TOWN OF WINDSOR

FINANCIAL STATEMENTS

JUNE 30, 2015

TOWN OF WINDSOR
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For the Fiscal Year Ended June 30, 2015

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MOSS, LEVY & HARTZHEIM LLP
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES
433 N. CAMDEN DRIVE SUITE 730
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES
5800 HANNUM AVENUE, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the Town Council of the Town of Windsor
Town of Windsor, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor (Town), California, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As discussed in note 1 to the basic financial statements, effective July 1, 2014, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Funding Progress for Other Postemployment Benefits, Schedule of the Town's Proportionate Share of the Net Pension Liability, and Schedule of Pension Contributions on pages 4 through 13 and 76, 77, and 79 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

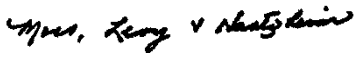
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Budgetary Comparison Schedules for the Capital Replacement Fund, Debt Service Fund, and Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, General Fund, Proprietary Funds, Private-Purpose Trust Funds, and Agency Funds, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Budgetary Comparison Schedules for the Capital Replacement Fund, Debt Service Fund, and Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, General Fund, Proprietary Funds, Private-Purpose Trust Funds, and Agency Funds 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. Such 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 as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2016, 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.



Moss, Levy & Hartzheim, LLP
Culver City, California
March 29, 2016

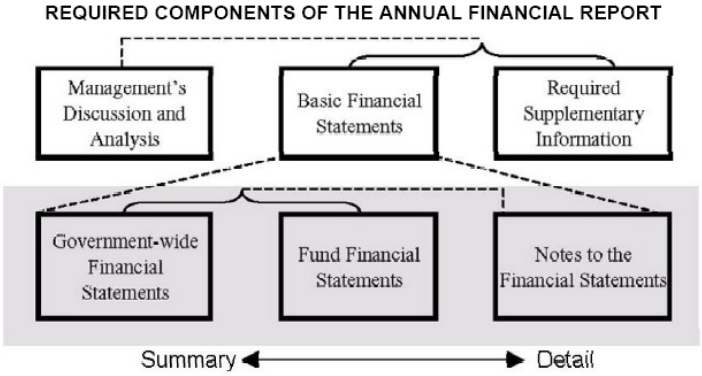
As management of the Town of Windsor (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town as of and for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the accompanying Independent Auditor's Report, the basic financial statements, and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by $250,945,913 (net position). Of this amount, $47,214,093 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by $5,899,523 due to an increase of $976,599 from the fiscal year's operations and a decrease of $6,876,122 as a result of the prior period adjustments related to GASB Statement Nos. 68 and 71.
- At the close of this fiscal year, the Town's governmental funds reported total ending fund balances of $30,785,458, an increase of $582,028. $10,926,867 or 35% of the ending fund balances are available for spending at the Town's discretion (unassigned fund balance).
- The Town's total long-term liabilities increased by $2,955,111, or 13%, during the fiscal year. $5,571,936 of this increase is due to the new GASB Statement Nos. 68 and 71 adopted this fiscal year, an increase of $3,720,836 is the result of the issuance of refunding bonds, offset by a decrease of $5,437,820 of bonds refunded, and the remaining balance of $899,841 was normal debt service and the change in compensated absences.

OVERVIEW OF THE BASIC 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 supplementary information in addition to the basic financial statements themselves.



Government-wide financial statements - The government-wide financial statements are comprised of the Statement of Net Position and Statement of Activities. These two statements are designed to provide readers with a broad overview of the Town's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

The Statement of Net Position presents information on all of the Town's assets and liabilities, including capital assets and long-term liabilities, with the difference between the two 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 as a whole is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. Functional activities are highlighted in this statement, whereby direct and indirect functional costs are shown net of related program revenue. This statement shows the extent to which the various functions depend on general taxes and non-program revenues for support.

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, community development and recreation, parks, streets and roads, drainage, and housing. The business-type activities of the Town include the water and water reclamation (sewer) operations.

The government-wide financial statements include the Town itself, but also the Windsor Public Financing Authority, and the Windsor Water District. Although these entities are legally separate, they function for all practical purposes as a part of the Town, and therefore have been included as blended component units as an integral part of the primary government.

Fund financial statements - The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual method of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financial requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains twenty-three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Replacement Fund, Debt Service Fund, and Housing Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of supplementary combining statements.

The Town adopts an annual appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and all major special revenue funds are required and included in the basic financial statements.

Proprietary funds: The Town maintains one type of proprietary fund; the Enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses its enterprise funds to account for its water and water reclamation (sewer) operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for all of the enterprise funds, which are considered to be major funds of the Town.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the government-wide and fund financial statements.

Other supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents combining statements referred to earlier in connection with non-major governmental funds and the internal service funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed net position for both governmental and business-type activities.

NET POSITION

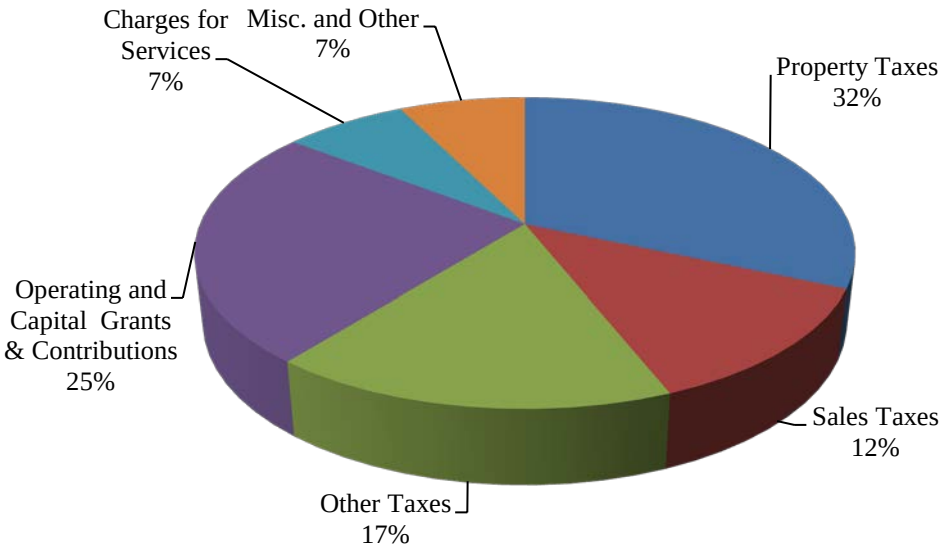
JUNE 30, 2015 AND 2014

	Governmental Activities		Business-type Activities		Total Government	
ASSETS	2015	2014	2015	2014	2015	2014
Current and other assets	$ 39,026,007	$ 37,433,231	$ 27,998,690	$ 27,106,492	$ 67,024,697	$ 64,539,723
Capital assets	137,473,570	139,272,483	76,004,082	78,525,633	213,477,652	217,798,116
Total assets	176,499,577	176,705,714	104,002,772	105,632,125	280,502,349	282,337,839
DEFERRED OUTFLOWS OF RESOURCES						
Pension	337,291		393,874		731,165	
Deferred loss	212,929	185,466	202,694	233,094	415,623	418,560
Total deferred outflows of resources	550,220	185,466	596,568	233,094	1,146,788	418,560
LIABILITIES						
Current liabilities	3,675,543	3,244,162	2,120,785	2,648,236	5,796,328	5,892,398
Long-term liabilities	9,604,205	8,667,507	13,430,262	11,351,058	23,034,467	20,018,565
Total liabilities	13,279,748	11,911,669	15,551,047	13,999,294	28,830,795	25,910,963
DEFERRED INFLOWS OF RESOURCES						
Pension	863,764		1,008,665		1,872,429	
Total deferred inflows of resources	863,764		1,008,665		1,872,429	
NET POSITION						
Net investment in capital assets	130,191,145	130,234,029	65,052,390	66,663,976	195,243,535	196,898,005
Restricted	14,978,193	8,281,374			14,978,193	8,281,374
Unrestricted	17,736,947	26,464,108	22,987,238	25,201,949	40,724,185	51,666,057
Total net position	$162,906,285	$164,979,511	$ 88,039,628	$ 91,865,925	$250,945,913	$256,845,436

By far the largest portion of the Town's net position (78%) reflects its investment in capital assets (e.g. land, buildings, utility plant, machinery, equipment, vehicles, and infrastructure), net of any related outstanding debt used to acquire those assets. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in 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.

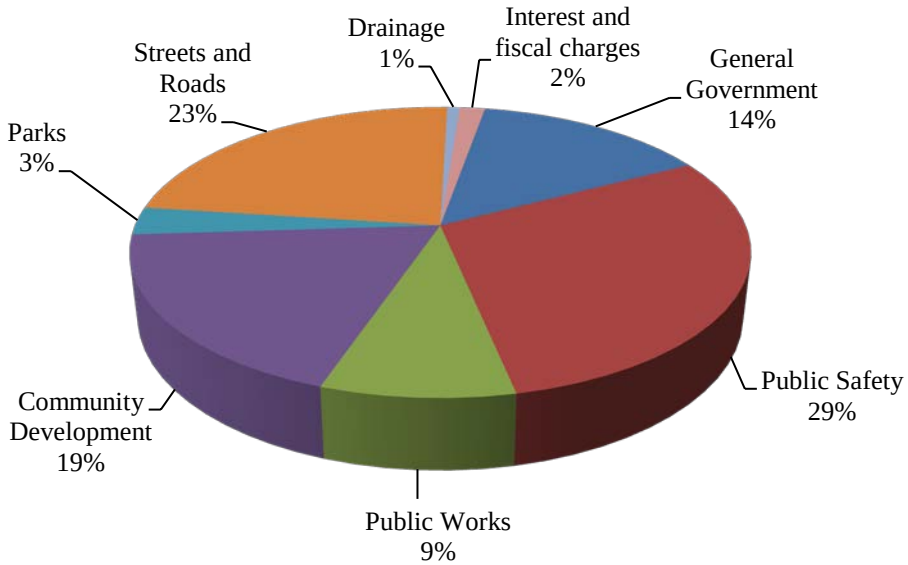
Governmental activities: Significant revenues of the governmental activities are taxes (61%), which include property taxes, sales taxes, and transient occupancy tax. Program revenues are 32% of the total revenues of the governmental activities, which include charges for services, operating contributions and grants, and capital contributions and grants. Tax revenues increased by 4%, mostly due to an increase in property tax revenue.

REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2015

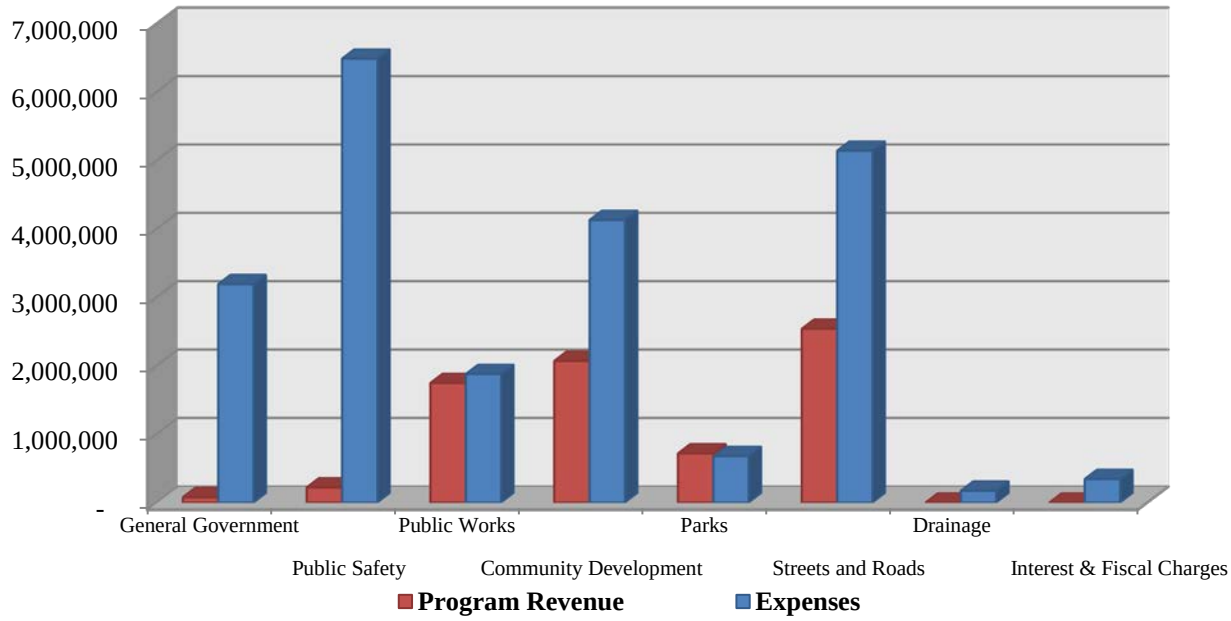


As for expenses, public safety expenses are the most significant (29%) of all governmental activities expenses, followed by streets and roads (23%), community development (19%), general government (14%), public works (9%), parks (3%) and various other programs (3%). Included in these amounts is depreciation expense, which is 19% of the total expenses for governmental activities.

EXPENSES BY FUNCTION/PROGRAM - GOVERNMENTAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2015



COMPARISON OF EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2015
(in dollars)



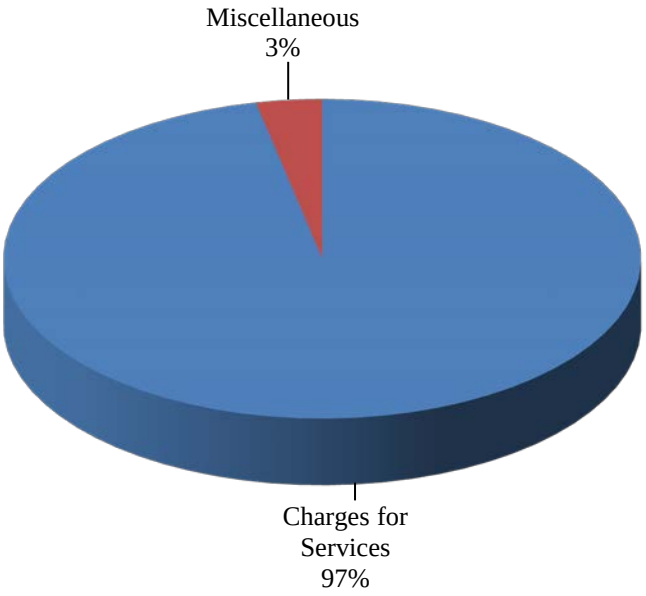
Business-type activities: In the fiscal year ended June 30, 2015 business-type activities decreased the Town's net position by $122,179. Key elements of this change are as follows:

Charges for services increased by $288,852 primarily due to an increase in impact fees as a result of development, offset by slightly lower consumption.

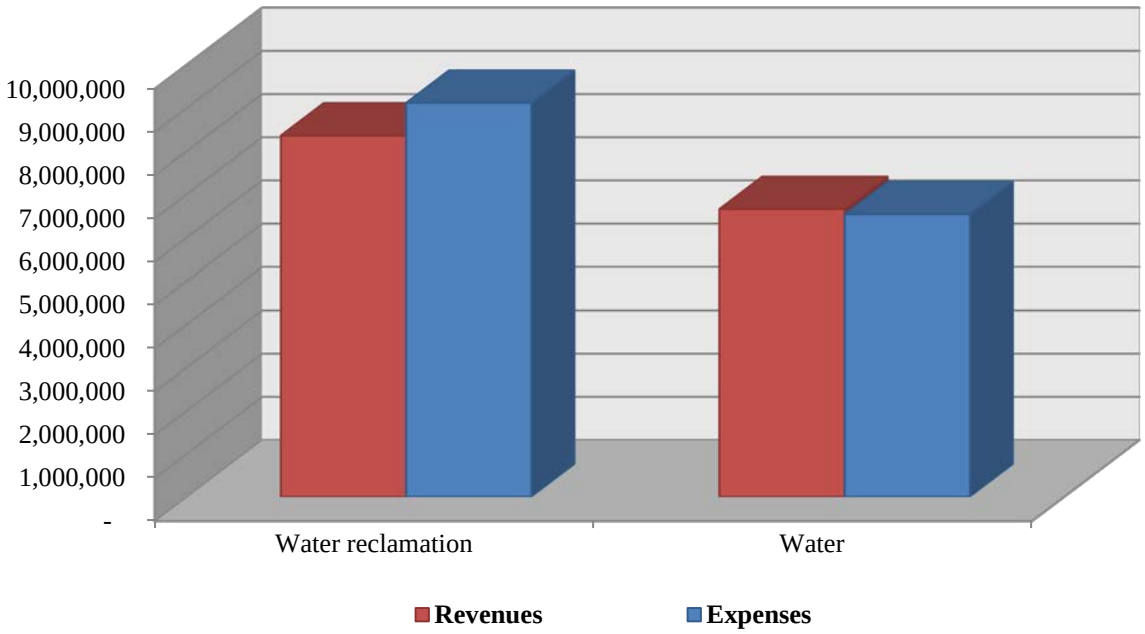
Operating expenses increased by $399,419 primarily due to an increase in salary and benefit costs.

Unrestricted investment earnings increased by $107,546 primarily due to the market recovery and increasing rates of return.

REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2015



COMPARISON OF EXPENSES AND REVENUES - BUSINESS-TYPE ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2015
(in dollars)



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2015, the Town's governmental funds reported total ending fund balance of $30,785,458, an increase of $582,028 from the prior fiscal year. Total cash, restricted cash and investments increased by $1,227,375. Approximately 35% of the total ending fund balances constituted unassigned fund balances, which are considered available for appropriation. The remaining fund balance is either nonspendable, restricted, committed, or assigned.

Governmental fund revenues were $2,564,280 higher than the prior fiscal year, and expenditures increased by $1,155,839. Property tax and charges for service accounted for a significant portion ($1,466,308) of the increase in revenues. An increase of the investment in capital expenditures ($1,572,150) accounted for most of the increase in expenditures, offset by small decreases in public safety, streets and roads, drainage, and principal debt service.

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

The Water Utility's net position decreased $1,483,160 in the 2014-15 fiscal year. This decrease was primarily due to an increase in net pension liabilities stemming from the implementation of GASB Statement Nos. 68 and 71.

The Water Reclamation Utility's net position decreased $2,343,137 in the current fiscal year which was primarily due to the implementation of GASB 68 reporting.

TOWN FISCAL HIGHLIGHTS

GASB Statement No. 68 – In June 2012 the Governmental Accounting Standards Board (GASB) announced GASB Statement No. 68. GASB Statement No. 68 is a requirement to change the existing pension reporting standard effective for the fiscal year ending June 30, 2015. The statement imposes major changes to the reporting of pension liabilities. The reporting of net pension liabilities is now included in the statement of net position.

Series 2014 Tax Allocation Refunding Bond- In October 2014 $6,965,000 of Series 2014 Tax Allocation Refunding Bonds were issued. The bonds proceeds were used to refinance debt from the 1998 and 2004 Successor Agency Tax Allocation Bonds and the 2008 Series Bond into a single 2014 Tax Allocation Bond. The bond refinance resulted in an economic gain to the Town.

CAPITAL ASSETS

Capital assets - The Town's investment in capital assets for its governmental and business-type activities at June 30, 2015, amounted to $213,477,652 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress. Depreciation expense for the year totaled $7,687,500.

CAPITAL ASSETS

(net of accumulated depreciation)

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Land	$ 32,310,417	$ 32,310,417	$ 6,893,707	$ 6,893,707
Rights of way	407	407	-	-
Construction in Progress	267,022	470,680	191,883	298,337
Buildings	5,035,501	4,733,123	-	-
Improvements other than buildings	6,726,440	6,953,123	-	-
Equipment and machinery	179,752	204,614	400,335	344,134
Infrastructure	92,449,885	94,146,113	68,336,278	70,782,772
Vehicles	504,146	454,006	181,879	206,684
Total	$ 137,473,570	$ 139,272,483	$ 76,004,082	$ 78,525,634

Additional information on the Town's capital assets can be found in Note 6 of the notes to the financial statements.

DEBT ADMINISTRATION

Long-term liabilities - The Town's outstanding long-term liabilities, including bonds, loans payable, compensated absences and OPEB totaled $25,022,113 at June 30, 2015. Of this total $10,631,183, or 42%, was in governmental activities and $14,390,930, or 58%, was in business-type activities. The Town's outstanding long-term liabilities increased by $2,955,111 or 13%, in fiscal year 2015.

LONG-TERM LIABILITIES

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
General obligation bonds	$ -	$ -	$ 24,000	$ 31,000
Revenue bonds	3,786,100	9,223,920	6,905,761	7,342,591
Notes and loans payable	-	-	4,224,625	4,721,160
Net OPEB Obligation	330,000	268,000	-	-
Compensated absences	235,454	283,658	234,983	196,673
Net Pension Liability	2,570,375	-	3,001,561	-
Refunding Bonds	3,550,000	-	-	-
Premium	159,254	-	-	-
Total	$ 10,631,183	$ 9,775,578	$ 14,390,930	$ 12,291,424

Additional information on the Town's long-term liabilities can be found in Note 7 of the notes to the financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a net increase of $3,820,323 in general fund appropriations between the original budget and the final amended budget for the fiscal year ended June 30, 2015. The details of this increase were a decrease in budgeted revenue and transfers in of $383,711 and an increase in expenditures of $3,436,612. Additional budget figures are shown on page 76 of this report.

All reported line items had positive variances in relation to the final budget, except for charges for services revenues ($8,806), general administration expenditures ($453,450), and transfers in ($32,532).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As the Town emerges from the recession it is reminded of the importance of adhering to fiscally conservative practices because that has allowed the Town to minimize risk, maintain a balanced budget and remain operationally viable. Expenditures and revenues in the fiscal year 2015-16 budget are influenced by the projected state of the economy which is expected to continue growing in the short-term and taper off to more sustainable levels in the medium to long-term. Other major factors influencing the budget include responding to unmet needs that have been delayed due to the recession, the impact of the drought, reinvesting in staff through training, and the impact on future revenue projections due to economic recovery and business development within the Town.

REQUESTS FOR INFORMATION

This financial report is designed to provide general overview 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 information should be addressed to the Administrative Services Director, Town of Windsor, P.O. Box 100, Windsor, CA 95492-0100.

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TOWN OF WINDSOR
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and investments	$ 31,152,493	$ 24,838,667	$ 55,991,160
Accounts receivable	1,337,343	2,988,568	4,325,911
Interest receivable	19,728	14,189	33,917
Notes receivable, net	5,607,475	749,214	6,356,689
Internal balances	699,610	(699,610)	
Prepaid expenses	104,959	2,799	107,758
Inventory	104,399	104,863	209,262
Capital assets			
Non depreciable capital assets	32,577,846	7,192,044	39,769,890
Depreciable capital assets, net of accumulated depreciation	104,895,724	68,812,038	173,707,762
TOTAL ASSETS	176,499,577	104,002,772	280,502,349
DEFERRED OUTFLOWS OF RESOURCES:			
Pension	337,291	393,874	731,165
Deferred loss on refunding of debt	212,929	202,694	415,623
TOTAL DEFERRED OUTFLOWS OF RESOURCES	550,220	596,568	1,146,788
LIABILITIES:			
Accounts payable	1,951,181	663,505	2,614,686
Accrued liabilities	226,602	177,243	403,845
Accrued interest payable	53,589	157,893	211,482
Deposits payable	417,193	161,476	578,669
Long-term liabilities			
Due within one year	1,026,978	960,668	1,987,646
Due in more than one year	9,604,205	13,430,262	23,034,467
TOTAL LIABILITIES	13,279,748	15,551,047	28,830,795
DEFERRED INFLOWS OF RESOURCES:			
Pension	863,764	1,008,665	1,872,429
TOTAL DEFERRED INFLOWS OF RESOURCES	863,764	1,008,665	1,872,429
NET POSITION			
Net investment in capital assets	130,191,145	65,052,390	195,243,535
Restricted	14,978,193		14,978,193
Unrestricted	17,736,947	22,987,238	40,724,185
TOTAL NET POSITION	$ 162,906,285	$ 88,039,628	$ 250,945,913

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

TOWN OF WINDSOR
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Grants and Contributions: Operating	Program Revenues: Grants and Contributions: Capital
Governmental Activities:				
General government	$ 3,191,711	$ 5,608	$ 72,678	$ -
Public safety	6,489,292	78,736	142,547	
Public works	1,876,914	7,802		1,738,425
Community development	4,130,019	913,067	1,155,146	
Parks	678,746	658,095		59,555
Streets and roads	5,142,735	6,214	1,108,099	1,424,256
Drainage	173,359			
Housing	85			
Interest and fiscal charges	344,140			
TOTAL GOVERNMENTAL ACTIVITIES	22,027,001	1,669,522	2,478,470	3,222,236
Business-type Activities:				
Water reclamation	9,112,408	8,354,679		
Water	6,534,202	6,650,821		
TOTAL BUSINESS-TYPE ACTIVITIES	15,646,610	15,005,500		
TOTAL GOVERNMENT	$ 37,673,611	$ 16,675,022	$ 2,478,470	$ 3,222,236
General Revenues:				
Taxes:				
Property taxes				
Sales and use taxes				
Other taxes				
Motor vehicle in-lieu tax				
Unrestricted investment earnings				
Contribution from trust fund for debt service				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, July 1, 2014				
Prior Period Adjustments				
Net Position, July 1, 2014, restated				
Net Position, June 30, 2015				

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	**Business-type Activities**	**Totals**
$ (3,113,425)	$ -	$ (3,113,425)
(6,268,009)		(6,268,009)
(130,687)		(130,687)
(2,061,806)		(2,061,806)
38,904		38,904
(2,604,166)		(2,604,166)
(173,359)		(173,359)
(85)		(85)
(344,140)		(344,140)
(14,656,773)		(14,656,773)
	(757,729)	(757,729)
	116,619	116,619
	(641,110)	(641,110)
(14,656,773)	(641,110)	(15,297,883)
7,290,809	1,627	7,292,436
2,877,971		2,877,971
3,867,987		3,867,987
11,119		11,119
306,437	205,157	511,594
835,991		835,991
563,746	313,638	877,384
1,491	(1,491)	
15,755,551	518,931	16,274,482
1,098,778	(122,179)	976,599
164,979,511	91,865,925	256,845,436
(3,172,004)	(3,704,118)	(6,876,122)
161,807,507	88,161,807	249,969,314
$ 162,906,285	$ 88,039,628	$ 250,945,913

TOWN OF WINDSOR
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Housing Fund	Capital Replacement Fund
ASSETS:			
Cash and investments	$ 12,203,588	$ 445,115	$ 8,415,746
Accounts receivable	1,208,501		
Interest receivable	10,636		4,451
Due from other funds	11,476		905,582
Prepaid expenses	104,610		
Inventory	54,538		
Notes receivable		5,053,009	
TOTAL ASSETS	$ 13,593,349	$ 5,498,124	$ 9,325,779
LIABILITIES:			
Accounts payable	$ 1,685,874	$ -	$ 40,419
Accrued liabilities	162,928		
Deposits payable	417,193		
Due to other funds			
TOTAL LIABILITIES	2,265,995		40,419
DEFERRED INFLOWS OF RESOURCES:			
Deferred revenue - accounts receivable	38,098	5,053,009	
TOTAL DEFERRED INFLOWS OF RESOURCES	38,098	5,053,009	
FUND BALANCES:			
Nonspendable	159,148		
Restricted	102,253	445,115	
Assigned	100,000		9,285,360
Unassigned	10,927,855		
TOTAL FUND BALANCES	11,289,256	445,115	9,285,360
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 13,593,349	$ 5,498,124	$ 9,325,779

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

Debt Service Fund	Other Governmental Funds	Totals
$ 930,750	$ 9,157,294	$ 31,152,493
	128,842	1,337,343
503	4,138	19,728
		917,058
	349	104,959
	49,861	104,399
	554,466	5,607,475
$ 931,253	$ 9,894,950	$ 39,243,455
$ -	$ 224,888	$ 1,951,181
	63,674	226,602
		417,193
	217,448	217,448
	506,010	2,812,424
	554,466	5,645,573
	554,466	5,645,573
	50,210	209,358
	8,785,252	9,332,620
931,253		10,316,613
	(988)	10,926,867
931,253	8,834,474	30,785,458
$ 931,253	$ 9,894,950	$ 39,243,455

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TOWN OF WINDSOR
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2015

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 30,785,458
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the governmental funds because of the following:		
Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the governmental funds.		
Capital assets	$ 206,032,617	
Less: accumulated depreciation	(68,559,047)	137,473,570
Certain notes receivable, accounts receivable, and interest receivable are not available to pay for current period expenditures and, therefore are offset by unearned revenue in the governmental funds.		5,645,573
Loss on the refunding of debt is not a current resource and, therefore, is not reported in the governmental funds' balance sheet due to its long-term nature.		212,929
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Town's contributions subsequent to the measurement date	334,193	
Adjustments due to differences in proportions	3,098	
Differences between projected and actual earnings on pension plan investments	(863,764)	(526,473)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds' balance sheet:		
Net pension liability	(2,570,375)	
Refunding bonds	(3,550,000)	
Premium on refunding bonds	(159,254)	
Lease revenue bonds	(3,786,100)	
Net OPEB obligation	(330,000)	
Compensated absences	(235,454)	(10,631,183)
Accrued interest payable on long-term liabilities has not been reported in the governmental funds.		(53,589)
Net Position of Governmental Activities		$ 162,906,285

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

TOWN OF WINDSOR
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General Fund	Housing Fund	Capital Replacement Fund	Debt Service Fund
REVENUES:				
Property taxes	$ 7,288,127	$ -	$ -	$ -
Sales taxes	2,900,998			
Other taxes	2,876,650			
Licenses, permits, and fees	956,032			
Fines and forfeitures	56,106			
Rental income	79,399			
Use of money and property	97,783	10,929	73,577	13,717
Intergovernmental	126,616			
Charges for services	624,094			
Contribution from trust fund				835,991
Other revenues	470,792	50,000		
TOTAL REVENUES	15,476,597	60,929	73,577	849,708
EXPENDITURES:				
Current:				
General administration	2,981,271			4,341
Public safety	6,229,553			
Public works	1,042,746			
Community development	2,266,127			
Streets and roads				
Drainage				
Housing				
Capital outlay	1,098,671		771,527	
Debt service:				
Principal				1,079,100
Interest				210,454
Cost of debt issuance				143,913
TOTAL EXPENDITURES	13,618,368		771,527	1,437,808
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,858,229	60,929	(697,950)	(588,100)
OTHER FINANCING SOURCES (USES):				
Transfers in	104,244		300,000	246,282
Transfers out	(1,480,203)			
Proceeds from issuance of debt				3,550,000
Premium from issuance of debt				170,836
Payment to refunded debt escrow agent				(4,415,265)
TOTAL OTHER FINANCING SOURCES (USES)	(1,375,959)		300,000	(448,147)
NET CHANGE IN FUND BALANCES	482,270	60,929	(397,950)	(1,036,247)
FUND BALANCES, JULY 1, 2014	10,806,986	384,186	9,683,310	1,967,500
FUND BALANCES, JUNE 30, 2015	$ 11,289,256	$ 445,115	$ 9,285,360	$ 931,253

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

Other Governmental Funds	Total
$ 2,682	$ 7,290,809
	2,900,998
	2,876,650
	956,032
	56,106
	79,399
58,723	254,729
3,898,264	4,024,880
2,140,307	2,764,401
	835,991
92,954	613,746
6,192,930	22,653,741
47,358	3,032,970
77,959	6,307,512
421,519	1,464,265
1,752,583	4,018,710
2,336,572	2,336,572
173,359	173,359
85	85
741,637	2,611,835
	1,079,100
	210,454
	143,913
5,551,072	21,378,775
641,858	1,274,966
1,049,208	1,699,734
(218,040)	(1,698,243)
	3,550,000
	170,836
	(4,415,265)
831,168	(692,938)
1,473,026	582,028
7,361,448	30,203,430
$ 8,834,474	$ 30,785,458

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TOWN OF WINDSOR
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net change in fund balances		$ 582,028
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated lives and reported as depreciation expense.		
Capital outlay expenditures are therefore added back to fund balances	$ 2,576,732	
Depreciation expense not reported in governmental funds	(4,253,388)	(1,676,656)
Cost write-off for canceled capital projects: If a planned capital project is canceled and will not be completed, costs previously capitalized as construction in progress must be written off to expense. Costs written off for canceled projects were:		(122,257)
Certain receivables are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which prior year deferred revenue exceeded current year.		470,547
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contribution was:		75,156
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.		
Issuance of long term debt	(3,550,000)	
Premium on long term debt	(170,836)	(3,720,836)
In governmental funds, payments to refunded debt escrow are recognized as other financing uses. In the government-wide statements, payments to refunded debt escrow are reported as a reduction of long-term debt.		4,415,265
The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):		
Lease revenue bonds payable - principal payment and defeasance	1,079,100	
Deferred loss on refunding of debt, amortization	(29,082)	
Premium on refunding bonds, amortization	11,582	
Interest payable	27,727	
Net OPEB obligation	(62,000)	
Compensated absences	48,204	1,075,531
Change in net position of governmental activities		$ 1,098,778

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

TOWN OF WINDSOR
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds		
	Water Reclamation	Water	Totals
ASSETS:			
Current Assets			
Cash and investments	$ 11,279,437	$ 13,559,230	$ 24,838,667
Accounts receivable	1,464,039	1,524,529	2,988,568
Interest receivable	7,052	7,137	14,189
Prepaid expenses	1,216	1,583	2,799
Inventory	35,309	69,554	104,863
Total Current Assets	12,787,053	15,162,033	27,949,086
Non-Current Assets			
Notes receivable	619,255	129,959	749,214
Capital assets, net of accumulated depreciation	54,189,026	21,815,056	76,004,082
Total Non-Current Assets	54,808,281	21,945,015	76,753,296
TOTAL ASSETS	67,595,334	37,107,048	104,702,382
DEFERRED OUTFLOWS OF RESOURCES:			
Pension	211,886	181,988	393,874
Deferred loss on refunding of debt	101,468	101,226	202,694
TOTAL DEFERRED OUTFLOWS OF RESOURCES	313,354	283,214	596,568
LIABILITIES:			
Current Liabilities			
Accounts payable	385,103	278,402	663,505
Accrued liabilities	96,485	80,758	177,243
Accrued interest payable	122,142	35,751	157,893
Deposits payable	80,902	80,574	161,476
Due to other funds	343,334	356,276	699,610
Long-term liabilities - current portion	713,993	246,675	960,668
Total Currrent Liabilities	1,741,959	1,078,436	2,820,395
Non-Current Liabilities			
Compensated absences	113,747	121,236	234,983
Net pension liability	1,614,702	1,386,859	3,001,561
Loans payable	3,220,578	493,210	3,713,788
Bonds payable	3,243,915	3,236,015	6,479,930
Total Non-Current Liabilities	8,192,942	5,237,320	13,430,262
TOTAL LIABILITIES	9,934,901	6,315,756	16,250,657
DEFERRED INFLOWS OF RESOURCES:			
Pension	542,615	466,050	1,008,665
TOTAL DEFERRED INFLOWS OF RESOURCES	542,615	466,050	1,008,665
NET POSITION:			
Net investment in capital assets	47,112,008	17,940,382	65,052,390
Unrestricted	10,319,164	12,668,074	22,987,238
TOTAL NET POSITION	$ 57,431,172	$ 30,608,456	$ 88,039,628

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

TOWN OF WINDSOR
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended 30, 2015

	Business-type Activities - Enterprise Funds		
	Water Reclamation	Water	Total
OPERATING REVENUES:			
Charges for services, net of refunds	$ 8,196,038	$ 6,248,537	$ 14,444,575
Other revenue	158,641	402,284	560,925
TOTAL OPERATING REVENUES	8,354,679	6,650,821	15,005,500
OPERATING EXPENSES:			
Salaries and benefits	3,036,385	2,558,703	5,595,088
Materials, supplies, and operational expenses	1,280,821	1,900,802	3,181,623
Repairs and maintenance	228,842	48,971	277,813
Insurance	74,006	74,006	148,012
Contractual services	1,474,489	65,332	1,539,821
Taxes and licenses	49,939	22,320	72,259
Utilities	453,923	506,149	960,072
Depreciation	2,245,906	1,188,206	3,434,112
TOTAL OPERATING EXPENSES	8,844,311	6,364,489	15,208,800
OPERATING INCOME (LOSS)	(489,632)	286,332	(203,300)
NON-OPERATING INCOME (EXPENSE):			
Amortization expense	(4,325)	(4,245)	(8,570)
Rental income	313,638		313,638
Interest income	92,708	112,449	205,157
Interest expense	(251,879)	(132,585)	(384,464)
Loss on disposal of assets	(11,893)	(32,883)	(44,776)
Property taxes	2,146	(519)	1,627
TOTAL NON-OPERATING INCOME (EXPENSE)	140,395	(57,783)	82,612
INCOME (LOSS) BEFORE TRANSFERS	(349,237)	228,549	(120,688)
TRANSFERS:			
Transfers in	1,810,374	606,313	2,416,687
Transfers out	(1,811,629)	(606,549)	(2,418,178)
TOTAL TRANSFERS	(1,255)	(236)	(1,491)
Change in Net Position	(350,492)	228,313	(122,179)
Net Position, July 1, 2014	59,774,309	32,091,616	91,865,925
Prior Period Adjustments	(1,992,645)	(1,711,473)	(3,704,118)
Net Position, July 1, 2014, Restated	57,781,664	30,380,143	88,161,807
Net Position, June 30, 2015	$ 57,431,172	$ 30,608,456	$ 88,039,628

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

TOWN OF WINDSOR
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds		
	Water Reclamation	Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 7,781,704	$ 6,464,108	$ 14,245,812
Cash paid to suppliers	(3,725,470)	(3,035,995)	(6,761,465)
Cash paid to employees	(3,061,741)	(2,578,846)	(5,640,587)
NET CASH PROVIDED BY OPERATING ACTIVITIES	994,493	849,267	1,843,760
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Property taxes	2,146	(519)	1,627
Transfers to other funds	(1,255)	(236)	(1,491)
Repayment on interfund activity	(103,657)	(89,880)	(193,537)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(102,766)	(90,635)	(193,401)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(557,830)	(399,506)	(957,336)
Principal paid on capital debt	(685,907)	(232,628)	(918,535)
Interest paid on capital debt	(251,829)	(132,565)	(384,394)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,495,566)	(764,699)	(2,260,265)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase/disposal of investments	641,161	(1,099,274)	(458,113)
Rental income	313,638		313,638
Interest received	20,349	45,068	65,417
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	975,148	(1,054,206)	(79,058)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	371,309	(1,060,273)	(688,964)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	4,636,695	9,457,802	14,094,497
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	$ 5,008,004	$ 8,397,529	$ 13,405,533
RECONCILATION OF CASH AND CASH EQUIVALENTS:			
Cash and investments	$ 11,279,437	$ 13,559,230	$ 24,838,667
Less: investments that do not meet the definition of cash equivalents	(6,271,433)	(5,161,701)	(11,433,134)
TOTAL CASH AND CASH EQUIVALENTS	$ 5,008,004	$ 8,397,529	$ 13,405,533

(Continued)

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

TOWN OF WINDSOR
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	Business type Activities - Enterprise Funds		
	Water Reclamation	Water	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ (489,632)	$ 286,332	$ (203,300)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation expense	2,245,906	1,188,206	3,434,112
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	50,666	(41,879)	8,787
(Increase) decrease in prepaid expenses	6,770	6,024	12,794
(Increase) decrease in inventory	(34,925)	(15,646)	(50,571)
(Increase) decrease in notes receivable	(619,255)	(129,959)	(749,214)
(Increase) decrease in deferred outflows of resources-pension	1,733	1,488	3,221
Increase (decrease) in accounts payable	(135,295)	(408,793)	(544,088)
Increase (decrease) in deposits payable	(4,386)	(14,875)	(19,261)
Increase (decrease) in accrued liabilities	4,674	(716)	3,958
Increase (decrease) in net pension liability	(591,562)	(508,091)	(1,099,653)
Increase (decrease) in compensated absences	17,184	21,126	38,310
Increase (decrease) in deferred inflows of resources-pension	542,615	466,050	1,008,665
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 994,493	$ 849,267	$ 1,843,760

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

TOWN OF WINDSOR
Statement of Net Position
Fiduciary Funds
June 30, 2015

	Successor Agency Private - Purpose Trust Funds	Agency Funds
ASSETS:		
Cash and cash equivalents	$ 1,706,836	$ 930,775
Interest receivable	1,675	502
TOTAL ASSETS	1,708,511	$ 931,277
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding of debt	204,556	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	204,556	
LIABILITIES:		
Accounts payable	426	$ 164,824
Accrued liabilities	4,551	
Deposit payable		746,938
Interest payable	75,397	
Long-term liabilities:		
Due within one year	605,733	
Due in more than one year	4,023,338	
Due to special assessment districts		19,515
TOTAL LIABILITIES	4,709,445	$ 931,277
TOTAL NET POSITION (DEFICIT)	$ (2,796,378)	

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

TOWN OF WINDSOR
Statement of Changes in Net Position
Fiduciary Funds-Private Purpose Trust Funds
Successor Agency
For the Fiscal Year Ended June 30, 2015

	Successor Agency Private-Purpose Trust Funds
Additions:	
Property taxes	$ 2,401,697
Investment earnings	7,256
Total additions	2,408,953
Deductions:	
Interest expense	131,576
Debt issue costs	126,954
Community development	254,641
Amortization	14,877
Contributions to Town of Windsor for debt service	835,991
Total deductions	1,364,039
Change in net position	1,044,914
Net Position (Deficit) - July 1, 2014	(3,841,292)
Net Position (Deficit) - June 30, 2015	$ (2,796,378)

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

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Windsor was incorporated on July 1, 1992, as a general law Town. The Town is primarily a residential community located in Sonoma County. The Town provides the following services: public safety, parks, streets and highways, water and water reclamation, culture-recreation, public improvements, planning and zoning, and general administration services. The Town operates under the Council-Manager form of government, with five elected Town Council members, who, in turn, elects one of its members to serve as the Mayor.

A. The Reporting Entity

The accompanying basic financial statements present the financial activity of the Town along with the financial activities of its blended component units, which are entities for which the Town is financially accountable. Together these entities comprise the primary government for reporting purposes. Although they are separate legal entities, *blended* component units are in substance part of the Town's operations and are reported as an integral part of the Town's financial statements. The Town's component units, which are described below, are all blended.

The Windsor Public Financing Authority (the "Authority") was established in accordance with the provisions of the laws of the State of California. The Authority was created for the purpose of providing financing for public capital improvements for the Town and the Agency through the acquisition by the Authority of such public capital improvements and/or the purchase by the Authority of local obligations. The Authority has the power to issue bonds and to pay the costs of any public capital improvements. The Authority is controlled by the Town and has the same governing body as the Town, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Debt Service Fund.

The Windsor Water District (the "District") is a separate entity whose purpose is to provide water and sewer (water reclamation) services within the Town. The District is controlled by the Town and has the same governing body as the Town, which also performs all accounting and administrative functions for the District. The financial activities of the District are included in the Proprietary Funds.

B. Basis of Presentation

The Town's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented:

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall Town government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the Town. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the Town's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund: The general fund is be used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues is the foundation for a special revenue fund.

Capital Projects Fund: Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements: (Continued)

Debt Service Fund: Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Proprietary Funds

Enterprise Funds – Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (not included in government-wide statements)

Agency Funds – Agency funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds – Private-purpose trust funds are used to report all trust arrangements (other than pension and investment trust funds) under which principal and income benefit individuals, private organizations, or other governments.

Major Funds

The Town reported the following major governmental and proprietary funds in the accompanying financial statements:

General Fund – This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Housing Fund – This special revenue fund is used to account for housing assets transferred from the former Redevelopment Agency.

Capital Replacement Fund – This capital projects fund is used to account for costs associated with the replacement of Town equipment.

Debt Service Fund – This debt service fund is used to account for the debt service activities related to the Town.

Water Reclamation – This enterprise fund accounts for the operation and maintenance of the Town's wastewater collection system, the wastewater treatment facility, and the recycled waste disposal and distribution system.

Water Fund – This enterprise fund accounts for the operation and maintenance of the Town's water distribution system.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The Town also reports the following fund types, which as noted above, are not included in the government-wide financial statements:

Agency Funds – These funds are used to report resources held by the Town in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Private Purpose Trust Funds – The Town also maintains private–purpose trust funds for the Successor Agency to the former Windsor Redevelopment Agency. Private-purpose trust funds include a Statement of Net Position and a Statement of Changes in Net Position.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them. Private-purpose trust funds do report a statement of changes in net position, and are accounted for using the economic resources measurement focus.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town defines available to be within 60 days of fiscal year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Town may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net positions are available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. 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 operations. The principal operating revenues of the Water and Water Reclamation enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds 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. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Property Taxes

The County of Sonoma levies, bills, and collects property taxes and special assessments for the Town. Property taxes levied are recorded as revenue when received in the fiscal year or levy, due to the adoption of the "alternate method of property tax distribution", known as the Teeter Plan, by the Town and the County of Sonoma. The Teeter Plan authorizes the Auditor/Controller of the County of Sonoma to allocate 100% of the secured property taxes billed, but not yet paid. The County of Sonoma remitted tax monies to the Town in three installments as follows:

50% remitted in December
45% remitted in April
5% remitted in June

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County of Sonoma for the secured and unsecured property tax rolls. Under the provisions of Article XIIIA of the State Constitution, properties are assessed at 100% of purchase price or value in 1978, whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of two percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

E. Cash and Investments

The Town pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the Town's cash and investment pool. As the Town places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

The Town's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF and the Sonoma County Investment Pool determine the fair value of their portfolio quarterly and report a factor to the Town; the Town applies that factor to convert its share of LAIF and the Sonoma County Investment Pool from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the Town has defined cash and cash equivalents to be change and petty cash funds and equity in the Town's cash and investment pool.

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at fiscal year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Business-type activities report utilities account receivables and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at fiscal year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

G. Prepaid Expenses and Inventory

Inventory is valued at the lower of cost or market using the first-in, first-out ("FIFO") method. The cost is recorded as an expenditure/expense in the funds at the time individual inventory items are purchased rather than when consumed. Inventory in the enterprise funds consist principally of materials and supplies for utility operations. Inventory in the General Fund consists of materials and supplies.

Major payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Government-wide Statements

In the government-wide financial statements, capital assets with a historical cost over $5,000 and an estimated useful life in excess of one year are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Improvements other than buildings	10-25 years
Infrastructure	30-100 years
Utility systems	5-50 years
Vehicles	4-10 years
Computer equipment	3-5 years
Other equipment and furnishings	5-20 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

I. Accumulated Compensated Absences

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. Employees may accumulate earned vacation up to 160 hours. Additional accrual requires the Town Manager's approval. Employees may accumulate sick leave without limits. The Town's liability for compensated absences is recorded in the government-wide Statement of Net Position for governmental funds and the Statement of Net Position for proprietary funds as appropriate. A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2015. Accumulated unpaid vacation and sick pay are accrued when earned. At retirement, management personnel have the option of receiving 20 percent of their accumulated sick leave as a lump sum payment or 100 percent as additional service credit. Upon termination, 20 percent of the accumulated sick leave may only be taken as a lump sum payment. Other employees may apply their accumulated sick leave as additional service credit at retirement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Initial issue bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Amortization of bond premiums or discounts and deferred amounts on refunding is included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Interfund Transactions

The following is a description of the three basic types of interfund transactions made during the fiscal year and the related accounting policies:

1. Interfund services provided and used - transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund.

2. Reimbursements (expenditure transfers) - transactions to reimburse a fund for specific expenditures incurred for the benefit of another fund. These transactions are recorded as expenditures in the disbursing fund and a reduction of expenditures in the receiving fund.

3. Transfers - all other interfund transactions which allocate resources from one fund to another fund. These transactions are recorded as transfers in and out.

Transactions between funds of the Town are recorded as interfund transfers. The unpaid balances at fiscal year end, as a result of such transactions, are shown as either “due to/from other funds” (e.g., current portion of interfund loans) or “advances to/from funds” (e.g., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

L. Equity Classifications

Government-wide Statements

Net position is the excess of all of the Town's assets and deferred outflows of resources over all of its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories under GASB Statement No. 34. These categories apply only to net position, which is determined at the Government-wide and proprietary fund level, and are described below:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

1. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. *Restricted net position* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

3. *Unrestricted net position* - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial expectations.

In the fund financial statements, fund balances are in classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds. Fund balances are classified in the following categories:

1. *Nonspendable* – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

2. *Restricted* – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

3. *Committed* – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body through council resolutions, etc., and that remain binding unless removed in the same manner. The Town Council is considered the highest authority for the Town.

4. *Assigned* – Assigned fund balances encompassed the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for the purpose.

5. *Unassigned* – This category is for any balances that have no restrictions placed upon them.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. General Budget Policies

The biennial budget adopted by the Town Council provides for the general operation of the Town. It includes proposed expenditures and the means of financing them. The Town Council approves total budgeted appropriations and any amendments to appropriations throughout the fiscal year. The appropriated budget covers all Town expenditures. Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of budgetary control. The Town Manager is authorized to transfer budgeted amounts between departments within any fund; however, the Town Council must approve any revisions that alter the total expenditures of any fund. There was no budget adopted for the Housing Inclusionary Special Revenue Fund for the fiscal year ended June 30, 2015.

N. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

O. Accounting Changes

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" as well as the requirements of Statement No. 50, "Pension Disclosures". This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Implementation of the GASB Statement No. 68 did have an impact on the Town's financial statements for the fiscal year ended June 30, 2015, see Note 10 and Note 19.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the Town's financial statements for the fiscal year ended June 30, 2015, see Note 10 and Note 19.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. New Pronouncements

GASB Statements Nos. 72-76 listed below will be implemented in future financial statements:

Statement No. 72	"Fair Value Measurement and Application"	The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.
Statement No. 73	"Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016.
Statement No. 74	"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 75	"Accounting and Financial Reporting Postemployment Benefit Plans Other Than Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 76	"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015.

Q. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 65 the Town recognizes deferred outflows of resources. A deferred outflow of resources is defined as a consumption of fund balance or net position by the government that is applicable to a future reporting period. Refer to Note 4 and Note 10 for a detailed listing of the deferred outflows of resources that the Town has recognized.

Pursuant to GASB Statement No. 65 the Town recognizes deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of fund balance or net position by the government that is applicable to a future reporting period. Refer to Note 4 and Note 10 for a detailed listing of the deferred inflows of resources that the Town has recognized.

NOTE 2: CASH AND INVESTMENTS

Cash, cash equivalents, and investments as of June 30, 2015 were classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	$ 55,991,160
Statement of Fiduciary Net Position:	
Cash and investments	2,637,611
Total Cash and Investments	$ 58,628,771

Cash and investments held by the Town at June 30, 2015 consisted of the following:

Investments	$ 57,761,805
Cash in banks	864,891
Petty cash	2,075
Total Cash and Investments	$ 58,628,771

Authorized Investments of the Town

The table below identifies the investment types that are authorized by the Town's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Town, rather than the general provisions of the California Government Code or the Town's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	50%	15%
Banker's Acceptances	180 days	25%	5%
Commercial Paper	180 days	15%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	90 days	75%	None
Medium Term Notes/Corporate Bonds	5 years	30%	None
Money Market Funds	N/A	None	None
County Pooled Investment Funds	N/A	75%	None
Local Agency Investment Fund	N/A	75%	$50 million

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Town's investment policy. The following table identifies the investment types that are authorized by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
State or Local Government Obligation	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Government Agency Issues	None	None	None
Banker's Acceptances	1 year	None	None
Commercial Paper	None	None	None
Repurchase Agreements	30 days	None	None
Investment Contracts	None	None	None
Money Market Funds	N/A	None	None
Certificates of Deposit	None	None	None

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Town's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the Town's investments and cash equivalents by maturity as of June 30, 2015:

		Remaining Maturity (in Months)				
Investment Type	Totals	12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	More Than 48 Months
State Invesment Pool	$ 12,998,885	$ 12,998,885	$ -	$ -	$ -	$ -
County of Sonoma Pool	17,677,037	17,677,037				
Money Market Funds	1,155,334	1,155,334				
United States Treasury Obligations	1,994,930	1,003,910	991,020			
Federal Home Loan Bank	9,374,552			5,293,848	2,085,804	1,994,900
Federal Farm Credit Bank	7,079,305		2,094,435	3,983,360		1,001,510
Fannie Mae	4,978,030			4,978,030		
Certificates of Deposit	501,900					501,900
Corporate Bonds	2,001,820	2,001,820				
Held by bond trustees:						
Money Market Funds	12	12				
Total	$ 57,761,805	$ 34,836,998	$ 3,085,455	$ 14,255,238	$ 2,085,804	$ 3,498,310

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Town has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

				Rating as of Fiscal Year End			
Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	AA	A	Not Rated
State Invesment Pool	$ 12,998,885	N/A	$ -	$ -	$ -	$ -	$ 12,998,885
County of Sonoma Pool	17,677,037	N/A					17,677,037
Money Market Funds	1,155,334	N/A		1,155,334			
United States Treasury Obligations	1,994,930	N/A	1,994,930				
Federal Home Loan Bank	9,374,552	N/A		9,374,552			
Federal Farm Credit Bank	7,079,305	N/A		7,079,305			
Fannie Mae	4,978,030	N/A		4,978,030			
Certificates of Deposit	501,900	N/A					501,900
Corporate Bonds	2,001,820	N/A				2,001,820	
Held by bond trustees:							
Money Market Funds	12	N/A		12			
Total	$ 57,761,805		$ 1,994,930	$ 22,587,233	$ -	$ 2,001,820	$ 31,177,822

Concentration of Credit Risk

The investment policy of the Town contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the Town's investments were as follows:

Issue	Investment Type	Amount
Federal Home Credit Bank	U.S. Agency Securities	$ 7,075,636
Federal Home Loan Bank	U.S. Agency Securities	2,964,570
Fannie Mae	U.S. Agency Securities	6,942,580
Freddie Mac	U.S. Agency Securities	3,970,060

Issue	Investment Type	Amount	Interest Rates	Maturity Dates
Federal Home Loan Bank	U.S. Agency Securities	$ 9,374,552	.84% to 1.375%	12/28/17 to 3/29/19
Federal Farm Credit Bank	U.S. Agency Securities	7,079,305	.72% to 1.94%	12/27/16 to 2/18/20
Fannie Mae	U.S. Agency Securities	4,978,030	1.0%	1/30/18 to 5/21/18

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Town investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Town's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The Town places its cash and cash equivalents with a high quality financial institution. Balances may, from time to time, exceed FDIC insurance limits. The Town has never experienced any losses related to these balances. Non-interest bearing balances are fully insured up to $250,000 per depositor at each financial institution, and the Town's noninterest bearing cash balances may again exceed federally insured limits.

Investment in State and County Investment Pool

The Town is a voluntary participant in the County of Sonoma Investment Fund and Local Agency Investment Fund ("LAIF") that is regulated by the California Government Code under the oversight of the Treasurers of the County of Sonoma and Treasurer of the State of California. The fair value of the Town's investment in these pools are reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by the County of Sonoma and LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County and LAIF, which are recorded on an amortized cost basis.

Allocation of Interest Income Among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated monthly based on the ending cash balances of the previous month in each fund receiving interest.

NOTE 3: NOTES AND LOANS RECEIVABLE

These notes and loans receivable, including interest, were comprised of the following at June 30, 2015:

Forest Winds Apartments	$	577,857
Winter Creek Village Apartments		1,081,275
Vinecrest		1,066,398
Windsor Redwoods		2,652,479
Twin Oaks		75,000
Windsor Hospitality Group, LLC		1,303,680
Manzanita Self-help		750,000
		7,506,689
Allowance for doubtful accounts		(1,150,000)
Total	$	6,356,689

NOTE 3: NOTES AND LOANS RECEIVABLE (CONTINUED)

A. Forest Winds Apartments Note Receivable

In March 1992, the Sonoma County Community Development Commission entered into an agreement to loan $340,000 to Burbank Housing Development Corporation ("Burbank"), a nonprofit public benefit corporation, for property acquisition and development costs of an affordable housing project in the Town of Windsor. This note accrues 3% simple interest for 30 years with all principal and interest payments deferred for the life of the loan. Accrued interest, which was included in the loan balance of $577,857 at June 30, 2015, totaled $237,857.

B. Winter Creek Village Apartments Note Receivable

In January 2003, various loans were granted to the Burbank Housing Development Corporation for the Winter Creek Village Apartment Project. The total loan amount of $1,085,000 was for property acquisition and development costs, fees, and permits for an affordable housing project in the Town of Windsor. This note accrues at 3% simple interest for 40 years with all principal and interest payments deferred for the life of the loan. Accrued interest, which was included in the loan balance of $1,081,275 at June 30, 2015, totaled $149,076.

C. Vinecrest Note Receivable

In January 1997, the former Agency made payments to the Burbank Housing Development Corporation for the development costs of an affordable housing project (Vinecrest Housing Project) totaling $688,000. The loan accrues interest at 3% simple interest for 40 years with all principal and interest payments deferred for the life of the loan. Accrued interest, which was included in the loan balance of $1,066,398 at June 30, 2015, totaled $378,398.

D. Windsor Redwoods Receivable

In March 2010, the former Agency entered into loan agreements totaling $2,252,479 with Windsor Redwoods, L.P. (a project of the Burbank Housing Development Corporation) to assist in the development of a 65-unit multi-family housing development for low and very low income households, in which all outstanding principal, and interest if any, is due 55 years from the date of the loans.

In addition, the Town entered into a promissory note in the amount of $400,000 with Windsor Redwoods, for the purpose of providing Windsor Redwoods funds to pay $400,000 of the $1,000,000 development impact fees owed to the Town for the project.

All outstanding principal, and interest if any, is due 55 years from the date of the loans, or, in the case of the $400,000 promissory note, 55 years from the date the Windsor Redwoods obtains permanent financing for the project. The loans do not accrue interest, except in the event of default, as defined in the agreements. Annual payments are due in an amount equal to 75% of the residual receipts, as defined in the loan agreements. Such annual payments are due in arrears, commencing November 1, 2012. The Town has recorded an allowance for doubtful accounts of $400,000 related to these loans.

NOTE 3: NOTES AND LOANS RECEIVABLE (CONTINUED)

E. Twin Oaks Notes Receivable

In July 2002, the former Agency sold three town-homes aggregating $691,500 to three different individuals. Two of the properties were repurchased in the 2005-2006 fiscal year and the notes were dissolved leaving one note outstanding for $50,000. In December 2005, the former Agency sold one of the properties (855 Twin Oaks) with a balance of $75,000 in the form of a note, and in August 2008, the former Agency sold the remaining property with a balance of $50,000 (840 Twin Oaks). Upon the future sale of the property, the Town will receive the principal amount of the notes plus a share of the property's appreciation. The appreciation is equal to the percentage amount that the note represents as a portion of the original sales price. The July 2002 outstanding note was deemed uncollectible and written-off in fiscal year 2012. During fiscal year 2015, $50,000 was repaid on the 840 Twin Oaks note, leaving only the $75,000 note receivable outstanding.

F. Windsor Hospitality Group, LLC Note Receivable

In June 2015, the Town entered into an agreement with Windsor Hospitality Group, LLC to finance the payment of impact fees. The loan is in the amount of $1,303,680 as part of the Town's Development Impact Fee Loan Program and was financed by the Water Reclamation Fund, the Water Fund, the Drainage Mitigation Fund, the Traffic Mitigation Fund, and the Park Development Fund. Interest is charged at a rate of 3.25%, with monthly repayments in the amount of $21,728 to commence on the date the certificate of occupancy is issued and end 65 months after the first payment is received.

G. Manzanita Self-Help

In October 2009, the former Agency entered into an agreement with Burbank to assist in the development of a 22-unit self-help housing project (Manzanita), whereby the former Agency agreed to loan Burbank up to $4.6 million. Burbank had agreed to sell the units to lower income households because of certain California Housing Finance Agency Residential Development Loan Program ("RDLP") funds provided to Burbank by the former Agency. The RDLP funds related to the Manzanita project totaling $2,725,458 were repaid by Burbank in fiscal year 2012.

In addition to making the RDLP funds available, in December 2011 the former Agency invested a total of $750,000 into the development of the 22 units ($34,091 per unit). The agreement places resale controls on the units to require payment of any excess proceeds of sale, as defined, to the former Agency (now the Town, as it has assumed the housing activities of the former Agency). The agreement also provides the Town an option to purchase the unit at a restricted price, as defined. If the owner of the unit has owned the unit for seven years, the owner may sell the unit at any unrestricted price and pay the Town an "investment return", as defined in the agreement. As any return to the Town is contingent on the resale of the units, the $750,000 has been fully reserved for as of June 30, 2015.

NOTE 4: DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Accounting gains or losses resulting from advance refunding of long-term debt is deferred in accordance with GASB Statement No. 23 and No. 65. Deferred amounts on bond refundings are amortized over the shorter of the life of the new debt or refunded debt. The deferred loss on refunding balance at June 30, 2015 was $212,929 on the Statement of Net Position for governmental activities. The deferred loss on refunding balance at June 30, 2015 was $202,694 on the Statement of Net Position for business-type activities. $101,468 was related to the Water Reclamation Fund's Bonds and $101,226 was related to the Water Fund's Bonds. The deferred loss on refunding balance on the Statement of Net Position for fiduciary funds was $204,556.

NOTE 4: DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (CONTINUED)

At June 30, 2015, components of deferred inflows of resources - deferred revenue reported in the fund financial statements were as follows:

General Fund:	
Sales tax revenue accrued but not available	$ 38,098
Housing Special Revenue Fund:	
Notes receivable (balance may be forgiven)	5,053,009
Traffic Mitigation Special Revenue Fund:	
Notes receivable	467,289
Park Development Capital Project Fund:	
Notes receivable	62,840
Drainage Mitigation Capital Project Fund:	
Accounts receivable accrued but not available	24,337
Total deferred revenue	$ 5,645,573

NOTE 5: INTERFUND TRANSACTIONS

Transfers between funds during the fiscal year ended June 30, 2015 were as follows:

Transfer from	Transfer to	Description of transfer	Amount
Major Governmental Funds:			
General Fund	Lighting & Landscaping Assessment	Cover fund balance deficit	$ 1,049,208
General Fund	Capital Replacement	Funding for capital replacement	300,000
General Fund	Water Reclamation Operating	Debt payment	65,498
General Fund	Water Operating	Debt payment	65,497
		Total Transfers from Major Governmental Funds	1,480,203
Nonmajor Governmental Funds:			
Public Facilities	Debt Service	Bond payment	139,443
Public Facilities	Water Operating	Debt payment	39,299
Public Facilities	Water Reclamation Operating	Debt payment	39,298
		Total Transfers from Non-Major Governmental Funds	218,040
		Total Governmental Interfund Transfers	1,698,243
Proprietary Funds:			
Water Reclamation Operating	General Fund	Facility cost sharing	52,122
Water Reclamation Operating	Debt Service	Bond payment	53,929
Water Reclamation Operating	Water Reclamation Capital Replacement	Funding for capital replacement	1,087,144
Water Reclamation Capital	Water Reclamation Operating	Funding for capital projects	618,434
Water Operating	General Fund	Facility cost sharing	52,122
Water Operating	Debt Service	Bond payment	52,910
Water Operating	Water Capital Replacement	Funding for capital replacement	442,869
Water Capital	Water Operating	Funding for capital project	58,648
		Total Transfers from Proprietary Funds	2,418,178
		Total Interfund Transfers	$ 4,116,421

The Successor Agency Debt Service Private Purpose Trust Fund also contributed $835,991 to the Town's Debt Service Fund for the purpose of funding debt payments.

NOTE 6: CAPITAL ASSETS

Governmental activities:

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Capital assets not being depreciated:					
Land	$ 32,310,417	$ -	$ -	$ -	$ 32,310,417
Rights of way	407				407
Construction in progress	470,680	233,608	(122,257)	(315,009)	267,022
	32,781,504	233,608	(122,257)	(315,009)	32,577,846
Depreciable capital assets:					
Buildings	7,312,498	371,304		76,996	7,760,798
Improvements other than buildings	14,845,095	257,456		36,216	15,138,767
Equipment and machinery	787,403	26,788			814,191
Infrastructure	146,863,297	1,526,862		201,797	148,591,956
Vehicles	988,345	160,714			1,149,059
Total	170,796,638	2,343,124		315,009	173,454,771
Less: accumulated depreciation for:					
Buildings	(2,579,375)	(145,922)			(2,725,297)
Improvements other than buildings	(7,891,972)	(520,355)			(8,412,327)
Equipment and machinery	(582,789)	(51,650)			(634,439)
Infrastructure	(52,717,184)	(3,424,887)			(56,142,071)
Vehicles	(534,339)	(110,574)			(644,913)
Total	(64,305,659)	(4,253,388)			(68,559,047)
Depreciable capital assets, net	106,490,979	(1,910,264)		315,009	104,895,724
Total capital assets, net	$ 139,272,483	$ (1,676,656)	$ (122,257)	$ -	$ 137,473,570

Depreciation for governmental activities was charged to functions based on their usage of the related assets as follows:

Public safety	$ 212,461
Public works	366,860
General government	138,977
Parks	678,746
Streets and roads	2,806,163
Community development and recreation	50,181
Total governmental activities depreciation expense	$ 4,253,388

NOTE 6: CAPITAL ASSETS (CONTINUED)

Business-type activities:

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Water Reclamation Fund:					
Capital assets not being depreciated:					
Land	$ 6,265,121	$ -	$ -	$ -	$ 6,265,121
Construction in progress	249,390	191,880	(11,893)	(237,494)	191,883
	6,514,511	191,880	(11,893)	(237,494)	6,457,004
Depreciable capital assets:					
Infrastructure (utility system)	80,468,322	332,869		237,494	81,038,685
Equipment and machinery	2,927,383	33,081			2,960,464
Vehicles	829,742				829,742
Total	84,225,447	365,950		237,494	84,828,891
Less: accumulated depreciation for:					
Infrastructure (utility system)	(31,325,507)	(2,206,902)			(33,532,409)
Equipment and machinery	(2,756,592)	(28,057)			(2,784,649)
Vehicles	(768,864)	(10,947)			(779,811)
Total	(34,850,963)	(2,245,906)			(37,096,869)
Depreciable capital assets, net	49,374,484	(1,879,956)		237,494	47,732,022
Total capital assets, net	$ 55,888,995	$ (1,688,076)	$ (11,893)	$ -	$ 54,189,026

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Water Fund:					
Capital assets not being depreciated:					
Land	$ 628,586	$ -	$ -	$ -	$ 628,586
Construction in progress	48,947		(32,883)	(16,064)	
	677,533		(32,883)	(16,064)	628,586
Depreciable capital assets:					
Infrastructure (utility system)	39,541,779	313,515		16,064	39,871,358
Equipment and machinery	799,815	85,991			885,806
Vehicles	804,722				804,722
Total	41,146,316	399,506		16,064	41,561,886
Less: accumulated depreciation for:					
Infrastructure (utility system)	(17,901,822)	(1,139,534)			(19,041,356)
Equipment and machinery	(626,472)	(34,814)			(661,286)
Vehicles	(658,916)	(13,858)			(672,774)
Total	(19,187,210)	(1,188,206)			(20,375,416)
Depreciable capital assets, net	21,959,106	(788,700)		16,064	21,186,470
Total capital assets, net	$ 22,636,639	$ (788,700)	$ (32,883)	$ -	$ 21,815,056

NOTE 6: CAPITAL ASSETS (CONTINUED)

Business-type activities: (Continued)

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

Water Fund	$ 1,188,206
Water Reclamation Fund	2,245,906
Total business-type activities depreciation expense	$ 3,434,112

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in the Town's long-term liabilities for the fiscal year ended June 30, 2015:

	Balance, July 1, 2014	Additions	Retirements	Prior Period Adjustments	Balance, June 30, 2015	Due in One year
Governmental Activities						
Compensated absences	$ 283,658	$ -	$ 48,204	$ -	$ 235,454	$ 36,265
Net OPEB obligation	268,000	78,000	16,000		330,000	
Net pension liability			941,680	3,512,055	2,570,375	
Refunding bonds		3,550,000			3,550,000	611,640
Premium		170,836	11,582		159,254	17,373
Revenue bonds	9,255,200		5,469,100		3,786,100	361,700
Discount	(31,280)		(31,280)			
Total Governmental Activities	$ 9,775,578	$ 3,798,836	$ 6,455,286	$ 3,512,055	$ 10,631,183	$ 1,026,978

	Balance, July 1, 2014	Additions	Retirements	Prior Period Adjustments	Balance, June 30, 2015	Due in One year
Business-type Activities						
Water Fund:						
Compensated absences	$ 100,110	$ 21,126	$ -	$ -	$ 121,236	$ -
Net pension liability			508,090	1,894,949	1,386,859	
Revenue bonds	3,591,550		207,500		3,384,050	210,000
Premium on revenue bonds	83,796		10,915		72,881	10,915
SDWSRF loan payable	544,097		25,128		518,969	25,760
Total Water Fund	4,319,553	21,126	751,633	1,894,949	5,483,995	246,675
Water Reclamation Fund:						
Compensated absences	96,563	17,184			113,747	
Net pension liability			591,563	2,206,265	1,614,702	
Revenue bonds	3,583,450		207,500		3,375,950	210,000
Premium on revenue bonds	83,795		10,915		72,880	10,915
State Revolving Fund	4,177,063		471,407		3,705,656	485,078
General obligation bonds	31,000		7,000		24,000	8,000
Total Water Reclamation Fund	7,971,871	17,184	1,288,385	2,206,265	8,906,935	713,993
Total Business-type Activities	$ 12,291,424	$ 38,310	$ 2,040,018	$ 4,101,214	$ 14,390,930	$ 960,668

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

A description of the long-term liabilities related to governmental activities at June 30, 2015 follows:

A. Governmental Activities

Lease Revenue Bonds

On October 1, 1994, the Financing Authority issued $6,555,000 in Lease Revenue Bonds - Series 1994C to finance the acquisition of a site for the Town's offices and the construction and installation of improvements on that site (Windsor Civic Center). Interest on the 1994 Lease Revenue Bonds is payable on April 1 and October 1 of each year through October 1, 2024 beginning April, 1995. Principal is payable on October 1 of each year through October 1, 2024, beginning October 1, 1995.

In May of 2001, the 1994 Lease Revenue Bonds were advance refunded by the issuance of $6,785,000 of Series 2001A Lease Revenue Bonds. The advance refunding met the requirements of an in-substance debt defeasance, and the 1994 bonds were removed from the Town's long-term liabilities portfolio. The 2001A Lease Revenue Bonds are secured by the same collateral as the 1994 Lease Revenue Bonds. Bond principal is due October 1 of each year beginning October 2001 and the bonds mature on October 1, 2024. Interest is payable on April 1 and Oct 1 of each year. Interest on the bond varies between 3.2 and 5.4 percent with a final maturity in 2024.

In March of 2012, the Series 2001A Lease Revenue Bonds were advance refunded by the issuance of $4,823,400 of Series 2012A Lease Revenue Bonds. The advance refunding met the requirements of an in-substance debt defeasance, and the Series 2001A bonds were removed from the Town's long-term liabilities portfolio. The 2012A Lease Revenue Bonds are secured by the same collateral as the Series 2001A Lease Revenue Bonds. Bond principal is due April 1 and October 1 of each year beginning October 2012 and the bonds mature on October 1, 2024. Interest is payable on April 1 and Oct 1 of each year. Interest on the bond is 2.38 percent with a final maturity in 2024. The outstanding principal balance of the bonds at June 30, 2015 was $3,786,100.

On August 14, 2008, the Agency issued $8,400,000 of Lease Revenue Bonds (Series 2008) to (1) finance a new fire station and related facilities, (2) fund the Reserve fund requirement, (3) fund a deposit to the Interest fund representing capitalized interest on the bonds through April 1, 2011, and (4) to pay the costs of issuance relating to the bonds. The bonds were issued pursuant to a trust agreement by and between the Windsor Joint Powers Authority. The bonds were issued at a discount of $6,730, and issuance costs were $152,650. Principal is payable on October 1 each year through 2020, beginning in 2008. Interest is payable on October 1 and April 1 of each year through April 2020. The bonds are secured by a pledge of revenues which consist of base rental payments paid by or for the benefit of the Town and received by the Authority pursuant to a Facility Lease.

In October of 2014, the Series 2008 Lease Revenue Bonds were advance refunded, in the amount of $4,390,000, by the issuance of $6,965,000 of Series 2014 Tax Allocation Refunding Bonds. This refunding was split between the Town (54.95%) and the Successor Agency (45.05%) due to a portion of the proceeds being utilized to defease the 1998 and 2004 Tax Allocation Bonds of the Successor Agency as well. The advance refunding met the requirements of an in-substance debt defeasance, and the Series 2008 bonds were removed from the Town's long-term liabilities portfolio. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts, plus or minus funds on hand) of $665,711. The aggregate difference in debt service between the old and new debt is $1,792,599. The 2014 Tax Allocation Refunding Bonds are secured by the same collateral as the Series 2008 Lease Revenue Bonds. Bond principal is due September 1 of each year beginning September 2015 and the bonds mature on September 1, 2024. Interest is payable on March 1 and September 1 of each year. Interest on the bond varies from 2.0 to 3.0 percent with a final maturity in 2024. The outstanding principal balance of the bonds attributable to Governmental Activities at June 30, 2015 was $3,550,000.

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities Long-Term Liabilities Bond Amortization:

2012 A Lease Revenue Bonds

Fiscal Year Ended	Principal	Interest	Total
2016	$ 361,700	$ 87,970	$ 449,670
2017	368,500	79,321	447,821
2018	379,600	70,485	450,085
2019	384,900	61,420	446,320
2020	395,300	52,197	447,497
2021-2025	1,896,100	114,429	2,010,529
	$ 3,786,100	$ 465,822	$ 4,251,922

2014 Tax Allocation Refunding Bonds

Fiscal Year Ended	Principal	Interest	Total
2016	$ 611,640	$ 88,176	$ 699,816
2017	609,080	75,969	685,049
2018	621,834	60,551	682,385
2019	300,723	46,713	347,436
2020	591,252	33,334	624,586
2021-2025	815,471	60,780	876,251
	$ 3,550,000	$ 365,523	$ 3,915,523

Total Governmental Activities

Fiscal Year Ended	Principal	Interest	Total
2015	$ 973,340	$ 176,146	$ 1,149,486
2016	977,580	155,290	1,132,870
2017	1,001,434	131,036	1,132,470
2018	685,623	108,133	793,756
2019	986,552	85,531	1,072,083
2021-2025	2,711,571	175,209	2,886,780
	$ 7,336,100	$ 831,345	$ 8,167,445

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

A. Business-type Activities

General Obligation Bonds

Three issues of general obligation bonds (Sewer bonds) have been issued by the Windsor Water District. These bonds were issued in 1971 (2 issues) and in 1978, have an annual interest rate of 5%.

The Water Reclamation Enterprise Fund receives property tax revenues to service the general obligation bonds. The outstanding principal balance of the general obligation bonds at June 30, 2015 was $24,000.

Revenue Bonds

On June 11, 2002, the Town of Windsor and the Windsor Water District issued, through the California Statewide Communities Development Authority, $10,290,000 of Water and Wastewater Revenue Bonds Series 2002B. The bonds are due in installments beginning October 1, 2003 and ending October 1, 2027. The bonds carry interest rates ranging from 4.00% to 5.25% and interest is due and payable in semi- annual installments on October 1 and April 1. After paying issuance costs, the funds were deposited with a trustee and were used to finance a new Water and Wastewater Corporation Yard.

In March of 2012, the Series 2002B Revenue Bonds were advance refunded by the issuance of $7,580,000 of Series 2012D Revenue Bonds. The advance refunding met the requirements of an in-substance debt defeasance, and the Series 2002B bonds were removed from the Town's long-term liabilities portfolio. The 2012D Revenue Bonds are secured by the same collateral as the Series 2002B Lease Revenue Bonds. Bond principal is due April 1 and October 1 of each year beginning October 2012 and the bonds mature on October 1, 2027. Interest is payable on April 1 and Oct 1 of each year. Interest on the bond is 2.38 percent with a final maturity in 2027. The outstanding principal balance of the bonds at June 30, 2015 was $6,760,000.

State Revolving Fund Loan

On September 15, 1999, the Town contracted with the State Water Resources Control Board (“SWRCB”) to borrow $8,777,801 from the State Revolving Fund (SRF) Loan Program. The loan was issued to help finance stages 2 and 3 of the Wastewater Treatment and Expansion project and is recorded in the Town's Water Reclamation Fund. Interest, which accrues at 2.0% per annum and principal, is payable in annual installments beginning in 2002 and continuing each year thereafter for 20 years.

Through the SRF program, the Town draws funds on the loan on a reimbursement basis. The Town reserves the right to use another source of funding, and therefore, it is not obligated to repay the SWRCB until reimbursement requests are approved and the funds have been received. The Town was only reimbursed for expenses directly or indirectly incurred as stated in the contract with SWRCB. As of June 30, 2015, the outstanding principal balance of the loan was $3,705,656.

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

B. Business-type Activities (Continued)

Safe Drinking Water State Revolving Fund (SDWSRF) Loan Payable

In July 2009, the Town was awarded funding under the Safe Drinking Water State Revolving Fund ("SDWSRF") and the American Recovery and Reinvestment Act. The purpose of the funding is to assist in financing construction of a project which will enable the Town to meet safe drinking water standards. The total amount of the loan was $1,154,888. Pursuant to the funding agreement, the State agreed to provide additional subsidization in the form of forgiveness of principal of 50%. The outstanding balance as of June 30, 2015 was $518,969. The term of the loan is 20 years and the loan accrues interest at 2.5017%. Payments are due each March 1 and September 1.

Business-type Long-Term Liabilities Amortization:

General Obligation Bonds

Fiscal Year Ended	Principal	Interest	Total
2016	$ 8,000	$ 1,200	$ 9,200
2017	8,000	800	8,800
2018	8,000	400	8,400
	$ 24,000	$ 2,400	$ 26,400

2012D Revenue Bonds

Fiscal Year Ended	Principal	Interest	Total
2016	420,000	$ 225,376	$ 645,376
2017	435,000	212,550	647,550
2018	450,000	197,024	647,024
2019	465,000	178,725	643,725
2020	485,000	164,575	649,575
2021-2025	2,670,000	549,687	3,219,687
2026-2028	1,835,000	97,175	1,932,175
	$ 6,760,000	$ 1,625,112	$ 8,385,112

State Revolving Fund Loan

Fiscal Year Ended	Principal	Interest	Total
2016	$ 485,078	$ 107,464	$ 592,542
2017	499,145	93,397	592,542
2018	513,620	78,922	592,542
2019	528,515	64,027	592,542
2020	543,842	48,700	592,542
2021-2022	1,135,456	49,628	1,185,084
	$ 3,705,656	$ 442,138	$ 4,147,794

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

B. Business-type Activities (Continued)

Business-type Long-Term Liabilities Bond/Loan Amortization: (Continued)

SDWSRF Loan Payable

Fiscal Year Ended	Principal	Interest	Total
2016	$ 25,760	$ 12,823	$ 38,583
2017	26,409	12,174	38,583
2018	27,073	11,510	38,583
2019	27,755	10,828	38,583
2020	28,454	10,129	38,583
2021-2025	153,380	39,536	192,916
2026-2030	173,682	19,234	192,916
2031-2032	56,456	1,418	57,874
	$ 518,969	$ 117,652	$ 636,621

Total Business-type Activities

Fiscal Year Ended	Principal	Interest	Total
2016	$ 938,838	$ 346,863	$ 1,285,701
2017	968,554	318,921	1,287,475
2018	998,693	287,856	1,286,549
2019	1,021,270	253,580	1,274,850
2020	1,057,296	223,404	1,280,700
2021-2025	3,958,836	638,851	4,597,687
2026-2030	2,008,682	116,409	2,125,091
2031-2032	56,456	1,418	57,874
	$ 11,008,625	$ 2,187,302	$ 13,195,927

NOTE 8: SPECIAL ASSESSMENT DISTRICTS

On September 29, 2004, the Town of Windsor issued $5,210,000 of Limited Obligation Improvement Bonds for the Mitchell/Shiloh/Conde Assessment District. These bonds have been issued pursuant to the provisions of the Improvement Bond Acts of 1915. The bonds are issued and secured by the unpaid special assessments levied on parcels within the District. The proceeds are to be used to finance a portion of the cost and expense of roadway improvements and related appurtenant work. Neither the full faith and credit nor the taxing power of the Town is pledged to the payment of the bonds. Consequently, the Town has no liability to advance funds to pay bond principals and interest. As of June 30, 2015, the outstanding principal amount of the bonds was $3,905,000.

NOTE 9: OPERATING LEASES

The Town has commitments to lease certain office equipment. The total rent expense for the fiscal year ended June 30, 2015 was approximately $24,216. Future minimum rental commitments for equipment operating leases as of June 30, 2015 are as follows:

Fiscal Year Ending June 30,	Amount
2016	$ 15,000
2017	14,776
2018	1,598
Total	$ 31,374

NOTE 10: TOWN EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the Town's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 10: TOWN EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (CONTINUED)

A. General Information about the Pension Plan (Continued)

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Town Miscellaneous Plan		
	Tier I	Tier II	Tier III
Hire date	Prior to July 1, 2012	On or after July 1, 2012	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Required employee contribution rates	7.00%	7.00%	6.25%
Required employer contribution rates	8.512%*	8.512%*	6.25%**

*3% paid by employee, per MOU.

**4% paid by employee, per MOU.

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	44
Active employees	85
Total	183

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July l following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures.

NOTE 10: TOWN EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (CONTINUED)

B. Net Pension Liability (Continued)

A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies (1)
Investment Rate of Return	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds

(1) Depending on age, service, and type of employment.

(2) Net of pension plan investment expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

NOTE 10: TOWN EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (CONTINUED)

B. Net Pension Liability (Continued)

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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

NOTE 10: TOWN EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (CONTINUED)

C. Net Pension Liability

As of June 30, 2015, the Town reported net pension liabilities for its proportionate share of the net pension liability of the Miscellaneous Plan as follows:

	Proportionate Share of Net Pension Liability
$	5,571,936

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -The following presents the net pension liability of the Town for the Plan, calculated using the discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.50%
Net Pension Liability	$ 9,927,468
Current Discount Rate	7.50%
Net Pension Liability	$ 5,571,936
1% Increase	8.50%
Net Pension Liability	$ 1,957,259

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2015, the Town recognized pension expense of $737,146. At June 30, 2015, the Local Government 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
Pension contributions subsequent to measurement date	$ 724,448	$ -
Adjustments due to differences in proportions	6,717	
Net differences between projected and actual earnings on plan investments		(1,872,429)
Total	$ 731,165	$ (1,872,429)

NOTE 10: TOWN EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (CONTINUED)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

$724,448 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,		
2016	$	(465,708)
2017		(465,708)
2018		(466,188)
2019		(468,108)

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB)

This note includes the information required by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

Description of the Plan

The Town sponsors and administers a single-employer health care plan for its employees. The plan includes healthcare coverage to long-service retirees and their spouses. At retirement, Town employees can elect Blue Cross or Kaiser medical coverage through the Town at their own expense. Retiree medical benefits continue to their surviving spouse if the retiree covers the spouse, and the spouse continues to pay the premium. In addition, the Town provides healthcare benefits to two former Water District board members as other post-employment benefits ("OPEB") under two different arrangements. One agreement provides for payment of the retiree's premium under the Town's plan up to $350 per month. The second arrangement pays Medicare B premiums for the retiree and spouse up to a total of $350 per month.

For the year fiscal ended June 30, 2015, the Town had 22 retired employees. The Town currently has 91 active employees who may become eligible to retire and receive benefits in the future. Eligibility requirements include service retirement (50 and 5 years CalPERS service) or disability retirement directly from the Town under CalPERS, and ten years of Town service.

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on the values which the Town's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The Town is required to update the valuation every three years.

Funding Policy

Other than the two former Water District board members mentioned above, the Town does not provide funding for retirees; retirees are provided the option to obtain Blue Cross or Kaiser health insurance through the Town's current policy at their own expense. This is referred to as an "implicit subsidy." With an implicit subsidy, participating retirees pay lower rates than actual costs. The difference is made up from active employee premiums. There is no implied subsidy after age 65 as all retirees are assumed eligible for Medicare. As of June 30, 2015, the Town is currently funding the benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ended June 30, 2015, the Town's annual cost for the healthcare plan was $78,000. The Town's annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2015 were as follows:

Annual required contribution	
Service cost	$ 56,000
30-year amortization of unfunded liability	35,000
Interest on net OPEB obligation	11,000
Amortization of net OPEB obligation	(24,000)
Total annual required contribution	78,000
Employer contributions	(16,000)
Net OPEB obligation at July 1, 2014	268,000
Net OPEB obligation at June 30, 2015	$ 330,000

Fiscal Year Ended	Annual Pension Cost	Annual Employer Contribution	Percentage Contributed	Net OPEB Obligation
6/30/2013	$ 56,000	$ 23,000	41%	$ 226,000
6/30/2014	60,000	18,000	30%	268,000
6/30/2015	78,000	16,000	21%	330,000

Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $666,000, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $666,000. The covered payroll (annual payroll of active employees covered by the plan) was $7,549,000, and the ratio of the UAAL to the covered payroll was 9 percent.

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the 2015 actuarial valuation, the entry age normal cost method was used. The initial UAAL was amortized as a level percent of payroll over a closed 24-year period, with gains/losses and assumption changes over closed 15 year periods. Age-based claim costs were developed separately for Blue Cross and Kaiser. The actuarial assumptions included a 4.0% discount rate, a 3.25% merit increase, and a 3.0% inflation rate. Predictive retirement age was 59.8 and 60.9 and benefits were calculated at 2% at 55 and 2% at 62, respectively. Mortality, withdrawal, and disability were based on a CalPERS 1997-2011 experience study.

NOTE 12: NET POSITION/FUND BALANCE

GASB Statement No. 63 adds the concept of net position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net position is divided into three captions under GASB Statements No. 34 and 63. These captions apply only to Net position as determined at the government-wide, proprietary, and fiduciary fund level, and are described below:

- *Net Investment in Capital Assets* describes the portion of net position, which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

- *Restricted* describes the portion of net position, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements, capital projects, and revenues restricted for specific purposes.

- *Unrestricted* describes the portion of net position, which is not restricted as to use.

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

NOTE 12: NET POSITION/FUND BALANCE (CONTINUED)

At June 30, 2015, the Town had recorded restricted net position in the governmental activities as follows:

	Governmental Activities
Restricted for:	
Asset forfeiture	$ 33,553
Strong motion impact	6,741
Tree removal	53,153
Pool Creek	8,806
Housing	6,652,877
Streets and roads	1,198,511
Rate stabilization	44,255
Lighting and landscape	91,102
1982 benefit assessment	198,696
Abandoned vehicle abatement	90,496
Public education	211,321
Total Restricted	$ 8,589,511

The Town has adopted the provisions of GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to these classifications.

The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned, and Unassigned amounts as described below:

Nonspendable: Items that cannot be spent because they are not in spendable form, such as prepaid items, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

Restricted: Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed: Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The Town Council is considered the highest authority for the Town and can commit funds through resolutions.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Town Council has the authority to assign funds and can do so through the budgetary process.

Unassigned: This category is for any balances that have no restrictions placed upon them.

NOTE 12: NET POSITION/FUND BALANCE (CONTINUED)

Spending Policy

The Town's policy is to spend restricted fund balances first, before spending unrestricted fund balances, for expenditures incurred for purposes for which both restricted and unrestricted fund balances are available. The Town does not have a formal policy for its use of unrestricted fund balance amounts. The Town will reduce committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy

According to the Town Council's fiscal management policy, the required minimum general fund balance is equal to 25% of annual expenditures and transfers out. At June 30, 2015, required minimum fund balance amount is $3,774,643, and is included in the unassigned fund balance of $10,927,855.

Investment Earnings

Investment earnings follow the classification of the revenues invested.

Fund balances classifications at June 30, 2015 were:

Fund Balances	General Fund	Housing Fund	Capital Replacement Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:						
Prepaid expenses	$ 104,610	$ -	$ -	$ -	$ 349	$ 104,959
Inventory	54,538				49,861	104,399
Total Nonspendable	159,148				50,210	209,358
Restricted for:						
1982 Benefits Assessment District					198,696	198,696
Asset forfeiture	33,553					33,553
Strong motion	6,741					6,741
Tree removal mitigation	53,153					53,153
Pool creek maintenance	8,806					8,806
Housing		445,115			1,154,753	1,599,868
Gas tax					802,698	802,698
Mobile home rent stabilization					44,255	44,255
Lighting and landscaping					91,102	91,102
Public facilities					698,050	698,050
Park development					572,482	572,482
Traffic mitigation					804,124	804,124
Drainage mitigation					3,558,361	3,558,361
Fire mitigation					163,101	163,101
Transportation					395,813	395,813
Abandoned vehicle abatement					90,496	90,496
Public education					211,321	211,321
Total Restricted	102,253	445,115			8,785,252	9,332,620
Assigned for:						
Future development	100,000					100,000
Capital replacement			9,285,360			9,285,360
Debt service				931,253		931,253
Total Assigned	100,000		9,285,360	931,253		10,316,613
Unassigned	10,927,855				(988)	10,926,867
Total Fund Balances	$ 11,289,256	$ 445,115	$ 9,285,360	$ 931,253	$ 8,834,474	$ 30,785,458

NOTE 13: SUCCESSOR AGENCY TRUST FOR ASSETS AND LIABILITIES OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the Town of Windsor that previously had reported a redevelopment agency within the reporting entity of the Town as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the Town or other unit of local government will agree to serve as the "successor agency" to hold the assets units they are distributed to other units of state and local government.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs that State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the state Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Certain assets, primarily loans receivable, have been retained by the Town, as it has taken over the housing functions of the former Agency. All remaining assets and liabilities have been transferred to the Successor Agency of the former Agency. The Successor Agency is reported in the Town's financial statements as a fiduciary private-purpose trust fund.

NOTE 14: SUCCESSOR AGENCY

A. Long-term debt of the Successor Agency as of June 30, 2015, consisted of the following:

	Balance, July 1, 2014	Additions	Retirements	Balance, June 30, 2015	Due in One year
Fiduciary Activities					
Tax allocation bonds	$ 3,935,000	$ -	$ 3,935,000	$ -	$ -
Discount on tax allocation bonds	(33,381)		(33,381)		
Refunding bonds		3,415,000		3,415,000	588,360
Premium on refunding bonds		186,731	12,660	174,071	17,373
CAL HFA Loans Payable	1,300,000		260,000	1,040,000	
Total Fiduciary Activities	$ 5,201,619	$ 3,601,731	$ 4,174,279	$ 4,629,071	$ 605,733

NOTE 14: SUCCESSOR AGENCY (CONTINUED)

A. Long-term debt of the Successor Agency as of June 30, 2015, consisted of the following: (Continued)

Tax Allocation Bonds - Series 1998

On December 3, 1998 the former Agency issued $4,480,000 of Tax Allocation bonds (Series 1998) to (1) finance acquisition and construction of a downtown park project in the Town of Windsor, (2) establish a reserve fund for the bonds, (3) capitalize a portion of the interest on the bonds, and (4) pay the cost of issuing the bonds. The bonds were issued at a discount of $34,213 and issuance costs were $195,180. Interest on the 1998 bonds is payable on September 1 and March 1 of each year through September 1, 2024, beginning on September 1, 2000. Interest rates on the bonds vary between 3.50 and 4.875 percent. The bonds are secured by a first pledge of and a lien on all of the pledged tax revenues. On January 31, 2012, this bond was transferred to the Successor Agency. During the fiscal year ended June 30, 2015, the Series 1998 bonds were refunded as part of the issuance of the Series 2014 Tax Allocation Refunding Bonds.

Tax Allocation Bonds - Series 2004

On October 7, 2004, the former Agency issued $5,020,000 of Tax Allocation Bonds (Series 2004) to (1) finance acquisition and construction of certain activities in the project area, (2) refund the Agency's 1994 Tax Allocation Bonds in the amount of $3,925,000, and (3) pay the cost of issuing the bonds. The bonds were issued at a discount of $41,534, and issuance costs were $159,518. Principal is payable on September 1 each year through 2024, beginning in 2005. Interest is payable on September 1 and March 1 of each year through September 2024. Interest rates on the bonds vary between 2.00 and 4.60 percent. The bonds are secured by a first pledge of and a lien on all the pledged tax revenues. On January 31, 2012, this bond was transferred to the Successor Agency. During the fiscal year ended June 30, 2015, the Series 2004 bonds were refunded as part of the issuance of the Series 2014 Tax Allocation Refunding Bonds.

Tax Allocation Refunding Bonds – Series 2014

In October of 2014, the Series 1998 and 2004 Tax Allocation Revenue Bonds were advance refunded by the issuance of $6,965,000 of Series 2014 Tax Allocation Refunding Bonds. This refunding was split between the Town (54.95%) and the Successor Agency (45.05%) due to a portion of the proceeds being utilized to defease the 2008 Lease Revenue Bonds of the Town. The advance refunding met the requirements of an in-substance debt defeasance, and the Series 1998 and 2004 bonds were removed from the Agency's long-term liabilities portfolio. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts, plus or minus funds on hand) of $665,711. The aggregate difference in debt service between the old and new debt is $1,792,599. The 2014 Tax Allocation Refunding Bonds are secured by the same collateral as the Series 1998 and 2004 Tax Allocation Bonds. Bond principal is due September 1 of each year beginning September 2015 and the bonds mature on September 1, 2024. Interest is payable on March 1 and September 1 of each year. Interest on the bond varies from 2.0 to 3.0 percent with a final maturity in 2024. The outstanding principal balance of the bonds attributable to the Agency at June 30, 2015 was $3,415,000.

CAL HFA Loans Payable

In January 2007, the Agency entered into a loan agreement with the California Housing Finance Agency ("Cal HFA") for $1,300,000. Interest payable on the loan is 3.5% simple per annum and only charged on the loan amount disbursed. On January 31, 2012, this bond was transferred to the Successor Agency. As of June 30, 2015, the outstanding amount of the loan payable was $1,040,000. Payment is deferred for the term of the loan which expires February 2017.

NOTE 14: SUCCESSOR AGENCY (CONTINUED)

A. Long-term debt of the Successor Agency as of June 30, 2015, consisted of the following: (Continued)

Long-Term Liabilities Bond Amortization:

2014 Tax Allocation Refunding Bonds

Fiscal Year Ended	Principal	Interest	Total
2016	$ 588,360	$ 84,824	$ 673,184
2017	585,920	73,081	659,001
2018	598,166	58,249	656,415
2019	289,277	44,937	334,214
2020	568,748	32,066	600,814
2021-2025	784,529	58,468	842,997
	$ 3,415,000	$ 351,625	$ 3,766,625

B. Deferred Outflows of Resources

Accounting gains or losses resulting from advance refunding of long-term debt is deferred in accordance with GASB Statement No. 23 and No. 65. Deferred amounts on bond refundings are amortized over the shorter of the life of the new debt or refunded debt. The deferred loss on refunding balance on the Statement of Net Position for fiduciary funds was $204,556 at June 30, 2015.

C. Transfers in/out

During the fiscal year ended June 30, 2015, the Capital Assets Private Purpose Trust Fund transferred $1,966,905 to the Debt Service Private Purpose Trust Fund for debt service.

NOTE 15: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a member of the Redwood Empire Municipal Insurance Fund (“REMIF”). REMIF provides insurance coverage for general liability, property, and workers' compensation claims under the terms of a joint-powers agreement with the Town and several other governmental municipalities. REMIF is governed by a Board of Directors consisting of representatives from the original seven agencies, plus two alternative agency voting members. Windsor is not currently a voting member.

REMIF is self-insured up to $500,000 per general liability and $25,000 per property claim and has purchased excess of loss insurance policies providing coverage above the self-insurance limit to a maximum of $40,000,000. REMIF is self-insured up to $1,000,000 per workers' compensation claim and has purchased a commercial policy providing statutory benefits in excess of the self-insured limit. The Town has a $5,000 - $10,000 deductible per claim for general liability, property and workers' compensation cases. When the deductible is met, the fund becomes responsible for payment of the excess claim.

NOTE 15: RISK MANAGEMENT (CONTINUED)

As of the report date, the financial information for REMIF for the fiscal year ended June 30, 2015 was not available. Audited condensed financial information for REMIF for the fiscal year ended June 30, 2014 was as follows:

Total Assets	$	18,191,772
Total Liabilities		15,648,280
Net Position	$	2,543,492
Total Revenues	$	8,797,431
Total Expenses		9,480,853
Change in Net Position	$	(683,422)

The Town maintains its general liability, property, and workers' compensation insurance costs in the Risk Management Fund, an internal service fund. Payments for insurance claims were recorded as expenditures in the funds in which the liabilities were incurred. In accordance with Governmental Accounting Standards Board Statement No. 10, if the third party administrator, Redwood Empire Municipal Insurance Fund, does not insure the loss occurrence then the Town shall accrue a loss, if probable and reasonably estimable. As of June 30, 2015, the Town has no uninsured occurrences. The Town has not used an actuary in determining the liability reserve if needed. Because the actual claim liabilities depend on such complex factors and inflation and changes in legal doctrines and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claims are evaluated periodically to take into account recently settled claims, the frequency of claims and other economic and social factors.

NOTE 16: DEFICIT FUND BALANCES

As of June 30, 2015, the Community Development Block Grant Fund had a deficit fund balance of $988. This deficit will be financed through future revenues to the fund.

NOTE 17: CONTINGENCIES AND COMMITMENTS

The Town participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Town is involved in several pending lawsuits of a nature common to many similar jurisdictions. Town management estimates that potential claims against the Town, not covered by insurance, will not have a material adverse effect on the financial statements of the Town.

Proposition 218, which was approved by the voters in November 1996, regulates the Town's ability to impose, increase and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the Town's ability to finance the services for which the taxes, assessments, and fees were imposed may be significantly impaired.

NOTE 18: SUBSEQUENT EVENTS

On July 15, 2015, the Town Council awarded a construction contract in the amount of $201,187 to Fieldstone Construction for Pleasant Oak Park and Robbins Park furnishing replacement.

On September 16, 2015, the Town Council awarded a construction contract in the amount of $209,913 to Siri Grading and Paving, Inc. for the Sutton Park Improvement Project.

On October 21, 2015, the Town Council awarded a construction contract in the amount of $224,593 to Fieldstone Construction for the Eposti Park Improvement Project.

On November 4, 2015, the Town Council awarded a professional services contract in the amount of $150,000 to LPA, Inc. for the Civic Center Feasibility Study.

On December 2, 2015, the Town Council awarded a purchase agreement in the amount of $432,000 to Owen Equipment for a 2016 Vactor 2011 Plus Truck.

On January 20, 2016, the Town Council awarded a professional services contract in the amount of $477,610 to GHD, Inc. for the Eposti Supply Reliability Well Redevelopment and Treatment Feasibility Project.

On February 17, 2016, the Town Council awarded a construction contract in the amount of $514,000 to Mack Construction for the Windsor Police Department Tenant Improvement Project.

NOTE 19: PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of ($3,172,004) was made on the statement of activities for governmental activities, for an understatement of net pension liability of ($3,512,055), and an understatement of deferred outflows of resources-pension of $340,051 in the prior fiscal year. These adjustments were related to the implementation of GASB Statement Nos. 68 and 71.

A prior period adjustment of ($3,704,118) was made on the statement of activities for business-type activities, for an understatement of net pension liability of ($4,101,214), and an understatement of deferred outflows of resources-pension of $397,096 in the prior fiscal year. These adjustments were related to the implementation of GASB Statement Nos. 68 and 71.

A prior period adjustment of ($1,711,473) was made on the statement of revenues, expenditures and changes in net position for an understatement of net pension liability of ($1,894,950) and an understatement of deferred outflows of resources-pension of $183,477 in the Water Fund in the prior fiscal year. These adjustments were related to the implementation of GASB Statement Nos. 68 and 71.

A prior period adjustment of ($1,992,645) was made on the statement of revenues, expenditures and changes in net position for an understatement of net pension liability of ($2,206,264) and an understatement of deferred outflows of resources-pension of $213,619 in the Water Reclamation Fund in the prior fiscal year. These adjustments were related to the implementation of GASB Statement Nos. 68 and 71.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WINDSOR
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFITS (OPEB)

Actuarial Valuation Date	Actuarial Normal Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL* as a % of Covered Payroll
6/30/2009	$ 446,000	$ -	$ 446,000	0%	$ 6,817,000	7%
6/30/2012	507,000		507,000	0%	6,474,000	8%
6/30/2015	666,000		666,000	0%	7,549,000	9%

TOWN OF WINDSOR
REQUIRED SUPPLEMENTARY INFORMATION

Prepared for the Town of Windsor, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015

Schedule of the Town's Proportionate Share of the Net Pension Liability – Last 10 Years*

	June 30, 2015
Proportion of the net pension liability	0.08955%
Proportionate share of the net pension liability	$ 5,571,936
Covered employee payroll	$ 6,711,770
Proportionate Share of the net pension liability as a percentage of covered employee payroll	83.02%
Plan's fiduciary net position	$ 27,259,677
Plan's total pension liability	$ 32,831,613
Plan fiduciary net position as a percentage of total pension liability	83.03%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

***Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.**

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TOWN OF WINDSOR
REQUIRED SUPPLEMENTARY INFORMATION

Prepared for the Town of Windsor, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015

Schedule of Contributions – Last 10 Years*

	June 30, 2015
Contractual required contribution (actuarially determined)	$ 724,448
Contributions in relation to the actuarially determined contributions	(724,448)
Contribution deficiency (excess)	$ -
Covered employee payroll	7,621,797
Contributions as a percentage of covered employee payroll	9.50%

Notes to Schedule

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Investment Rate of Return	7.50%, net of pension plan investment and administrative Expenses; includes Inflation
Mortality Rate Table [(1)]	Derived using CalPERS' Membership Data for all Funds

[(1)]The mortality table was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

***Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.**

TOWN OF WINDSOR
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - General Fund and Major Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	General Fund			
	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	$ 6,300,930	$ 6,128,482	$ 7,288,127	$ 1,159,645
Sales taxes	2,703,757	2,668,185	2,900,998	232,813
Other taxes	2,651,530	2,578,129	2,876,650	298,521
Licenses, permits, and fees	402,716	394,081	956,032	561,951
Fines and forfeitures	54,500	54,500	56,106	1,606
Rental income	73,051	71,555	79,399	7,844
Use of money and property	80,000	75,000	97,783	22,783
Intergovernmental	240,000	115,000	126,616	11,616
Charges for services	632,900	632,900	624,094	(8,806)
Other revenues	318,487	327,011	470,792	143,781
TOTAL REVENUES	13,457,871	13,044,843	15,476,597	2,431,754
EXPENDITURES:				
Current:				
General administration	1,510,693	2,527,821	2,981,271	(453,450)
Public safety	6,486,605	6,487,452	6,229,553	257,899
Public works	1,064,022	1,064,022	1,042,746	21,276
Community development	3,140,544	3,401,183	2,266,127	1,135,056
Capital outlay	1,361,000	3,518,998	1,098,671	2,420,327
TOTAL EXPENDITURES	13,562,864	16,999,476	13,618,368	3,381,108
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(104,993)	(3,954,633)	1,858,229	5,812,862
OTHER FINANCING SOURCES (USES):				
Transfers in	107,459	136,776	104,244	(32,532)
Transfers out	(1,529,962)	(1,529,962)	(1,480,203)	49,759
TOTAL OTHER FINANCING SOURCES (USES)	(1,422,503)	(1,393,186)	(1,375,959)	17,227
NET CHANGE IN FUND BALANCES	(1,527,496)	(5,347,819)	482,270	5,830,089
FUND BALANCES, JULY 1, 2014	10,806,986	10,806,986	10,806,986	
FUND BALANCES, JUNE 30, 2015	$ 9,279,490	$ 5,459,167	$ 11,289,256	$ 5,830,089

Housing Fund			
Budget Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
$ -	$ -	$ -	$ -
20	20	10,929	10,909
		50,000	50,000
20	20	60,929	60,909
20	20	60,929	60,909
20	20	60,929	60,909
384,186	384,186	384,186	
$ 384,206	$ 384,206	$ 445,115	$ 60,909

SUPPLEMENTARY INFORMATION

TOWN OF WINDSOR
Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Capital Replacement Fund
For the Fiscal Year Ended June 30, 2015

	Capital Replacement Fund			
	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	$ 35,565	$ 35,565	$ 73,577	$ 38,012
Other revenues	234,095	234,095		(234,095)
TOTAL REVENUES	269,660	269,660	73,577	(196,083)
EXPENDITURES:				
Current:				
General administration				
Capital outlay	897,000	1,915,784	771,527	1,144,257
TOTAL EXPENDITURES	897,000	1,915,784	771,527	1,144,257
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(627,340)	(1,646,124)	(697,950)	948,174
OTHER FINANCING SOURCES (USES):				
Transfers in	300,000	300,000	300,000	
TOTAL OTHER FINANCING SOURCES (USES)	300,000	300,000	300,000	
NET CHANGE IN FUND BALANCES	(327,340)	(1,346,124)	(397,950)	948,174
FUND BALANCES, JULY 1, 2014	9,683,310	9,683,310	9,683,310	
FUND BALANCES, JUNE 30, 2015	$ 9,355,970	$ 8,337,186	$ 9,285,360	$ 948,174

TOWN OF WINDSOR
Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	Debt Service Fund			
	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	$ 16,000	$ 16,000	$ 13,717	$ (2,283)
Contribution from trust fund	967,521	967,521	835,991	(131,530)
TOTAL REVENUES	983,521	983,521	849,708	(133,813)
EXPENDITURES:				
Current:				
General administration	38,293	38,293	4,341	33,952
Debt Service:				
Principal	1,079,100	1,079,100	1,079,100	
Interest	308,670	308,670	210,454	98,216
Cost of debt issuance			143,913	(143,913)
TOTAL EXPENDITURES	1,426,063	1,426,063	1,437,808	(11,745)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(442,542)	(442,542)	(588,100)	(145,558)
OTHER FINANCING SOURCES (USES):				
Transfers in	243,067	1,209,142	246,282	(962,860)
Proceeds from issuance of debt		4,115,000	3,550,000	(565,000)
Premium from issuance of debt			170,836	170,836
Payment to refunded debt escrow agent		(5,230,000)	(4,415,265)	814,735
TOTAL OTHER FINANCING SOURCES (USES)	243,067	94,142	(448,147)	(542,289)
NET CHANGE IN FUND BALANCES	(199,475)	(348,400)	(1,036,247)	(687,847)
FUND BALANCES, JULY 1, 2014	1,967,500	1,967,500	1,967,500	
FUND BALANCES, JUNE 30, 2015	$ 1,768,025	$ 1,619,100	$ 931,253	$ (687,847)

GENERAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column General Funds.

GENERAL FUNDS

General Fund
This fund is used to account for revenues for the Town's general use.

Asset Forfeiture Fund
This fund is used to account for asset forfeiture revenue received from other government entities.

Strong Motion Fund
This fund is used to account for building permits for seismic education and data utilization.

Grant Special Revenue Fund (Police Grants)
This fund is used to account for grant special revenue and investment income for the Town.

Tree Removal Mitigation Fund
This fund is used to account for developer fees for maintenance and replacement of trees.

Pool Creek Maintenance Fund
This fund is used to account for funds established for the maintenance of Pool Creek at the Greens subdivision.

TOWN OF WINDSOR
Combining Balance Sheet
General Funds
June 30, 2015

	General Fund	Asset Forfeiture Fund	Strong Motion Fund
ASSETS:			
Cash and investments	$ 11,767,585	$ 33,535	$ 13,520
Accounts receivable	1,208,501		
Interest receivable	10,400	18	7
Due from other funds	11,476		
Prepaid expenses	104,610		
Inventory	54,538		
TOTAL ASSETS	$ 13,157,110	$ 33,553	$ 13,527
LIABILITIES:			
Accounts payable	$ 1,679,088	$ -	$ 6,786
Accrued liabilities	162,928		
Unearned revenue			
Deposits payable	89,993		
TOTAL LIABILITIES	1,932,009		6,786
DEFERRED INFLOWS OF RESOURCES:			
Deferred revenue - unavailable revenue	38,098		
TOTAL DEFERRED INFLOWS OF RESOURCES	38,098		
FUND BALANCES:			
Nonspendable	159,148		
Restricted		33,553	6,741
Assigned	100,000		
Unassigned	10,927,855		
TOTAL FUND BALANCES	11,187,003	33,553	6,741
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 13,157,110	$ 33,553	$ 13,527

Tree Removal Mitigation Fund	Pool Creek Maintenance Fund	Total General Funds
$ 380,147	$ 8,801	$ 12,203,588
		1,208,501
206	5	10,636
		11,476
		104,610
		54,538
$ 380,353	$ 8,806	$ 13,593,349
$ -	$ -	$ 1,685,874
		162,928
		-
327,200		417,193
327,200		2,265,995
		38,098
		38,098
		159,148
53,153	8,806	102,253
		100,000
		10,927,855
53,153	8,806	11,289,256
$ 380,353	$ 8,806	$ 13,593,349

TOWN OF WINDSOR
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Funds
For the Fiscal Year Ended June 30, 2015

	General Fund	Asset Forfeiture Fund	Strong Motion Fund
REVENUES:			
Property taxes	$ 7,288,127	$ -	$ -
Sales taxes	2,900,998		
Other taxes	2,876,650		
Licenses, permits, and fees	956,032		
Fines and forfeitures	56,106		
Rental income	79,399		
Investment earnings	94,961	251	72
Intergovernmental	126,222		394
Charges for services	624,094		
Other revenue	470,792		
TOTAL REVENUES	15,473,381	251	466
EXPENDITURES:			
Current:			
General administration	2,981,271		
Public safety	6,229,553		
Public works	1,042,746		
Community development	2,266,127		
Capital outlay	1,098,671		
TOTAL EXPENDITURES	13,618,368		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,855,013	251	466
OTHER FINANCING SOURCES (USES):			
Transfers in	104,244		
Transfers out	(1,480,203)		
TOTAL OTHER FINANCING SOURCES (USES)	(1,375,959)		
NET CHANGES IN FUND BALANCES	479,054	251	466
FUND BALANCES, JULY 1, 2014	10,707,949	33,302	6,275
FUND BALANCES, JUNE 30, 2015	$ 11,187,003	$ 33,553	$ 6,741

Tree Removal Mitigation Fund	Pool Creek Maintenance Fund	Total General Funds
$ -	$ -	$ 7,288,127
		2,900,998
		2,876,650
		956,032
		56,106
		79,399
2,429	70	97,783
		126,616
		624,094
		470,792
2,429	70	15,476,597
		2,981,271
		6,229,553
		1,042,746
		2,266,127
		1,098,671
		13,618,368
2,429	70	1,858,229
		104,244
		(1,480,203)
		(1,375,959)
2,429	70	482,270
50,724	8,736	10,806,986
$ 53,153	$ 8,806	$ 11,289,256

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

Gas Tax Fund
This fund is used to account for State revenue received pursuant to Street and Highway Code Sections 2103, 2105, 2106, 2107, and 2107.5 to fund maintenance and construction of streets and roads not funded through another source.

Transportation Grant Fund
This fund is used to track grant funds from various sources for transportation, pedestrian and bicycle improvements. Matching participation funds may come from a variety of sources including the General Fund, Gas Tax, and Measure M.

Transportation Development Act Fund
This fund is used to account for the Town's contribution to Sonoma County Transit including local services, bus stop improvements, and other projects.

Mobile Home Rent Stabilization Fund
This fund is used to account for park owner fees for administration of the Mobile Home Rent Stabilization Ordinance.

Lighting and Landscaping Assessment Fund
This fund is used to account for assessment fees to repair and maintain lighting and landscaping including Shadetree Oak-Tree and Senior Center maintenance.

Lighting and Landscaping Assessment Fund No.2
This fund is used to account for assessment fees to operate and maintain lighting and landscaping for the Shiloh Oaks development and a new general park supplemental zone.

1982 Benefits Assessment District Fund
This fund is used to account for costs associated with the operation and maintenance of the storm drain and flood control facilities (Airport Creek) constructed with the Shiloh Oaks development.

Abandoned Vehicle Abatement Fund
This fund is used to account for the fees related to the removal and disposal of abandoned, wrecked, dismantled, or inoperative vehicles.

Public Education and Government Grant Fund
This fund is used to account for cable subscription fees funded in order to provide public, educational, and government access to the Town.

Community Development Block Grant Fund
This fund is used to account for federal revenue from the Community Development Block Grant.

Public Facilities Fund
This fund is used to account for public facilities impact fees for acquisition, development, and enhancement of Town facilities.

Traffic Mitigation Fund - This fund is used to account for developer fees for the construction and implementation of improvements to the transportation system sufficient to accommodate the traffic volumes generated from new development.

Housing Inclusionary Fund
This fund is used to account for affordable housing activities.

CAPITAL PROJECT FUNDS

Park Development
This fund is used to account for developer fees for the acquisition, development, and enhancement of neighborhood and community park and recreation facilities.

Drainage Mitigation
This fund is used to account for the construction of drainage facilities to mitigate cumulative drainage impacts arising from new developments.

Fire Mitigation
This fund is used to account for the fire impact fees which were established to mitigate the impact caused by future development in the Town.

TOWN OF WINDSOR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Gas Tax Fund	Transportation Grant Grant Fund	Transportation Development Act Fund
ASSETS:			
Cash and investments	$ 974,953	$ 353,692	$ -
Accounts receivable		62,495	
Interest receivable	531	191	
Prepaid expenses			
Inventory	49,861		
Notes receivable			
TOTAL ASSETS	$ 1,025,345	$ 416,378	$ -
LIABILITIES:			
Accounts payable	$ 85,323	$ 20,565	$ -
Accrued liabilities	19,981		
Due to other funds	67,482		
TOTAL LIABILITIES	172,786	20,565	
DEFERRED INFLOWS OF RESOURCES:			
Deferred revenue - unavailable revenue			
TOTAL DEFERRED INFLOWS OF RESOURCES			
FUND BALANCES:			
Nonspendable	49,861		
Restricted	802,698	395,813	
Unassigned			
TOTAL FUND BALANCES (DEFICIT)	852,559	395,813	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,025,345	$ 416,378	$ -

Mobile Home Rent Stabilization Fund	Lighting and Landscape Assessment Fund	Lighting and Landscape Assessment #2 Fund	1982 Benefits Assessment District Fund
$ 44,231	$ 241,650	$ 28,545	$ 199,032
	30,700		
24	90	17	
$ 44,255	$ 272,440	$ 28,562	$ 199,032
$ -	$ 86,880	$ 1,660	$ 336
	30,692	551	
	88,810	1,307	
	206,382	3,518	336
44,255	66,058	25,044	198,696
44,255	66,058	25,044	198,696
$ 44,255	$ 272,440	$ 28,562	$ 199,032

(Continued)

TOWN OF WINDSOR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015
(Continued)

	Abandoned Vehicle Abatement Program Fund	Public Education and Government Grant Fund	Community Development Block Grant Fund
ASSETS:			
Cash and investments	$ 86,526	$ 194,949	$ -
Accounts receivable	3,997	18,756	12,894
Interest receivable		105	
Prepaid expenses		349	
Inventory			
Notes receivable			
TOTAL ASSETS	$ 90,523	$ 214,159	$ 12,894
LIABILITIES:			
Accounts payable	$ 27	$ 1,546	$ 2,406
Accrued liabilities		428	
Due to other funds		515	11,476
TOTAL LIABILITIES	27	2,489	13,882
DEFERRED INFLOWS OF RESOURCES:			
Deferred revenue - unavailable revenue			
TOTAL DEFERRED INFLOWS OF RESOURCES			
FUND BALANCES:			
Nonspendable		349	
Restricted	90,496	211,321	
Unassigned			(988)
TOTAL FUND BALANCES (DEFICIT)	90,496	211,670	(988)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 90,523	$ 214,159	$ 12,894

Public Facilities Fund	Traffic Mitigation Fund	Housing Inclusionary Fund	Park Development Fund
$ 697,673	$ 836,113	$ 1,154,753	$ 586,471
377	454		317
	467,289		62,840
$ 698,050	$ 1,303,856	$ 1,154,753	$ 649,628
$ -	$ 13,629	$ -	$ 8,706
	8,628		1,417
	10,186		4,183
	32,443		14,306
	467,289		62,840
	467,289		62,840
698,050	804,124	1,154,753	572,482
698,050	804,124	1,154,753	572,482
$ 698,050	$ 836,567	$ 1,154,753	$ 586,788

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TOWN OF WINDSOR
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015
(Continued)

	Drainage Mitigation Fund	Fire Mitigation Fund	Total Nonmajor Governmental Funds
ASSETS:			
Cash and investments	$ 3,595,693	$ 163,013	$ 9,157,294
Accounts receivable			128,842
Interest receivable	1,944	88	4,138
Prepaid expenses			349
Inventory			49,861
Notes receivable	24,337		554,466
TOTAL ASSETS	$ 3,621,974	$ 163,101	$ 9,894,950
LIABILITIES:			
Accounts payable	$ 3,810	$ -	$ 224,888
Accrued liabilities	1,977		63,674
Due to other funds	33,489		217,448
TOTAL LIABILITIES	39,276		506,010
DEFERRED INFLOWS OF RESOURCES:			
Deferred revenue - unavailable revenue	24,337		554,466
TOTAL DEFERRED INFLOWS OF RESOURCES	24,337		554,466
FUND BALANCES:			
Nonspendable			50,210
Restricted	3,558,361	163,101	8,785,252
Unassigned			(988)
TOTAL FUND BALANCES (DEFICIT)	3,558,361	163,101	8,834,474
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,597,637	$ 163,101	$ 9,340,484

TOWN OF WINDSOR
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Gas Tax Fund	Transportation Grant Fund	Transportation Development Act Fund
REVENUES:			
Property taxes	$ -	$ -	$ -
Use of money and property	7,349	1,721	
Intergovernmental	694,657	729,599	1,108,099
Charges for services			
Other revenue	8,376		
TOTAL REVENUES	710,382	731,320	1,108,099
EXPENDITURES:			
Current:			
General administration			
Public safety			
Public works			
Community development			
Streets and roads	836,583	68,944	1,108,099
Drainage			
Housing			
Capital outlay		679,667	
TOTAL EXPENDITURES	836,583	748,611	1,108,099
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(126,201)	(17,291)	
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGES IN FUND BALANCES	(126,201)	(17,291)	
FUND BALANCES (DEFICIT), JULY 1, 2014	978,760	413,104	
FUND BALANCES (DEFICIT), JUNE 30, 2015	$ 852,559	$ 395,813	$ -

Mobile Home Rent Stabilization Fund	Lighting and Landscape Assessment Fund	Lighting and Landscape Assessment #2 Fund	1982 Benefits Assessment District Fund
$ -	$ 2,682	$ -	$ -
349	536	188	1,546
	878,793	44,181	33,374
	4,104		
349	886,115	44,369	34,920
	421,519		
	1,524,190	32,867	
			18,323
85			
85	1,945,709	32,867	18,323
264	(1,059,594)	11,502	16,597
	1,049,208		
	1,049,208		
264	(10,386)	11,502	16,597
43,991	76,444	13,542	182,099
$ 44,255	$ 66,058	$ 25,044	$ 198,696

TOWN OF WINDSOR
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	Abandoned Vehicle Abatement Program Fund	Public Education and Government Grant Fund
REVENUES:		
Property taxes	$ -	$ -
Use of money and property	562	1,387
Intergovernmental	16,825	72,178
Charges for services		
Other revenue		679
TOTAL REVENUES	17,387	74,244
EXPENDITURES:		
Current:		
General administration		47,358
Public safety	6,538	
Public works		
Community development		
Streets and roads		
Drainage		
Housing		
Capital outlay		
TOTAL EXPENDITURES	6,538	47,358
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,849	26,886
OTHER FINANCING SOURCES (USES):		
Transfers in		
Transfers out		
TOTAL OTHER FINANCING SOURCES (USES)		
NET CHANGES IN FUND BALANCES	10,849	26,886
FUND BALANCES (DEFICIT), JULY 1, 2014	79,647	184,784
FUND BALANCES (DEFICIT), JUNE 30, 2015	$ 90,496	$ 211,670

Community Development Block Grant	Public Facilities Fund	Traffic Mitigation Fund	Housing Inclusionary Fund	Park Development Fund
$ -	$ -	$ -	$ -	$ -
	4,532	6,248		5,563
122,153			1,154,753	
	354,282	541,747		57,774
		79,747		
122,153	358,814	627,742	1,154,753	63,337
				195,526
		304,623		
60,870				1,100
60,870		304,623		196,626
61,283	358,814	323,119	1,154,753	(133,289)
	(218,040)			
	(218,040)			
61,283	140,774	323,119	1,154,753	(133,289)
(62,271)	557,276	481,005		705,771
$ (988)	$ 698,050	$ 804,124	$ 1,154,753	$ 572,482

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TOWN OF WINDSOR
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	Drainage Mitigation Fund	Fire Mitigation Fund	Total Nonmajor Governmental Funds
REVENUES:			
Property taxes	$ -	$ -	$ 2,682
Use of money and property	27,581	1,161	58,723
Intergovernmental			3,898,264
Charges for services	141,394	88,762	2,140,307
Other revenue	48		92,954
TOTAL REVENUES	169,023	89,923	6,192,930
EXPENDITURES:			
Current:			
General administration			47,358
Public safety		71,421	77,959
Public works			421,519
Community development			1,752,583
Streets and Roads			2,336,572
Drainage	173,359		173,359
Housing			85
Capital outlay			741,637
TOTAL EXPENDITURES	173,359	71,421	5,551,072
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,336)	18,502	641,858
OTHER FINANCING SOURCES (USES):			
Transfers in			1,049,208
Transfers out			(218,040)
TOTAL OTHER FINANCING SOURCES (USES)			831,168
NET CHANGES IN FUND BALANCES	(4,336)	18,502	1,473,026
FUND BALANCES (DEFICIT), JULY 1, 2014	3,562,697	144,599	7,361,448
FUND BALANCES (DEFICIT), JUNE 30, 2015	$ 3,558,361	$ 163,101	$ 8,834,474

TOWN OF WINDSOR
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Gas Tax Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Property tax	$ -	$ -	$ -
Use of money and property	4,378	7,349	2,971
Intergovernmental	802,235	694,657	(107,578)
Charges for Services			
Other revenue		8,376	8,376
TOTAL REVENUES	806,613	710,382	(96,231)
EXPENDITURES:			
Current:			
General administration			
Public safety			
Public works			
Community development			
Streets and roads	949,957	836,583	113,374
Drainage			
Housing			
Capital outlay			
TOTAL EXPENDITURES	949,957	836,583	113,374
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(143,344)	(126,201)	17,143
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES) SOURCES (USES)			
NET CHANGE IN FUND BALANCES	(143,344)	(126,201)	17,143
FUND BALANCES (DEFICITS), JULY 1, 2014	978,760	978,760	
FUND BALANCES (DEFICITS), JUNE 30, 2015	$ 835,416	$ 852,559	$ 17,143

Transportation Grant Fund			Transportation Development Act Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -
	1,721	1,721			
1,470,942	729,599	(741,343)	1,108,099	1,108,099	
1,470,942	731,320	(739,622)	1,108,099	1,108,099	
	68,944	(68,944)	1,108,099	1,108,099	
2,959,875	679,667	2,280,208			
2,959,875	748,611	2,211,264	1,108,099	1,108,099	
(1,488,933)	(17,291)	1,471,642			
(1,488,933)	(17,291)	1,471,642			
413,104	413,104				
$ (1,075,829)	$ 395,813	$ 1,471,642	$ -	$ -	$ -

(Continued)

TOWN OF WINDSOR
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	Mobile Home Rent Stabilization Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Property tax	$ -	$ -	$ -
Use of money and property	273	349	76
Intergovernmental			
Charges for services	13,512		(13,512)
Other revenue			
TOTAL REVENUES	13,785	349	(13,436)
EXPENDITURES:			
Current:			
General administration	3,500		3,500
Public safety			
Public works			
Community development			
Streets and roads			
Drainage			
Housing		85	(85)
Capital outlay			
TOTAL EXPENDITURES	3,500	85	3,415
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,285	264	(10,021)
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	10,285	264	(10,021)
FUND BALANCES (DEFICITS), JULY 1, 2014	43,991	43,991	
FUND BALANCES (DEFICITS), JUNE 30, 2015	$ 54,276	$ 44,255	$ (10,021)

Lighting and Landscaping Assessment District Fund			Lighting and Landscaping Assessment District Fund #2		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 1,350	$ 2,682	$ 1,332	$ -	$ -	$ -
1,546	536	(1,010)		188	188
881,360	878,793	(2,567)	42,391	44,181	1,790
1,097,544	4,104	(1,093,440)			
1,981,800	886,115	(1,095,685)	42,391	44,369	1,978
440,124	421,519	18,605			
1,606,568	1,524,190	82,378	48,205	32,867	15,338
2,046,692	1,945,709	100,983	48,205	32,867	15,338
(64,892)	(1,059,594)	(994,702)	(5,814)	11,502	17,316
	1,049,208	1,049,208			
	1,049,208	1,049,208			
(64,892)	(10,386)	54,506	(5,814)	11,502	17,316
76,444	76,444		13,542	13,542	
$ 11,552	$ 66,058	$ 54,506	$ 7,728	$ 25,044	$ 17,316

(Continued)

TOWN OF WINDSOR
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	1982 Benefit Assessment District Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Property tax	$ -	$ -	$ -
Use of money and property		1,546	1,546
Intergovernmental			
Charges for services	44,559	33,374	(11,185)
Other revenue			
TOTAL REVENUES	44,559	34,920	(9,639)
EXPENDITURES:			
Current:			
General administration			
Public safety			
Public works			
Community development			
Streets and roads	33,373	18,323	15,050
Drainage			
Housing			
Capital outlay			
TOTAL EXPENDITURES	33,373	18,323	15,050
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,186	16,597	5,411
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	11,186	16,597	5,411
FUND BALANCES (DEFICITS), JULY 1, 2014	182,099	182,099	
FUND BALANCES (DEFICITS), JUNE 30, 2015	$ 193,285	$ 198,696	$ 5,411

Abandoned Vehicle Abatement Program Fund			Community Development Block Grant Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -
317	562	245			
20,000	16,825	(3,175)	190,717	122,153	(68,564)
		-			
20,317	17,387	(2,930)	190,717	122,153	(68,564)
17,968	6,538	11,430			
			287,830	60,870	226,960
17,968	6,538	11,430	287,830	60,870	226,960
2,349	10,849	8,500	(97,113)	61,283	158,396
2,349	10,849	8,500	(97,113)	61,283	158,396
79,647	79,647		(62,271)	(62,271)	
$ 81,996	$ 90,496	$ 8,500	$ (159,384)	$ (988)	$ 158,396

(Continued)

TOWN OF WINDSOR
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	Public, Education and Government Grant Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Property tax	$ -	$ -	$ -
Use of money and property	819	1,387	568
Intergovernmental	78,576	72,178	(6,398)
Charges for services			
Other revenue		679	679
TOTAL REVENUES	79,395	74,244	(5,151)
EXPENDITURES:			
Current:			
General administration	63,969	47,358	16,611
Public safety			
Public works			
Community development			
Streets and roads			
Drainage			
Housing			
Capital outlay			
TOTAL EXPENDITURES	63,969	47,358	16,611
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,426	26,886	11,460
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	15,426	26,886	11,460
FUND BALANCES (DEFICITS), JULY 1, 2014	184,784	184,784	
FUND BALANCES (DEFICITS), JUNE 30, 2015	$ 200,210	$ 211,670	$ 11,460

Public Facilities Fund			Traffic Mitigation Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -
1,691	4,532	2,841	3,044	6,248	3,204
75,000	354,282	279,282	290,000	541,747	251,747
				79,747	79,747
76,691	358,814	282,123	293,044	627,742	334,698
			350,223	304,623	45,600
			350,223	304,623	45,600
76,691	358,814	282,123	(57,179)	323,119	380,298
(218,040)	(218,040)				
(218,040)	(218,040)				
(141,349)	140,774	282,123	(57,179)	323,119	380,298
557,276	557,276		481,005	481,005	
$ 415,927	$ 698,050	$ 282,123	$ 423,826	$ 804,124	$ 380,298

(Continued)

TOWN OF WINDSOR
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	Park Development Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Property tax	$ -	$ -	$ -
Use of money and property	3,294	5563	2,269
Intergovernmental			
Charges for services		57,774	57,774
Other revenue			
TOTAL REVENUES	3,294	63,337	60,043
EXPENDITURES:			
Current:			
General administration			
Public safety			
Public works			
Community development	241,790	195,526	46,264
Streets and roads			
Drainage			
Housing			
Capital outlay		1,100	(1,100)
TOTAL EXPENDITURES	241,790	196,626	45,164
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(238,496)	(133,289)	105,207
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	(238,496)	(133,289)	105,207
FUND BALANCES (DEFICITS), JULY 1, 2014	705,771	705,771	
FUND BALANCES (DEFICITS), JUNE 30, 2015	$ 467,275	$ 572,482	$ 105,207

Drainage Mitigation Fund			Fire Mitigation Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -
18,503	27,581	9,078	2,486	1,161	(1,325)
136,000	141,394	5,394	10,000	88,762	78,762
	48	48			
154,503	169,023	14,520	12,486	89,923	77,437
			71,421	71,421	
497,821	173,359	324,462			
497,821	173,359	324,462		71,421	(71,421)
(343,318)	(4,336)	338,982	12,486	18,502	6,016
(343,318)	(4,336)	338,982	12,486	18,502	6,016
3,562,697	3,562,697		144,599	144,599	
$ 3,219,379	$ 3,558,361	$ 338,982	$ 157,085	$ 163,101	$ 6,016

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PROPRIETARY FUNDS

The specific proprietary funds used by the Town are as follows:

Water Reclamation Fund
This fund accounts for the operation and maintenance of the Town's wastewater collection system, the wastewater treatment facility, and the recycled waste disposal and distribution system.

Water Fund
This fund accounts for the operation and maintenance of the Town's water distribution system.

TOWN OF WINDSOR
Combining Statement of Net Position
Proprietary Funds
June 30, 2015

	Water Reclamation			
	Operating	Capital Replacement	Capital	Total
ASSETS:				
Current Assets				
Cash and investments	$ 7,696,722	$ 3,582,715	$ -	$ 11,279,437
Accounts receivable	1,464,039			1,464,039
Interest receivable	3,824	3,228		7,052
Prepaid expenses	1,216			1,216
Inventory	35,309			35,309
Due from other funds		3,189,537		3,189,537
TOTAL CURRENT ASSETS	9,201,110	6,775,480		15,976,590
Non-Current Assets				
Notes receivable	619,255			619,255
Capital assets, net of accumulated depreciation	54,189,026			54,189,026
TOTAL NON-CURRENT ASSETS	54,808,281			54,808,281
TOTAL ASSETS	64,009,391	6,775,480		70,784,871
DEFERRED OUTFLOWS OF RESOURCES:				
Pension	$ 211,886			211,886
Deferred loss on refunding of debt	101,468			101,468
TOTAL DEFERRED OUTFLOWS OF RESOURCES	313,354			313,354
LIABILITIES:				
Current Liabilities				
Accounts payable	239,847	145,256		385,103
Accrued liabilities	94,032	2,453		96,485
Accrued interest payable	779		121,363	122,142
Deposits payable	80,902			80,902
Due to other funds	328,375	14,959	3,189,537	3,532,871
Long-term liabilities - current portion	18,915		695,078	713,993
TOTAL CURRENT LIABILITIES	762,850	162,668	4,005,978	4,931,496
Non-Current Liabilities				
Compensated absences	109,706	4,041		113,747
Net pension liability	1,614,702			1,614,702
Loans payable			3,220,578	3,220,578
Bonds payable	141,515		3,102,400	3,243,915
TOTAL NON-CURRENT LIABILITIES	1,865,923	4,041	6,322,978	8,192,942
TOTAL LIABILITIES	2,628,773	166,709	10,328,956	13,124,438
DEFERRED INFLOWS OF RESOURCES:				
Pension	542,615			542,615
TOTAL DEFERRED INFLOWS OF RESOURCES	542,615			542,615
NET POSITION:				
Net investment in capital assets	54,130,064		(7,018,056)	47,112,008
Unrestricted	7,021,293	6,608,771	(3,310,900)	10,319,164
TOTAL NET POSITION (DEFICIT)	$ 61,151,357	$ 6,608,771	$ (10,328,956)	$ 57,431,172

TOWN OF WINDSOR
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Water Reclamation			
	Operating	Capital Replacement	Capital	Total
OPERATING REVENUES				
Charges for services, net of refunds	$ 7,815,016	$ -	$ 381,022	$ 8,196,038
Other revenue	158,641			158,641
TOTAL OPERATING REVENUE	7,973,657		381,022	8,354,679
OPERATING EXPENSES				
Salaries and benefits	2,960,594	75,791		3,036,385
Materials, supplies, and operational expenses	1,169,354	111,467		1,280,821
Repairs and maintenance	228,842			228,842
Insurance	74,006			74,006
Contractual services	1,430,456	44,033		1,474,489
Taxes and licenses	49,939			49,939
Utilities	453,923			453,923
Depreciation	2,245,906			2,245,906
TOTAL OPERATING EXPENSES	8,613,020	231,291		8,844,311
OPERATING INCOME (LOSS)	(639,363)	(231,291)	381,022	(489,632)
NON-OPERATING REVENUES (EXPENSES)				
Amortization expense	(4,325)			(4,325)
Rental income	282,706		30,932	313,638
Interest income	44,017	48,691		92,708
Interest expense	(250,496)		(1,383)	(251,879)
Loss on disposal of assets		(11,893)		(11,893)
Property taxes	2,146			2,146
TOTAL NON-OPERATING REVENUE (EXPENSES)	74,048	36,798	29,549	140,395
INCOME (LOSS) BEFORE TRANSFERS	(565,315)	(194,493)	410,571	(349,237)
TRANSFERS				
Transfers in	723,230	1,087,144		1,810,374
Transfer out	(1,193,195)		(618,434)	(1,811,629)
TOTAL TRANSFERS	(469,965)	1,087,144	(618,434)	(1,255)
Changes in Net Postion	(1,035,280)	892,651	(207,863)	(350,492)
Total Net Position (Deficit) - July 1, 2014	64,179,282	5,716,120	(10,121,093)	59,774,309
Prior Period Adjustments	(1,992,645)			(1,992,645)
Net Position (Deficit) - July 1, 2014, restated	62,186,637	5,716,120	(10,121,093)	57,781,664
Total Net Position (Deficit) - June 30, 2015	$ 61,151,357	$ 6,608,771	$ (10,328,956)	$ 57,431,172

TOWN OF WINDSOR
Combining Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Water Reclamation			
	Operating	Capital Replacement	Capital	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 7,400,661	$ -	$ 381,043	$ 7,781,704
Cash paid to suppliers	(3,704,117)	(21,144)	(209)	(3,725,470)
Cash paid to employees	(2,986,944)	(74,797)		(3,061,741)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	709,600	(95,941)	380,834	994,493
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	2,146			2,146
Transfers (to) from other funds	(469,965)	1,087,144	(618,434)	(1,255)
Repayment on interfund activity	(101,223)	(874,870)	872,436	(103,657)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(569,042)	212,274	254,002	(102,766)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(557,830)			(557,830)
Principal paid on capital debt	(11,150)		(674,757)	(685,907)
Interest paid on capital debt	(250,446)		(1,383)	(251,829)
NET CASH PROVIDED (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES	(819,426)		(676,140)	(1,495,566)
CASH FLOWS FROM INVESTING ACTIVITIES:				
(Purchase) disposal of investments	739,558	(98,397)		641,161
Rental income	282,706		30,932	313,638
Interest received	5,151	4,826	10,372	20,349
NET CASH PROVIDED (USED BY) INVESTING ACTIVITIES	1,027,415	(93,571)	41,304	975,148
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	348,547	22,762		371,309
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	3,971,707	664,988		4,636,695
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	$ 4,320,254	$ 687,750	$ -	$ 5,008,004
RECONCILATION OF CASH AND CASH EQUIVALENTS:				
Cash and investments	$ 7,696,722	$ 3,582,715	$ -	$11,279,437
Less: investments that do not meet the definition of cash equivalents	(3,376,468)	(2,894,965)		(6,271,433)
TOTAL CASH AND CASH EQUIVALENTS	$ 4,320,254	$ 687,750	$ -	$ 5,008,004

TOWN OF WINDSOR
Combining Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	Water Reclamation			
	Operating	Capital Replacement	Capital	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	$ (639,363)	$ (231,291)	$ 381,022	$ (489,632)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation expense	2,245,906			2,245,906
Changes in assets and liabilities:				
Decrease in accounts receivable	50,645		21	50,666
(Increase) in prepaid expenses	6,770			6,770
Decrease in inventory	(34,925)			(34,925)
(Increase) in notes receivable	(619,255)			(619,255)
(Increase) decrease in deferred outflows of resources-pension	1,733			1,733
Increase (decrease) in accounts payable	(269,442)	134,356	(209)	(135,295)
Increase (decrease) in deposits payable	(4,386)			(4,386)
Increase (decrease) in accrued liabilities	4,884	(210)		4,674
Increase (decrease) in net pension liability	(591,562)			(591,562)
Increase (decrease) in compensated absences	15,980	1,204		17,184
Increase (decrease) in deferred inflows of resources-pension	542,615			542,615
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 709,600	$ (95,941)	$ 380,834	$ 994,493

TOWN OF WINDSOR
Combining Statement of Net Position
Proprietary Funds
June 30, 2015

	Water			
	Operating	Capital Replacement	Capital	Total
ASSETS:				
Current Assets				
Cash and investments	$ 5,349,355	$ 3,471,578	$ 4,738,297	$ 13,559,230
Accounts receivable	1,524,529			1,524,529
Interest receivable	2,786	1,671	2,680	7,137
Prepaid expenses	1,583			1,583
Inventory	69,554			69,554
Total Current Assets	6,947,807	3,473,249	4,740,977	15,162,033
Non-Current Assets				
Notes receivable	129,959			129,959
Capital assets, net of accumulated depreciation	21,815,056			21,815,056
Total Non-Current Assets	21,945,015			21,945,015
TOTAL ASSETS	28,892,822	3,473,249	4,740,977	37,107,048
DEFERRED OUTFLOWS OF RESOURCES:				
Pension	181,988			181,988
Deferred loss on refunding of debt	101,226			101,226
TOTAL DEFERRED OUTFLOWS OF RESOURCES	283,214			101,226
LIABILITIES:				
Current Liabilities				
Accounts payable	278,053	185	164	278,402
Accrued liabilities	78,778	767	1,213	80,758
Accrued interest payable	620	2,371	32,760	35,751
Deposits payable	80,574			80,574
Due to other funds	341,463	7,427	7,386	356,276
Long-term liabilities - current portion	10,915	12,880	222,880	246,675
Total Currrent Liabilities	790,403	23,630	264,403	1,078,436
Non-Current Liabilities				
Compensated absences	118,709	1,093	1,434	121,236
Net pension liability	1,386,859			1,386,859
Loans payable		246,605	246,605	493,210
Bonds payable	133,615		3,102,400	3,236,015
Total Non-Current Liabilities	1,639,183	247,698	3,350,439	5,237,320
TOTAL LIABILITIES	2,429,586	271,328	3,614,842	6,315,756
DEFERRED INFLOWS OF RESOURCES:				
Pension	466,050			466,050
TOTAL DEFERRED INFLOWS OF RESOURCES	466,050			466,050
NET POSITION:				
Net investment in capital assets	21,771,752	(259,485)	(3,571,885)	17,940,382
Unrestricted	4,508,648	3,461,406	4,698,020	12,668,074
TOTAL NET POSITION	$ 26,280,400	$ 3,201,921	$ 1,126,135	$ 30,608,456

TOWN OF WINDSOR
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Water			
	Operating	Capital Replacement	Capital	Total
OPERATING REVENUES:				
Charges for services, net of refunds	$ 5,796,251	$ -	$ 452,286	$ 6,248,537
Other revenue	401,247		1,037	402,284
TOTAL OPERATING REVENUE	6,197,498		453,323	6,650,821
OPERATING EXPENSES:				
Salaries and benefits	2,506,146	22,729	29,828	2,558,703
Materials, supplies, and operational expenses	1,877,514		23,288	1,900,802
Repairs and maintenance	48,971			48,971
Insurance	74,006			74,006
Contractual services	52,200	3,686	9,446	65,332
Taxes and licenses	22,320			22,320
Utilities	506,149			506,149
Depreciation	1,188,206			1,188,206
TOTAL OPERATING EXPENSES	6,275,512	26,415	62,562	6,364,489
OPERATING INCOME (LOSS)	(78,014)	(26,415)	390,761	286,332
NON-OPERATING REVENUES (EXPENSES):				
Amortization expense	(4,245)			(4,245)
Interest income	44,926	25,722	41,801	112,449
Interest expense	(132,585)			(132,585)
Loss on disposal of assets		(6,384)	(26,499)	(32,883)
Property taxes	(519)			(519)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(92,423)	19,338	15,302	(57,783)
INCOME (LOSS) BEFORE TRANSFERS	(170,437)	(7,077)	406,063	228,549
TRANSFERS				
Transfers in	163,444	442,869		606,313
Transfer out	(547,901)		(58,648)	(606,549)
TOTAL TRANSFERS	(384,457)	442,869	(58,648)	(236)
Changes in Net Position	(554,894)	435,792	347,415	228,313
Total Net Position - July 1, 2014	28,546,767	2,766,129	778,720	32,091,616
Prior Period Adjustments	(1,711,473)			(1,711,473)
Net Position - July 1, 2014, restated	26,835,294	2,766,129	778,720	30,380,143
Total Net Position - June 30, 2015	$ 26,280,400	$ 3,201,921	$ 1,126,135	$ 30,608,456

TOWN OF WINDSOR
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Water			
	Operating	Capital Replacement	Capital	Total
CASH FLOW FROM OPERATING ACTIVITIES:				
Cash received from customers	$6,028,297	$ (16,474)	$ 452,285	$ 6,464,108
Cash paid to suppliers	(2,629,824)	(370,394)	(35,777)	(3,035,995)
Cash paid to employees	(2,527,458)	(22,008)	(29,380)	(2,578,846)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	871,015	(408,876)	387,128	849,267
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	(519)			(519)
Transfers (to) from other funds	(384,457)	442,869	(58,648)	(236)
Repayment on interfund activity	(88,506)	(401)	(973)	(89,880)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(473,482)	442,468	(59,621)	(90,635)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(399,506)			(399,506)
Principal paid on capital debt	(4,150)	(12,564)	(215,914)	(232,628)
Interest paid on capital debt	(132,565)			(132,565)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(536,221)	(12,564)	(215,914)	(764,699)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase/diposal of investments	(409,875)	(660,370)	(29,029)	(1,099,274)
Interest received	18,478	8,918	17,672	45,068
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(391,397)	(651,452)	(11,357)	(1,054,206)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(530,085)	(630,424)	100,236	(1,060,273)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	2,979,412	1,867,276	4,611,114	9,457,802
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	$2,449,327	$1,236,852	$4,711,350	$ 8,397,529
RECONCILIATION OF CASH AND CASH EQUIVALENTS:				
Cash and investments	$5,349,355	$3,471,578	$4,738,297	$13,559,230
Less: investments that do not meet the definition of cash equivalents	(2,900,028)	(2,234,726)	(26,947)	(5,161,701)
TOTAL CASH AND CASH EQUIVALENTS	$2,449,327	$1,236,852	$4,711,350	$ 8,397,529

TOWN OF WINDSOR
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(Continued)

	Water			
	Operating	Capital Replacement	Capital	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	$ (78,014)	$ (26,415)	$ 390,761	$ 286,332
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation expense	1,188,206			1,188,206
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(41,879)			(41,879)
(Increase) decrease in prepaid expenses	6,024			6,024
(Increase) decrease in inventory	(15,646)			(15,646)
(Increase) decrease in notes receivable	(129,959)			(129,959)
(Increase) decrease in deferred outflows of resources-pension	1,488			1,488
Increase (decrease) in accounts payable	(39,042)	(366,708)	(3,043)	(408,793)
Increase (decrease) in deposits payable	2,637	(16,474)	(1,038)	(14,875)
Increase (decrease) in accrued liabilities	(848)	51	81	(716)
Increase (decrease) in net pension liability	(508,091)			(508,091)
Increase (decrease) in compensated absences	20,089	670	367	21,126
Increase (decrease) in deferred inflows of resources-pension	466,050			466,050
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 871,015	$ (408,876)	$ 387,128	$ 849,267

FIDUCIARY FUNDS

Agency Funds

Agency funds are fiduciary funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The specific agency funds used by the Town are shown below:

Bonita Roble Trust Fund
This fund is used to account for a deposit from a developer for interest to finance ongoing maintenance of Landscape Parcel "A".

Brooks Special Assessment District Fund
This fund is used to account for property assessment monies held by the County as trustee for the Town for payment of annual arbitrage calculations and fiscal agent fees for the Brooks Special Assessment District.

In-Lieu Agency Fund
This fund is used to account for fees paid by developers in lieu of construction of improvements.

Performance Bond Fund
This fund is used to account for performance bonds held by the Town.

Golf Course Fund
This fund is used to account for capital improvements of facilities related to the Windsor Golf Course.

Miscellaneous Fund
This fund is used to account for contributions by interested groups for special work such as EIRs.

Private-Purpose Trust Funds

Private-purpose trust funds are fiduciary funds which are used to report all trust arrangements (other than pension and investment trust funds) under which principal and income benefit individuals, private organizations, or other governments. The specific private-purpose trust funds used by the Town are related to the Successor Agency of the former Windsor Redevelopment Agency:

RDA Capital Assets Fund
This fund is used to account for the dissolution of the former Windsor Redevelopment Agency.

RDA Debt Service Fund
This fund is used to account for bonds and loans payable transferred from the former Agency.

TOWN OF WINDSOR
Combining Statement of Net Position
Private Purpose Trust Funds
Successor Agency
June 30, 2015

	Capital Assets	Debt Service	Total
ASSETS:			
Cash and investments	$ 1,704,080	$ 2,756	$ 1,706,836
Interest receivable	1,573	102	1,675
TOTAL ASSETS	1,705,653	2,858	1,708,511
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred loss on refunding of debt		204,556	204,556
TOTAL DEFERRED OUTFLOWS OF RESOURCES		204,556	204,556
LIABILITIES:			
Accounts payable	389	37	426
Accrued liabilities	4,551		4,551
Interest payable		75,397	75,397
Long-term liabilities:			
Due within one year		605,733	605,733
Due in more than one year		4,023,338	4,023,338
TOTAL LIABILITIES	4,940	4,704,505	4,709,445
NET POSITION (DEFICIT):			
Held in trust for other governments	1,700,713	(4,497,091)	(2,796,378)
TOTAL NET POSITION (DEFICIT)	$ 1,700,713	$ (4,497,091)	$ (2,796,378)

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TOWN OF WINDSOR
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
Successor Agency
For the Fiscal Year Ended June 30, 2015

	Capital Assets	Debt Service	Total
Additions:			
Property taxes	$ 2,401,697	$ -	$ 2,401,697
Investment earnings	6,414	842	7,256
Transfers in		1,966,905	1,966,905
Total additions	2,408,111	1,967,747	4,375,858
Deductions:			
Interest expense		131,576	131,576
Debt issue costs		126,954	126,954
Community development	254,641		254,641
Amortization		14,877	14,877
Contributions to Town of Windsor for debt service		835,991	835,991
Transfers out	1,966,905		1,966,905
Total deductions	2,221,546	1,109,398	3,330,944
Change in net position	186,565	858,349	1,044,914
Net Position (Deficit) - July 1, 2014	1,514,148	(5,355,440)	(3,841,292)
Net Position (Deficit) - June 30, 2015	$ 1,700,713	$ (4,497,091)	$ (2,796,378)

TOWN OF WINDSOR
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2015

	Bonita Roble Trust Fund	Brooks Special Assessment Construction Fund
ASSETS:		
Cash and investments	$ 15,598	$ 789
Interest receivable	8	
TOTAL ASSETS	$ 15,606	$ 789
LIABILITIES:		
Accounts payable	$ -	$ -
Deposits payable	15,606	
Due to special assessment districts		789
TOTAL LIABILITIES	$ 15,606	$ 789

In-Lieu Agency Fund	Performance Bond Fund	Golf Course Fund	Miscellaneous Fund	Total
$ 209,485	$ 363,840	$ 15,637	$ 325,426	$ 930,775
113	197	8	176	502
$ 209,598	$ 364,037	$ 15,645	$ 325,602	$ 931,277
$ -	$ 85,555	$ -	$ 79,269	$ 164,824
192,922	278,482	15,645	244,283	746,938
16,676			2,050	19,515
$ 209,598	$ 364,037	$ 15,645	$ 325,602	$ 931,277