	\$ 2,800,874	\$ 7,227,097	\$ 7,784,370	\$ 12,480,264	\$ 10,585,244	\$ -	\$ -
Operating grants & contributions	1,823,088	1,977,623	-	-	1,823,088	1,977,623	-	-
Capital grants & contributions	7,604,489	2,272,849	19,149,791	7,888,412	26,754,280	10,161,261	-	-
General revenues								
Property taxes	5,074,514	4,171,557	-	-	5,074,514	4,171,557	29,190	25,090
Sales & use taxes	14,963,691	12,589,346	-	-	14,963,691	12,589,346	-	-
Franchise and other taxes	3,729,506	2,846,658	-	-	3,729,506	2,846,658	-	-
Earnings on investments	309,143	221,694	405,884	374,531	715,027	596,225	85	80
Other revenues	2,603,832	622,998	-	63,273	2,603,832	686,271	270,000	270,000
Total Revenues	41,361,430	27,503,599	26,782,772	16,110,586	68,144,202	43,614,185	299,275	295,170
Expenses								
General government	4,273,283	3,768,124	-	-	4,273,283	3,768,124	-	-
Public safety	3,701,539	3,510,691	-	-	3,701,539	3,510,691	-	-
Public works	7,409,738	7,175,480	-	-	7,409,738	7,175,480	-	-
Parks and recreation	5,818,082	4,890,399	-	-	5,818,082	4,890,399	-	-
Community development	365,167	701,861	-	-	365,167	701,861	-	-
Safety and loss control	4,084	4,844	-	-	4,084	4,844	-	-
Small equipment & maintenance	2,621,645	1,983,466	-	-	2,621,645	1,983,466	-	-
Assets conveyed to other governments	-	-	-	-	-	-	-	-
Debt issuance costs	-	237,578	-	-	-	237,578	-	-
Interest on long-term debt	770,591	554,517	-	-	770,591	554,517	-	-
Water	-	-	4,772,739	3,608,724	4,772,739	3,608,724	-	-
Sewer	-	-	2,398,095	2,271,608	2,398,095	2,271,608	-	-
Storm drainage	-	-	621,030	603,962	621,030	603,962	-	-
Total Expenses Primary Government	24,964,129	22,826,960	7,791,864	6,484,294	32,755,993	29,311,254	-	-
Component Unit								
Downtown Development Authority	-	-	-	-	-	-	187,188	112,173
Excess in Net Position before transfers and special items								
	16,397,301	4,676,639	18,990,908	9,626,292	35,388,209	14,302,931	112,087	182,997
Transfers in (out)	702,574	154,551	(702,574)	(154,551)	-	-	-	-
Change in net position	17,099,875	4,831,190	18,288,334	9,471,741	35,388,209	14,302,931	112,087	182,997
Net position - beginning of year (restated)	90,353,207	85,522,017	114,931,730	105,459,989	205,284,937	190,982,006	782,890	599,893
Net position - end of year	\$107,453,082	\$90,353,207	\$ 133,220,064	\$ 114,931,730	\$240,673,146	\$ 205,284,937	\$ 894,977	\$ 782,890

Table 2 shows changes in net position of the Town's governmental and business-type activities. The Town presents comparative data from 2016 and 2015 as required by the Governmental Accounting Standards Board pronouncement 34 ("GASB 34").

Note: The Town had an unusually high number of building permit for new construction, grants for large projects and sales tax and use tax collection.

Governmental Activities. There was a 56.2% increase in governmental revenues from 2015 to 2016, about \$13.8 million, of which \$2.4 million was sales and use taxes. The Town continues to grow with

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more construction and use tax from building permits. Charges for services increased 87.6% or nearly \$2.5 million which includes park improvement fees received from building permits, with construction in 2016 breaking records. Grants and contributions reflect a 234.6% increase from 2015. Grants were over \$3 million with the largest (\$2.8 million) for finishing the Railroad Quiet Zone project. This compared to only about \$539,000 in 2015. There were also developer contributed streets netting \$3.7 million due to all the construction. This compared to \$1.6 million in 2015. Property taxes increased 21.6% due to an increase in assessed valuation; the mill levy remained at 12.03 mills. As noted before, sales and use taxes increased 18.9% with a gain of \$2,374,345. While governmental revenues increased 50.4% or \$13,857,832, expenses only increased 9.4% or \$2,137,169, with the largest operational increases in parks and recreation (\$927,683) adding the first year of operations of the Community Recreation Center Expansion, adding personnel as well as the first debt repayment.

Business-type Activities. Total revenues increased 66.2% or about \$10.7 million, as developer contributions were \$5 million more in 2016 with \$4 million more in water dedication alone. Grants in 2016 totaled \$3.7 million with \$1.7 million in 2015. Developer contributions amounted to \$7.8 million in 2016 compared to \$2.8 in 2015 with more developers dedicating water. Operating expenses were up 20.9% in 2016 amounting to \$1,307,570 as the Kyger Pump Station neared completion, a large sewer nutrient project completed in 2016, again the two Law Basin projects completed, and the first large payments from Water and Sewer Fund for the new Public Works Maintenance Facility were in 2016. There were 618 more water customers, 618 more sewer customers, and 557 more storm drainage customers served in 2016. These numbers were 198 water, 194 sewer, and 290 storm drainage customers in 2015.

Over all funds, the net position increased 17.2% or \$35.4 million due in part to the aforementioned increase in sales and use tax collections, developer contributions, and all sources of revenue related to increased construction and building permit fees.

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.

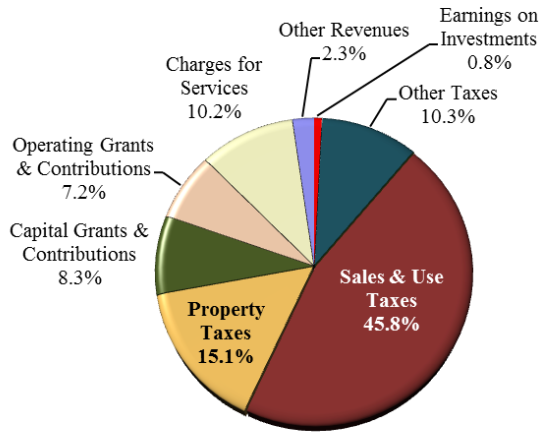
Governmental funds. The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* serves as a useful measure 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 \$36,226,240. Approximately 25.1% of this total amount (\$9,106,627) 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 parks and recreation to indicate that it is not available for new spending because it has already been committed. There is \$19,338,010 restricted for capital improvements (26.6% less than last year due to completion of the Community Center Expansion), \$964,223 restricted for emergencies, \$720,133 restricted for parks and recreation for use under Conservation Trust Fund regulations, and \$6,097,247 assigned for parks and recreation projects which increased with that accumulation of community and neighborhood park fees for future projects. Governmental fund balances are down 7.3% or \$2,868,976 from 2015 again primarily due to the use of bond proceeds from 2015 for the completion of the Community Center Expansion.

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TABLE 3
Revenues by Source-Governmental Activities 2015



2016 Property tax was up \$903 thousand or 21.6% from 2015, sales and use tax was up 18.9% or \$2.4 million. Capital grants and developer contributions increased \$5.3 million. Total revenue was up 50.4% or about \$13.9 million in 2016. This reflects the strong growth of the community.

There was \$2 million more in developer street contributions in 2016 with Highland Meadows Golf Course, Water Valley South, Jacoby Farm, Great Western Industrial Park and Highlands Industrial Park subdivisions filings.

TABLE 3
Revenues by Source-Governmental Activities 2016

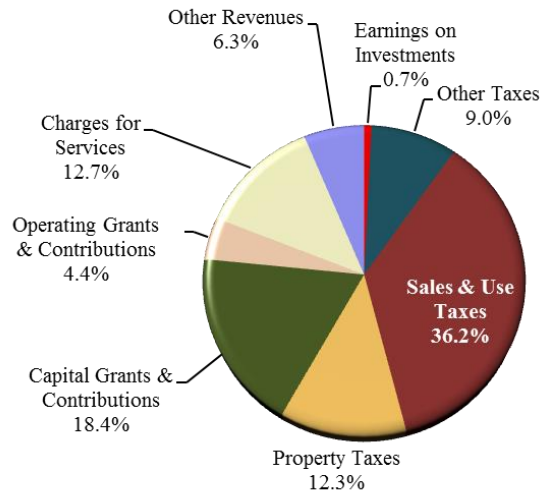


TABLE 4
2015 Expenses by Category Governmental Activities

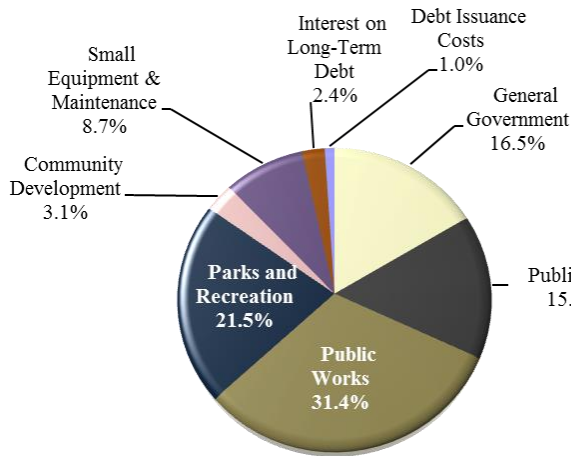
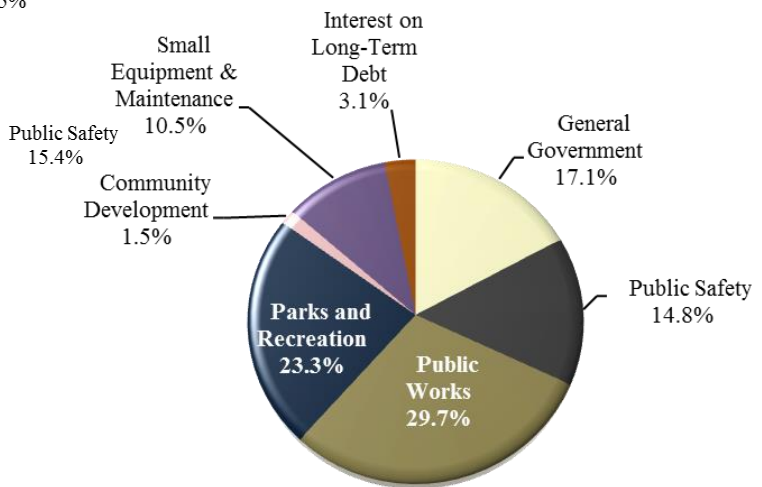


TABLE 4
2016 Expenses by Category Governmental Activities



The distribution of expenses remains about the same for 2016. In 2015 there was \$237,578 in debt issuance costs for the Community Recreation Center Expansion.

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Table 5
Balance Sheet Comparison by Fund
Governmental Funds

	General		Community Recreation Center Expansion		Capital Improvement		Other Governmental (Non Major)		Total	Total
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
ASSETS										
Cash and cash equivalents	\$ 12,064,778	\$ 1,697,016	\$ 3,211,531	\$ 17,727,177	\$ 450,949	\$ 781,493	\$ 108,141	\$ 149,720	\$ 15,835,399	\$ 20,355,406
Equity in pooled cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Investments	2,838,526	2,364,178	-	-	15,553,444	13,048,976	42,891	-	18,434,861	15,413,154
Receivables	6,585,426	6,033,818	288,132	256,911	854,982	827,265	75,567	68,471	7,804,107	7,186,465
Interfund receivable	-	4,899,220	2,260,674	-	404,790	-	6,749,427	3,591,700	9,414,891	8,490,920
Total assets	\$ 21,488,730	\$ 14,994,232	\$ 5,760,337	\$ 17,984,088	\$ 17,264,165	\$ 14,657,734	\$ 6,976,026	\$ 3,809,891	\$ 51,489,258	\$ 51,445,945
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
<u>Liabilities</u>										
Accounts and retainage payable	\$ 778,567	\$ 550,954	\$ 783,266	\$ 203,817	\$ 769,433	\$ 212,115	\$ 66,545	\$ 93,243	\$ 2,397,811	\$ 1,060,129
Accrued liabilities	326,116	525,100	9,162	-	-	-	4,489	18,293	339,767	543,393
Other liabilities	81,341	47,477	-	-	-	-	-	-	81,341	47,477
Interfund payable	5,202,045	-	-	3,397,641	1,700,276	2,186,550	-	-	6,902,321	5,584,191
Total liabilities	6,388,069	1,123,531	792,428	3,601,458	2,469,709	2,398,665	71,034	111,536	9,721,240	7,235,190
<u>Deferred inflows of resources</u>										
Deferred revenue - property taxes	5,541,778	5,115,539	-	-	-	-	-	-	5,541,778	5,115,539
<u>Fund Balances</u>										
Restricted for emergencies	452,256	410,660	98,408	71,341	325,947	209,200	87,612	30,243	964,223	721,444
Restricted for capital improvements	-	-	4,869,501	14,311,289	14,468,509	12,049,869	-	-	19,338,010	26,361,158
Restricted for parks and recreation	-	-	-	-	-	-	720,133	725,673	720,133	725,673
Assigned for parks and recreation	-	-	-	-	-	-	6,097,247	2,942,439	6,097,247	2,942,439
Unassigned	9,106,627	8,344,502	-	-	-	-	-	-	9,106,627	8,344,502
Total fund balances	9,558,883	8,755,162	4,967,909	14,382,630	14,794,456	12,259,069	6,904,992	3,698,355	36,226,240	39,095,216
Total liabilities, deferred inflows of resources and fund balances	\$ 21,488,730	\$ 14,994,232	\$ 5,760,337	\$ 17,984,088	\$ 17,264,165	\$ 14,657,734	\$ 6,976,026	\$ 3,809,891	\$ 51,489,258	\$ 51,445,945

In all, the total governmental assets increased 0.1%, liabilities increased 34.4%, deferred inflows of resources increased 0.1%, and fund balances decreased 7.3% (\$2,868,976) due to bond proceeds received in 2015 for the Community Recreation Center (CRC) Expansion and spent over 2015 and 2016. 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 again set a new historical high affecting the General, Capital Improvement and CRC Expansion fund balances. Construction use tax increased as well by 71.7% in 2016 with more construction. The General Fund balance increased 9.2%. The CRC Expansion Fund is more reflective of normalcy since the remaining bond funds were in 2015 fund balance. In 2015 the CRC Expansion Fund was created to collect the \$16,100,000 bond proceeds and 0.75% sales and use tax to be separate from the existing Community Recreation Center Fund and is a separate major fund. The Capital Improvement Fund shows a 20.7% increase in fund balance.

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 2016, the *unassigned* fund balance of the General Fund totaled \$9,106,627, while the total fund balance was \$9,558,883. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund

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balance and total fund balance to total fund expenditures. For 2016, unassigned fund balance represents 60.7% of total fund expenditures while total fund balance represents 63.7% of that same amount.

The Economic Development Incentive Fund was established in 2015 to manage developer incentives for tracking purposes. According to GASB 54, a fund must have its own source revenue. This fund was supplemented by the General Fund by way of transfers; it is thus incorporated into the General Fund for reporting purposes.

There was a supplemental budget for the General Fund increasing budgeted sales tax due to highest collections on record and recreation revenue coming in higher than anticipated. Taxes and assessments showed a positive variance of \$44,180. Total revenue variance was \$233,937 with a 9.4% and \$1,354,396 total increase.

TABLE 9
Revenues by Source
General Fund 2015

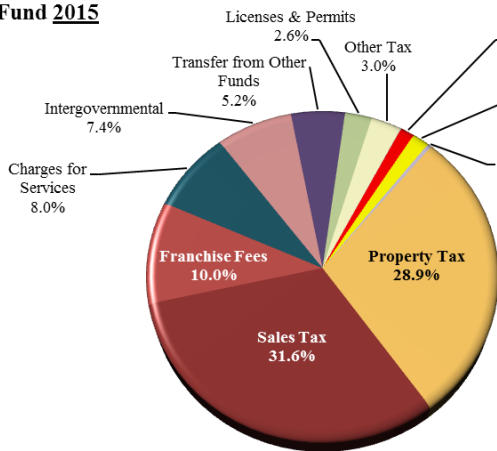
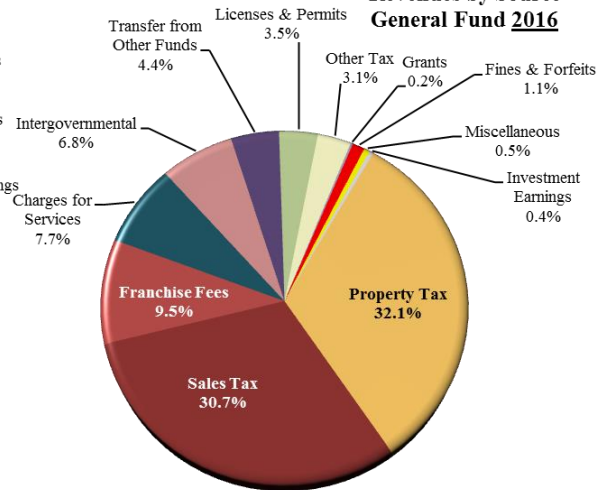


TABLE 9
Revenues by Source
General Fund 2016



The distribution of revenue sources for 2015 and 2016 is very similar as shown above and as you would expect operational revenues to be.

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). Expenditures for 2016 are 13.8% (\$415,675) more than comparable expenditures of 2015. Personal services were the cause of most increases as well as a transfer of funds in 2016 for the Public Works maintenance facility construction.

TABLE 10
Expenditures by Type
General Fund 2015

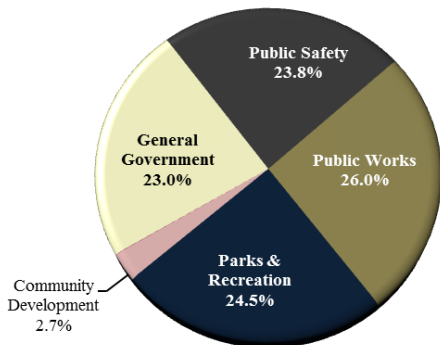
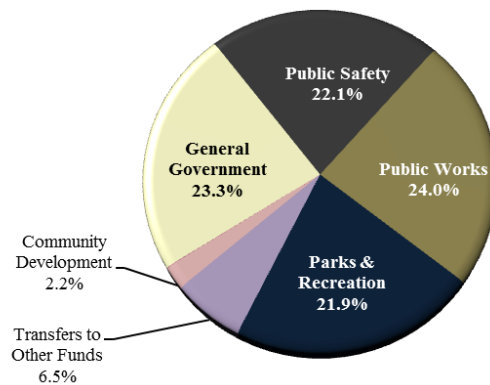


TABLE 10
Expenditures by Type
General Fund 2016



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

Water Fund unrestricted net position increased 7.9% to \$16,892,844. The unrestricted net positions of the Sewer Fund increased to \$10,259,992 and storm drainage fund decrease to \$996,415 due to two large drainage projects being completed in 2016. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town's business-type activities.

TABLE 6
Revenues by Source-Business-Type Activities
2015

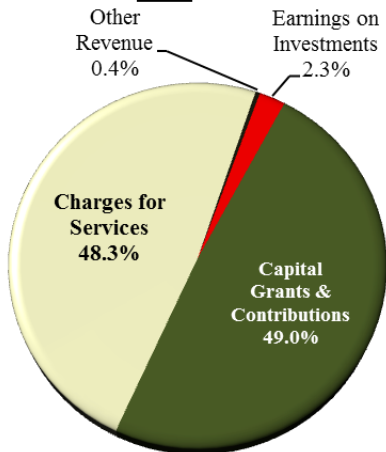
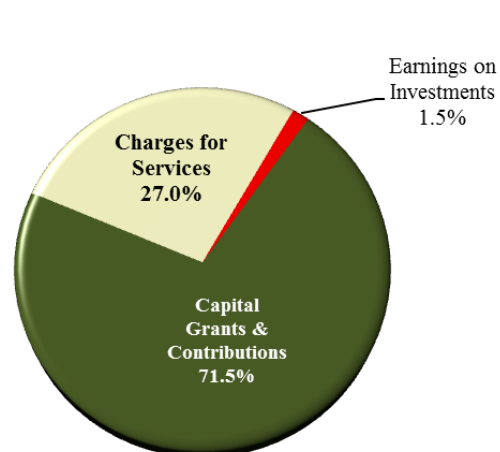


TABLE 6
Revenues by Source-Business-Type Activities
2016



The distribution of revenues in 2016 is dominated with Capital Grants and Contributions, while Charges for services is less of the total distribution compared to 2015. Charges for services decreased only \$557,273 from 2015. Grants and contributions are \$5,331,640 higher due to \$1.7 million in grants from Federal Emergency Management Agency (FEMA) and Community Development Block Grant (CDBG) grant funding for the Law Basin Master Channel, Colorado Department of Public Health and Environment (CDPHE) Sewer Nutrient project grant of \$506,000, and the Colorado Department of Local Affairs (DOLA) water line grant of \$200,000 in 2016. There was also \$7.8 million in developer contributions in 2016, as well as the remainder of the Kyger Reservoir loan of \$1,254,730. Total revenues are thus up 66.2% (\$10,672,186) in 2016.

TABLE 7
Expenses by Source-Business-Type Activities
2015

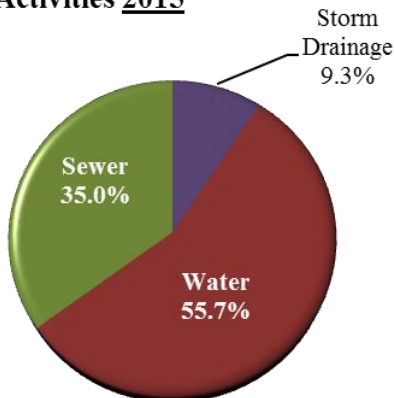
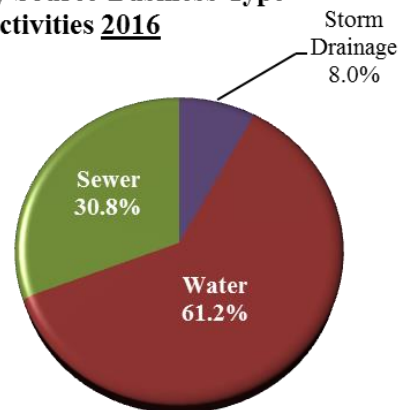


TABLE 7
Expenses by Source-Business-Type Activities
2016



The distribution of expenses in the Business-type activities is similar to 2015. The sewer nutrient project and the Law Basin Master Channel projects were completed in 2016. Expenses increased 20.2% or \$1,307,570 in 2016. There were water and sewer oversizing amounting to \$720,155 in 2016 for Winter Farm and Village East subdivision.

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Table 8
Statement of Net Positions Comparison by Fund
Proprietary Funds

	Water		Sewer		Storm Drainage		Total	Total
	2016	2015	2016	2015	2016	2015	2016	2015
ASSETS								
Total current assets	\$ 29,541,226	\$ 27,577,121	\$ 11,764,864	\$ 9,579,146	\$ 1,593,506	\$ 3,133,387	\$ 42,899,596	\$ 40,289,654
Loan proceeds receivable	1,299,730	1,299,730	-	-	-	-	1,299,730	1,299,730
Capital assets, net	65,573,657	54,034,673	27,125,916	26,346,331	19,911,369	15,559,809	112,610,942	95,940,813
Total assets	96,414,613	82,911,524	38,890,780	35,925,477	21,504,875	18,693,196	156,810,268	137,530,197
LIABILITIES								
Total current liabilities	12,776,450	12,038,458	432,911	247,140	597,091	276,498	13,806,452	12,562,096
Total noncurrent liabilities	7,818,483	7,952,088	2,022,536	2,212,739	-	-	9,841,019	10,164,827
Total liabilities	20,594,933	19,990,546	2,455,447	2,459,879	597,091	276,498	23,647,471	22,726,923
NET POSITION								
Net investment in capital assets	58,926,836	47,263,691	24,925,341	23,955,436	19,911,369	15,559,809	103,763,546	86,778,936
Restricted for operations and maintenance	-	-	1,250,000	1,250,000	-	-	1,250,000	1,250,000
Unrestricted	16,892,844	15,657,287	10,259,992	8,260,162	996,415	2,856,889	28,149,251	26,774,338
Total Net Position	\$ 75,819,680	\$ 62,920,978	\$ 36,435,333	\$ 33,465,598	\$ 20,907,784	\$ 18,416,698	\$ 133,162,797	\$ 114,803,274
<i>Amounts reported for business-type activities in the Statement of Net Position are different because</i>								
<i>Cumulative portion of internal service funds net operating income attributed to business-type activities</i>							57,267	128,456
							<u>\$133,220,064</u>	<u>\$ 114,931,730</u>

Total assets for the proprietary funds increased in 2016 14.0% (\$19,280,071), while liabilities increased 4.1% (\$920,548). Assets increased primarily due to developer contributions, loan proceeds for the completion of the Kyger reservoir pump station, the completion of work on the Law Basin Master Channel and West Tributary Channel, and the completion of the sewer nutrient project in 2016. Liabilities increased slightly by comparison. The overall net position increased 15.9% (\$18,288,334).

Building and new construction 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 is retained for future projects. Water investment fee increase was approved half in 2015 and half in 2016. Sewer investment fee increases took effect in 2015.

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, 2016, amounts to \$208,324,761 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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Table 11
Capital Assets, Net

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Construction in progress	\$ 3,401,217	\$ 6,360,102	\$ 11,709,818	\$ 4,479,374	\$ 15,111,035	\$ 10,839,476
Land and water rights	3,245,961	2,300,443	37,420,783	29,071,954	40,666,744	31,372,397
Site improvements	7,338,770	7,880,002	-	-	7,338,770	7,880,002
Buildings and improvements	25,308,708	10,438,370	-	-	25,308,708	10,438,370
Streets and improvements	43,607,331	37,951,624	-	-	43,607,331	37,951,624
Parks and improvements	8,542,619	8,144,936	-	-	8,542,619	8,144,936
Machinery and equipment	3,758,268	3,737,294	-	-	3,758,268	3,737,294
Furniture and fixtures	510,945	70,653	-	-	510,945	70,653
Utility systems and equipment	-	-	63,480,341	62,389,486	63,480,341	62,389,486
Total	\$ 95,713,819	\$ 76,883,424	\$ 112,610,942	\$ 95,940,814	\$ 208,324,761	\$ 172,824,238

Additional information on the Town's capital assets can be found in Note 1 on page 33 and Note 5 on pages 41-42 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$17,820,000. The Town's total debt of \$33,048,033 represents bonds secured solely by the specified revenue sources (i.e., 2012 Refunding sales and use tax bonds and 2015 sales and use tax bond), a USDA loan for the police facility, two loans for the construction of the Kern Reservoir, a Sewer Waste Water Treatment Plant loan, a loan for the Kyger Reservoir and compensated absences.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
2012 Refunding Sales & Use Tax Bonds	\$ 2,255,000	\$ 2,555,000	\$ -	\$ -	\$ 2,255,000	\$ 2,555,000
2015 Sales & Use Tax Bonds	15,565,000	16,100,000	-	-	15,565,000	16,100,000
Bond Premium	1,708,893	1,948,494	-	-	1,708,893	1,948,494
USDA Community Facilities Loan (WBA)	2,781,164	2,821,134	-	-	2,781,164	2,821,134
CWCB Loans (Kern & Kyger Reservoirs)	-	-	7,946,551	8,070,712	7,946,551	8,070,712
CWR&PDA Loan Sewer WWTP	-	-	2,200,575	2,390,895	2,200,575	2,390,895
Compensated Absences	533,816	563,284	57,034	28,946	590,850	592,230
Total	\$ 22,843,873	\$ 23,987,912	\$ 10,204,160	\$ 10,490,553	\$ 33,048,033	\$ 34,478,465

The Town's debt decreased 4.1% (\$1,430,432) from 2015.

The Town's debt policy imposes a legal debt margin 10% of assessed valuation. The debt limit at December 31, 2016 was \$42,523,182. The amount of debt applicable to the debt limit is \$30,748,290 leaving a legal debt margin of \$11,774,892.

Additional information on the Town's long-term debt can be found in Note 6 on pages 43-45 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 2017 budget was approved and adopted by the Windsor Town Board on November 28, 2016 appropriating \$57,013,463 for expenditures. The 2017 appropriation is a 0.7% decrease from 2016 with increases in personnel, operations and debt, and a decrease in capital projects. There is also a 15.7% increase in projected revenues of \$52,208,558 as compared to \$45,132,717 budgeted in 2016. The decrease in capital projects is due to completion of several larger multi-year projects such as the Community Recreation Center Expansion and the Law Basin Master Channel. Comparing the 2017 budgeted revenue to 2016, minus grants and loans, results in an anticipated 23.6% increase. The increase in revenue includes a 12.1% increase in taxes, mainly sales and use taxes. Although there are 61% fewer grants, there has been an increase in construction causing a 57.1% increase in plant investment fees. The \$4.8 million difference in revenue and expenditures is primarily due to the construction of a new Public Works Facility funded with \$1.5 million in grant funds with the balance coming from reserves in fund balances. The new facility and off-site improvements will cost \$13.2 million. The intentional use of accumulated fund balances was to avoid debt and pay for the facility with cash. The mill levy will remain at 12.03 mills for 2017. Water and sewer rates will be examined in concert with the development of the 2018 budget and will most likely be increased in early 2018.

There is provision for a 3% merit pool for employees in the 2017 budget and a total net addition of 5.5 FTE. New positions are: 4 police officers, parks maintenance technician, forestry maintenance technician and a museum educator. With the elimination of an engineering position, 2 part-time forestry positions, a part-time museum aide and the addition of a part-time sale tax technician and part-time communications specialist nets 5.5 additional FTE.

Parks and Recreation programs and facilities have also been important to our growing community. A total of \$10,285,534 has been allocated to quality of life and recreational programs. One of the leading projects will be the Boardwalk Park Farmer's Market. Other projects include some design work for Diamond Valley Field, Highland Meadows Park playground resurfacing, and some trail construction for parks and recreation in 2017. Also 2017 will fund some museum and trail projects.

Improving infrastructure is always a primary concern. Road Projects for 2017 include \$4 million in street maintenance, a roundabout on SH 257, traffic signal at Harmony Road/WCR 15, an investment in the I-25 widening improvement project. Utility fund projects include completion of the Kyger Reservoir pump station, 3 sewer lift station replacements, and construction of a chemical treatment facility at the sewer plant, design of a water transmission line connecting N. Weld County, and water and sewer line oversizing.

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
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<u>Assets</u>				
Cash and cash equivalents	\$ 15,835,409	\$ 1,515,414	\$ 17,350,823	\$ 98,456
Investments	18,434,861	28,295,031	46,729,892	-
Receivables	7,805,212	1,194,606	8,999,818	600,098
Prepaid items	7,101	-	7,101	-
Internal balances	519,623	(519,623)	-	-
Restricted assets:				
Investments	145,542	-	145,542	-
Loan proceeds receivable	-	1,299,730	1,299,730	-
Capital assets, not being depreciated	6,647,178	49,130,601	55,777,779	213,809
Capital assets, being depreciated, net	89,066,641	63,480,341	152,546,982	26,091
Net pension asset	2,830	-	2,830	-
<u>Total assets</u>	<u>138,464,397</u>	<u>144,396,100</u>	<u>282,860,497</u>	<u>938,454</u>
<u>Deferred outflows of resources</u>				
Deferred loss on refunding	51,652	-	51,652	-
Deferred outflows of resources - pensions	276,373	-	276,373	-
<u>Total deferred outflows of resources</u>	<u>328,025</u>	<u>-</u>	<u>328,025</u>	<u>-</u>
<u>Liabilities</u>				
Accounts payable and other liabilities	2,526,044	930,617	3,456,661	43,477
Accrued payroll	339,767	8,019	347,786	-
Accrued interest payable	75,659	33,240	108,899	-
Noncurrent liabilities:				
Due within one year				
Bonds and loans payable	906,495	320,813	1,227,308	-
Accrued compensated absences	396,175	42,328	438,503	-
Due in more than one year				
Bonds and loans payable	21,403,562	9,826,313	31,229,875	-
Accrued compensated absences	137,641	14,706	152,347	-
<u>Total liabilities</u>	<u>25,785,343</u>	<u>11,176,036</u>	<u>36,961,379</u>	<u>43,477</u>
<u>Deferred inflows of resources</u>				
Unearned revenue - property taxes	5,541,778	-	5,541,778	-
Deferred inflows of resources - pensions	12,219	-	12,219	-
<u>Total deferred inflows of resources</u>	<u>5,553,997</u>	<u>-</u>	<u>5,553,997</u>	<u>-</u>
<u>Net position</u>				
Net investment in capital assets	73,455,414	103,763,546	177,218,960	239,900
Restricted for:				
Capital projects	19,338,010	-	19,338,010	-
TABOR emergency reserve	964,223	-	964,223	-
Parks and recreation	720,133	-	720,133	-
Pensions	2,830	-	2,830	-
Operations and maintenance	-	1,250,000	1,250,000	-
Unrestricted	12,972,472	28,206,518	41,178,990	655,077
<u>Total net position</u>	<u>\$ 107,453,082</u>	<u>\$ 133,220,064</u>	<u>\$ 240,673,146</u>	<u>\$ 894,977</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, 2016

<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	\$ 4,273,283	\$ -	\$ -	\$ 973,260
Public safety	3,701,539	210,801	-	-
Public works	7,409,738	699,088	1,069,696	6,631,229
Parks, Recreation and Culture	5,818,082	4,343,278	430,520	-
Community development	365,167	-	31,522	-
Safety and loss control	4,084	-	-	-
Small equipment and maintenance	2,621,645	-	291,350	-
Interest on long-term debt	770,591	-	-	-
<u>Total governmental activities</u>	<u>24,964,129</u>	<u>5,253,167</u>	<u>1,823,088</u>	<u>7,604,489</u>
Business-type activities:				
Water	4,772,739	4,787,506	-	12,670,724
Sewer	2,398,095	2,045,784	-	3,521,099
Storm drainage	621,030	393,807	-	2,957,968
<u>Total business-type activities</u>	<u>7,791,864</u>	<u>7,227,097</u>	<u>-</u>	<u>19,149,791</u>
<u>Total primary government</u>	<u>\$ 32,755,993</u>	<u>\$ 12,480,264</u>	<u>\$ 1,823,088</u>	<u>\$ 26,754,280</u>
<u>Component unit</u>				
Downtown Development Authority	\$ 187,188	\$ -	\$ -	\$ -

General revenues

Taxes:

 Property taxes

 Sales and use taxes

 Franchise taxes

 Other taxes

Earnings on investments

Other revenues

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net position

Net position at beginning of year

Net position at end of year

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Net (Expense) Revenue and Changes in Net Position			Component Unit Downtown Development Authority
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (3,300,023)	\$ -	\$ (3,300,023)	\$ -
(3,490,738)	-	(3,490,738)	-
990,275	-	990,275	-
(1,044,284)	-	(1,044,284)	-
(333,645)	-	(333,645)	-
(4,084)	-	(4,084)	-
(2,330,295)	-	(2,330,295)	-
(770,591)	-	(770,591)	-
(10,283,385)	-	(10,283,385)	-
-	12,685,491	12,685,491	-
-	3,168,788	3,168,788	-
-	2,730,745	2,730,745	-
-	18,585,024	18,585,024	-
(10,283,385)	18,585,024	8,301,639	-
-	-	-	(187,188)
5,074,514	-	5,074,514	29,190
14,963,691	-	14,963,691	-
1,507,839	-	1,507,839	-
2,221,667	-	2,221,667	-
309,143	405,884	715,027	85
2,603,832	-	2,603,832	270,000
26,680,686	405,884	27,086,570	299,275
702,574	(702,574)	-	-
27,383,260	(296,690)	27,086,570	299,275
17,099,875	18,288,334	35,388,209	112,087
90,353,207	114,931,730	205,284,937	782,890
<u>\$ 107,453,082</u>	<u>\$ 133,220,064</u>	<u>\$ 240,673,146</u>	<u>\$ 894,977</u>

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

TOWN OF **WINDSOR**, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	General	Capital Improvement	Community Recreation Center Expansion	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 12,064,778	\$ 450,949	\$ 3,211,531	\$ 108,141	\$ 15,835,399
Investments	2,838,526	15,553,444	-	42,891	18,434,861
Receivables	6,585,426	854,982	288,132	75,567	7,804,107
Interfund receivable	-	404,790	2,260,674	6,749,427	9,414,891
<u>Total assets</u>	<u>\$ 21,488,730</u>	<u>\$ 17,264,165</u>	<u>\$ 5,760,337</u>	<u>\$ 6,976,026</u>	<u>\$ 51,489,258</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts and retainage payable	\$ 778,567	\$ 769,433	\$ 783,266	\$ 66,545	\$ 2,397,811
Accrued payroll	326,116	-	9,162	4,489	339,767
Other liabilities	81,341	-	-	-	81,341
Interfund payable	5,202,045	1,700,276	-	-	6,902,321
<u>Total liabilities</u>	<u>6,388,069</u>	<u>2,469,709</u>	<u>792,428</u>	<u>71,034</u>	<u>9,721,240</u>
<u>Deferred inflows of resources</u>					
Deferred revenue - property taxes	5,541,778	-	-	-	5,541,778
<u>Fund balances</u>					
Restricted for emergencies	452,256	325,947	98,408	87,612	964,223
Restricted for capital improvements	-	14,468,509	4,869,501	-	19,338,010
Restricted for parks and recreation	-	-	-	720,133	720,133
Assigned for parks and recreation	-	-	-	6,097,247	6,097,247
Unassigned	9,106,627	-	-	-	9,106,627
<u>Total fund balances</u>	<u>9,558,883</u>	<u>14,794,456</u>	<u>4,967,909</u>	<u>6,904,992</u>	<u>36,226,240</u>
<u>Total liabilities, deferred inflows of resources and fund balances</u>	<u>\$ 21,488,730</u>	<u>\$ 17,264,165</u>	<u>\$ 5,760,337</u>	<u>\$ 6,976,026</u>	<u>\$ 51,489,258</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, 2016

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

Total fund balances - governmental funds \$ 36,226,240

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

The cost of capital assets, net of accumulated depreciation 88,945,429

The deferred loss on refunding is not a current financial resource and, therefore, is not reported as a deferred outflows of resources in the governmental funds. 51,652

Pension asset and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Net pension asset	\$ 2,830	
Deferred outflows of resources relating to pensions	276,373	
Deferred inflows of resources relating to pensions	<u>(12,219)</u>	266,984

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	\$ (17,820,000)	
Premium on bonds	(1,708,893)	
Accrued interest payable	(75,659)	
Accrued compensated absences	<u>(495,239)</u>	(20,099,791)

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.

2,062,569

Total net position of governmental activities \$ 107,453,083

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, 2016

	General	Capital Improvement	Community Recreation Center Expansion	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$ 11,917,032	\$ 8,213,733	\$ 2,873,580	\$ 763,366	\$ 23,767,711
Licenses and permits	558,657	-	-	-	558,657
Intergovernmental	1,069,696	291,350	-	420,520	1,781,566
Grants and contributions	31,522	6,631,229	-	10,000	6,672,751
Charges for services	1,210,821	-	334,376	2,972,144	4,517,341
Fines and forfeitures	177,169	-	-	-	177,169
Earnings on investments	56,816	178,709	72,276	1,328	309,129
Miscellaneous	85,009	2,181,120	25	25	2,266,179
<u>Total revenues</u>	<u>15,106,722</u>	<u>17,496,141</u>	<u>3,280,257</u>	<u>4,167,383</u>	<u>40,050,503</u>
<u>Expenditures</u>					
Current:					
General government	3,506,747	-	-	-	3,506,747
Public safety	3,307,394	-	-	-	3,307,394
Public works	3,594,145	-	-	-	3,594,145
Parks, recreation and culture	3,286,982	-	532,485	680,486	4,499,953
Community development	326,596	-	-	-	326,596
Safety and loss control	4,084	-	-	-	4,084
Small equipment and maintenance	-	2,902,829	-	-	2,902,829
Debt service					
Principal	-	-	535,000	300,000	835,000
Interest	-	-	794,300	72,275	866,575
Capital outlay	-	12,532,644	10,833,193	267,813	23,633,650
<u>Total expenditures</u>	<u>14,025,948</u>	<u>15,435,473</u>	<u>12,694,978</u>	<u>1,320,574</u>	<u>43,476,973</u>
<u>Revenues over (under) expenditures</u>	<u>1,080,774</u>	<u>2,060,668</u>	<u>(9,414,721)</u>	<u>2,846,809</u>	<u>(3,426,470)</u>
<u>Other financing sources (uses)</u>					
Transfers in	693,198	685,632	-	387,000	1,765,830
Transfers out	(970,251)	(210,913)	-	(27,172)	(1,208,336)
<u>Total other financing sources (uses)</u>	<u>(277,053)</u>	<u>474,719</u>	<u>-</u>	<u>359,828</u>	<u>557,494</u>
<u>Net changes in fund balances</u>	<u>803,721</u>	<u>2,535,387</u>	<u>(9,414,721)</u>	<u>3,206,637</u>	<u>(2,868,976)</u>
<u>Fund balance at beginning of year</u>	<u>8,755,162</u>	<u>12,259,069</u>	<u>14,382,630</u>	<u>3,698,355</u>	<u>39,095,216</u>
<u>Fund balance at end of year</u>	<u>\$ 9,558,883</u>	<u>\$ 14,794,456</u>	<u>\$ 4,967,909</u>	<u>\$ 6,904,992</u>	<u>\$ 36,226,240</u>

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

TOWN OF **WINDSOR**, COLORADO
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**
For the Year Ended December 31, 2016

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

Total net change in fund balance - governmental funds. \$ (2,868,976)

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

Capital outlay	\$ 23,916,454	
Contributed assets	973,260	
Net book value of capital assets disposed	(325,767)	
Depreciation expense	<u>(5,697,529)</u>	18,866,418

The repayment of bond principal is an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balances. However, these are reflected as reductions of liabilities in the Statement of Net Position and do not affect the Statement of Activities. 835,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the accretion of bond premium and the amortization of the deferred loss on refunding. 225,374

Increase in accrued interest payable reflected as 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. (24,280)

Decrease 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. 22,296

Pension expense relating to the Town's defined benefit retirement plan is recognized on the Statement of Activities and not included in the fund financial statements. 22,554

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. 21,489

Change in net position of governmental activities \$ 17,099,875

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Drainage	Total	Internal Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 694,684	\$ 531,964	\$ 288,766	\$ 1,515,414	\$ 10
Investments	27,435,317	724,736	134,978	28,295,031	-
Interfund receivable	888,003	10,269,845	736,697	11,894,545	450,481
Intergovernmental receivable	229,846	25,500	372,404	627,750	-
Prepaid items	-	-	-	-	7,101
Accounts receivable	293,376	212,819	60,661	566,856	1,105
Total current assets	29,541,226	11,764,864	1,593,506	42,899,596	458,697
Noncurrent assets					
Restricted investments	-	-	-	-	145,542
Loan proceeds receivable	1,299,730	-	-	1,299,730	-
Capital assets:					
Land	3,538,594	84,083	666,106	4,288,783	157,853
Water rights	33,132,000	-	-	33,132,000	-
Utility system	33,612,106	37,014,934	16,743,996	87,371,036	-
Buildings and improvements	163,319	1,727,782	-	1,891,101	4,994,533
Machinery and equipment	827,996	1,034,589	46,382	1,908,967	6,905,196
Construction in progress	4,267,033	919,521	6,523,264	11,709,818	-
Less: accumulated depreciation	(9,967,391)	(13,654,993)	(4,068,379)	(27,690,763)	(5,289,191)
Total capital assets, net	65,573,657	27,125,916	19,911,369	112,610,942	6,768,391
Total noncurrent assets	66,873,387	27,125,916	19,911,369	113,910,672	6,913,933
Total assets	96,414,613	38,890,780	21,504,875	156,810,268	7,372,630
LIABILITIES					
Current liabilities					
Interfund payable	12,066,645	-	404,790	12,471,435	2,386,161
Accounts payable	536,574	201,742	192,301	930,617	28,722
Accrued liabilities	35,758	5,501	-	41,259	18,170
Accrued compensated absences - current	6,980	35,348	-	42,328	28,631
Loans payable - current	130,493	190,320	-	320,813	41,495
Total current liabilities	12,776,450	432,911	597,091	13,806,452	2,503,179
Noncurrent liabilities					
Accrued compensated absences	2,425	12,281	-	14,706	9,946
Loans payable	7,816,058	2,010,255	-	9,826,313	2,739,669
Total noncurrent liabilities	7,818,483	2,022,536	-	9,841,019	2,749,615
Total liabilities	20,594,933	2,455,447	597,091	23,647,471	5,252,794
NET POSITION					
Net investment in capital assets	58,926,836	24,925,341	19,911,369	103,763,546	3,987,227
Restricted for operations and maintenance	-	1,250,000	-	1,250,000	-
Unrestricted	16,892,844	10,259,992	996,415	28,149,251	(1,867,391)
Total net position	\$75,819,680	\$36,435,333	\$20,907,784	133,162,797	\$ 2,119,836

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

57,267
\$133,220,064

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
For the Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Drainage	Total	Internal Service Funds
<u>Operating revenues</u>					
Charges for services	\$ 3,866,750	\$ 2,045,290	\$ 336,827	\$ 6,248,867	\$ 2,629,757
Insurance recoveries	-	-	-	-	24,849
Miscellaneous	920,756	494	56,980	978,230	-
<u>Total operating revenues</u>	<u>4,787,506</u>	<u>2,045,784</u>	<u>393,807</u>	<u>7,227,097</u>	<u>2,654,606</u>
<u>Operating expenses</u>					
Wages and benefits	140,162	416,982	6,856	564,000	978,627
Operating costs	3,213,994	886,824	271,079	4,371,897	1,203,367
Depreciation	1,212,456	1,019,021	330,980	2,562,457	1,157,333
<u>Total operating expenses</u>	<u>4,566,612</u>	<u>2,322,827</u>	<u>608,915</u>	<u>7,498,354</u>	<u>3,339,327</u>
<u>Operating income (loss)</u>	<u>220,894</u>	<u>(277,043)</u>	<u>(215,108)</u>	<u>(271,257)</u>	<u>(684,721)</u>
<u>Nonoperating revenues (expenses)</u>					
Earnings on investments	395,104	8,187	2,593	405,884	14
Gain on disposal of capital assets	-	-	-	-	282,233
Interest expense	(179,811)	(42,510)	-	(222,321)	(105,110)
<u>Total nonoperating revenues (expenses)</u>	<u>215,293</u>	<u>(34,323)</u>	<u>2,593</u>	<u>183,563</u>	<u>177,137</u>
<u>Income (loss) before contributions and transfers</u>	<u>436,187</u>	<u>(311,366)</u>	<u>(212,515)</u>	<u>(87,694)</u>	<u>(507,584)</u>
Capital contributions	12,440,878	2,989,807	1,250,616	16,681,301	312,804
Grants	229,846	531,292	1,707,352	2,468,490	-
Transfers in	217,819	-	-	217,819	145,080
Transfers out	(426,028)	(239,998)	(254,367)	(920,393)	-
<u>Change in net position</u>	<u>12,898,702</u>	<u>2,969,735</u>	<u>2,491,086</u>	<u>18,359,523</u>	<u>(49,700)</u>
<u>Net position at beginning of year</u>	<u>62,920,978</u>	<u>33,465,598</u>	<u>18,416,698</u>	<u>114,803,274</u>	<u>2,169,536</u>
<u>Net position at end of year</u>	<u>\$75,819,680</u>	<u>\$36,435,333</u>	<u>\$20,907,784</u>		<u>\$ 2,119,836</u>

Amounts reported for business-type activities in the Statement of Activities are different because Internal service funds increase to expenses for costs in excess of charges to the business-type activities

(71,189)
\$ 18,288,334

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, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Drainage	Total	Internal Service Funds
<u>Cash flows from operating activities</u>					
Cash received from customers	\$ 3,879,653	\$2,039,909	\$ 339,524	\$ 6,259,086	\$ 2,628,839
Other receipts	920,756	494	56,980	978,230	24,849
Cash payments to suppliers	(2,858,077)	(806,888)	(546,673)	(4,211,638)	(1,230,063)
Cash payments to employees	(147,539)	(381,517)	(6,856)	(535,912)	(984,539)
<u>Net cash flows from operating activities</u>	1,794,793	851,998	(157,025)	2,489,766	439,086
<u>Cash flows from non-capital financing activities</u>					
Grant income	24,792	709,934	2,110,066	2,844,792	-
Change in interfund payable	273,663	-	404,790	678,453	37,474
Change in interfund receivable	56,039	(2,352,771)	1,136,939	(1,159,793)	(50,155)
Transfers from other funds	217,819	-	-	217,819	145,080
Transfers to other funds	(426,028)	(239,998)	(254,367)	(920,393)	-
<u>Net cash flows from non-capital financing activities</u>	146,285	(1,882,835)	3,397,428	1,660,878	132,399
<u>Cash flows from capital and related financing activities</u>					
Capital contributions	12,440,878	2,989,807	1,250,616	16,681,301	312,804
Principal paid on debt	(124,161)	(190,320)	-	(314,481)	(39,969)
Interest paid on debt	(179,811)	(42,510)	-	(222,321)	(105,110)
Proceeds from sale of capital assets	-	-	-	-	49,999
Acquisition of capital assets	(12,645,095)	(1,728,119)	(4,491,143)	(18,864,357)	(889,075)
<u>Net cash flows from capital and related financing activities</u>	(508,189)	1,028,858	(3,240,527)	(2,719,858)	(671,351)
<u>Cash flows from investing activities</u>					
Proceeds from sales of investments	1,877,019	-	-	1,877,019	-
Purchases of investments	(4,154,449)	(4,680)	(872)	(4,160,001)	-
Net change in restricted cash	-	-	-	-	(15)
Earnings on investments	438,480	9,600	2,593	450,673	14
<u>Net cash flows from investing activities</u>	(1,838,950)	4,920	1,721	(1,832,309)	(1)
<u>Net change in cash and cash equivalents</u>	(406,061)	2,941	1,597	(401,523)	(99,867)
<u>Cash and cash equivalents at beginning of year</u>	1,100,745	529,023	287,169	1,916,937	99,877
<u>Cash and cash equivalents at end of year</u>	\$ 694,684	\$ 531,964	\$ 288,766	\$ 1,515,414	\$ 10
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>					
Operating income (loss)	\$ 220,894	\$ (277,043)	\$ (215,108)	\$ (271,257)	\$ (684,722)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	1,212,456	1,019,021	330,980	2,562,457	1,157,333
Changes in operating assets and liabilities:					
Accounts receivable	12,903	(5,381)	2,697	10,219	5,067
Accounts payable and accrued expenses	348,540	115,401	(275,594)	188,347	(38,592)
<u>Net cash flows from operating activities</u>	\$ 1,794,793	\$ 851,998	\$ (157,025)	\$ 2,489,766	\$ 439,086
<u>Non-cash investing, capital and financing activities</u>					
Capital assets acquired with accounts payable	\$ 106,344	\$ 70,487	\$ 191,397	\$ 368,228	\$ -
Trade-in value of capital assets	\$ -	\$ -	\$ -	\$ -	\$ 232,235

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

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 reporting principles. The more significant of the Town’s accounting policies are described below.

Reporting Entity

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

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

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

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

Discretely Presented Component Unit

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

Blended Component Unit

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

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

Basic Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property, franchise, and sales 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.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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.

Community Recreation Center Expansion Fund - This major fund is a special revenue fund type which is funded by a voter-approved increase in sales and use taxes. The expenditures represent the construction and equipping of the Windsor Community Recreation Center expansion. In addition, funds will be used to repay the debt obligations and operating and maintaining the Recreation Center.

Park Improvement Fund - This nonmajor fund is a special revenue fund type which is established to account for revenues derived from specific taxes or other earmarked revenue sources which finance specific activities as required by law or administrative action, primarily park improvement fees.

Community Recreation Center Fund - This nonmajor fund is a special revenue fund type which is funded by sales tax, construction use tax, grants, and facility user fees. The expenditures represent operating and cost of construction.

Conservation Trust Fund - This nonmajor special revenue fund was established to account for revenues derived from earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or 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.

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.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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, and Storm Drainage 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 resolution is adopted by the Town Board 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 Town Board 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, 2016

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 the year ended December 31, 2016:

	Original Budget	Total Revisions	Revised Budget
<u>Governmental funds:</u>			
General fund	\$ 14,851,156	\$ 244,254	\$ 15,095,410
<u>Special revenue funds:</u>			
Community recreation center expansion fund	9,965,258	3,009,629	12,974,887
Community recreation center fund	1,049,420	-	1,049,420
Park improvement fund	281,322	-	281,322
Conservation trust fund	477,107	-	477,107
<u>Capital projects funds:</u>			
Capital improvements fund	11,678,171	4,978,860	16,657,031
<u>Business-type funds:</u>			
Water fund	8,558,292	9,322,033	17,880,325
Sewer fund	3,425,249	332,495	3,757,744
Storm drainage fund	3,690,168	1,724,547	5,414,715
<u>Internal service funds:</u>			
Fleet management fund	1,081,163	-	1,081,163
Information technology fund	1,196,033	52,166	1,248,199
Windsor building authority	145,080	-	145,080
Facility service fund	692,985	88,068	781,053
Total funds	\$ 57,091,404	\$ 19,752,052	\$ 76,843,456

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. 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.

Investments

Investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

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 Position and, classified as interfund receivables or interfund payables on the Balance Sheet (see Note 4).

Bond Premiums, Discounts and Issuance Costs

In the governmental fund statements, bond premiums, discounts, and issuance costs are recognized as current period revenues and/or expenditures. Bond premiums and discounts in the government-wide and proprietary fund statements are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective-interest method. Issuance costs are expensed as incurred, while bond premiums and discounts are netted against the related debt.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

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:

Description	Governmental Activities	Business- Type Activities
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, 2016.

Impairment of Capital Assets

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Town is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management of the Town has determined that there are no indications of impairment of capital assets as of December 31, 2016.

Accrued Compensated Absences Payable

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

Accrued Liabilities and Long-Term Obligations

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

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations (Continued)

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

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. Assignments may be established, modified, or rescinded only through resolutions approved by the Board.

Unassigned – amounts that are available for any purpose. Only the General Fund reports a positive unassigned fund balance. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

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

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose. A deficit will require future funding.

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

Contribution of Capital

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

Interfund Transactions

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2016.

Pensions

The Town contributes to the Statewide Defined Benefit Plan (“SWDB”), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SWDB plan and additions to/deductions from the SWDB plan fiduciary net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments at FPPA are reported at fair value.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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, 2016, is as follows:

Cash, Cash Equivalents and Investments	Fair Value	Weighted Average Maturity Date (in days)	Concentration of Credit Risk
Cash on hand	\$ 3,980	-	N/A
Cash held by County Treasurer	53,482	-	N/A
Cash in financial institution	12,613,658	-	N/A
Certificates of deposit	9,441,593	825	18.3%
U.S. Treasury notes	270,743	677	0.5%
FHLMC	14,179,007	1,164	27.5%
FNMA	18,265,537	1,295	35.4%
Other U.S. instrumentalities	1,200,686	1,434	2.3%
Municipal bonds	336,174	258	0.7%
Corporate securities	686,995	1,809	1.3%
COLOTRUST	2,494,699	N/A	4.7%
CSAFE	4,778,159	N/A	9.3%
Total cash, cash equivalents and investments	\$ 64,324,713		

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

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

Cash and cash equivalents	\$ 17,350,823
Investments	46,729,892
Restricted investments	145,542
Cash and cash equivalents - component unit	98,456
Total cash, cash equivalents and investments	\$ 64,324,713

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

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, 2016 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, 2016, 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.

Fair Value – Investments

The Town categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town’s investment balances at fair value hierarchy are as follows:

Investments	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 9,441,593	\$ -	\$ 9,441,593
U.S. Treasury notes	-	270,743	-	270,743
FHLMC	-	14,179,007	-	14,179,007
FNMA	-	18,265,537	-	18,265,537
Other U.S. instrumentalities	-	1,200,686	-	1,200,686
Municipal bonds	-	336,174	-	336,174
Corporate securities	686,995	-	-	686,995
COLOTRUST	-	2,494,699	-	2,494,699
Total investments	\$ 686,995	\$ 46,188,439	\$ -	\$ 46,875,434

Debt securities classified in Level 1 and 2 are valued using the following approaches:

- U. S. Treasury notes, FHLMC, FNMA, other U.S. instrumentalities: quoted prices for identical securities in markets that are not active;
- Corporate securities and municipal bonds: quoted prices for similar securities in active markets;
- Negotiable Certificates of Deposits: matrix pricing based on securities’ relationship to benchmark quoted prices;
- ColoTrust: fair value of the pool’s share price multiplied by the number of shares held.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

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

Local Government Investment Pools

At December 31, 2016, the Town had invested \$7,272,858 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.

CSAFE is considered to be a 2a7-like investment and is valued using NAV per share (or its equivalent) of the investments and is not shown in the fair value hierarchy table.

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 value losses arising from increasing interest rates. The approximate weighted average yield to maturity for investments held at December 31, 2016 is 2.24% and the weighted average remaining term of investments is approximately 1,066 days.

Note 3 - Receivables

Receivables at December 31, 2016, consist of the following:

<u>Receivables</u>	General	Capital Improvement	Community Center Expansion	Other Governmental	Enterprise	Total
Taxes	\$ 5,541,778	\$ -	\$ -	\$ -	\$ -	\$ 5,541,778
Trade accounts	930,805	693,932	288,132	75,567	553,020	2,541,456
Intergovernmental	112,843	161,050	-	-	627,750	901,643
Other	-	-	-	1,105	13,836	14,941
<u>Total</u>	<u>\$ 6,585,426</u>	<u>\$ 854,982</u>	<u>\$ 288,132</u>	<u>\$ 76,672</u>	<u>\$ 1,194,606</u>	<u>\$ 8,999,818</u>

In addition, the Downtown Development Authority has a receivable of \$600,098 from the Town of Windsor.

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.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

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

The following table summarizes interfund transfers for the year ended December 31, 2016:

	Transfers Out						Total
	General Fund	Capital Improvement Fund	Other Governmental Funds	Water Fund	Sewer Fund	Storm Drainage	
Transfers in:							
Governmental funds:							
General	\$ -	\$ -	\$ 27,172	\$ 426,028	\$ 239,998	\$ -	\$ 693,198
Capital Improvement	583,251	-	-	-	-	102,381	685,632
Other governmental	387,000	-	-	-	-	-	387,000
Total governmental funds:	970,251	-	27,172	426,028	239,998	102,381	1,765,830
Proprietary funds:							
Enterprise funds:							
Water	-	65,833	-	-	-	151,986	217,819
Storm Drainage	-	-	-	-	-	-	-
Internal service funds		145,080	-	-	-	-	145,080
Total proprietary funds	-	210,913	-	-	-	151,986	362,899
Total transfers	\$ 970,251	\$ 210,913	\$ 27,172	\$ 426,028	\$ 239,998	\$ 254,367	\$ 2,128,729

The Town's interfund receivables and payables at December 31, 2016 (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 and has a balance at December 31, 2016 of \$888,003.

Receivable Fund	Payable Fund	Amount
Capital Improvement Fund	Storm Drainage	\$ 404,790
Community Recreation Center Expansion	General	2,260,674
Community Recreation Center	General	418,196
Conservation Trust	General	642,975
Water	Capital Improvement	888,003
Storm Drainage	Water	736,697
Sewer	Water	10,269,845
Park Improvement	General	1,880,200
Park Improvement	Water	1,060,103
Park Improvement	Capital Improvement	812,273
Park Improvement	Internal Service Funds	1,935,680
Internal Service Funds	Internal Service Funds	450,481
		\$ 21,759,917

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2016 for governmental activities was as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 2,300,443	\$ 945,518	\$ -	\$ 3,245,961
Construction in progress	6,360,102	17,680,354	(20,639,239)	3,401,217
Total capital assets, not being depreciated	8,660,545	18,625,872	(20,639,239)	6,647,178
Capital assets, being depreciated:				
Site improvements	12,351,061	40,467	-	12,391,528
Buildings and improvements	20,353,681	15,657,008	-	36,010,689
Streets and improvements	74,350,588	9,137,671	-	83,488,259
Parks and improvements	15,029,974	1,091,190	-	16,121,164
Machinery and equipment	11,088,930	1,642,261	(702,925)	12,028,266
Furniture and fixtures	527,740	455,794	-	983,534
Total capital assets, being depreciated	133,701,974	28,024,391	(702,925)	161,023,440
Less accumulated depreciation for:				
Site improvements	(4,471,059)	(581,699)	-	(5,052,758)
Buildings and improvements	(9,915,311)	(786,670)	-	(10,701,981)
Streets and improvements	(36,398,964)	(3,481,964)	-	(39,880,928)
Parks and improvements	(6,885,038)	(693,507)	-	(7,578,545)
Machinery and equipment	(7,351,636)	(1,295,520)	377,158	(8,269,998)
Furniture and fixtures	(457,087)	(15,502)	-	(472,589)
Total accumulated depreciation	(65,479,095)	(6,854,862)	377,158	(71,956,799)
Total capital assets, being depreciated, net	68,222,879	21,169,529	(325,767)	89,066,641
Governmental activities capital assets, net	\$ 76,883,424	\$ 39,795,401	\$ (20,965,006)	\$ 95,713,819

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

Governmental Activities:	
General government	\$ 569,754
Public safety	284,876
Public works	3,703,394
Parks and recreation	854,629
Community development	284,876
Capital assets held by internal service funds are charged to the various functions based on usage	1,157,333
Total depreciation expense - governmental activities	\$ 6,854,862

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 5 - Capital Assets (Continued)

Capital asset activity for the year ended December 31, 2016 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	\$ 4,479,374	\$ 9,411,655	\$ (2,181,211)	\$ 11,709,818
Land and water rights	29,071,954	8,348,829	-	37,420,783
Total capital assets, not being depreciated	33,551,328	17,760,484	(2,181,211)	49,130,601
Capital assets, being depreciated:				
Utility systems and equipment	87,517,792	3,653,312	-	91,171,104
	87,517,792	3,653,312	-	91,171,104
Less accumulated depreciation for:				
Utility systems and equipment	(25,128,306)	(2,562,457)	-	(27,690,763)
Total accumulated depreciation	(25,128,306)	(2,562,457)	-	(27,690,763)
Total capital assets, being depreciated, net	62,389,486	1,090,855	-	63,480,341
Business-type activities capital assets, net	\$ 95,940,814	\$ 18,851,339	\$ (2,181,211)	\$112,610,942

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

Business-type activities:		
Water		\$ 1,212,456
Sewer		1,019,021
Storm drainage		330,980
Total depreciation expense - business-type activities		\$ 2,562,457

Capital asset activity for the Downtown Development Authority, the discretely presented component unit, as of December 31, 2016, is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Land	\$ 213,809	\$ -	\$ -	\$ 213,809
Site improvements	31,625	-	-	31,625
Total accumulated depreciation	(3,953)	(1,581)	-	(5,534)
Discretely presented component unit capital assets	\$ 241,481	\$ (1,581)	\$ -	\$ 239,900

The Downtown Development Authority charged depreciation expense of \$1,581 as of December 31, 2016.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 6 - Long-Term Debt

Governmental Activities

Revenue Bonds

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 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.

On June 16, 2015, the Town issued \$16,100,000 in sales and use tax revenue bonds. The 2015 sales and use tax revenue bonds are due serially on December 1, with interest at 5.0% payable semiannually; these bonds mature on December 1, 2034.

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.

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
2012 Refunding sales and use tax bonds	\$ 2,555,000	\$ -	\$ (300,000)	\$ 2,255,000	\$ 310,000
2015 sales and use tax bonds	16,100,000	-	(535,000)	15,565,000	555,000
USDA Community Facilities Loan	2,821,134	-	(39,970)	2,781,164	41,495
Bond premium	1,948,494	-	(239,601)	1,708,893	-
Compensated absences	563,284	493,917	(523,385)	533,816	396,175
Total long-term debt	\$ 23,987,912	\$ 493,917	\$ (1,637,956)	\$ 22,843,873	\$ 1,302,670

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

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

Note 6- Long-Term Debt (Continued)

The annual requirements to amortize governmental activities debt outstanding as of December 31, 2016, are as follows:

Year Ending December 31	Principal	Interest	Total
2017	\$ 906,495	\$ 947,160	\$ 1,853,655
2018	948,078	910,852	1,858,930
2019	994,721	870,459	1,865,180
2020	1,036,427	828,053	1,864,480
2021	1,078,199	783,781	1,861,980
2022-2026	4,740,020	3,235,230	7,975,250
2027-2031	5,305,611	2,078,789	7,384,400
2032-2036	4,022,647	701,753	4,724,400
2037-2041	473,485	251,915	725,400
2042-2046	570,965	154,435	725,400
2047-2050	524,516	40,021	564,537
Total	\$ 20,601,164	\$ 10,802,448	\$ 31,403,612

Business-type Activities

Colorado Water Conservation Board (“CWCB”) Loans

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. The balance outstanding as of December 31, 2016 was \$3,401,551.

In January 2014, the Town entered into an additional loan agreement with the CWCB for the Kyger Reservoir Project for a principal amount of \$4,545,000. The loan accrues interest at 2.75% and includes a service fee of 1% of the project amount. Principal and interest shall be payable in equal loan payments, with the first payment due and payable one year from the date in which the CWCB determines the Project is substantially complete and annual thereafter. In February 2017, CWCB determined that the Project was substantially completed; therefore, payments will begin in February 2018. The outstanding loan balance as of December 31, 2016 was \$4,545,000.

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 interest at 1.94% and is payable in semi-annual principal and interest payments, beginning on February 1, 2014 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. The outstanding loan balance as of December 31, 2016 was \$2,200,575.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

Note 6 - Long-Term Debt (Continued)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
CWCB Loans	\$ 8,070,712	\$ -	\$ (124,161)	\$ 7,946,551	\$ 130,493
CWR&PDA Loan	2,390,895	-	(190,320)	2,200,575	190,320
Compensated absences	28,946	66,107	(38,019)	57,034	42,328
Total long-term debt	\$ 10,490,553	\$ 66,107	\$ (352,500)	\$ 10,204,160	\$ 363,141

The annual requirements to amortize all business-type activities debt outstanding as of December 31, 2016, are as follows:

Year Ending December 31	Principal	Interest	Total
2017	\$ 320,813	\$ 192,195	\$ 513,008
2018	500,960	307,578	808,538
2019	518,673	294,502	813,175
2020	530,926	280,080	811,006
2021	543,689	265,463	809,152
2022-2026	2,959,129	1,094,619	4,053,748
2027-2031	2,578,131	656,859	3,234,990
2032-2033	1,904,316	196,019	2,100,335
2037	290,489	7,988	298,477
Total	\$ 10,147,126	\$ 3,295,303	\$ 13,442,429

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 the Plan participants and the Town are established and may be amended by the Town Board. The Employee's Retirement 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 4% of the employee's annual salary to the Employee's Retirement 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 6%.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

Note 7 - Employees' Retirement Plans (Continued)

As of December 31, 2016, there were 95 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
2016	\$ 8,248,289	\$ 6,303,747	\$ 356,081
2015	7,169,699	5,599,763	259,378
2014	6,694,100	5,021,942	236,624

Defined Benefit Police Pension Plan The Town contributes to the Supplemental Social Security Employers portion of the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a non-contributory plan. All sworn police officers of the Town are members of the Plan. Title 31, Article 30 of the CRS, as amended, assigns the authority to establish benefit provisions to the state legislature. The Plan became effective January 1, 1980 and as of December 31, 2015 has 212 participating employer fire and police departments.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling or writing to FPPA.

Benefits provided. The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDB"). Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 7 - Employees' Retirement Plans (Continued)

A member may elect to participate in the deferred retirement option plan ("DROP") after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2015 was \$55,176,831. This amount was not included in the SWDB Plan Net Position.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of this Plan and their employers are contributing at the rate of 9.0 percent and 8.0 percent, respectively, of base salary for a total contribution rate of 17.0 percent in 2016. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12.0 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 21.0 percent of base salary in 2016. The Town is contributing 8.0 percent of base salary and the employees are contributing 13.0 percent of base salary for the reentry group. It is a local decision as to whether the member or employer pays the additional 4.0 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.5 percent and 4.0 percent, respectively, of base salary for a total contribution rate of 8.5 percent in 2016. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.0 percent of base salary. Employer contributions will remain at 4.0 percent resulting in a combined contribution rate of 10 percent in 2022. Contributions to the Plan from the Town were \$64,988 for the year ended December 31, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2016, the City reported an asset of \$2,830 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2016, the City's proportion was 0.1605 percent, which was an increase of 0.0063 from its proportion measured as of December 31, 2015.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

Note 7 - Employees' Retirement Plans (Continued)

For the year ended December 31, 2016, the Town recognized pension expense of \$42,435. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,889	\$ 3,341
Changes of assumptions or other inputs	44,454	-
Net difference between projected and actual earnings on pension plan investments	144,042	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	8,878
Town contributions subsequent to the measurement date	64,988	-
	\$ 276,373	\$ 12,219

The \$64,988 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2017	\$ 42,810
2018	42,810
2019	42,810
2020	39,379
2021	5,942
Thereafter	25,415
	\$ 199,166

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 7 - Employees' Retirement Plans (Continued)

Actuarial assumptions. The actuarial valuations for the plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment rate of return *	7.5 percent	7.5 percent
Projected salary increases *	4.0 – 14.0 percent	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent	0.0 percent
* Includes Inflation at	2.5 percent	3.0 percent

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2016

Note 7 - Employees' Retirement Plans (Continued)

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0%*
Total	100.0%	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Town's proportionate share of the net pension liability/(asset)	\$396,464	\$(2,830)	\$(334,031)

* The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.65 percent. The single discount rate for the plans was 7.50 percent.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

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 - 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 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 and provides coverage in statutory limits for the State of Colorado. The Town’s 2016 contributions were \$224,800 and \$157,628 and share of equity at December 31, 2016, amounted to approximately \$289,534 and \$354,344 for the property and casualty pool and the workers’ compensation pool, respectively.

Note 10 - Taxes, Spending, and Debt Limitations

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

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$964,223 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.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 11 - Commitments

The Town has contractual commitments and estimated costs to complete construction projects in progress totaling approximately \$13.3 million for various projects, including the Community Recreation Center expansion, Law Bain Master Channel, Sewer Nutrient Project, Coyote Gulch Park, and road and concrete projects.

Note 12 – Violation of State Statutes

During the year ended December 31, 2016, expenditures exceeded budget appropriations by \$4 in the Windsor Building Authority Fund which may be in violation of state statutes.

Note 13 - Subsequent Events

Management of the Town has evaluated subsequent events through June 29, 2017, 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 were identified.

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
COMMUNITY RECREATION CENTER EXPANSION FUND BUDGETARY COMPARISON
SCHEDULE
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION ASSET
SCHEDULE OF TOWN'S CONTRIBUTIONS



These financial statements present budget and actual comparisons for the Town's General Fund and Community Recreation Center Expansion Fund. In addition, it presents schedules for the Town's proportionate share of the net pension liability/(asset) and Town contributions for the Town's defined benefit pension plan.

TOWN OF **WINDSOR**, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues</u>				
Taxes	\$ 11,398,304	\$ 11,872,852	\$ 11,917,032	\$ 44,180
Licenses and permits	439,964	439,964	558,657	118,693
Intergovernmental	1,052,764	1,052,764	1,069,696	16,932
Grants and contributions	-	-	31,522	31,522
Charges for services	1,096,180	1,186,701	1,210,821	24,120
Fines and forfeitures	174,078	174,078	177,169	3,091
Earnings on investments	46,173	46,173	56,816	10,643
Miscellaneous	100,253	100,253	85,009	(15,244)
<u>Total revenues</u>	<u>14,307,716</u>	<u>14,872,785</u>	<u>15,106,722</u>	<u>233,937</u>
<u>Expenditures</u>				
General government				
Legislative	380,497	380,497	398,526	(18,029)
Judicial	19,630	19,630	18,543	1,087
Administrative and finance	2,313,650	2,365,816	2,391,355	(25,539)
Town clerk	690,854	690,854	698,323	(7,469)
Public safety	3,273,456	3,349,381	3,307,394	41,987
Public works				
Streets and alleys	1,606,974	1,606,974	1,647,640	(40,666)
Administration	1,066,440	1,066,440	972,614	93,826
Cemetery	129,108	129,108	127,325	1,783
Engineering	887,113	887,113	846,566	40,547
Parks, recreation and culture	3,225,182	3,312,345	3,286,982	25,363
Community development	270,542	299,542	326,596	(27,054)
Safety and loss control	17,460	17,460	4,084	13,376
<u>Total expenditures</u>	<u>13,880,906</u>	<u>14,125,160</u>	<u>14,025,948</u>	<u>99,212</u>
<u>Revenues over expenditures</u>	<u>426,810</u>	<u>747,625</u>	<u>1,080,774</u>	<u>333,149</u>
<u>Other financing uses</u>				
Transfers in	693,198	693,198	693,198	-
Transfers out	(970,250)	(970,250)	(970,251)	(1)
<u>Total other financing uses</u>	<u>(277,052)</u>	<u>(277,052)</u>	<u>(277,053)</u>	<u>(1)</u>
<u>Net change in fund balances</u>	<u>\$ 149,758</u>	<u>\$ 470,573</u>	<u>803,721</u>	<u>\$ 333,148</u>
<u>Fund balance at beginning of year</u>			<u>8,755,162</u>	
<u>Fund balance at end of year</u>			<u>\$ 9,558,883</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMMUNITY RECREATION CENTER EXPANSION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes and assessments	\$ 2,042,583	\$ 2,873,580	\$ 2,873,580	\$ -
Charges for services	114,728	375,821	334,376	(41,445)
Earnings on investments	135,000	135,000	72,276	(62,724)
Miscellaneous	-	-	25	25
<u>Total revenues</u>	<u>2,292,311</u>	<u>3,384,401</u>	<u>3,280,257</u>	<u>(104,144)</u>
<u>Expenditures</u>				
Personal services	349,469	349,469	308,835	40,634
Operating and maintenance	237,126	237,126	223,650	13,476
Capital outlay	8,049,363	11,058,992	10,833,193	225,799
Debt service	1,329,300	1,329,300	1,329,300	-
<u>Total expenditures</u>	<u>9,965,258</u>	<u>12,974,887</u>	<u>12,694,978</u>	<u>279,909</u>
<u>Net change in fund balance</u>	<u>\$ (7,672,947)</u>	<u>\$ (9,590,486)</u>	<u>(9,414,721)</u>	<u>\$ 175,765</u>
<u>Fund balance at beginning of year</u>			<u>14,382,630</u>	
<u>Fund balance at end of year</u>			<u>\$ 4,967,909</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
GENERAL FUND AND COMMUNITY RECREATION CENTER EXPANSION FUND
NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

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 Town Board 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.

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
 Last Ten Years

	2016	2015	2014
FPPA - Defined Benefit Plan			
Town's proportion of the net pension liability/(asset)	\$ (2,830)	\$ (174,070)	\$ (190,834)
Town's proportionate share of the net pension liability/(asset)	0.1605%	0.1542%	0.1514%
Town's covered-employee payroll	\$ 1,835,051	\$ 1,605,714	\$ 1,509,394
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	0.15%	10.84%	12.64%
Plan fiduciary net position as a percentage of the total pension	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 Last Ten Years

	2016	2015	2014	2013
FPPA - Defined Benefit Plan				
Statutorily Required Contribution	\$ 64,988	\$ 62,552	\$ 55,706	\$ 52,594
Contributions in Relation to the Statutorily Required Contribution	<u>64,988</u>	<u>62,552</u>	<u>55,706</u>	<u>52,594</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,882,548	\$ 1,835,051	\$ 1,605,714	\$ 1,509,394
Contributions as a Percentage of Covered Employee Payroll	3.45%	3.41%	3.47%	3.48%

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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



TOWN OF **WINDSOR**, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	Park Improvement Fund	Community Recreation Center Fund	Conservation Trust Fund	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 19,277	\$ 5,331	\$ 83,533	\$ 108,141
Investments	42,771	120	-	42,891
Receivables	-	75,567	-	75,567
Interfund receivable	5,688,256	418,196	642,975	6,749,427
<u>Total assets</u>	<u>\$ 5,750,304</u>	<u>\$ 499,214</u>	<u>\$ 726,508</u>	<u>\$ 6,976,026</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 56,934	\$ 3,236	\$ 6,375	\$ 66,545
Accrued payroll	-	4,489	-	4,489
<u>Total liabilities</u>	<u>56,934</u>	<u>7,725</u>	<u>6,375</u>	<u>71,034</u>
<u>Fund balances</u>				
Restricted for emergencies	87,612	-	-	87,612
Restricted for parks and recreation	-	-	720,133	720,133
Assigned for parks and recreation	5,605,758	491,489	-	6,097,247
<u>Total fund balances</u>	<u>5,693,370</u>	<u>491,489</u>	<u>720,133</u>	<u>6,904,992</u>
<u>Total liabilities and fund balances</u>	<u>\$ 5,750,304</u>	<u>\$ 499,214</u>	<u>\$ 726,508</u>	<u>\$ 6,976,026</u>

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Park Improvement Fund	Community Recreation Center Fund	Conservation Trust Fund	Total
<u>Revenues</u>				
Taxes	\$ -	\$ 763,366	\$ -	\$ 763,366
Intergovernmental	178,219		242,301	420,520
Grants and contributions	-	-	10,000	10,000
Charges for services	2,919,637	52,507		2,972,144
Earnings on investments	774	87	467	1,328
Miscellaneous	-	25	-	25
<u>Total revenues</u>	<u>3,098,630</u>	<u>815,985</u>	<u>252,768</u>	<u>4,167,383</u>
<u>Expenditures</u>				
Current:				
Parks, recreation and culture	9,000	660,673	10,813	680,486
Debt service				
Principal	-	300,000	-	300,000
Interest	-	72,275	-	72,275
Capital outlay	20,318	-	247,495	267,813
<u>Total expenditures</u>	<u>29,318</u>	<u>1,032,948</u>	<u>258,308</u>	<u>1,320,574</u>
<u>Revenues over (under) expenditures</u>	<u>3,069,312</u>	<u>(216,963)</u>	<u>(5,540)</u>	<u>2,846,809</u>
<u>Other financing sources (uses)</u>				
Transfers in	-	387,000	-	387,000
Transfers out	(27,172)	-	-	(27,172)
<u>Total other financing sources (uses)</u>	<u>(27,172)</u>	<u>387,000</u>	<u>-</u>	<u>359,828</u>
<u>Net changes in fund balances</u>	<u>3,042,140</u>	<u>170,037</u>	<u>(5,540)</u>	<u>3,206,637</u>
<u>Fund balance at beginning of year</u>	<u>2,651,230</u>	<u>321,452</u>	<u>725,673</u>	<u>3,698,355</u>
<u>Fund balance at end of year</u>	<u>\$ 5,693,370</u>	<u>\$ 491,489</u>	<u>\$ 720,133</u>	<u>\$ 6,904,992</u>

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 5,398,496	\$ 8,271,740	\$ 8,213,733	\$ (58,007)
Intergovernmental	395,223	395,223	291,350	(103,873)
Grants and contributions	2,081,200	6,744,655	6,631,229	(113,426)
Earnings on investments	115,047	115,047	178,709	63,662
Miscellaneous	763,030	2,181,120	2,181,120	-
<u>Total revenues</u>	<u>8,752,996</u>	<u>17,707,785</u>	<u>17,496,141</u>	<u>(211,644)</u>
<u>Expenditures</u>				
Small equipment and maintenance	2,978,825	2,978,825	2,902,829	75,996
Capital outlay	8,488,433	13,467,293	12,532,644	934,649
<u>Total expenditures</u>	<u>11,467,258</u>	<u>16,446,118</u>	<u>15,435,473</u>	<u>1,010,645</u>
<u>Revenues over (under) expenditures</u>	<u>(2,714,262)</u>	<u>1,261,667</u>	<u>2,060,668</u>	<u>799,001</u>
<u>Other financing sources (uses)</u>				
Transfers in	685,632	685,632	685,632	-
Transfers out	(210,913)	(210,913)	(210,913)	-
<u>Total other financing sources (uses)</u>	<u>474,719</u>	<u>474,719</u>	<u>474,719</u>	<u>-</u>
<u>Net change in fund balance</u>	<u>\$ (2,239,543)</u>	<u>\$ 1,736,386</u>	<u>2,535,387</u>	<u>\$ 799,001</u>
<u>Fund balance at beginning of year</u>			<u>12,259,069</u>	
<u>Fund balance at end of year</u>			<u>\$ 14,794,456</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
PARK IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 1,154,231	\$ 1,154,231	\$ 2,919,637	\$ 1,765,406
Intergovernmental	117,537	117,537	178,219	60,682
Earnings on investments	458	458	774	316
<u>Total revenues</u>	<u>1,272,226</u>	<u>1,272,226</u>	<u>3,098,630</u>	<u>1,826,404</u>
<u>Expenditures</u>				
Parks, recreation and culture	9,000	9,000	9,000	-
Capital outlay	245,150	245,150	20,318	224,832
<u>Total expenditures</u>	<u>254,150</u>	<u>254,150</u>	<u>29,318</u>	<u>224,832</u>
<u>Revenues over expenditures</u>	<u>1,018,076</u>	<u>1,018,076</u>	<u>3,069,312</u>	<u>2,051,236</u>
Transfers out	(27,172)	(27,172)	(27,172)	-
<u>Net change in fund balance</u>	<u>\$ 990,904</u>	<u>\$ 990,904</u>	<u>3,042,140</u>	<u>\$ 2,051,236</u>
<u>Fund balance at beginning of year</u>			<u>2,651,230</u>	
<u>Fund balance at end of year</u>			<u>\$ 5,693,370</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMMUNITY RECREATION CENTER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 595,622	\$ 595,622	\$ 763,366	\$ 167,744
Charges for services	55,000	55,000	52,507	(2,493)
Earnings on investments	59	59	87	28
Miscellaneous	-	-	25	25
<u>Total revenues</u>	<u>650,681</u>	<u>650,681</u>	<u>815,985</u>	<u>165,304</u>
<u>Expenditures</u>				
Personal services	534,739	534,739	276,853	257,886
Operating and maintenance	142,406	142,406	383,820	(241,414)
Debt service	372,275	372,275	372,275	-
<u>Total expenditures</u>	<u>1,049,420</u>	<u>1,049,420</u>	<u>1,032,948</u>	<u>16,472</u>
<u>Revenues over (under) expenditures</u>	<u>(398,739)</u>	<u>(398,739)</u>	<u>(216,963)</u>	<u>181,776</u>
<u>Other financing sources</u>				
Transfers in	387,000	387,000	387,000	-
<u>Total other financing sources</u>	<u>387,000</u>	<u>387,000</u>	<u>387,000</u>	<u>-</u>
<u>Net change in fund balance</u>	<u>\$ (11,739)</u>	<u>\$ (11,739)</u>	<u>170,037</u>	<u>\$ 181,776</u>
<u>Fund balance at beginning of year</u>			<u>321,452</u>	
<u>Fund balance at end of year</u>			<u>\$ 491,489</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 205,344	\$ 205,344	\$ 242,301	\$ 36,957
Grants and contributions	10,000	10,000	10,000	-
Earnings on investments	126	126	467	341
<u>Total revenues</u>	<u>215,470</u>	<u>215,470</u>	<u>252,768</u>	<u>37,298</u>
<u>Expenditures</u>				
Parks, recreation and culture	9,000	9,000	10,813	(1,813)
Capital outlay	468,107	468,107	247,495	220,612
<u>Total expenditures</u>	<u>477,107</u>	<u>477,107</u>	<u>258,308</u>	<u>218,799</u>
<u>Net change in fund balance</u>	<u>\$ (261,637)</u>	<u>\$ (261,637)</u>	(5,540)	<u>\$ 256,097</u>
<u>Fund balance at beginning of year</u>			<u>725,673</u>	
<u>Fund balance at end of year</u>			<u>\$ 720,133</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 3,137,149	\$ 3,137,149	\$ 3,866,750	\$ 729,601
Miscellaneous	1,036,600	1,036,600	920,756	(115,844)
<u>Total operating revenues</u>	<u>4,173,749</u>	<u>4,173,749</u>	<u>4,787,506</u>	<u>613,757</u>
<u>Budgetary expenditures</u>				
Wages and benefits	174,663	174,663	140,162	34,501
Operating and maintenance costs	2,682,495	2,682,495	3,213,994	(531,499)
Interest	179,811	179,811	179,811	-
Principal paid	124,161	124,161	124,161	-
Capital outlay	4,971,134	14,293,167	12,751,440	1,541,727
<u>Total budgetary expenditures</u>	<u>8,132,264</u>	<u>17,454,297</u>	<u>16,409,568</u>	<u>1,044,729</u>
<u>Operating revenues under budgetary expenditures</u>	<u>(3,958,515)</u>	<u>(13,280,548)</u>	<u>(11,622,062)</u>	<u>1,658,486</u>
<u>Nonoperating revenue</u>				
Earnings on investments	293,942	293,942	395,104	101,162
<u>Total nonoperating revenue</u>	<u>293,942</u>	<u>293,942</u>	<u>395,104</u>	<u>101,162</u>
<u>Loss before contributions and transfers</u>	<u>(3,664,573)</u>	<u>(12,986,606)</u>	<u>(11,226,958)</u>	<u>1,759,648</u>
Transfers in	217,819	217,819	217,819	-
Transfers out	(426,028)	(426,028)	(426,028)	-
Grants and contributions	1,260,876	1,260,876	229,846	(1,031,030)
Contributed capital	1,091,129	12,940,932	12,440,878	(500,054)
<u>Income budgetary basis</u>	<u>\$ (1,520,777)</u>	<u>\$ 1,006,993</u>	<u>1,235,557</u>	<u>\$ 228,564</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(1,212,456)	
Principal paid			124,161	
Capital outlay			12,751,440	
<u>Change in net position - GAAP basis</u>			<u>12,898,702</u>	
<u>Net position at beginning of year (restated)</u>			<u>62,920,978</u>	
<u>Net position at end of year</u>			<u>\$ 75,819,680</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 1,810,456	\$ 1,810,456	\$ 2,045,290	\$ 234,834
Miscellaneous	40,227	40,227	494	(39,733)
<u>Total operating revenues</u>	1,850,683	1,850,683	2,045,784	195,101
<u>Budgetary expenditures</u>				
Wages and benefits	363,353	363,353	416,982	(53,629)
Operating and maintenance costs	869,327	869,327	886,824	(17,497)
Interest	44,269	44,269	42,510	1,759
Principal paid	190,320	190,320	190,320	-
Capital outlay	1,717,982	2,050,477	1,798,606	251,871
<u>Total budgetary expenditures</u>	3,185,251	3,517,746	3,335,242	182,504
<u>Operating revenues under budgetary expenditures</u>	(1,334,568)	(1,667,063)	(1,289,458)	377,605
<u>Nonoperating revenues</u>				
Earnings on investments	2,234	2,234	8,187	5,953
<u>Total nonoperating revenues</u>	2,234	2,234	8,187	5,953
<u>Loss before contributions and transfers</u>	(1,332,334)	(1,664,829)	(1,281,271)	383,558
Transfers out	(239,998)	(239,998)	(239,998)	-
Grants	402,000	402,000	531,292	129,292
Contributed capital	846,714	3,017,407	2,989,807	(27,600)
<u>Income budgetary basis</u>	\$ (323,618)	\$ 1,514,580	1,999,830	\$ 485,250
<u>Reconciliation to GAAP basis</u>				
Depreciation			(1,019,021)	
Principal paid			190,320	
Capital outlay			1,798,606	
<u>Change in net position - GAAP basis</u>			2,969,735	
<u>Net position at beginning of year</u>			33,465,598	
<u>Net position at end of year</u>			\$ 36,435,333	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
STORM DRAINAGE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 312,864	\$ 312,864	\$ 336,827	\$ 23,963
Miscellaneous	30,000	30,000	56,980	26,980
<u>Total operating revenues</u>	<u>342,864</u>	<u>342,864</u>	<u>393,807</u>	<u>50,943</u>
<u>Budgetary expenditures</u>				
Wages and benefits	15,354	15,354	6,856	8,498
Operating and maintenance costs	371,852	371,852	271,079	100,773
Capital outlay	3,048,595	4,773,142	4,682,540	90,602
<u>Total budgetary expenditures</u>	<u>3,435,801</u>	<u>5,160,348</u>	<u>4,960,475</u>	<u>199,873</u>
<u>Operating revenues under budgetary expenditures</u>	<u>(3,092,937)</u>	<u>(4,817,484)</u>	<u>(4,566,668)</u>	<u>250,816</u>
<u>Nonoperating revenue</u>				
Earnings on investments	708	708	2,593	1,885
<u>Total nonoperating revenue</u>	<u>708</u>	<u>708</u>	<u>2,593</u>	<u>1,885</u>
<u>Loss before transfers and contributions</u>	<u>(3,092,229)</u>	<u>(4,816,776)</u>	<u>(4,564,075)</u>	<u>252,701</u>
Transfers out	(254,367)	(254,367)	(254,367)	-
Grants	1,377,923	1,377,923	1,707,352	329,429
Contributed capital	713,903	1,004,469	1,250,616	246,147
<u>Loss budgetary basis</u>	<u>\$ (1,254,770)</u>	<u>\$ (2,688,751)</u>	<u>(1,860,474)</u>	<u>\$ 828,277</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(330,980)	
Capital outlay			4,682,540	
<u>Change in net position - GAAP basis</u>			<u>2,491,086</u>	
<u>Net position at beginning of year</u>			<u>18,416,698</u>	
<u>Net position at end of year</u>			<u>\$ 20,907,784</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2016

	Information Technology Fund	Fleet Management Fund	Windsor Building Authority	Facility Services Fund	Total
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ -	\$ -	\$ 10	\$ -	\$ 10
Accounts receivable	-	1,105	-	-	1,105
Prepaid items	7,101	-	-	-	7,101
Interfund receivable	-	412,896	-	37,585	450,481
<u>Total current assets</u>	<u>7,101</u>	<u>414,001</u>	<u>10</u>	<u>37,585</u>	<u>458,697</u>
<u>Noncurrent assets</u>					
Restricted investments	-	-	145,542	-	145,542
Capital assets:					
Land	-	-	157,853	-	157,853
Buildings and improvements	6,924	-	4,987,609	-	4,994,533
Machinery and equipment	1,595,478	5,309,718	-	-	6,905,196
Less accumulated depreciation	(877,924)	(2,914,292)	(1,496,975)	-	(5,289,191)
Total capital assets, net	<u>724,478</u>	<u>2,395,426</u>	<u>3,648,487</u>	<u>-</u>	<u>6,768,391</u>
<u>Total noncurrent assets</u>	<u>724,478</u>	<u>2,395,426</u>	<u>3,794,029</u>	<u>-</u>	<u>6,913,933</u>
<u>Total assets</u>	<u>731,579</u>	<u>2,809,427</u>	<u>3,794,039</u>	<u>37,585</u>	<u>7,372,630</u>
LIABILITIES					
<u>Current liabilities</u>					
Interfund payable	7,451	-	2,378,710	-	2,386,161
Accounts payable	12,084	9,339	-	7,299	28,722
Accrued liabilities	6,195	3,034	-	8,941	18,170
Accrued compensated absences - current	9,450	2,905	-	16,276	28,631
Loan payable - current	-	-	41,495	-	41,495
<u>Total current liabilities</u>	<u>35,180</u>	<u>15,278</u>	<u>2,420,205</u>	<u>32,516</u>	<u>2,503,179</u>
<u>Noncurrent liabilities</u>					
Accrued compensated absences	3,283	1,009	-	5,654	9,946
Loan payable	-	-	2,739,669	-	2,739,669
<u>Total noncurrent liabilities</u>	<u>3,283</u>	<u>1,009</u>	<u>2,739,669</u>	<u>5,654</u>	<u>2,749,615</u>
<u>Total liabilities</u>	<u>38,463</u>	<u>16,287</u>	<u>5,159,874</u>	<u>38,170</u>	<u>5,252,794</u>
NET POSITION					
Net investment in capital assets	724,478	2,395,426	867,323	-	3,987,227
Unrestricted	(31,362)	397,714	(2,233,158)	(585)	(1,867,391)
<u>Total net position</u>	<u>\$ 693,116</u>	<u>\$ 2,793,140</u>	<u>\$ (1,365,835)</u>	<u>\$ (585)</u>	<u>\$ 2,119,836</u>

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, 2016

	Information Technology Fund	Fleet Management Fund	Windsor Building Authority	Facility Services Fund	Total
<u>Operating revenues</u>					
Charges for services	\$ 953,220	\$ 988,350	\$ -	\$ 688,186	\$ 2,629,756
Insurance recoveries	-	24,849	-	-	24,849
<u>Total operating revenues</u>	<u>953,220</u>	<u>1,013,199</u>	<u>-</u>	<u>688,186</u>	<u>2,654,605</u>
<u>Operating expenses</u>					
Wages and benefits	382,515	163,363	-	432,749	978,627
Operating costs	623,914	262,242	5	317,206	1,203,367
Depreciation	196,359	711,584	249,390	-	1,157,333
<u>Total operating expenses</u>	<u>1,202,788</u>	<u>1,137,189</u>	<u>249,395</u>	<u>749,955</u>	<u>3,339,327</u>
<u>Operating loss</u>	<u>(249,568)</u>	<u>(123,990)</u>	<u>(249,395)</u>	<u>(61,769)</u>	<u>(684,722)</u>
<u>Nonoperating revenue (expense)</u>					
Gain on sale of capital assets	-	282,234	-	-	282,234
Interest Expense	-	-	(105,110)	-	(105,110)
Earnings on investments	-	-	14	-	14
<u>Total nonoperating revenue (expense)</u>	<u>-</u>	<u>282,234</u>	<u>(105,096)</u>	<u>-</u>	<u>177,138</u>
<u>Income (loss) before transfers and contributions</u>	<u>(249,568)</u>	<u>158,244</u>	<u>(354,491)</u>	<u>(61,769)</u>	<u>(507,584)</u>
Transfers in	-	-	145,080	-	145,080
Contributed capital	282,804	30,000	-	-	312,804
<u>Change in net position</u>	<u>33,236</u>	<u>188,244</u>	<u>(209,411)</u>	<u>(61,769)</u>	<u>(49,700)</u>
<u>Net position at beginning of year</u>	<u>659,880</u>	<u>2,604,896</u>	<u>(1,156,424)</u>	<u>61,184</u>	<u>2,169,536</u>
<u>Net position at end of year</u>	<u>\$ 693,116</u>	<u>\$ 2,793,140</u>	<u>\$ (1,365,835)</u>	<u>\$ (585)</u>	<u>\$ 2,119,836</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, 2016

	Information Technology Fund	Fleet Management Fund	Windsor Building Authority	Facility Services Fund	Total
Cash flows from operating activities					
Cash received from customers	\$ 953,220	\$ 987,433	\$ -	\$ 688,186	\$ 2,628,839
Other receipts	-	24,849	-	-	24,849
Cash payments to suppliers	(653,124)	(258,590)	(5)	(318,344)	(1,230,063)
Cash payments to employees	(382,292)	(170,128)	-	(432,119)	(984,539)
Net cash flows from operating activities	(82,196)	583,564	(5)	(62,277)	439,086
Cash flows from non-capital financing activities					
Change in interfund payable	37,474	-	-	-	37,474
Change in interfund receivable	-	(12,570)	-	(37,585)	(50,155)
Transfers from other funds	-	-	145,080	-	145,080
Net cash flows from non-capital activities	37,474	(12,570)	145,080	(37,585)	132,399
Cash flows from capital and related financing activities					
Principal paid on debt	-	-	(39,969)	-	(39,969)
Interest paid on debt	-	-	(105,110)	-	(105,110)
Capital contributions	282,804	30,000	-	-	312,804
Proceeds from sale of capital assets	-	49,999	-	-	49,999
Acquisition of capital assets	(238,082)	(650,993)	-	-	(889,075)
Net cash flows from capital and related financing activities	44,722	(570,994)	(145,079)	-	(671,351)
Cash flows from investing activities					
Net change in restricted cash	-	-	(15)	-	(15)
Earnings on investments	-	-	14	-	14
Net cash flows from investing activities	-	-	(1)	-	(1)
Net change in cash and cash equivalents	-	-	(5)	(99,862)	(99,867)
Cash and cash equivalents at beginning of year	-	-	15	99,862	99,877
Cash and cash equivalents at end of year	\$ -	\$ -	\$ 10	\$ -	\$ 10
Reconciliation of operating loss to net cash flows from operating activities					
Operating loss	\$ (249,568)	\$ (123,990)	\$ (249,395)	\$ (61,769)	\$ (684,722)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation expense	196,359	711,584	249,390	-	1,157,333
Changes in operating assets and liabilities:					
Accounts receivable	-	(917)	-	5,984	5,067
Accounts payable and accrued expenses	(28,987)	(3,113)	-	(6,492)	(38,592)
Net cash flows from operating activities	\$ (82,196)	\$ 583,564	\$ (5)	\$ (62,277)	\$ 439,086
Non-cash investing, capital and financing activities					
Trade-in value of capital assets	\$ -	\$ 232,235	\$ -	\$ -	\$ 232,235

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
INFORMATION TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 758,216	\$ 810,382	\$ 953,220	\$ 142,838
<u>Total operating revenues</u>	758,216	810,382	953,220	142,838
<u>Budgetary expenditures</u>				
Wages and benefits	421,718	421,718	382,515	39,203
Operating costs	466,515	518,681	623,914	(105,233)
Capital outlay	307,800	307,800	238,082	69,718
<u>Total budgetary expenditures</u>	1,196,033	1,248,199	1,244,511	3,688
<u>Loss before transfers and contributions of capital</u>	(437,817)	(437,817)	(291,291)	146,526
Contributed capital	282,800	282,800	282,804	4
<u>Loss budgetary basis</u>	<u>\$ (155,017)</u>	<u>\$ (155,017)</u>	(8,487)	<u>\$ 146,530</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(196,359)	
Capital outlay			238,082	
<u>Change in net position - GAAP basis</u>			33,236	
<u>Net position at beginning of year</u>			659,880	
<u>Net position at end of year</u>			<u>\$ 693,116</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
FLEET MANAGEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 988,351	\$ 988,351	\$ 988,350	\$ (1)
Gain on sale of capital assets	105,000	218,074	282,234	64,160
Insurance recoveries	-	-	24,849	24,849
<u>Total revenues</u>	<u>1,093,351</u>	<u>1,206,425</u>	<u>1,295,433</u>	<u>89,008</u>
<u>Budgetary expenditures</u>				
Wages and benefits	235,763	235,763	163,363	72,400
Operating costs	255,400	255,400	262,242	(6,842)
Capital outlay	590,000	590,000	650,993	(60,993)
<u>Total budgetary expenditures</u>	<u>1,081,163</u>	<u>1,081,163</u>	<u>1,076,598</u>	<u>4,565</u>
<u>Income before transfers and contributions of capital</u>	<u>12,188</u>	<u>125,262</u>	<u>218,835</u>	<u>93,573</u>
Contributed capital	30,000	30,000	30,000	-
<u>Loss budgetary basis</u>	<u>\$ 42,188</u>	<u>\$ 155,262</u>	<u>248,835</u>	<u>\$ 93,573</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(711,584)	
Capital outlay			650,993	
<u>Change in net position - GAAP basis</u>			<u>188,244</u>	
<u>Net position at beginning of year</u>			<u>2,604,896</u>	
<u>Net position at end of year</u>			<u>\$ 2,793,140</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO

WINDSOR BUILDING AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Earnings on investments	\$ -	\$ -	\$ 14	\$ 14
<u>Total operating revenues</u>	-	-	14	14
<u>Budgetary expenditures</u>				
Operating costs	-	-	5	(5)
Interest expense	105,110	105,110	105,110	-
Principal paid	39,970	39,970	39,969	1
<u>Total budgetary expenditures</u>	145,080	145,080	145,084	(4)
<u>Loss before contributions and transfers</u>	(145,080)	(145,080)	(145,070)	10
Transfers in	145,080	145,080	145,080	-
<u>Income budgetary basis</u>	\$ -	\$ -	10	\$ 10
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(249,390)	
Principal paid			39,969	
<u>Change in net position - GAAP basis</u>			(209,411)	
<u>Net position at beginning of year</u>			(1,156,424)	
<u>Net position at end of year</u>			\$ (1,365,835)	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
FACILITY SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 688,186	\$ 688,186	\$ 688,186	\$ -
<u>Total operating revenues</u>	688,186	688,186	688,186	-
<u>Budgetary expenditures</u>				
Wages and benefits	467,835	467,835	432,749	35,086
Operating costs	225,150	313,218	317,206	(3,988)
<u>Total budgetary expenditures</u>	692,985	781,053	749,955	31,098
<u>Loss budgetary and GAAP basis</u>	<u>\$ (4,799)</u>	<u>\$ (92,867)</u>	(61,769)	<u>\$ 31,098</u>
<u>Net position at beginning of year</u>			61,184	
<u>Net position at end of year</u>			<u>\$ (585)</u>	

See accompanying independent auditor's report.



OTHER FINANCIAL INFORMATION





TOWN OF **WINDSOR**, COLORADO

DEBT SERVICE REQUIREMENTS

December 31, 2016

GOVERNMENTAL ACTIVITIES

SALES & USE TAX REVENUE REFUNDING BONDS - Series 2012				
COMMUNITY & RECREATION CENTER - Repayment at 2.0% to 3.0% interest				
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	

SALES & USE TAX REVENUE BONDS - Series 2015				
COMMUNITY & RECREATION CENTER EXPANSION - Repayment at 5.0% interest				
Year	Principal	Interest	Total Payment	Principal Balance
				\$ 16,100,000
2015	\$ -	\$ 333,165	\$ 333,165	16,100,000
2016	535,000	794,300	1,329,300	15,565,000
2017	555,000	778,250	1,333,250	15,010,000
2018	580,000	750,500	1,330,500	14,430,000
2019	610,000	721,500	1,331,500	13,820,000
2020	640,000	691,000	1,331,000	13,180,000
2021	670,000	659,000	1,329,000	12,510,000
2022	705,000	625,500	1,330,500	11,805,000
2023	740,000	590,250	1,330,250	11,065,000
2024	780,000	553,250	1,333,250	10,285,000
2025	815,000	514,250	1,329,250	9,470,000
2026	860,000	473,500	1,333,500	8,610,000
2027	900,000	430,500	1,330,500	7,710,000
2028	945,000	385,500	1,330,500	6,765,000
2029	995,000	338,250	1,333,250	5,770,000
2030	1,045,000	288,500	1,333,500	4,725,000
2031	1,095,000	236,250	1,331,250	3,630,000
2032	1,150,000	181,500	1,331,500	2,480,000
2033	1,210,000	124,000	1,334,000	1,270,000
2034	1,270,000	63,500	1,333,500	\$ -
TOTALS	\$ 16,100,000	\$ 9,532,465	\$ 25,632,465	

TOWN OF **WINDSOR**, COLORADO
DEBT SERVICE REQUIREMENTS
December 31, 2016

USDA COMMUNITY FACILITIES LOAN FOR THE POLICE FACILITY				
WINDSOR BUILDING AUTHORITY - Repayment at 3.75% interest				
Payment	Principal	Interest	Total Payment	Principal Balance
				\$ 3,000,000.00
2011 (12 monthly payments)	\$ 33,145.85	\$ 111,934.15	\$ 145,080.00	2,966,854.15
2012 (12 monthly payments)	34,410.40	110,669.60	145,080.00	2,932,443.75
2013 (12 monthly payments)	35,723.20	109,356.80	145,080.00	2,896,720.55
2014 (12 monthly payments)	37,086.09	107,993.91	145,080.00	2,859,634.46
2015 (12 monthly payments)	38,500.98	106,579.02	145,080.00	2,821,133.48
2016 (12 monthly payments)	39,969.84	105,110.16	145,080.00	2,781,163.64
2017 (12 monthly payments)	41,494.72	103,585.28	145,080.00	2,739,668.92
2018 (12 monthly payments)	43,077.79	102,002.21	145,080.00	2,696,591.13
2019 (12 monthly payments)	44,721.29	100,358.71	145,080.00	2,651,869.84
2020 (12 monthly payments)	46,427.46	98,652.54	145,080.00	2,605,442.38
2021 (12 monthly payments)	48,198.74	96,881.26	145,080.00	2,557,243.64
2022 (12 monthly payments)	50,037.59	95,042.41	145,080.00	2,507,206.05
2023 (12 monthly payments)	51,946.58	93,133.42	145,080.00	2,455,259.47
2024 (12 monthly payments)	53,928.40	91,151.60	145,080.00	2,401,331.07
2025 (12 monthly payments)	55,985.83	89,094.17	145,080.00	2,345,345.24
2026 (12 monthly payments)	58,121.78	86,958.22	145,080.00	2,287,223.46
2027 (12 monthly payments)	60,339.20	84,740.80	145,080.00	2,226,884.26
2028 (12 monthly payments)	62,641.21	82,438.79	145,080.00	2,164,243.05
2029 (12 monthly payments)	65,031.04	80,048.96	145,080.00	2,099,212.01
2030 (12 monthly payments)	67,512.05	77,567.95	145,080.00	2,031,699.96
2031 (12 monthly payments)	70,087.73	74,992.27	145,080.00	1,961,612.23
2032 (12 monthly payments)	72,761.68	72,318.32	145,080.00	1,888,850.55
2033 (12 monthly payments)	75,537.64	69,542.36	145,080.00	1,813,312.91
2034 (12 monthly payments)	78,419.48	66,660.52	145,080.00	1,734,893.43
2035 (12 monthly payments)	81,411.30	63,668.70	145,080.00	1,653,482.13
2036 (12 monthly payments)	84,517.24	60,562.76	145,080.00	1,568,964.89
2037 (12 monthly payments)	87,741.66	57,338.34	145,080.00	1,481,223.23
2038 (12 monthly payments)	91,089.14	53,990.86	145,080.00	1,390,134.09
2039 (12 monthly payments)	94,564.32	50,515.68	145,080.00	1,295,569.77
2040 (12 monthly payments)	98,172.05	46,907.95	145,080.00	1,197,397.72
2041 (12 monthly payments)	101,917.45	43,162.55	145,080.00	1,095,480.27
2042 (12 monthly payments)	105,805.74	39,274.26	145,080.00	989,674.53
2043 (12 monthly payments)	109,842.36	35,237.64	145,080.00	879,832.17
2044 (12 monthly payments)	114,032.97	31,047.03	145,080.00	765,799.20
2045 (12 monthly payments)	118,383.51	26,696.49	145,080.00	647,415.69
2046 (12 monthly payments)	122,899.98	22,180.02	145,080.00	524,515.71
2047 (12 monthly payments)	127,588.78	17,491.22	145,080.00	396,926.93
2048 (12 monthly payments)	132,456.45	12,623.55	145,080.00	264,470.48
2049 (12 monthly payments)	137,509.86	7,570.14	145,080.00	126,960.62
2050 (12 monthly payments)	126,960.62	2,335.52	129,296.14	\$ -
TOTALS	\$ 3,000,000	\$ 2,787,416	\$ 5,787,416	

TOWN OF **WINDSOR**, COLORADO

DEBT SERVICE REQUIREMENTS

December 31, 2016

BUSINESS-TYPE ACTIVITIES

FOR KERN RESERVOIR / WINDSOR LAKE 30-YEAR REPAYMENT AT 5.1% INTEREST STORM DRAINAGE FUND				
Year	Principal	Interest	Total Payment	Principal Balance
				\$ 4,620,000.00
2004	\$ 68,352.17	\$ 235,620.00	\$ 303,972.17	4,551,647.83
2005	71,838.13	232,134.04	303,972.17	4,479,809.70
2006	75,501.88	228,470.29	303,972.17	4,404,307.82
2007	79,352.47	224,619.70	303,972.17	4,324,955.35
2008	83,399.45	220,572.72	303,972.17	4,241,555.91
2009	87,652.82	216,319.35	303,972.17	4,153,903.09
2010	92,123.11	211,849.06	303,972.17	4,061,779.97
2011	96,821.39	207,150.78	303,972.17	3,964,958.58
2012	101,759.28	202,212.89	303,972.17	3,863,199.30
2013	106,949.01	197,023.16	303,972.17	3,756,250.30
2014	112,403.40	191,568.77	303,972.17	3,643,846.89
2015	118,135.98	185,836.19	303,972.17	3,525,710.91
2016	124,160.91	179,811.26	303,972.17	3,401,550.00
2017	130,493.12	173,479.05	303,972.17	3,271,056.88
2018	137,148.27	166,823.90	303,972.17	3,133,908.61
2019	144,142.83	159,829.34	303,972.17	2,989,765.78
2020	151,494.12	152,478.05	303,972.17	2,838,271.66
2021	159,220.32	144,751.85	303,972.17	2,679,051.35
2022	167,340.55	136,631.62	303,972.17	2,511,710.80
2023	175,874.92	128,097.25	303,972.17	2,335,835.88
2024	184,844.54	119,127.63	303,972.17	2,150,991.34
2025	194,271.61	109,700.56	303,972.17	1,956,719.73
2026	204,179.46	99,792.71	303,972.17	1,752,540.26
2027	214,592.62	89,379.55	303,972.17	1,537,947.64
2028	225,536.84	78,435.33	303,972.17	1,312,410.80
2029	237,039.22	66,932.95	303,972.17	1,075,371.59
2030	249,128.22	54,843.95	303,972.17	826,243.37
2031	261,833.76	42,138.41	303,972.17	564,409.61
2032	275,187.28	28,784.89	303,972.17	289,222.33
2033	289,222.33	14,750.30	303,972.63	\$ -
TOTALS	\$ 4,620,000.00	\$ 4,499,165.56	\$ 9,119,165.56	

TOWN OF **WINDSOR**, COLORADO

DEBT SERVICE REQUIREMENTS

December 31, 2016

BUSINESS-TYPE ACTIVITIES

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% interest					
Payment	Principal	Interest	Administrative Fee	Total Payment	Principal Balance
					\$ 3,110,543.20
2/1/2012	\$ 89,212.52	\$ 15,048.95	\$ 10,109.27	\$ 114,370.74	3,021,330.68
8/1/2012	89,212.52	17,625.36	10,109.27	116,947.15	2,932,118.16
2/1/2013	89,212.52	16,273.18	11,073.53	116,559.23	2,842,905.64
8/1/2013	89,212.52	16,283.12	11,073.53	116,569.17	2,753,693.12
2/1/2014	89,212.52	14,925.25	11,073.53	115,211.30	2,664,480.60
8/1/2014	89,212.52	14,925.25	11,073.53	115,211.30	2,575,268.08
2/1/2015	92,186.27	12,938.18	11,073.53	116,197.98	2,483,081.81
8/1/2015	92,186.27	12,938.18	11,073.53	116,197.98	2,390,895.54
2/1/2016	95,160.02	11,061.11	11,073.53	117,294.66	2,295,735.52
8/1/2016	95,160.02	11,061.11	11,073.53	117,294.66	2,200,575.50
2/1/2017	95,160.02	9,358.47	11,073.53	115,592.02	2,105,415.48
8/1/2017	95,160.02	9,358.47	11,073.53	115,592.02	2,010,255.46
2/1/2018	95,160.02	7,883.23	11,073.53	114,116.78	1,915,095.44
8/1/2018	95,160.02	7,883.23	11,073.53	114,116.78	1,819,935.42
2/1/2019	98,133.77	7,227.81	11,073.53	116,435.11	1,721,801.65
8/1/2019	98,133.77	7,227.81	11,073.53	116,435.11	1,623,667.88
2/1/2020	98,133.77	6,144.22	11,073.53	115,351.52	1,525,534.11
8/1/2020	98,133.77	6,144.22	11,073.53	115,351.52	1,427,400.34
2/1/2021	98,133.77	5,216.96	11,073.53	114,424.26	1,329,266.57
8/1/2021	98,133.77	5,216.96	11,073.53	114,424.26	1,231,132.80
2/1/2022	98,133.77	4,414.78	11,073.53	113,622.08	1,132,999.03
8/1/2022	98,133.77	4,414.78	11,073.53	113,622.08	1,034,865.26
2/1/2023	101,107.52	3,667.31	11,073.53	115,848.36	933,757.74
8/1/2023	101,107.53	3,667.31	11,073.53	115,848.37	832,650.21
2/1/2024	101,107.52	2,993.84	11,073.53	115,174.89	731,542.69
8/1/2024	101,107.53	2,993.84	11,073.53	115,174.90	630,435.16
2/1/2025	101,107.52	2,408.95	8,984.38	112,500.85	529,327.64
8/1/2025	101,107.53	2,408.95	8,984.38	112,500.86	428,220.11
2/1/2026	104,081.27	1,904.61	6,434.38	112,420.26	324,138.84
8/1/2026	104,081.28	1,904.61	6,434.38	112,420.27	220,057.56
2/1/2027	110,028.78	1,342.38	2,768.38	114,139.54	110,028.78
8/1/2027	110,028.78	1,342.38	2,768.38	114,139.54	\$ -
TOTALS	\$ 3,110,543.20	\$ 248,204.81	\$ 322,357.54	\$ 3,681,105.55	

TOWN OF **WINDSOR**, COLORADO

DEBT SERVICE REQUIREMENTS

December 31, 2016

BUSINESS-TYPE ACTIVITIES

The Town entered into an additional loan agreement with Colorado Water Conservation Board (CWCB) in January 2014 for the purchase of the Kyger Reservoir for \$4,545,000 for a term of 20 years with an interest rate of 2.75% per annum and includes a service fee of 1% of the project amount. Loan payments will be in equal payments of \$298,478.02, with the first payment due and payable in 2018 and annual thereafter.

COLORADO WATER CONSERVATION BOARD LOAN REPAYMENT				
FOR KYGER RESERVOIR PROJECT				
Loan Contract Number C150366				
20-YEAR REPAYMENT AT 2.75% INTEREST				
WATER FUND				
Payment Date	Principal	Interest	Total Payment	Principal Balance
				\$ 4,545,000.00
2/1/2018	\$ 173,490.52	\$ 124,987.50	\$ 298,478.02	4,371,509.48
2/1/2019	178,261.51	120,216.51	298,478.02	4,193,247.97
2/1/2020	183,163.70	115,314.32	298,478.02	4,010,084.27
2/1/2021	188,200.70	110,277.32	298,478.02	3,821,883.57
2/1/2022	193,376.22	105,101.80	298,478.02	3,628,507.35
2/1/2023	198,694.07	99,783.95	298,478.02	3,429,813.28
2/1/2024	204,158.15	94,319.87	298,478.02	3,225,655.13
2/1/2025	209,772.50	88,705.52	298,478.02	3,015,882.63
2/1/2026	215,541.25	82,936.77	298,478.02	2,800,341.38
2/1/2027	221,468.63	77,009.39	298,478.02	2,578,872.75
2/1/2028	227,559.02	70,919.00	298,478.02	2,351,313.73
2/1/2029	233,816.89	64,661.13	298,478.02	2,117,496.84
2/1/2030	240,246.86	58,231.16	298,478.02	1,877,249.98
2/1/2031	246,853.65	51,624.37	298,478.02	1,630,396.33
2/1/2032	253,642.12	44,835.90	298,478.02	1,376,754.21
2/1/2033	260,617.28	37,860.74	298,478.02	1,116,136.93
2/1/2034	267,784.25	30,693.77	298,478.02	848,352.68
2/1/2035	275,148.32	23,329.70	298,478.02	573,204.36
2/1/2036	282,714.90	15,763.12	298,478.02	290,489.46
2/1/2037	290,489.46	7,988.46	298,477.92	\$ -
	\$ 4,545,000.00	\$ 1,424,560.30	\$ 5,969,560.30	

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 2016
	December 2014	December 2016
This Information From The Records Of (example - City of _ or County of _ Town of Windsor CO	Prepared By:	970-674-2418
	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)	9,634,555
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,221,931
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	0	b. Snow and ice removal	
3. Other local imposts (from page 2)	5,956,399	c. Other	
4. Miscellaneous local receipts (from page 2)	174,714	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	1,584,714
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,653,696
a. Bonds - Original Issues		6. Total (1 through 5)	14,094,896
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)	6,131,113	b. Redemption	
B. Private Contributions	3,720,955	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,556,007	2. Notes:	
D. Receipts from Federal Government (from page 2)	2,752,654	a. Interest	5,049
E. Total receipts (A.7 + B + C + D)	14,160,729	b. Redemption	60,784
		c. Total (a. + b.)	65,833
		3. Total (1.c + 2.c)	65,833
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	14,160,729

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)	949,091	0	60,784	888,307

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	14,160,729	14,160,729		0

Notes and Comments:

TOWN OF **WINDSOR**, COLORADO

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2014	
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	10,025
b. Other local imposts:		b. Traffic Fines & Penalties	164,689
1. Sales Taxes	3,964,875	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,735,957	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	255,567	g. Other Misc. Receipts	
6. Total (1. through 5.)	5,956,399	h. Other	
c. Total (a. + b.)	5,956,399	i. Total (a. through h.)	174,714
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	814,129	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	450,528	d. Federal Transit Admin	
d. Other (Specify) - Severance Tax	291,350	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	2,752,654
f. Total (a. through e.)	741,878	g. Total (a. through f.)	2,752,654
4. Total (1. + 2. + 3.f)	1,556,007	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		2,018	2,018
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		3,720,955	3,720,955
(2). Capacity Improvements		2,913,065	2,913,065
(3). System Preservation		2,227,307	2,227,307
(4). System Enhancement & Operation		771,210	771,210
(5). Total Construction (1) + (2) + (3) + (4)		9,632,537	9,632,537
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		9,634,555	9,634,555
			(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>	89
<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>	95
<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>	104
<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>	110
<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>	113



TOWN OF **WINDSOR**, COLORADO

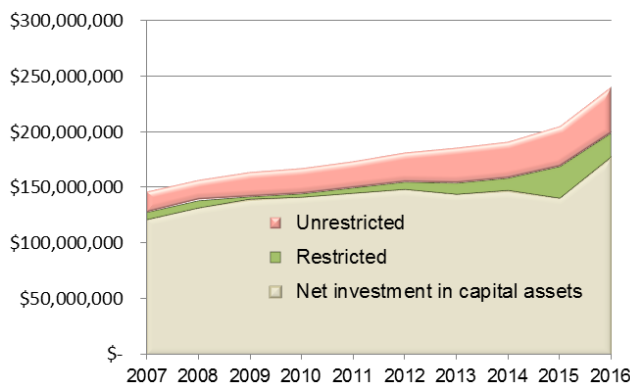
NET POSITION BY COMPONENT

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

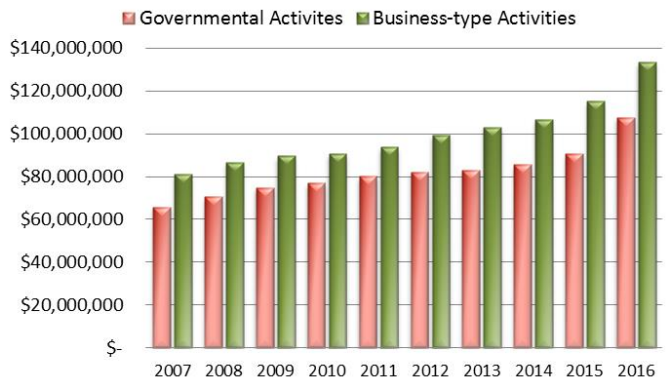
for the fiscal year ended December 31,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital										
assets	\$ 56,506,921	\$ 60,621,653	\$ 66,543,815	\$ 68,435,996	\$ 69,741,468	\$ 71,372,079	\$ 66,966,909	\$ 66,536,176	\$ 53,524,675	\$ 73,455,414
Restricted	6,631,315	6,824,295	3,002,668	3,197,413	5,259,855	5,722,444	8,807,193	10,417,938	27,982,345	21,025,196
Unrestricted	2,546,618	2,995,044	5,106,232	5,095,783	4,925,404	4,872,377	7,081,429	8,377,069	8,846,187	12,972,472
Total governmental activities net position	65,684,854	70,440,992	74,652,715	76,729,192	79,926,727	81,966,900	82,855,531	85,331,183	90,353,207	107,453,082
Business-type Activities										
Net investment in capital										
assets	64,597,102	70,928,478	72,733,118	72,788,122	74,875,222	76,752,836	77,401,561	80,556,471	86,778,936	103,763,546
Restricted	379,247	522,895	-	-	-	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Unrestricted	15,895,018	15,183,662	16,678,418	17,704,468	18,804,020	21,342,334	24,135,848	24,486,851	26,902,794	28,206,518
Total business-type activities net position	80,871,367	86,635,035	89,411,536	90,492,590	93,679,242	99,345,170	102,787,409	106,293,322	114,931,730	133,220,064
Net Position										
Net investment in capital										
assets	121,104,023	131,550,131	139,276,933	141,224,118	144,616,690	148,124,915	144,368,470	147,092,647	140,303,611	177,218,960
Restricted	7,010,562	7,347,190	3,002,668	3,197,413	5,259,855	6,972,444	10,057,193	11,667,938	29,232,345	22,275,196
Unrestricted	18,441,636	18,178,706	21,784,650	22,800,251	23,729,424	26,214,711	31,217,277	32,863,920	35,748,981	41,178,990
Total primary government net position	\$ 146,556,221	\$157,076,027	\$164,064,251	\$167,221,782	\$173,605,969	\$181,312,070	\$185,642,940	\$191,624,505	\$205,284,937	\$240,673,146

Primary Government Net Position



Government-wide Net Position



Notes: 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

GASB 68 implemented in 2015

Sources: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO

CHANGES IN NET POSITION

Last Ten Calendar Years ^{(1) (2)}

(accrual basis of accounting)

(Unaudited)

for the fiscal year ended December 31,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 2,353,583	\$ 3,098,522	\$ 2,340,659	\$ 2,469,265	\$ 2,450,785	\$ 2,674,626	\$ 2,731,588	\$ 3,490,765	\$ 3,748,233	\$ 4,273,283
Public safety	2,469,482	2,110,123	2,310,299	2,430,053	2,664,155	2,826,313	2,938,201	3,092,222	3,510,691	3,701,539
Public works	2,750,360	5,430,843	5,245,719	5,261,225	5,457,935	5,662,954	5,551,046	6,707,613	7,175,480	7,409,738
Parks, recreation & culture	3,524,975	7,352,667	4,525,218	4,604,283	4,616,024	4,498,409	5,163,907	4,624,500	4,890,399	5,818,082
Community development	785,239	569,008	1,497,962	1,489,965	1,589,562	1,819,818	1,391,260	497,796	701,861	365,167
Safety and loss control	17,918	12,126	8,793	7,599	6,764	2,778	7,422	3,536	4,844	4,084
Community center	576,472	700,766	-	-	-	-	-	-	-	-
Small equipment & maintenance	877,131	545,799	1,068,229	954,012	1,782,485	1,353,245	1,321,535	2,192,671	1,983,466	2,621,645
Assets conveyed to other governmer	-	-	-	-	-	-	2,408,601	152,245	-	-
Loss on disposal of capital assets	17,864	-	97,715	44,071	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	107,184	-	-	237,578	-
Interest on long-term debt	127,674	196,395	656,591	201,024	329,985	180,236	186,788	189,438	554,517	770,591
Depreciation - unallocated	-	-	-	-	-	-	-	-	-	-
Total governmental activities	13,500,698	20,016,249	17,751,185	17,461,497	18,897,695	19,125,563	21,700,348	20,950,786	22,807,069	24,964,129
Business-type activities:										
Water	2,956,272	2,782,882	2,765,244	2,849,014	2,711,740	3,287,679	2,961,686	3,300,658	3,608,724	4,772,739
Sewer	1,425,429	1,572,588	1,594,425	1,587,205	1,488,890	1,537,136	2,160,376	1,946,739	2,271,608	2,398,095
Storm drainage	471,513	502,491	825,013	725,892	608,734	672,899	605,811	591,172	603,962	621,030
Non-potable water ⁽³⁾	-	-	481,335	138,887	294,879	269,505	323,532	-	-	-
Total business-type activities	4,853,214	4,857,961	5,666,017	5,300,998	5,104,243	5,767,219	6,051,405	5,838,569	6,484,294	7,791,864
Total primary government	18,353,912	24,874,210	23,417,202	22,762,495	24,001,938	24,892,782	27,751,753	26,789,355	29,291,363	32,755,993
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,354,233	48,611	-	-	-	-	-	-	-	-
Public safety	104,097	114,408	46,971	19,043	184,708	227,231	207,671	210,620	221,694	210,801
Public works	-	1,284,342	48,600	97,137	297,237	479,043	567,546	513,932	514,152	699,088
Parks, recreation & culture	1,440,272	1,224,901	1,151,439	1,410,310	1,908,107	2,820,645	2,455,028	1,865,914	2,065,028	4,343,278
Community development	35,010	332,346	-	-	-	-	-	-	-	-
Safety and loss control	-	-	-	-	-	-	-	-	-	-
Community center	-	62,606	-	-	-	-	-	-	-	-
Operating grants and contributions	1,650	5,450	136,533	629,751	18,691	11,250	1,936,182	2,004,711	1,977,623	1,823,088
Capital grants and contributions	14,124,589	7,369,720	6,435,751	2,207,216	2,828,024	818,017	585,453	811,664	2,272,849	7,604,489
Total governmental activities	17,059,851	10,442,384	7,819,294	4,363,457	5,236,767	4,356,186	5,751,880	5,406,841	7,051,346	14,680,744
Business-type activities:										
Charges for services:										
Water	3,196,801	3,089,312	3,123,259	3,278,404	3,590,885	4,163,251	4,093,797	4,268,497	5,356,981	4,787,506
Sewer	1,514,479	1,607,461	1,631,304	1,610,672	1,638,591	1,697,989	1,755,725	1,837,969	2,020,489	2,045,784
Storm drainage	254,244	242,688	317,313	292,357	341,822	305,141	329,018	323,535	406,900	393,807
Capital grants and contributions	10,945,920	6,123,523	5,534,074	2,069,869	4,090,958	5,510,832	3,579,048	2,787,806	7,888,412	19,149,791
Total business-type activities	15,911,444	11,062,984	10,605,950	7,251,302	9,662,256	11,677,213	9,757,588	9,217,807	15,672,782	26,376,888
Total primary government	\$32,971,295	\$21,505,368	\$18,425,244	\$11,614,759	\$14,899,023	\$16,033,399	\$15,509,468	\$14,624,648	\$22,724,128	\$41,057,632

TOWN OF **WINDSOR**, COLORADO

CHANGES IN NET POSITION (continued)

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

for the fiscal year ended December 31,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ 3,559,153	\$ (9,573,865)	\$ (9,931,891)	\$ (13,098,040)	\$ (13,660,928)	\$ (14,769,377)	\$ (15,948,468)	\$ (15,543,945)	\$ (15,755,723)	\$ (10,283,385)
Business-type activities	11,058,230	6,205,023	4,939,933	1,950,304	4,558,013	5,909,994	3,706,183	3,379,238	9,188,488	18,585,024
Total primary government net expenses	14,617,383	(3,368,842)	(4,991,958)	(11,147,736)	(9,102,915)	(8,859,383)	(12,242,285)	(12,164,707)	(6,567,235)	8,301,639
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	2,521,069	3,065,778	3,412,104	4,158,343	4,332,996	4,059,462	4,049,110	4,036,268	4,171,557	5,074,514
Sales and use tax	6,174,594	6,102,995	5,843,736	5,948,090	6,807,775	7,699,121	9,061,884	9,244,616	12,589,346	14,963,691
Franchise taxes	-	-	1,225,888	1,123,574	1,178,866	1,202,273	1,336,785	1,424,084	1,446,170	1,507,839
Other taxes	1,579,716	1,225,684	1,023,716	908,888	1,206,340	1,441,770	1,325,085	1,188,164	1,400,488	2,221,667
Intergovernmental	-	-	943,578	1,074,207	111,120	1,747,799	-	-	-	-
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Earnings on investments	398,626	246,661	169,331	100,205	96,826	77,273	171,414	151,137	221,694	309,143
Other revenue	127,745	144,070	2,359,401	873,363	267,979	107,057	275,680	2,005,420	622,998	2,603,832
Gain (loss) on sale of capital assets	-	-	-	-	-	65,780	58,500	611,222	(19,891)	-
Transfers in (out)/ insurance proceeds	551,549	3,544,815	487,184	987,846	1,791,518	541,448	558,641	(641,314)	154,551	702,574
Total governmental activities	11,353,299	14,330,003	15,464,938	15,174,516	15,793,420	16,941,983	16,837,099	18,019,598	20,586,913	27,383,260
Business-type activities:										
Earnings on investments	801,195	517,560	144,431	90,410	149,701	231,308	263,197	315,367	374,531	405,884
Other revenue	-	-	26,547	28,187	270,456	66,074	31,500	47,494	63,273	-
Gain (loss) on sale of capital assets	-	-	(1,923,217)	-	-	-	-	(877,500)	-	-
Transfers	(551,549)	(958,915)	(487,184)	(987,846)	(1,791,518)	(541,448)	(558,641)	641,314	(154,551)	(702,574)
Total business-type activities	249,646	(441,355)	(2,239,423)	(869,249)	(1,371,361)	(244,066)	(263,944)	126,675	283,253	(296,690)
Total primary government	11,602,945	13,888,648	13,225,515	14,305,267	14,422,059	16,697,917	16,573,155	18,146,273	20,870,166	27,086,570
Changes in Net Position										
Governmental activities	14,912,452	4,756,138	5,533,047	2,076,476	2,132,492	2,172,606	888,631	2,475,653	4,831,190	17,099,875
Business-type activities	11,307,876	5,763,668	2,700,510	1,081,055	3,186,652	5,665,928	3,442,239	3,505,913	9,471,741	18,288,334
Total primary government	\$26,220,328	\$10,519,806	\$ 8,233,557	\$ 3,157,531	\$ 5,319,144	\$ 7,838,534	\$ 4,330,870	\$ 5,981,566	\$ 14,302,931	\$ 35,388,209

- Notes: (1) GASB 34 implemented in 2004; 2014 not restated for implementation in GASB 68.
 (2) Prior to implementation of GASB 63 in 2012, the above chart represents: Net Assets as opposed to Net Position.
 (3) Years 2006-2008 and 2014-2016 the Non-potable water was included in the Water Fund

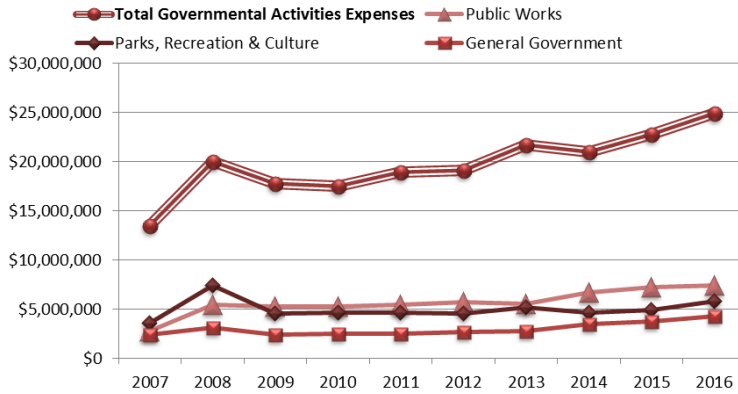
Sources: Current and prior years' financial statements.

TOWN OF **WINDSOR, COLORADO**

CHANGES IN NET POSITION (continued)

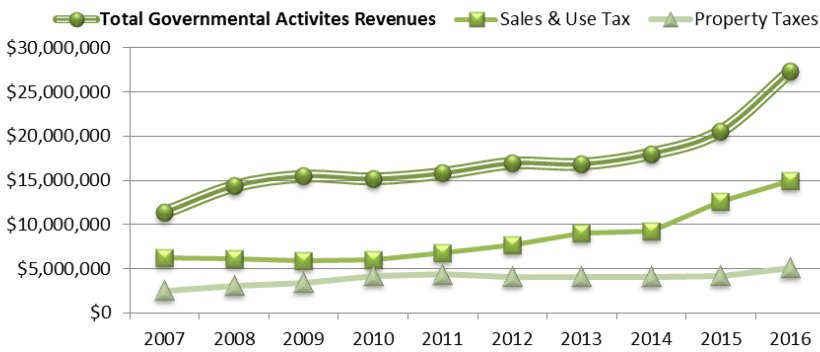
Last Ten Calendar Years
(accrual basis of accounting)
(Unaudited)

General Governmental Expenses



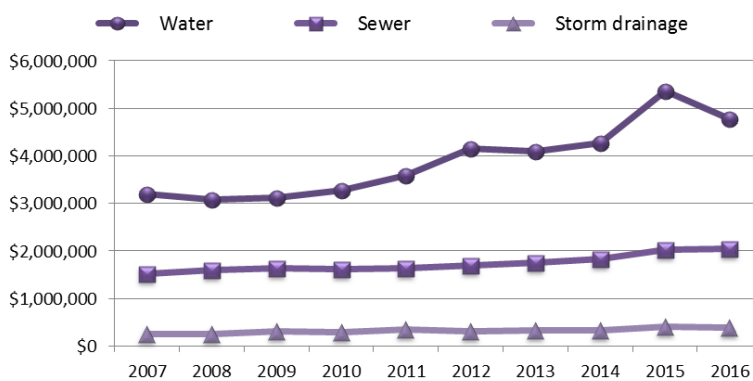
Note: Only three activities are represented in this chart.
Chart shows increased expenditures due to the 2008 tornado.

General Governmental Revenues



Note: Only the top two revenues are represented in this chart.
Sales and Use taxes from building permits were lower during 2007 through 2010 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. From there revenue shows a recovering economy. There was record breaking construction in 2016.

Business-type Charges for Services Revenues



Note: This is service charges collected for the utility funds plus developer dedicated raw water.
Drainage services the whole town, while water and sewer each only service parts of Windsor.

TOWN OF **WINDSOR**, COLORADO

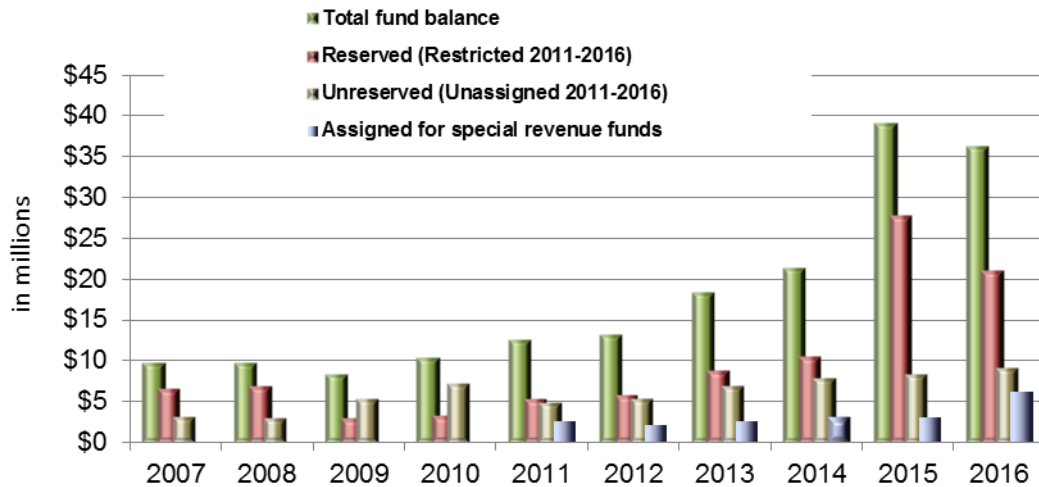
FUND BALANCES OF GOVERNMENTAL FUNDS

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

for the fiscal year ended December 31,

	2007	2008	2009	2010	2011 ⁽²⁾	2012	2013	2014	2015	2016
General Fund										
Reserved / Restricted ⁽²⁾	\$ 243,022	\$ 270,632	\$ 302,569	\$ 366,234	\$ 367,017	\$ 363,060	\$ 400,862	\$ 398,703	\$ 410,660	\$ 452,256
Unreserved / Unassigned ⁽²⁾	2,423,288	1,548,701	3,524,859	4,849,941	4,850,086	5,349,797	6,873,513	7,775,518	8,344,502	9,106,627
Total general fund	2,666,310	1,819,333	3,827,428	5,216,175	5,217,103	5,712,857	7,274,375	8,174,221	8,755,162	9,558,883
All Other Governmental Funds										
Reserved / Restricted ⁽²⁾	6,236,705	6,553,663	2,700,099	2,866,179	4,892,838	5,359,384	8,406,331	10,019,235	27,397,615	20,570,110
Assigned for special revenue funds	-	-	-	-	2,464,923	2,098,252	2,577,063	3,097,356	2,942,439	6,097,247
Unreserved / Unassigned ⁽²⁾	720,947	1,373,428	1,709,023	2,246,174	-	-	-	-	-	-
Total all other governmental funds	6,957,652	7,927,091	4,409,122	5,112,353	7,357,761	7,457,636	10,983,394	13,116,591	30,340,054	26,667,357
Total general fund + all other governmental funds	\$9,623,962	\$9,746,424	\$8,236,550	\$ 10,328,528	\$12,574,864	\$13,170,493	\$18,257,769	\$21,290,812	\$39,095,216	\$36,226,240

Fund Balances of Governmental Funds⁽²⁾



Notes: (1) GASB 34 implemented in 2004

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

Sources: Current and prior years' financial statements.

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

Last Ten Calendar Years
(modified accrual basis of accounting)
(Unaudited)
for the fiscal year ended December 31,

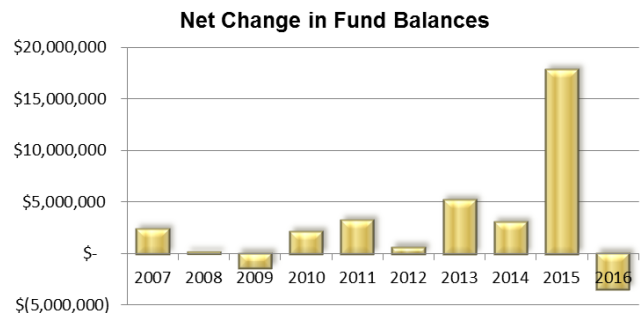
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes and assessments	\$11,384,655	\$ 10,957,333	\$ 11,505,444	\$ 12,138,895	\$ 13,525,977	\$ 14,402,626	\$ 15,772,864	\$ 15,893,132	\$ 19,607,561	\$ 23,767,711
Licenses and permits	244,957	322,144	243,329	194,424	249,613	402,493	463,657	412,304	374,400	558,657
Intergovernmental	842,998	1,072,378	943,578	1,074,207	1,176,163	1,747,799	1,625,085	1,984,709	1,971,834	1,781,566
Charges for services	1,475,282	1,361,611	1,247,010	1,526,490	2,006,666	2,924,086	2,582,144	1,990,625	2,233,182	4,517,341
Fines and forfeitures	104,097	102,873	109,153	165,410	133,773	200,340	184,444	187,537	193,292	177,169
Earnings on investments	398,626	311,112	173,845	106,136	96,485	77,233	171,399	151,126	221,679	309,129
Grants and contributions	13,191,266	7,020,502	6,572,284	2,836,324	2,846,715	829,267	896,550	831,666	655,564	6,672,751
Miscellaneous	289,563	135,773	37,017	176,388	266,903	107,057	247,114	1,927,422	512,998	2,266,179
Total revenues	27,931,444	21,283,726	20,831,660	18,218,274	20,302,295	20,690,901	21,943,257	23,378,521	25,770,510	40,050,503
Expenditures										
General government	1,459,496	1,936,507	1,945,997	1,923,694	1,848,747	2,090,915	2,160,324	2,915,164	3,090,172	3,506,747
Public safety	1,680,902	1,978,868	2,157,411	2,160,243	2,350,682	2,543,883	2,661,338	2,838,639	3,187,567	3,307,394
Public works	1,882,640	2,724,498	2,191,542	2,046,832	1,980,741	2,062,330	2,086,678	3,271,253	3,480,393	3,594,145
Parks, recreation & culture	2,554,015	5,009,681	3,888,783	3,812,658	3,763,112	3,662,374	4,354,281	3,842,890	3,965,697	4,499,953
Community development	527,848	604,976	1,345,074	1,243,176	1,298,061	1,539,445	1,118,673	237,819	363,544	326,596
Safety and loss control	9,153	12,126	8,793	7,599	6,764	2,778	7,422	3,536	4,844	4,084
Community center	576,472	700,766	-	-	-	-	-	-	-	-
Small equipment and maintenance	877,131	545,799	1,068,229	954,012	835,256	1,353,245	1,251,830	2,198,249	1,982,266	2,620,025
Debt services										
Principal	220,000	235,000	1,998,356	685,465	1,770,442	1,669,915	280,000	280,000	300,000	835,000
Interest	235,789	221,142	210,808	197,193	170,293	83,836	92,475	86,875	414,440	866,575
Debt issuance costs	-	-	-	-	-	107,184	-	-	237,578	-
Capital outlay	16,107,765	10,215,216	9,838,207	4,578,812	4,750,510	5,482,919	3,185,816	3,884,659	8,903,987	23,916,454
Total expenditures	26,131,211	24,184,579	24,653,199	17,609,684	18,774,608	20,598,824	17,198,837	19,559,084	25,930,488	43,476,973
Excess of revenues over (under) expenditures	1,800,233	(2,900,853)	(3,821,539)	608,590	1,527,687	92,077	4,744,420	3,819,437	(159,978)	(3,426,470)
Other Financing Sources (Uses)										
Insurance proceeds/bond proceeds	-	2,585,900	1,969,902	328,290	-	3,705,000	-	-	16,100,000	-
Premiums on bonds	-	-	-	-	-	189,944	-	-	1,854,911	-
Payments to refunding bonds escrow agent	-	-	-	-	-	(3,787,760)	-	-	-	-
Capital contributions subject to reimbursement	-	-	428,099	167,252	-	-	-	-	-	-
Transfers in	1,346,549	1,164,715	1,164,098	1,809,680	3,495,445	881,015	645,540	1,144,768	1,211,696	1,765,830
Transfers out	(795,000)	(727,300)	(1,110,684)	(821,834)	(1,829,567)	(484,647)	(231,979)	(1,931,162)	(1,202,225)	(1,208,336)
Total other financing sources (uses)	551,549	3,023,315	2,451,415	1,483,388	1,665,878	503,552	413,561	(786,394)	17,964,382	557,494
Net change in fund balances	\$ 2,351,782	\$ 122,462	\$ (1,370,124)	\$ 2,091,978	\$ 3,193,565	\$ 595,629	\$ 5,157,981	\$ 3,033,043	\$ 17,804,404	\$ (2,868,976)
Debt service as a percentage of noncapital expenditure*	4.5%	3.3%	14.9%	6.8%	13.8%	11.6%	2.7%	2.3%	4.2%	8.7%

* Capital outlay used in this calculation is from the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures and changes in fund balance.

GASB 34 implemented in 2004

Sources: Current and prior years' financial statements

Chart Note: Radical differences are primarily due to large capital purchases and fluctuations due to the tornado expenditures in 2008 and 2009. 2016 included the CRC expansion completion and use of 2015 reserves which included a bond for the expansion.



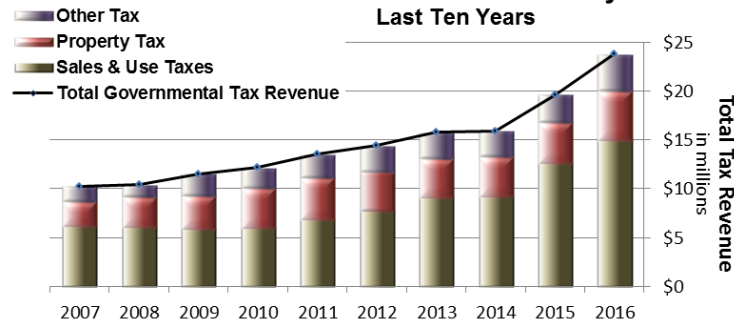
TOWN OF **WINDSOR**, COLORADO

GOVERNMENTAL TAX REVENUE BY SOURCE

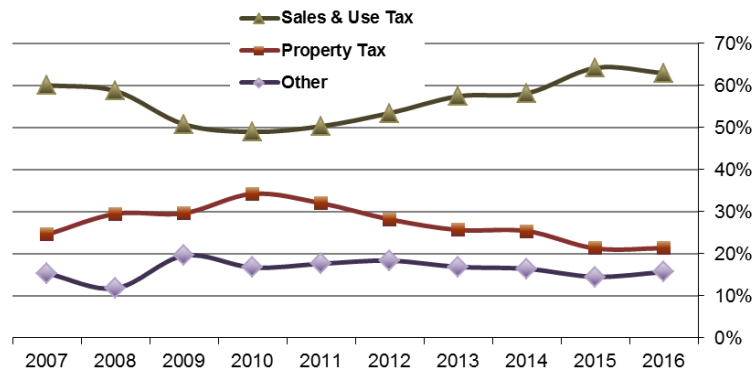
Last Ten Calendar Years
(Unaudited)

	Property Tax		Sales & Use Taxes		Other Tax ⁽¹⁾		Total Governmental Tax Revenue
	Amount	%	Amount	%	Amount	%	Amount
2016	\$5,074,514	21.4%	\$14,963,691	63.0%	\$3,729,506	15.6%	\$23,767,711
2015	4,171,557	21.3%	12,589,346	64.2%	2,846,658	14.5%	19,607,561
2014	4,036,268	25.4%	9,244,616	58.2%	2,612,248	16.4%	15,893,132
2013	4,049,110	25.7%	9,061,884	57.5%	2,661,870	16.9%	15,772,864
2012	4,059,462	28.2%	7,699,121	53.5%	2,644,043	18.4%	14,402,626
2011	4,332,996	32.0%	6,807,775	50.3%	2,385,206	17.6%	13,525,977
2010	4,158,343	34.3%	5,948,090	49.0%	2,032,462	16.7%	12,138,895
2009	3,412,104	29.7%	5,843,736	50.8%	2,249,604	19.6%	11,505,444
2008	3,065,778	29.5%	6,102,995	58.7%	1,225,684	11.8%	10,394,457
2007	2,521,069	24.5%	6,174,594	60.1%	1,579,716	15.4%	10,275,379

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



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



Note: ⁽¹⁾ This category includes auto, franchise, severance, and Larimer County Open Space taxes.

GASB 34 implemented in 2004

Sources: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO
SALES TAX COLLECTIONS BY CATEGORY (SAMPLE ACCOUNTS 2006-2014)

Last Ten Calendar Years
(Unaudited)

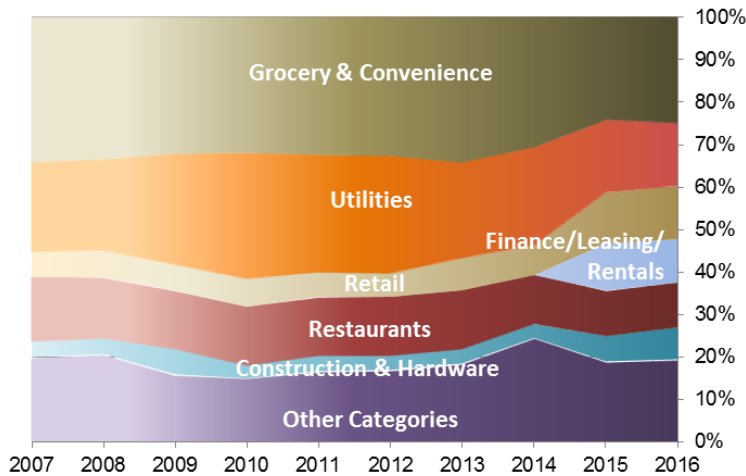
	Grocery/ Convenience/ Gas Station	Restaurants	Liquor	Construction/ Hardware	Other	Retail	Finance/ Leasing/ Rentals	Utilities/ Telecom/ Communication	Auto Sales & Service	Industry	Lodging	Entertainment	Total Sample Accounts	Total Sales Tax Collections
2016	\$ 2,681,118	\$ 1,134,576	\$ 304,337	\$ 845,034	\$ 473,757	\$ 1,357,655	\$ 1,095,232	\$ 1,618,084	\$ 463,304	\$ 449,155	\$ 73,657	\$ 306,157	\$ 10,802,064	\$ 10,775,456
% of Total	24.8%	10.5%	2.8%	7.8%		12.6%		15.0%	4.3%	4.2%	0.7%	2.8%	85.5%	
% of Change	34.2%	29.3%	27.2%	63.7%	33.3%	36.3%	19.9%	13.4%	35.0%	62.1%	5.3%	20.8%	30.7%	6.2%
2016	\$ 2,681,118	\$ 1,134,576	\$ 304,337	\$ 845,034	\$ 473,757	\$ 1,357,655	\$ 1,095,232	\$ 1,618,084	\$ 463,304	\$ 449,155	\$ 73,657	\$ 306,157	\$ 10,802,064	\$ 10,775,456
2015	1,997,286	877,503	239,265	516,359	355,490	996,154	913,076	1,426,345	343,149	277,092	69,950	253,492	8,265,160	10,150,274
2014	1,907,648	724,265	217,119	210,321	N/A	445,771	N/A	1,434,223	664,802	424,429	75,912	134,463	6,238,953	7,875,879
2013	1,723,020	708,346	206,155	187,061	N/A	383,581	N/A	1,171,728	516,472	91,946	55,885	55,239	5,099,433	7,033,014
2012	1,520,983	644,321	198,862	169,689	N/A	261,420	N/A	1,287,931	435,027	41,380	46,516	50,224	4,656,353	5,579,576
2011	1,413,034	599,983	200,063	171,083	N/A	260,395	N/A	1,219,075	345,253	88,956	36,511	45,199	4,379,552	5,338,081
2010	1,330,896	582,867	181,821	134,889	N/A	278,472	N/A	1,243,628	281,404	80,409	29,642	43,742	4,187,770	5,039,276
2009	1,345,308	571,744	186,795	262,252	N/A	263,685	N/A	1,100,593	290,326	103,336	30,351	47,630	4,202,020	4,931,982
2008	1,387,411	584,748	187,132	167,331	N/A	272,948	N/A	892,744	443,861	130,615	37,729	53,678	4,158,197	4,930,803
2007	1,308,485	580,507	173,891	152,398	N/A	239,103	N/A	812,406	425,949	48,933	46,763	62,551	3,850,986	4,504,131

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

Sample accounts were maintained 2006-2014. 2015 includes actual Category amounts Mar-Dec 2015 and 2015 forward.

Also large refund in 2012 Industry category caused a radical change from 2012 to 2013.

**Sales Tax by Major Category
of sample accounts prior to 2015**



Notes: Information in these charts are not all inclusive of all accounts but representative of main business collections.

Home Rule 2005 to present.

2016 Sales tax rate is 3.95%.

Entertainment category includes principally golf courses and video stores.

Sources: Town of Windsor Sales Tax Reports

TOWN OF **WINDSOR**, COLORADO

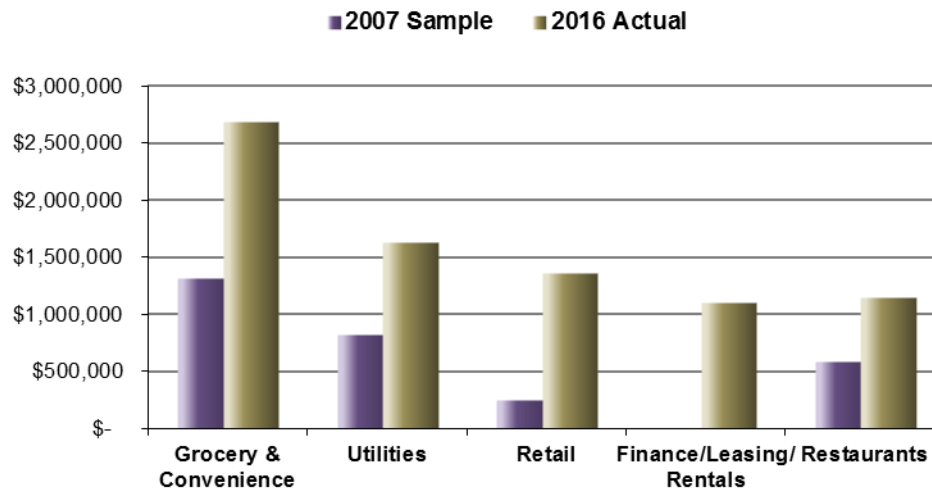
PRINCIPAL SALES TAX CATEGORIES

Current and Ten Years Prior
(Unaudited)

Top Five Categories	2007 Sample	2016 Actual
Grocery & Convenience	\$ 1,308,485	\$ 2,681,118
Utilities	812,406	1,618,084
Retail	239,103	1,357,655
Finance/Leasing/ Rentals	N/A	1,095,232
Restaurants	580,507	1,134,577
Total	\$ 2,940,501	\$ 7,886,665
Aggregate all other categories	910,485	2,915,401
Total sales tax (sample accounts)	\$ 3,850,987	\$ 10,802,065
Top five categories as a percentage of total sales tax	76.4%	73.0%

Note: Information in this chart is not all inclusive of all accounts for 2007 but is representative of main business collections.

Principal Sales Tax Categories
Current and Nine Years Prior



Note: Information in this chart is not all inclusive of all accounts for 2007 but is representative of main business collections.

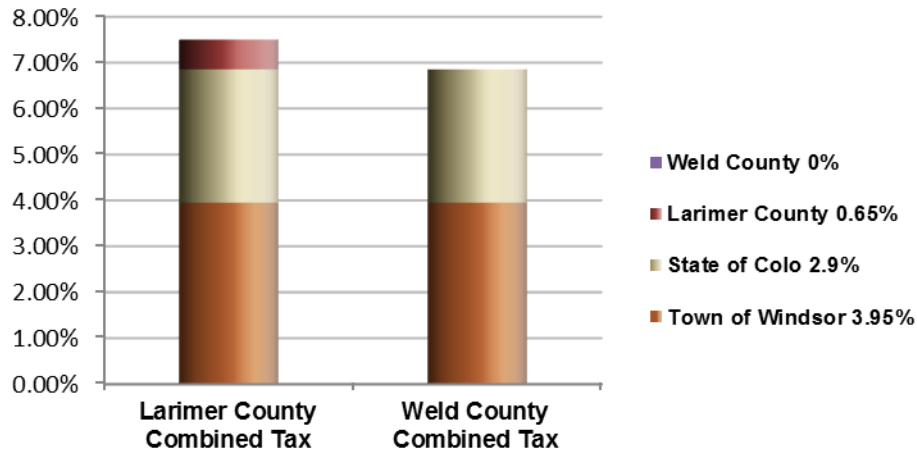
Source: Town of Windsor Sales Tax Reports

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		
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%
2013	3.2%	2.9%	0.0%	0.6%	6.1%	6.7%
2014	3.2%	2.9%	0.0%	0.6%	6.1%	6.7%
2015	3.95%	2.9%	0.0%	0.65%	6.9%	7.50%
2016	3.95%	2.9%	0.0%	0.65%	6.85%	7.50%

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

2016 Direct and Overlapping Sales Tax Rates



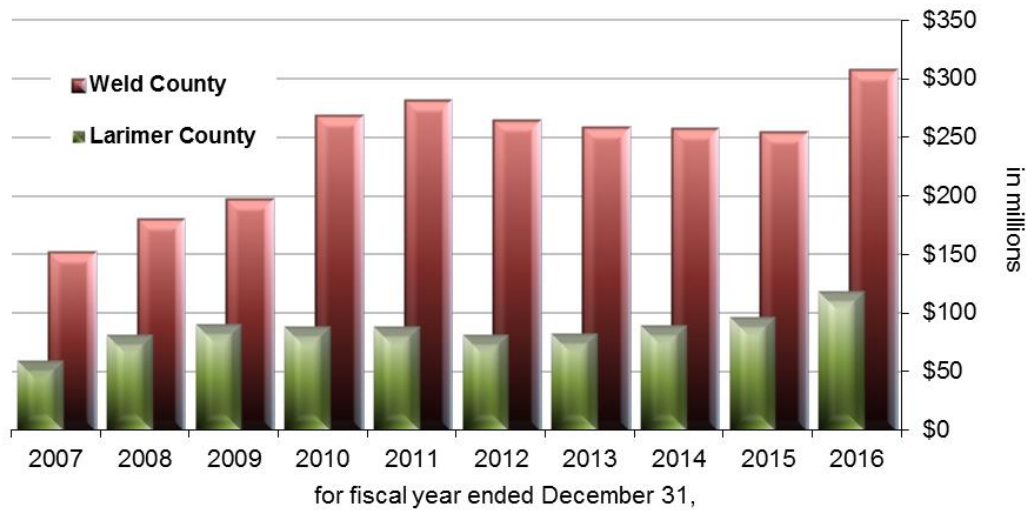
Note: GASB 34 implemented in 2004

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

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
2016	\$ 117,894,315	\$ 307,337,500	\$ 425,231,815	\$ 2,667,628,514	15.94%	2015	12.03
% change	22.9%	21.1%	21.6%	0.0%			
2016	\$ 117,894,315	\$ 307,337,500	\$ 425,231,815	\$ 2,667,628,514	15.94%	2015	12.03
2015	95,941,770	253,814,250	349,756,020	2,667,628,514	13.11%	2014	12.03
2014	88,685,380	256,910,701	345,596,081	2,458,521,024	14.06%	2013	12.03
2013	82,563,660	257,736,690	340,300,350	2,352,676,491	14.46%	2012	12.03
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

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 2015 and 2016 was based on estimated market values between January 1, 2013 and June 30, 2014.

Sources: 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
\$ 425,231,815	12.030	2016	\$ 5,115,539	\$ 5,066,540	99.04%	\$ -	\$ 5,066,540	99.04%	\$ 48,998	1.0%
349,756,020	12.030	2015	4,207,565	4,205,554	99.95%	(34,045)	4,171,509	99.95%	36,056	0.9%
345,596,081	12.030	2014	4,157,521	4,069,762	97.89%	(33,494)	4,036,268	97.89%	121,253	2.9%
340,300,350	12.030	2013	4,093,813	4,087,429	99.84%	(38,319)	4,049,110	99.84%	44,703	1.1%
344,443,260	12.030	2012	4,143,652	4,104,135	99.05%	(44,673)	4,059,462	97.97%	84,190	2.0%
368,709,730	12.030	2011	4,435,578	4,341,140	97.87%	(8,132)	4,333,008	97.69%	102,570	2.3%
356,359,957	12.030	2010	4,287,010	4,202,033	98.02%	(43,690)	4,158,343	97.00%	128,667	3.0%
286,380,117	12.030	2009	3,445,153	3,425,708	99.44%	(13,604)	3,412,104	99.04%	33,049	1.0%
260,625,238	12.030	2008	3,135,322	3,118,742	99.47%	(52,964)	3,065,778	97.78%	69,544	2.2%
210,614,164	12.030	2007	2,533,688	2,523,615	99.60%	(2,546)	2,521,069	99.50%	12,619	0.5%

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 2007 forward. Negative values reflect subsequent rebates and adjustments.

Sources: Larimer and Weld County Assessors Offices.

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

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

Levy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Town of Windsor direct rate	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030
Windsor-Severance Fire Rescue	4.944	6.119	6.074	7.194	7.194	7.194	7.194	7.194	7.248	7.194
Windsor-Severance Fire Rescue Bond 2023	N/A	N/A	0.610	0.700	0.710	0.770	0.729	0.661	0.547	0.520
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	6.308	6.323	6.312	6.360	6.355	6.318	6.302	6.330	6.325	6.308
Big Thompson Conservation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Boxelder Sanitation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Clearview Library	3.557	3.546	3.546	3.579	3.615	3.594	3.558	3.592	3.583	3.590
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Great Western Metro #2	N/A	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Great Western Metro #3, #4	N/A	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Great Western Metro #5	N/A	25.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Great Western Metro #6	N/A	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Great Western Metro #7	N/A	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000
Greenspire Metro #1 - Weld	0.000	0.000	32.000	32.000	32.000	32.000	32.989	32.989	32.989	32.989
Greenspire Metro #2, #3 - Weld	16.092	27.000	32.000	32.000	32.000	32.000	32.989	32.989	32.989	32.989
Greenwald Farms Metro #1, #2	N/A	N/A	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Iron Mountain Metro #1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Iron Mountain Metro #2, #3	20.000	20.000	20.000	20.000	20.000	20.000	30.000	35.000	35.000	35.000
Jacoby Farm Metro	N/A	N/A	30.000	30.000	30.000	30.000	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	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000
Northlake Metro #1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.000	0.000	0.000
Northlake Metro #2, #3, #4, #5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	39.000	39.000	39.000
Poudre Tech Metro	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ridge at Harmony Road Metro #1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.000	0.000
Ridge at Harmony Road Metro #2, #3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	39.000	39.000
Raindance Metro #1, #2, #3, #4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	39.000	39.000	39.000
Tacincala Metro #1, #2, #3, #4, #5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.000	0.000	0.000
Thompson River Rec	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.594	3.594
Village East Metro #1, #2	N/A	N/A	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Village East Metro #3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10.000	35.000
Water Valley Metro #1, #2	20.000	20.000	20.000	20.000	26.000	39.000	39.000	39.000	39.000	39.000
Weld County	16.804	16.804	16.804	16.804	16.804	16.804	16.804	15.800	15.800	15.800
West Greeley Conservation District	0.414	0.414	0.414	0.414	0.414	0.414	0.414	0.414	0.426	0.414
Windshire Park Metro #1, #2	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Windsor Downtown Dev (WDDA)	N/A	N/A	N/A	N/A	0.000	1.000	2.000	3.000	4.000	5.000
Windsor RE-4 (includes Bond)	46.129	47.418	46.372	48.449	48.991	47.949	47.505	47.297	41.494	48.216
Winter Farm Metro #1	34.480	34.480	34.480	34.480	34.480	0.000	41.000	50.000	0.000	0.000
Winter Farm Metro #2	34.480	34.480	34.480	34.480	34.480	34.480	41.000	50.000	50.200	50.000
Winter Farm Metro #3	34.480	34.480	34.480	34.480	34.480	0.000	0.000	0.000	0.000	0.000
LARIMER COUNTY - potentially overlapping rates										
Eagle Crossing Windsor Metro #1, #2, #3, #4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	39.000	30.000
East Fossil Creek Ranch Metro Dist #1, #2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.000
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Highpointe Vista Metro #2	32.000	35.000	35.000	35.000	35.000	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	22.414	22.395	22.435	22.524	22.472	22.520	22.424	22.458	21.882	22.521
Poudre R-1 General Fund, abatements, bond	48.200	47.989	47.989	51.000	52.200	54.704	52.763	52.630	52.630	52.630
Poudre River Public Library District	3.000	3.000	3.000	3.000	3.000	3.000	3.013	3.024	3.016	3.034
South Ft Collins Sanitation District	0.500	0.487	0.500	0.500	0.500	0.500	0.500	0.489	0.476	0.500
Thompson R2-J Gen Fund, abatements, bond	41.657	40.974	41.295	41.643	42.310	40.884	40.416	40.268	38.393	38.349
Thompson Valley Hlth Serv District	1.471	1.716	2.093	1.899	1.716	1.757	1.766	1.763	1.754	1.768
Windsor Highlands Metro Dist #1	30.000	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	35.000	35.000	35.000	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.

Sources: 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
		2006	12.030	17.900	22.410	43.446		38.349	52.630
2007	12.030	16.804	22.414	46.129	41.657	48.200	4.944	79.907	81.045
2008	12.030	16.804	22.395	47.418	40.974	47.989	6.119	82.371	81.518
2009	12.030	16.804	22.435	46.372	41.295	47.989	6.684	81.890	82.444
2010	12.030	16.804	22.524	48.449	41.643	51.000	7.904	85.187	84.101
2011	12.030	16.804	22.472	48.991	42.310	52.200	7.904	85.729	84.716
2012	12.030	16.804	22.520	47.949	40.884	54.704	7.964	84.747	83.398
2013	12.030	16.804	22.424	47.505	40.416	55.776	7.923	84.262	82.793
2014	12.030	15.800	22.458	47.297	40.268	55.654	7.855	82.982	82.611
2015	12.030	15.800	21.882	41.494	38.393	55.646	7.795	77.119	80.100
2016	12.030	15.800	22.521	48.216	38.349	55.664	7.714	83.760	80.614

Notes: (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 Seven Years Prior
(Unaudited)

Taxpayer	2009			2010			2011			2012			2013			2014			2015			2016		
	Assessed Value (in millions)	Rank	% of Total Town Assessed Value	Assessed Value (in millions)	Rank	% of Total Town Assessed Value	Assessed Value (in millions)	Rank	% of Total Town Assessed Value	Assessed Value (in millions)	Rank	% of Total Town Assessed Value	Assessed Value (in millions)	Rank	% of Total Town Assessed Value	Assessed Value (in millions)	Rank	% of Total Town Assessed Value	Assessed Value (in millions)	Rank	% of Total Town Assessed Value	Assessed Value (in millions)	Rank	% of Total Town Assessed Value
Vestas Blades America Inc.	\$20.3	2	7.07%	\$25.9	1	7.27%	\$30.0	1	8.14%	\$31.0	1	9.00%	\$28.1	1	8.26%	\$20.6	1	5.96%	\$24.1	1	6.89%	\$26.8	1	6.30%
Brockway Glass Container Inc.	11.2	3	3.91%	12.2	3	3.43%	11.3	3	3.07%	11.3	3	3.33%	11.0	3	3.24%	9.5	3	2.75%	9.0	3	2.57%	9.0	2	2.12%
Owens Brockway Glass Container Inc.	24.6	1	8.58%	16.7	2	4.69%	15.1	2	4.10%	13.2	2	3.85%	12.4	2	3.64%	10.8	2	3.13%	10.1	2	2.89%	8.7	3	2.05%
Front Range Energy LLC	3.1	4	1.07%	10.1	4	2.84%	9.6	4	2.61%	9.1	4	2.67%	8.8	4	2.57%	8.1	4	2.34%	6.7	5	1.92%	7.0	4	1.65%
Metal Container Corp.	2.0	5	0.70%	7.4	5	2.08%	7.5	6	2.02%	7.5	5	2.21%	7.4	5	2.17%	7.2	5	2.08%	6.8	4	1.94%	6.6	5	1.55%
Public Service Do of Colo (Xcel)																			3.8	7	1.09%	4.4	6	1.03%
Hexcel Corp.				7.3	6	2.04%	8.4	5	2.28%	5.7	6	1.69%	4.8	6	1.41%	4.6	6	1.33%	4.3	6	1.23%	4.2	7	0.99%
Poudre Valley Health Care, Inc.							2.0	8	0.55%	1.9	9	0.56%	2.8	7	0.83%	2.8	7	0.81%	2.7	8	0.77%	2.8	8	0.66%
Cargill Incorporated																			2.1	10	0.60%	2.7	9	0.63%
Summit Entertainment of No Colorado																						2.5	10	0.59%
New Windsor Station LLC									2.8	7	0.83%	2.1	8	0.61%	2.1	8	0.61%	2.1	9	0.60%				
BCG Enterprises LTD LLLP	2.0	7	0.70%	2.0	8	0.56%	2.0	9	0.53%	2.0	8	0.58%	1.9	9	0.57%	1.9	9	0.55%						
201Comerstone, LLC													1.7	10	0.49%	1.7	10	0.49%						
S&E Investments LLC							1.5	10	0.41%	1.5	10	0.45%												
Wells Fargo Bank NA							2.8	7	0.76%															
Safeway Stores 46 INC	1.6	8	0.55%	1.6	9	0.44%																		
Praxair Inc / O-I Oxygen Plant				1.5	10	0.43%																		
Windsor Shops LLC	2.9	6	1.00%	2.9	7	0.80%																		
Deline-Cornerstone LLC	1.5	9	0.51%																					
Champion Investments 2 LLC	1.4	10	0.47%																					
Total Town Assessed Valuation (in millions)	\$70.4		24.57%	\$87.6		24.59%	\$90.3		24.48%	\$86.2		25.16%	\$81.0		23.80%	\$69.3		20.05%	\$71.7		20.50%	\$74.7		17.57%
	\$286.4			\$356.4			\$368.7			\$344.4			\$340.3			\$345.6			\$349.8			\$425.2		

Note: Change in format of CAFR. In future years, as information becomes available, additional years will be presented.
List does not include oil and gas property owners or developers

Sources: Weld and Larimer County Assessors Offices.

TOWN OF **WINDSOR**, COLORADO

COMPUTATION OF LEGAL DEBT MARGIN

As of December 31, 2016
(Unaudited)

The Town of Windsor's debt represents bonds secured solely by specified revenue sources such as Sales and Use Tax Revenue and Refunding Bonds, Colorado Water Conservation Board loans for the Kern and Kyger Reservoirs, Sewer Waste Water Treatment Plant from 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.

2016 Assessed valuation ⁽¹⁾	\$425,231,815
Debt limit percentage	10%
Legal debt limit	<u>\$42,523,182</u>
Less:	
Long-term debt outstanding ⁽²⁾	<u>(\$30,748,289)</u>
Legal debt margin	<u>\$11,774,893</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⁾	\$24,088,368
Debt limit percentage	10% - 15%
Legal debt limit 10% of operation expenditures	<u>\$2,408,837</u>
Legal debt limit 15% of operation expenditures	\$3,613,255
Debt service for long-term debt ⁽²⁾	<u>(\$2,238,177)</u>
	or 8.26%
Legal debt margin	<u>\$1,375,078</u>

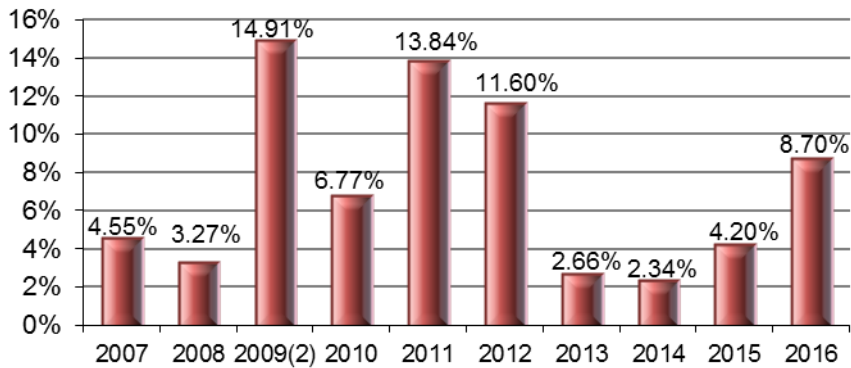
Sources: ⁽¹⁾ Current year's financial statements. General Governmental expenditures less capital and debt, and Proprietary and Internal Service funds operating expenditures less depreciation.

⁽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	
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	15,115,905	1,669,915	83,836	1,753,751	11.60%
2013	14,014,021	280,000	92,475	372,475	2.66%
2014	15,674,425	280,000	86,875	366,875	2.34%
2015	17,026,501	300,000	414,440	714,440	4.20%
2016	19,560,519	835,000	866,575	1,701,575	8.70%

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



Notes: ⁽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 results in the 2009 spike..

Sources: Current and prior years' financial statements.

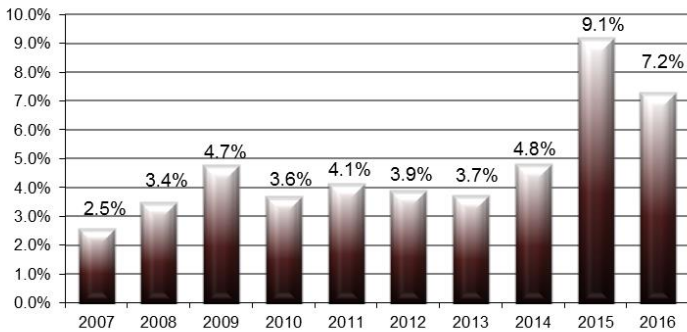
TOWN OF **WINDSOR**, COLORADO

RATIO OF OUTSTANDING DEBT BY TYPE

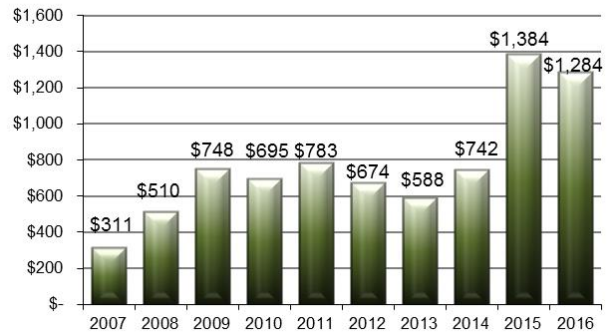
Last Ten Calendar Years
(Unaudited)

Year	Governmental Activities				Business-Type Activities			Total Primary Government	Debt to Assessed Valuation	Percentage of Personal Income	Debt Per Capita
	Sales & Use Tax Revenue Refunding Bonds (CRC)	Sales & Use Tax Revenue Bonds (CRC Expansion)	USDA Community Facilities Loan (Police Facility)	Developer Reimbursement Agreements	Sewer Loan Revenue Bonds	Sewer WWTP CWRPDA Loan	CWCB Loans (Kern & Kyger Reservoirs)				
2007	\$ 4,610,000	\$ -	\$ -	\$ -	\$ 713,138	\$ -	\$ -	\$ 5,323,138	2.5%	0.8%	\$ 311
2008	4,375,000	-	-	-	369,777	-	4,241,556	8,986,333	3.4%	1.4%	510
2009	4,125,000	-	3,000,000	2,284,100	-	-	4,153,903	13,563,003	4.7%	2.2%	748
2010	3,880,000	-	3,000,000	2,010,887	-	-	4,061,780	12,952,667	3.6%	2.0%	695
2011	3,630,000	-	2,966,854	1,399,301	-	3,110,543	3,964,959	15,071,657	4.1%	2.2%	783
2012	3,604,944	-	2,932,444	-	-	2,932,118	3,863,199	13,332,705	3.9%	1.8%	674
2013	3,135,000	-	2,896,721	-	-	2,753,693	3,756,250	12,541,664	3.7%	1.5%	588
2014	2,855,000	-	2,859,635	-	-	2,575,268	8,188,848	16,478,751	4.8%	1.9%	742
2015	2,555,000	16,100,000	2,821,133	-	-	2,390,896	8,070,711	31,937,740	9.1%	3.1%	1,384
2016	2,255,000	15,565,000	2,781,164	-	-	2,200,576	7,946,550	30,748,289	7.2%	2.8%	1,284

Long-Term Debt to Assessed Value



Long-Term Debt Per Capita



Note: Includes all long-term debt, including:

- Series 2012/2015 Sales and Use Tax Revenue & Refunding Bonds issued by the Town of Windsor to finance the construction of a community and recreation center and expansion.
- 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.
- Colorado Water Conservation Board (CWCB) Loan for Kyger Reservoir. - 2014
- Compensated absences are not reflected in the above chart.

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

- Assessed valuation from Weld and Larimer County Assessors Offices.
- Personal Income computed from US Department of Commerce, Bureau of Economic Analysis.
- 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
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%
2013	-	-	-	17,501,521	0.00%
2014	-	-	-	21,490,246	0.00%
2015	-	-	-	27,132,713	0.00%
2016	-	-	-	44,685,309	0.00%

Note: There is no general obligation debt for 2016.

Sources: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO

BONDS COVERAGE

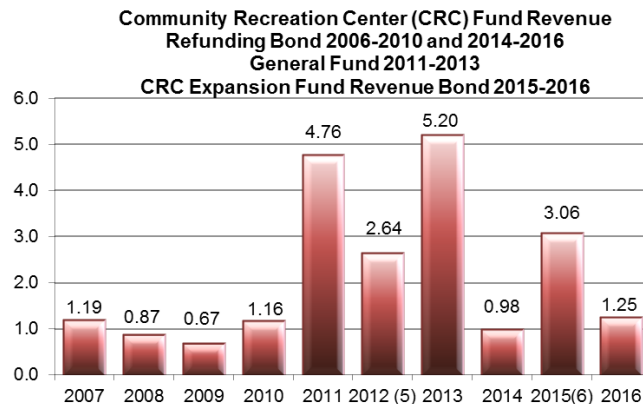
COMMUNITY RECREATION CENTER FUND REVENUE REFUNDING BOND

2007-2010 AND 2014-2016 GENERAL FUND 2011-2013 ⁽¹⁾

COMMUNITY RECREATION CENTER EXPANSION FUND REVENUE BOND 2015-2016

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	
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	170,293	420,293	4.76
2012 ⁽⁵⁾	12,994,255	12,008,409	985,846	290,000	83,836	373,836	2.64
2013	14,321,709	12,384,716	1,936,993	280,000	92,475	372,475	5.20
2014	1,097,128	737,020	360,108	280,000	86,875	366,875	0.98
2015 ⁽⁶⁾	3,475,042	1,289,112	2,185,930	300,000	414,440	714,440	3.06
2016	4,483,242	2,359,733	2,123,509	835,000	866,575	1,701,575	1.25



- Notes: Includes Sales and Use Tax Revenue Bonds, Series 2002, Dated August 1, 2002.
- ⁽¹⁾ GASB No. 54 implemented in 2011 and the Community Recreation Center merged into the General Fund for years 2011-2013.
 - ⁽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.
 - ⁽⁵⁾ Revenue bond was refinanced at a lower interest rate.
 - ⁽⁶⁾ A new Revenue bond was added for the Community Recreation Center Expansion in 2015.
- Sources: Current and prior years' financial statements.

TOWN OF **WINDSOR**, COLORADO
COMPUTATION OF DIRECT AND OVERLAPPING ACTIVITIES DEBT ⁽¹⁾
As of December 31, 2016
(Unaudited)

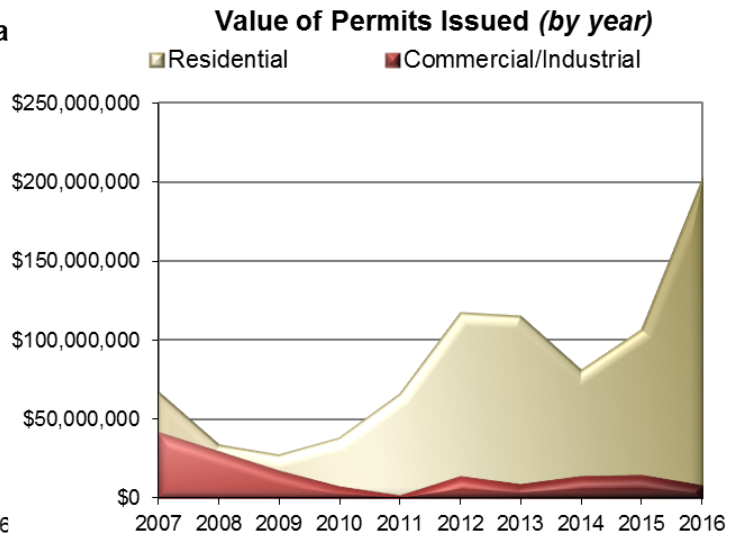
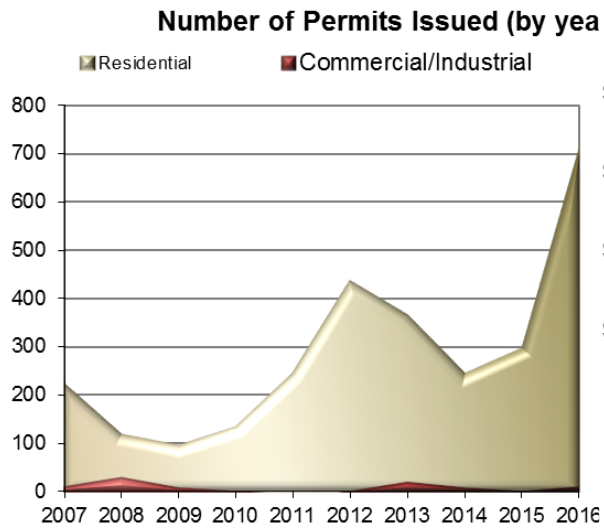
Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to Town ⁽²⁾	Estimated Amount Applicable to Town
Direct:			
Town of Windsor - Direct Debt ^{(3) (A)}			
Sales and Use Tax Revenue & Refunding Bonds	\$ 17,820,000		
Police Facility USDA Loan	<u>2,781,164</u>		
TOTAL Direct Debt	\$ 20,601,164	100.00%	\$ 20,601,164
Overlapping:			
Poudre R-1 School District ^(B)	175,845,000	3.96%	6,965,281
Thompson R2-J School District ^(C)	82,340,000	7.61%	6,262,438
Windsor RE-4 School District ^(D)	130,705,000	48.87%	63,876,404
Weld County ^{(3) (E)}	-	-	-
Larimer County ^{(3) (E)}	-	-	-
Windsor-Severance Fire Protection District ^(F)	<u>2,370,000</u>	59.87%	<u>1,418,848</u>
TOTAL Overlapping Debt	\$ 391,260,000		\$ 78,522,972
TOTAL Direct and Overlapping Debt			\$ 99,124,135

- Notes:
- ⁽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)

Year	Number of New Residential Building Permits	Value of Construction for New Residential Construction	Number of New Commercial/Industrial Permits	Total Value of Construction for New Commercial/Industrial Buildings
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
2013	365	115,383,579	18	9,160,783
2014	244	80,780,164	7	13,699,715
2015	298	107,057,908	4	14,691,673
2016	711	201,292,982	10	8,081,388



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

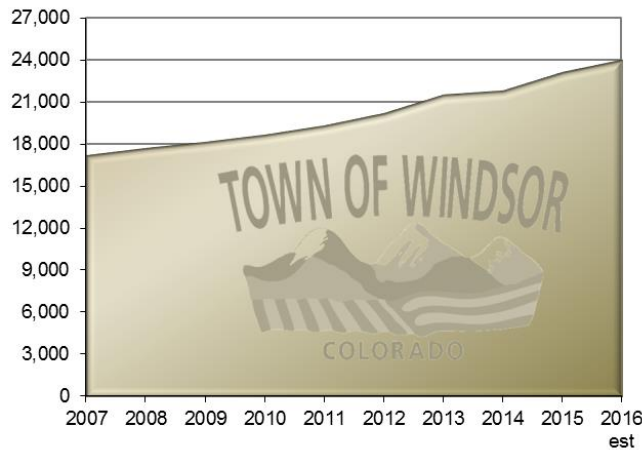
TOWN OF **WINDSOR**, COLORADO

DEMOGRAPHIC STATISTICS

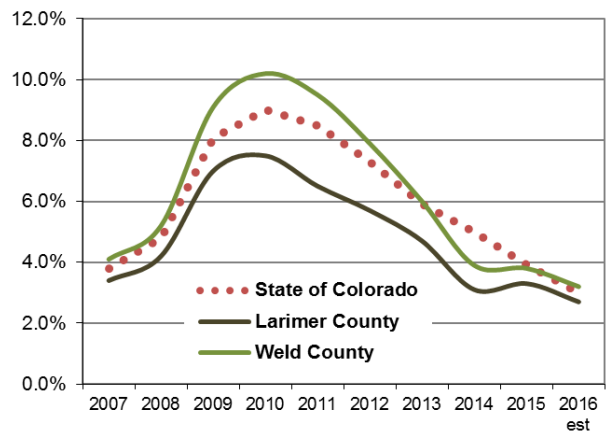
Last Ten Calendar Years
(Unaudited)

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⁾
2007	17,112	68,000	2.76	659,285	38,528	3.4%	4.1%	3.8%	3.6%
2008	17,623	70,000	2.76	622,367	35,316	4.2%	5.2%	4.8%	4.8%
2009	18,133	75,276	2.76	618,721	34,121	7.0%	9.1%	8.1%	7.3%
2010	18,644	75,970	2.76	634,505	34,033	7.5%	10.2%	9.0%	7.4%
2011	19,259	78,013	2.76	683,955	35,521	6.5%	9.5%	8.5%	6.5%
2012	20,119	79,948	2.76	748,231	37,190	5.7%	7.9%	7.3%	5.7%
2013	21,441	83,602	2.76	817,341	38,120	4.7%	6.0%	5.9%	4.7%
2014	21,732	82,724	2.76	867,818	39,933	3.1%	3.9%	5.0%	3.1%
2015	23,079	80,512	2.76	1,019,968	43,488	3.3%	3.8%	3.9%	2.9%
2016 est	23,954	78,359	2.76	1,095,165	44,016	2.7% est	3.2% est	3.0% est	2.3% est

Windsor Population



Annual Unemployment Rate



Population Decade Changes ⁽²⁾

Year	Town of Windsor	Percent Change	Weld County	Percent Change	Colorado	Percent Change
1960	1,509	-	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⁾ U.S. Department of Labor, Bureau of Labor Statistics and Colorado LMI Gateway.
- ⁽⁶⁾ Online at www.homefacts.com

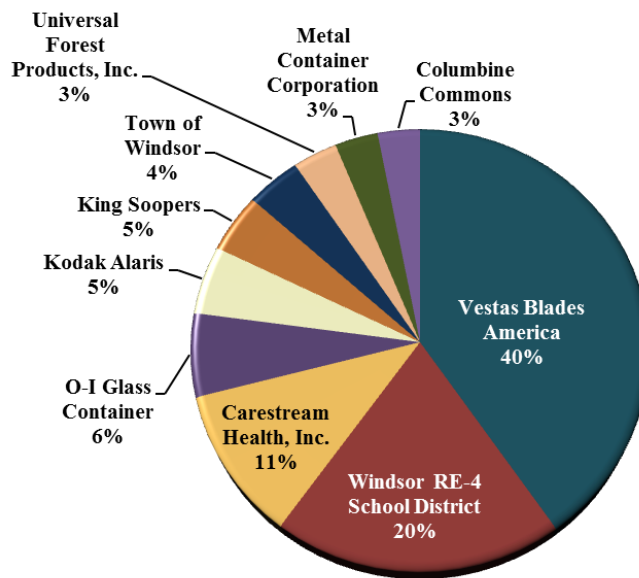
TOWN OF **WINDSOR**, COLORADO

TOP 10 PRINCIPAL EMPLOYERS

Current Year and Seven Years Prior
(Unaudited)

	2008		2009		2010		2011		2012		2013		2014		2015		2016		% of Top 10 Total
	Employees ⁽²⁾	Rank	Employees ⁽²⁾	Rank	Employees ⁽²⁾	Rank	Employees ⁽³⁾	Rank	Employees ⁽³⁾	Rank	Employees ⁽³⁾	Rank	Employees ⁽³⁾	Rank	Employees ⁽³⁾	Rank	Employees ⁽¹⁾	Rank	
Vestas Blades America	650	3	650	1	650	1	716	1	475	2	558	2	558	2	1,354	1	1,354	1	40.24%
Windsor RE-4 School District	615	4	640	2	618	2	638	2	600	1	600	1	664	1	647	2	667	2	19.82%
Carestream Health, Inc.	650	2	600	3	600	3	588	3	430	3	457	3	469	3	469	3	369	3	10.97%
O-I Glass Container	200	6	206	5	206	5	205	4	182	5	211	5	190	5	202	5	205	4	6.09%
Kodak Alaris	720	1	390	4	390	4	200	5	225	4	227	4	225	4	225	4	169	5	5.02%
King Soopers							128	7	132	6	142	6	142	6	142	6	147	6	4.37%
Town of Windsor	86	10	85	9	89	7	95	9	95	10			101	10	120	9	134	7	3.98%
Universal Forest Products, Inc.	160	7	85	7	80	8	93	10	95	9	94	10					110	8	3.27%
Metal Container Corporation	112	8	117	6	117	6	108	8	107	8	104	8	104	9	104	10	106	9	3.15%
Columbine Commons																	104	10	3.09%
Consumer Education Outreach													111	7	111	7			
Windsor Healthcare Center													108	8	108	8			
SSC Windsor Operating Company LLC							131	6	131	7	127	7							
Accentcare Home Healthcare											100	9							
TOTAL Principal Employers							2,186		1,997		2,062		2,114		2,128		3,365		100.00%

Principal Employers
as a % of the Top 10



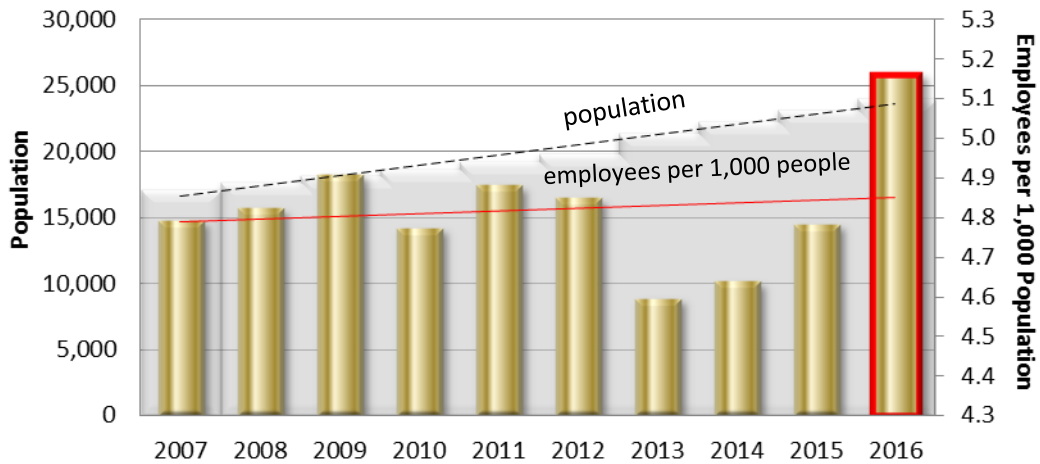
Note: Change in format of CAFR. Employer data is not available prior to 2008. In future years, as information becomes available, additional years will be presented.

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

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% change in 10 yrs
General Government											
Administration ⁽¹⁾	18	20	22	24	25	25	25	27	33	36	
Community Development	6	6	6	5	5	5	5	5	5	6	
Public Safety											
Sworn	18	18	20	20	20	21	21	22	23	24	
Non-sworn	3	3	3	3	3	4	4	4	4	4	
Public Works											
Utilities ⁽³⁾	7	7	7	7	7	7	7	9	7	7	
Streets & other	9	9	8	8	14	14	14	14	15	17	
Parks, Recreation & Culture	16	17	18	17	16	16	17	18	17	19	
Community Center ⁽²⁾	5	5	5	5	4	4	5	4	7	10	
TOTAL	82	85	89	89	94	96	98	103	110	124	51%
Population	17,112	17,623	18,133	18,644	19,259	19,795	21,330	22,205	23,079	23,954	40%
Employees per 1,000 Population	4.8	4.8	4.9	4.8	4.9	4.8	4.6	4.6	4.8	5.2	8%

Population and Employees per 1,000 population



Notes: 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⁾ *Community Recreation Center opening in 2004, reorganization in 2007, with Expansion in 2016*

⁽³⁾ *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 Ten Calendar Years
(Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% change in 10 years
General Government											
Registered voters*	9,935	11,879	12,310	12,457	12,978	12,482	12,695	15,925	16,272	18,317	84%
Elected officials	7	7	7	7	7	7	7	7	7	7	
Full-time employees	82	85	89	89	94	96	98	103	110	124	51%
Part-time employees	13	14	12	12	40.95 FTE	42.13 FTE	39.85 FTE	39.15 FTE	34.3 FTE	33.6 FTE	
Seasonal employees	133	134	133	133	see above	see above	see above	see above	see above	see above	
Public Safety											
Adult arrests	272	195	234	264	310	329	340	260	330	257	-6%
Juvenile detentions	79	53	63	64	46	57	27	28	40	45	-43%
Traffic citations	689	1,365	1,749	2,208	2,036	2,471	2,211	2,130	2,177	1,796	161%
Calls for service	6,747	5,242	5,442	7,506	6,123	6,344	5,906	6,106	6,973	6,727	0%
Parks, Recreation & Culture, & Community Recreation Center											
Participants served	55,713	59,082	65,764	76,159	82,935	100,554	106,712	124,007	120,898	134,698	142%
Community Development											
Building permits	233	147	104	137	246	441	383	251	302	733	215%
Site plan reviews	9	18	10	12	11	7	16	22	26	19	111%
Utilities (Water, Sewer, and Storm Drainage)											
Number of total accounts	6,151	6,368	6,544	6,856	7,603	7,634	8,433	8,135	7,934	9,298	51%
New utility accounts	378	236	124	194	306	313	441	1518	1142	1089	188%
Average daily water consumption (millions of gallons)	1.89	1.74	1.58	1.72	1.72	2.01	1.73	1.68	1.81	1.97	4%
Average daily water consumption per capita (gallons)**	110.45	98.73	87.13	92.25	89.31	104.37	81.11	110.50	119.10	125.77	14%
Annual consumption (millions of gallons)	692.4	635.8	578.2	627.8	627.6	735.3	632.6	611.5	662.3	720.4	4%
Other Public Works											
Paved road miles	113.0	131.1	133.2	140.0	143.2	145.0	144.3	147.2	146.1	158.3	40%
Work orders processed	4,392	4,719	5,125	4,419	4,631	10,321	7,262	3,216	3,394	5,004	14%
Information Systems											
Servers on the Network	19	26	30	35	29	35	42	44	46	38	100%
New Computers Purchased	15	20	30	30	35	20	43	33	55	56	273%
Work Stations on the Network	95	109	115	120	132	125	150	167	183	202	113%
Number of Users on Network	115	119	125	135	142	136	142	173	210	208	81%
Databases in Use by the Town	N/A	N/A	N/A	35	30	30	33	63	65	67	
Annual Hits to Town Web Site	132,065	142,034	149,823	158,989	165,720	287,222	100,971	246,132	305,282	273,776	107%
Average Daily Hits to Web Site***	362	389	410	600	679	486	277	674	836	963	166%

*Up until 2013, the counties only counted active, registered voters; with the passage of HB1303 they were required to include all registered voters in their count (both inactive and active) which made the number of voters increase.

**Average daily water consumption per capita can be attributed to the tiered watering system and water conservation awareness, but as population grows, so does the need for water.

***2014 forward measures average daily unique page views.

Sources: Various Town of Windsor departments

GASB 34 implemented in 2004

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% change in 10 years
Public Safety											
Patrol units	18	18	20	20	20	21	21	22	23	24	33%
Public Works											
Area in square miles	22.98	23.25	24.61	24.61	24.63	24.67	24.75	25.00	25.33	26.00	13%
Paved roads (<i>miles</i>)	113.0	131.1	133.2	140.0	143.2	145.0	144.3	147.2	146.1	158.3	40%
Parks, Recreation & Culture											
Playgrounds	7	8	10	12	12	16	18	18	18	18	157%
Swimming pools	1	1	1	1	1	1	1	1	1	2	100%
Waterslides	1	1	1	1	1	1	1	1	1	2	100%
Skate parks	1	1	1	1	1	1	1	1	1	1	0%
Community centers	1	1	1	1	1	1	1	1	1	1	0%
Shelters	15	15	15	16	16	22	24	25	27	27	80%
Museums (<i>includes Pioneer Village</i>)	1	1	1	1	1	1	1	1	1	1	0%
Multi-purpose fields	15	15	15	15	15	15	15	15	15	15	0%
Acres managed	358	366.2	445	445	445	445	445	445	445	647	81%
Developed parks (<i>acres</i>) ⁽¹⁾	106	106	126.1	129.6	133.6	139.2	143.3	143.3	149.4	149.4	41%
Undeveloped parks (<i>acres</i>)	175	179.2	179.2	179.2	171.7	166.1	169.5	169.5	164.6	164.6	-6%
Open space (<i>acres</i>) ⁽²⁾	80	127	139.7	139.7	139.7	139.7	139.7	139.7	139.7	347.3	334%
Trails (<i>miles</i>)	42	42	42	42	44	44	55	55	55	55	31%
Utilities											
Water mains (<i>miles</i>)	N/A	116	117	117	117	117	118.1	126	129	136	17%
Storage capacity (<i>millions of gallons</i>)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	5.0	5.0	150%
Sewer treatment plants	1	1	1	1	1	1	1	1	1	1	0%
Sanitary sewer (<i>miles</i>)	N/A	82	86	94	94	95	94.7	96.6	125.7	136	66%
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	2.8	0%

Notes: ⁽¹⁾ 2009 to present includes Cemetery

⁽²⁾ 2009 to present includes land adjacent to trails

Sources: Various Town of Windsor departments

GASB 34 implemented in 2004



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, 2016, 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 29, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of this Report

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

Anton Collins Mitchell LLP

Greeley, Colorado
June 29, 2017



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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 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, 2016. The Town's major federal programs are 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

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 each of its major federal programs for the year ended December 31, 2016.



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 of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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* is a deficiency, or a combination of deficiencies, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Anton Collins Mitchell LLP

Greeley, Colorado
June 29, 2017

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs: Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
National Infrastructure Investments	20.933
Pre-Disaster Mitigation	97.047
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualify as a low-risk auditee	No

FINDINGS—FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

***2015-001: Material Proposed Adjusting Journal Entries
Material Weakness in Internal Control over Financial Reporting***

Finding and Recommendation:

During the course of our fieldwork we proposed a number of material adjustments to the Town's accounting records that were not detected by management. We recommended that the Town establish more effective review and reconciliation policies and procedures as a customary part of the accounting process.

Current Year Status:

Implemented.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2016 Expenditures</u>
<u>Department of Transportation</u>			
Direct programs:			
National Infrastructure Investments	20.933	N/A	<u>\$ 2,752,654</u>
Total Department of Transportation			<u>2,752,654</u>
<u>Department of Homeland Security</u>			
Passed through Colorado Department of Public Safety:			
Pre-Disaster Mitigation	97.047	11PDM14TW	<u>1,114,984</u>
Total Department of Homeland Security			<u>1,114,984</u>
<u>Department of Housing and Urban Development</u>			
Passed through Colorado Department of Local Affairs:			
Community Development Block Grant Disaster Recovery Grants	14.269	R1-40-99	<u>592,368</u>
Total Department of Housing and Urban Development			<u>592,368</u>
<u>Department of Interior</u>			
Direct programs:			
National Heritage Area Federal Financial Assistance	15.939	N/A	<u>37,137</u>
Total Department of Justice			<u>37,137</u>
Total Expenditures of Federal Awards			<u>\$ 4,497,143</u>

TOWN OF **WINDSOR**, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2016

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Town of Windsor, Colorado (the "Town") under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 - Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allocable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Subrecipients

There were no subrecipients of federal awards during the year ended December 31, 2016.