

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: February 18, 2026

To: Mayor, Town Council and Board of Directors
From: Ashley LaVelle, Accounting Manager
Subject: Approve the Audited Financial Statements and Report on Internal Controls for the Fiscal Year Ended June 30, 2025.

Recommendation to Council:

1. Approve the Fiscal Year 2024-25 audited financial statements based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.
2. Approve the Report on Internal Controls submitted by Rogers, Anderson, Malody & Scott, LLP dated February 4, 2026.

Strategic Plan Element:

The recommended action supports the goal of Fiscal Health. Goal Statement: Ensure the economic health and long-term financial viability of the Town.

Background:

The Town is required by the State of California Government Code to complete an independent audit of its financial statements at the end of each Fiscal Year. Rogers, Anderson, Malody & Scott, LLP has completed the Fiscal Year 2024-25 audit of the Town. The Town prepares annual financial statements in accordance with generally accepted accounting principles. The Annual Financial Report for the Town of Windsor for the year ended June 30, 2025, is included as Attachment 1 for review and acceptance.

Discussion:

Staff is pleased to report that, as in previous years, the auditor's opinion on the 2024-25 financial statements is without exception or unqualified. That is, the auditor's report is not restricted (qualified) in some manner, nor does it take exception to any of the information contained in the Town's financial statements. While a qualification or exception is not necessarily detrimental, staff is happy to report that the Town's financial statements continue to earn a "clean opinion".

The Annual Financial Report includes the basic financial statements. The first two statements, the Government-wide Statement of Net Position and the Statement of Activities, provide information about the activities of the Town as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private sector companies. All current year's revenues and expenses are taken into account regardless of when cash is received or paid. Capital assets, including infrastructure and long-term liabilities, are included on a Town-Wide Statement of Net Position.

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Governmental Funds (including the General Fund) are found on pages 7 and 10, and present information in a manner more consistent with how the Town prepares its budget. A Schedule of

Revenues, Expenditures and Changes in Fund Balance for the General Fund comparing budget to actual can be found on page 55 of the report. The Notes to Financial Statement, beginning on page 16, provide a description of accounting policies used by the Town and additional information regarding the basic financial statements. The Supplementary Information Section of the report includes individual fund statements for special revenue, debt service, capital projects, proprietary and agency funds.

As part of the annual audit, the auditors review the internal control structure and other operational matters of the Town. The 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 (Attachment 2), outlines the independent auditor's observations, noting any material weaknesses and/or significant deficiencies and recommendations for improvement. The purpose of this report is solely to describe the scope of testing performed on internal controls and compliance, and not to provide an opinion on their effectiveness. The Town has included responses to these findings including how they may be resolved. Additionally, the SAS 114 Letter: The Auditor's Communication with Those Charged with Governance (Attachment 3), outlines the division of responsibilities and oversight responsibility.

Finally, as part of the annual audit, the auditors have performed and commented on the Fiscal Year 2024-25 GANN limit as outlined in the Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XI 11-B of the California Constitution. Their findings are included as Attachment 4, GANN Limit Report.

Fiscal Impact:

There is no fiscal impact related to this action.

Environmental Review:

The recommended action does not constitute a "project" within the meaning of California Environmental Quality Act (CEQA) Guidelines Section 15378 and requires no environmental review.

Attachment(s):

1. [Basic Financial Statements FY2024-25](#)
2. [Internal Control Report FY2024-25](#)
3. [Statement of Auditing Standards \(SAS 114\)](#)
4. [GANN](#)

Prepared by:

Ashley LaVelle
Accounting Manager

Reviewed by:

Nick Walker
Administrative Services Director

Approved by:

Jon Davis
Town Manager