

OFFICIAL STATEMENT

NEW ISSUE

STANDARD & POOR'S RATING: AAA
(See "Ratings" herein)

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, (the "Code"), under existing statutes, interest on the Bonds and Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds and Notes are not "private activity bonds" and interest on the Bonds and Notes is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; the Bonds and Notes are "qualified tax-exempt obligations"; interest on the Bonds and Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds and Notes is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See Appendix B – "Opinion of Bond Counsel and Tax Exemption" herein).

TOWN OF WINDSOR, CONNECTICUT

\$5,370,000

GENERAL OBLIGATION BONDS, ISSUE OF 2015 (BANK QUALIFIED) BOOK-ENTRY-ONLY

Dated: Date of Delivery

Due: June 15, 2016-2027

The Bonds will be general obligations of the Town of Windsor, Connecticut, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and interest thereon when due. (See "Security and Remedies" herein).

Interest on the Bonds will be payable on June 15 and December 15 in each year until maturity, commencing December 15, 2015. The Bonds are issuable only as fully-registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the beneficial owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein).

The Bonds are subject to optional redemption prior to maturity as described herein. (See "Optional Redemption" herein).

The Certifying, Registrar, Transfer and Paying Agent for the Bonds will be U.S. Bank National Association, of Hartford, Connecticut.

STANDARD & POOR'S RATING: SP-1+
(See "Ratings" herein)

\$420,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES (BANK QUALIFIED) BOOK-ENTRY-ONLY

Dated: June 24, 2015

Due: June 23, 2016

The Notes will be general obligations of the Town of Windsor, Connecticut and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. (See "Security and Remedies" herein).

The Notes will be issuable only as fully-registered notes and will bear interest at such rate or rates per annum as specified by the successful bidder in accordance with the Notice of Sale dated May 29, 2015. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for The Depository Trust Company ("DTC"), New York, New York. (See "Book-Entry Transfer System" herein).

The Notes are NOT subject to optional redemption prior to maturity as described herein. (See "Optional Redemption" herein).

The Certifying, Registrar, Transfer and Paying Agent for the Notes will be U.S. Bank National Association, of Hartford, Connecticut.

The Bonds and Notes are offered for delivery when, as, and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and Notes in definitive form will be made on or about June 24, 2015.

Dated: June 10, 2015

TOWN OF WINDSOR, CONNECTICUT

\$5,370,000

**GENERAL OBLIGATION BONDS, ISSUE OF 2015
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

Dated: Date of Delivery

Due: Serially, June 15, as shown below

MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
2016	\$ 450,000	2.000%	0.400%	9735682C1	2022	\$ 450,000	2.000%	1.800%*	9735682J6
2017	450,000	2.000	0.750	9735682D9	2023	450,000	2.000	1.900*	9735682K3
2018	450,000	2.000	1.100	9735682E7	2024	450,000	2.500	2.050*	9735682L1
2019	450,000	2.000	1.350	9735682F4	2025	450,000	2.500	2.150*	9735682M9
2020	450,000	2.000	1.550	9735682G2	2026	450,000	2.500	2.250*	9735682N7
2021	450,000	2.000	1.650	9735682H0	2027	420,000	2.500	2.500	9735682P2

* - Priced assuming redemption on June 15, 2021; however any such redemption is at the election of the Town. (See "Optional Redemption" herein).

STIFEL

TOWN OF WINDSOR, CONNECTICUT

\$420,000

**GENERAL OBLIGATION BOND ANTICIPATION NOTES
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

Dated: June 24, 2015

Due: June 23, 2016

<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
0.750%	0.400%	9735682Q0

EASTERN BANK

- (1) Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds or the Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds or the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds or the Notes.

No dealer, broker, salesman or other person has been authorized by the Town of Windsor, Connecticut, to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and Notes and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion herein are subject to change without notice. No representation is made that past experience, as might be shown by financial or other information will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – "Financial Statements" hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than matters expressly set forth in Appendix B "Opinion of Bond Counsel and Tax Exemption" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

Independent Bond and Investment Consultants LLC, the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

This Official Statement is in a form "deemed final" by the Town for purposes of Securities and Exchange Commission Rule ("SEC") 15c2-12(b)(1), but is subject to revision or amendment.

The Town will enter into continuing disclosure agreements with respect to the Bonds and Notes (the "Continuing Disclosure Agreements"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the forms attached as Appendices C and D, respectively, to this Official Statement.

BOND COUNSEL
DAY PITNEY LLP

242 Trumbull Street
Hartford, Connecticut
(860) 275-0100

INDEPENDENT FINANCIAL ADVISOR
INDEPENDENT BOND AND
INVESTMENT CONSULTANTS LLC

Madison, Connecticut
(203) 245-9603

TABLE OF CONTENTS

	<u>Page #</u>
Bond Sale Summary	i
Note Sale Summary	ii

SECTION I – SECURITIES OFFERED

Introduction	1
Description of the Bonds	1
Optional Redemption	1
Notice of Redemption	1
Description of the Notes	2
Authorization and Use of Proceeds	2
Ratings	3
Security and Remedies	3
Qualification for Financial Institutions	4
Book-Entry Transfer System	4
Replacement Bonds and Notes	5
DTC Practices	5

SECTION II – THE ISSUER

Description of the Town	6
Form of Government	6
Table of Organization	7
Municipal Officials	7
Biographies of Principal Officials	8
Summary of Municipal Services	8
Educational System	10
Educational Facilities	10
School Enrollments	10
Municipal Employment	11
Municipal Employees by Category	11
Municipal Employees Bargaining Organizations	12
Economic Development	12

SECTION III – ECONOMIC AND DEMOGRAPHIC DATA

Population Trends	14
Age Characteristics of the Population	14
Selected Wealth and Income Indicators	14
Income Distribution	14
Educational Attainment – Years of School Completed, Age 25 and Over	15
Employment by Industry	15
Major Employers	15
Unemployment Rate Statistics	16
Number and Value of Building Permits	16
Number of Dwelling Units	16
Characteristics of Housing Units	17
Age Distribution of Housing	17
Breakdown of Land Use	17

SECTION IV – INDEBTEDNESS

Computation of Statutory Debt Limit	18
Calculation of Net Direct Indebtedness	19
Current Debt Ratios	19
Historical Debt Statement	20
Historical Debt Ratios	20
Outstanding Short-Term Indebtedness	20

	<u>Page #</u>
Overlapping and Underlying Indebtedness	21
Legal Requirements for Approval of Borrowing	21
Temporary Financing	22
Capital Improvement Program	22
School Projects	22
Authorized but Unissued Debt	23
Combined Schedule of Long Term Debt through Maturity	23

SECTION V – FINANCIAL DATA

Accounting Policies	24
Basis of Accounting	24
Audit	24
Certificate of Achievement for Excellence in Financial Reporting	24
Budgetary Procedure	24
Supplemental Appropriations	25
Employee Pension Systems	25
Other Post-Employment Benefits	27
Investment Policies and Procedures	28
Assessment Practices	29
Tax Collection Procedures	29
Real Property Tax Levies and Collections	30
Taxable Grand List	30
Largest Taxpayers	31
Revenues	31
Property Tax Revenues	31
Intergovernmental Revenues	32
Expenditures	32
Comparative General Fund Operating Statement – Budget and Actual (Budgetary Basis)	33
Comparative Balance Sheets – General Fund	34
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund	35

SECTION VI – ADDITIONAL INFORMATION

Litigation	36
Availability of Continuing Disclosure Information	36
Financial Advisor	36
Documents Accompanying Delivery of the Bonds and Notes.....	36
Concluding Statement	37

APPENDICES

Appendix A – Financial Statements	A-1
Appendix B – Opinion of Bond Counsel and Tax Exemption	B-1
Appendix C – Form of Continuing Disclosure Agreement for the Bonds	C-1
Appendix D – Form of Continuing Disclosure Agreement for the Notes	D-1
Appendix E – Notice of Sale - The Bonds	E-1
Appendix F – Notice of Sale and Bid Proposal - The Notes	F-1

BOND SALE SUMMARY

The information in this Bond Sale Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, June 10, 2015, at 11:30 A.M. (E.D.T).
Location of Sale:	Office of Day Pitney LLP, Goodwin Conference Room, 242 Trumbull Street, 6 th Floor, Hartford, Connecticut, 06103.
Issuer:	Town of Windsor, Connecticut (the "Town").
Issue:	\$5,370,000 General Obligation Bonds, Issue of 2015 (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	June 15 and December 15 in each year, commencing December 15, 2015.
Principal Due:	Serially, June 15, 2016 – June 15, 2027.
Purpose and Authority:	The Bonds are being issued to finance various Town capital improvement projects undertaken by the Town and authorized pursuant to Titles 7 and 10 of the General Statutes of Connecticut, as amended, the Charter of the Town of Windsor, and bond resolutions approved by the Town Council.
Redemption:	The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).
Security:	The Bonds will be general obligations of the Town of Windsor, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
Credit Rating:	The Bonds are rated "AAA" by Standard and Poor's ("S&P"). The rating on the Town's outstanding general obligation bonds has recently been affirmed as "AAA" by S&P. (See "Ratings" herein).
Basis of Award:	Lowest True Interest Cost ("TIC"), as of the dated date.
Tax Exemption:	See Appendix B herein.
Continuing Disclosure Agreement:	See Appendix C herein.
Bank Qualification:	The Bonds SHALL BE designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Certifying Bank, Registrar, Transfer and Paying Agent:	U.S. Bank National Association, of Hartford, Connecticut.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry form will be made on or about June 24, 2015, against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Robert Metcalf, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1890.

NOTE SALE SUMMARY

The information in this Note Sale Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The Official Statement speaks only as of its date and the information herein is subject to change.

- Date of Sale:** Wednesday, June 10, 2015, at 11:00 A.M. (E.D.T).
- Location of Sale:** Office of Day Pitney LLP, Goodwin Conference Room, 242 Trumbull Street, 6th Floor, Hartford, Connecticut, 06103.
- Issuer:** Town of Windsor, Connecticut
- Issue:** \$420,000 General Obligation Bond Anticipation Notes (the "Notes").
- Dated Date:** June 24, 2015.
- Principal and Interest Due:** At maturity – June 23, 2016.
- Purpose and Authority:** The Notes are being issued to finance various Town capital improvement projects undertaken by the Town and authorized pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Windsor, and bond resolutions approved by the Town Council.
- Redemption:** The Notes are not subject to redemption prior to maturity.
- Security:** The Notes will be general obligations of the Town of Windsor, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Notes when due.
- Credit ratings:** The Notes have been rated "SP-1+" by Standard and Poor's ("S&P"). The rating on the Town's outstanding general obligation bonds has recently been affirmed as "AAA" by S&P. (See "Ratings" herein).
- Basis for Award:** Lowest Net Interest Cost ("NIC") as of the dated date.
- Tax Exemption:** See Appendix B herein.
- Continuing Disclosure Agreement:** See Appendix D herein.
- Bank Qualification:** The Notes SHALL BE designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
- Certifying Bank Registrar, Transfer and Paying Agent:** U.S. Bank National Association, of Hartford, Connecticut.
- Legal Opinion:** Day Pitney LLP, of Hartford, Connecticut will act as Bond Counsel.
- Delivery and Payment:** It is expected that delivery of the Notes in book-entry form will be made on or about June 24, 2015, against payment in Federal Funds.
- Issuer Official:** Questions regarding the Town and this Official Statement should be directed to Robert Metcalf, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1890.

SECTION I - SECURITIES OFFERED

Introduction

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Windsor, Connecticut (the "Town") in connection with the issuance and sale of \$5,370,000 General Obligation Bonds, Issue of 2015 (the "Bonds") and \$420,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in their opinion in Appendix B) and they make no representation that they have independently verified the same.

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in annual installments on June 15 in each of the years and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds will be payable on June 15 and December 15 in each year until maturity, commencing December 15, 2015. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of May and November in each year. The Bonds will be issued in fully-registered form in denominations of \$5,000 or any integral multiple thereof for any single maturity. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Registrar, Certifying Agent, Transfer Agent and Paying Agent will be U.S. Bank National Association of Hartford, Connecticut. **The Bonds are subject to redemption prior to maturity.** (See "Optional Redemption" herein.)

Optional Redemption

The Bonds maturing on or before June 15, 2021 are not subject to redemption prior to maturity. The Bonds maturing on June 15, 2022 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2021, at any time, either in whole or in part in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, at the redemption price (expressed as a percentage of the par amount of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
June 15, 2021 and thereafter	100.0%

Notice of Redemption

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part, at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Description of the Notes

The Notes will be dated June 24, 2015. Principal and interest on the Notes will be due at maturity on June 23, 2016. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months at the rate or rates per annum specified by the successful bidder or bidders. The Notes will be issued in fully-registered form in denominations of \$25,000 or any integral multiple thereof, except for any odd amount, for any single maturity. A book-entry system will be employed evidencing ownership of the Notes with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Registrar, Certifying, Transfer and Paying Agent will be U.S. Bank National Association of Hartford, Connecticut. **The Notes are NOT subject to redemption prior to maturity.**

Authorization and Use of Proceeds

Authorizations:

Pavement Management Improvements at Town and School Facilities: An appropriation and bond authorization in the amount of \$180,000 was adopted by the Town Council on February 17, 2015 for costs in connection with pavement management improvements at John F. Kennedy Elementary School, Clover Street Elementary School, Poquonock Elementary School and Town Hall, including the milling and resurfacing of the pavement at these facilities as well as line striping and repair, reconstruction, or installation of sections of sidewalks.

Town Facility HVAC, Electrical and Energy Improvements: An appropriation and bond authorization in the amount of \$635,000 was adopted by the Town Council on February 17, 2015 for costs in connection with HVAC, electrical and energy improvements to the Town Hall, the Public Works Complex, 330 Windsor Avenue Community Center and the Wilson Library.

Stormwater Management Program: An appropriation and bond authorization in the amount of \$515,000 was adopted by the Town Council on February 17, 2015 for costs in connection with the Stormwater Management Program, which consists of engineering evaluations, acquisition of stormwater construction materials, repairs to the stormwater system, and activities required for compliance with the Town's MS4 General Permit.

Town Hall Windows and Egress Door Replacement: An appropriation and bond authorization in the amount of \$215,000 was adopted by the Town Council on February 17, 2015 for costs in connection with Town Hall window and egress door replacement, including removal of the existing exterior windows and storm windows and replacement with new energy efficient and lower maintenance windows as well as replacement of exterior doors.

Tower Ladder Truck Replacement: An appropriation and bond authorization in the amount of \$1,270,000 was adopted by the Town Council on March 16, 2015 for costs in connection with the acquisition of a tower ladder truck consisting of a 95' hydraulic tower with bucket and related equipment and tools.

Batchelder Road and Mechanic Street Rehabilitation and Streetscape Improvements: An appropriation and bond authorization in the amount of \$770,000 was adopted by the Town Council on March 16, 2015 for costs in connection with pavement rehabilitation and streetscape improvements of the portion of Batchelder Road from Broad Street to the Causeway and Mechanic Street.

Clover St. Elementary School HVAC Equipment Replacement: An appropriation and bond authorization in the amount of \$2,425,000 was adopted by the Town Council on March 16, 2015 and approved by Special Town Meeting on April 6, 2015 for costs in connection with replacement of the Clover St. Elementary School heating system, including removal of boilers and certain air handling equipment and the installation of roof-top mounted HVAC units, cooling equipment in the gymnasium and other sections of the school, installation of a digital control system and other improvements.

Use of Proceeds: Proceeds of the Bonds and Notes will be used as follows:

Projects	Amount of Total Authorization	Additions / (Reductions)	The Bonds (<i>This Issue</i>)	The Notes (<i>This Issue</i>)
Pavement Management Improvements	180,000	\$ 180,000	\$ 180,000	
Town Facility HVAC, Electrical and Energy Improvements	635,000	635,000	635,000	
Stormwater Management Program	515,000	515,000	515,000	
Town Hall Windows and Egress Door Replacement	215,000	215,000	215,000	
Tower Ladder Truck Replacement	1,270,000	1,270,000	1,270,000	
Batchelder Rd. and Mechanic St. Pavement Rehabilitation	770,000	770,000	350,000	420,000
Clover St. Elementary School HVAC Equipment Replacement	2,425,000	2,205,000	2,205,000	
Total	<u>\$ 6,010,000</u>	<u>\$ 5,790,000</u>	<u>\$ 5,370,000</u>	<u>\$ 420,000</u>

Ratings

The Bonds are rated "AAA" by Standard and Poor's ("S&P"). The rating on the Town's outstanding general obligation bonds has recently been affirmed as "AAA" by S&P. The Notes have been rated by "SP-1+" by S&P. Such rating reflects only the views of such rating agency and an explanation of the significance of such rating may be obtained from S&P at the following address: Standard and Poor's Corporation: 55 Water Street, New York, New York 10041. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's bonds and notes.

Security and Remedies

The Bonds and Notes will be general obligations of the Town of Windsor, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and Notes when due.

Unless paid from other sources, the Bonds and Notes are payable from the general property tax revenue of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There were 661.84 acres of such certified forest land on the last completed grand list of the Town. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay to the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

Payment of the Bonds and Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds and Notes.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds and Notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes, and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefore or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds and Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

THE TOWN OF WINDSOR, CONNECTICUT HAS NEVER DEFAULTED ON THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES

Qualification for Financial Institutions

The Bonds and Notes SHALL BE designated as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds and Notes.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. One fully-registered Note certificate will be issued for each interest rate of the Notes, in the aggregate principal amount of such interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds and Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and Notes at any time by giving reasonable notice to the Town or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates and Note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates and Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

Replacement Bonds and Notes

The determination of the Town authorizing the Bonds and the Notes provides for issuance of fully-registered Bond certificates and Note certificates directly to Beneficial Owners of the Bonds and the Notes or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds and the Notes, and the Town fails to identify another qualified securities depository for the Bonds and the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds and the Notes. A Beneficial Owner of the Bonds and the Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds and the Notes.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds and the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

SECTION II - THE ISSUER

Description of the Town

Windsor is the location of the first permanent English settlement in Connecticut, settled in 1633 by church congregations relocating from Massachusetts. These settlers joined with other communities in the immediate region to create a General Court in 1636, the precursor to Connecticut's General Assembly. Bordering Hartford to the north, Windsor covers a 31 square mile area on the west bank of the Connecticut River. The Farmington River also flows through Windsor and into the Connecticut River, and provides a wealth of scenic areas and natural attractions.

The Town is strategically located approximately halfway between New York City and Boston and within an 8 hour drive of one hundred million people (representing one-third of the U.S. economy and two-thirds of the Canadian economy). Bradley International Airport, New England's second busiest airport, is located just minutes away from Windsor. Interstate 91, a major expressway between New York and northern New England, traverses the Town and has seven interchanges within the Town's borders. In addition, the Connecticut Turnpike, the Massachusetts Turnpike and the New York State Thruway are easily accessible. Windsor is a community predominantly composed of owner-occupied, single-family dwellings which account for 80% of all housing units.

Planning was inaugurated in 1924. Comprehensive zoning regulations, which were first adopted in 1931, are periodically revised to reflect current development standards and practices. The Plan of Conservation and Development was revised and approved by the Town Planning & Zoning Commission in 2004 and amended in 2007 for the Open Space Plan and Agricultural Preservation Plan. It was amended again in 2008 for the Day Hill Corporate Area Plan, and updates are currently underway for the balance of the chapters for comprehensive adoption in 2015. The Town has approximately 1,200 acres of undeveloped industrially zoned land and has approved a concept plan that will allow for the development of approximately 425 acres of former industrial land to add 4,000 dwelling units in a new mixed-use village called Great Pond. Full development of the remaining residential land, together with Great Pond would result in a population increase of approximately 12,950. The Town's estimated population as of July 1, 2013 according to the U.S. Census Bureau was 29,100.

The Town's educational system consists of four elementary schools, one middle school and one high school, which was fully renovated in March 2003. Windsor is home to the well-known Loomis-Chaffee college preparatory school, as well as a number of private schools including St. Gabriel and Trinity Christian parochial schools, offering grades K-8 and PreK-12 respectively.

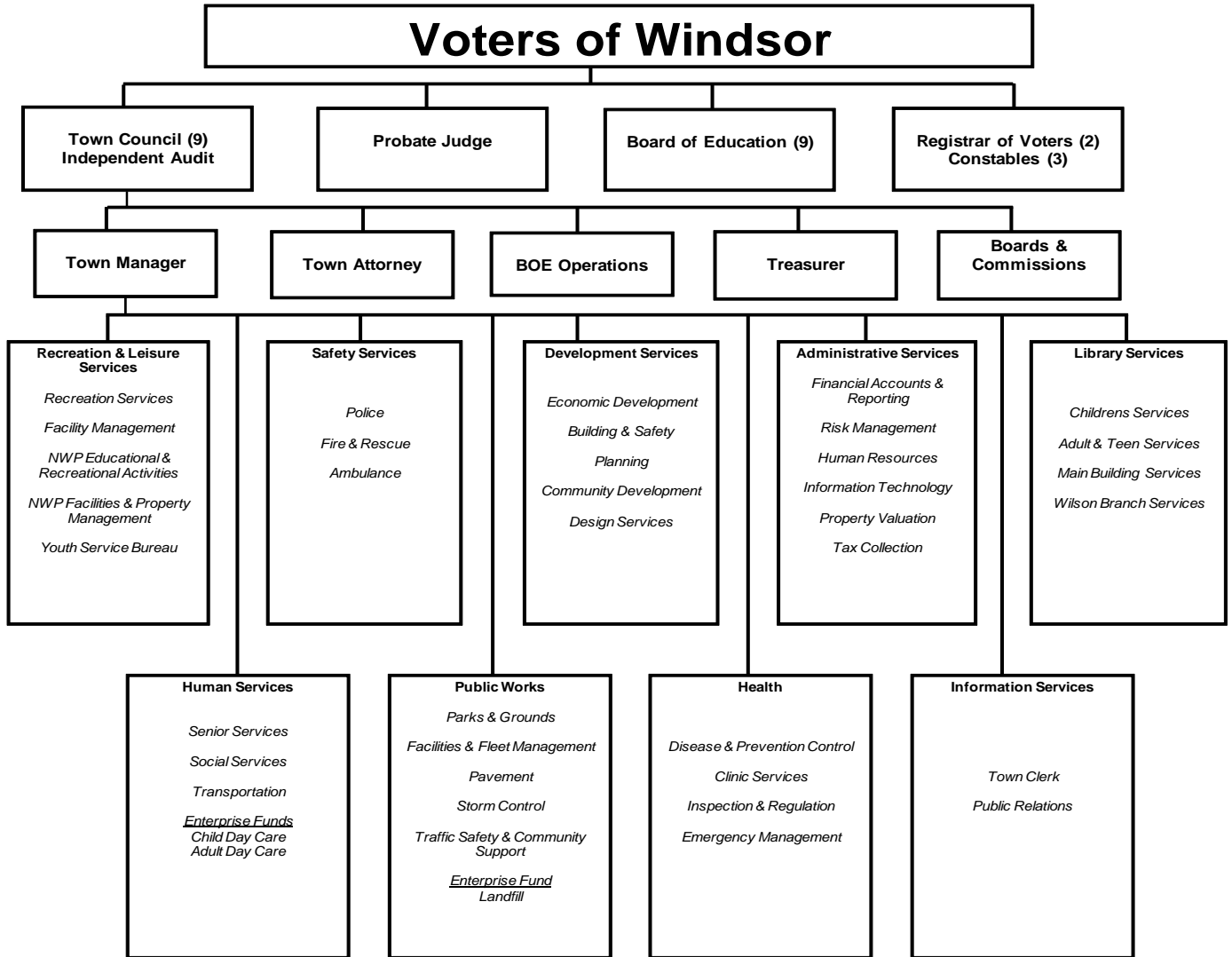
Form of Government

The Town of Windsor is organized under the Council-Manager form of government. The Town Charter was passed in the 1947 session of the General Assembly of Connecticut and approved by a referendum vote of the Town the same year. It has been amended by a special act of the General Assembly and more recently (in 1998) under the authorization of the home rule law for Connecticut municipalities, by local referendum.

The legislative function is performed by a bipartisan Council of nine members, who are elected biennially for two-year terms. Minority representation is guaranteed in that no political party may have more than five members. The Town Council elects a Mayor from its membership for the two-year term. The Town Manager is appointed by the Town Council on the basis of professional executive training and qualifications. Since 1947, Windsor has had only four Town Managers.

The Charter provides for an annual Town Budget Referendum for approval of the annual budget and for supplemental appropriations and bond authorizations which exceed certain amounts. (See "Supplemental Appropriations" and "Legal Requirements for Approval of Borrowing" herein).

Table of Organization



Municipal Officials

Name	Position	Term of Office	Years of Service
Donald S. Trinks	Mayor	2 Years – Elected	20.0
Jody L. Terranova	Deputy Mayor	2 Years – Elected	4.0
Alan J. Simon	Town Council	2 Years – Elected	16.0
Donald A. Jepsen Jr.	Town Council	2 Years – Elected	14.0
William H. Herzfeld	Town Council	2 Years – Elected	10.0
Randy P. McKenney	Town Council	2 Years – Elected	8.0
John J. Gamache	Town Council	2 Years – Elected	2.0
Kenny M. Wilkos	Town Council	2 Years – Elected	2.0
Jim G. Govoni	Town Council	2 Years – Elected	2.0
Peter P. Souza	Town Manager	Appointed	11.0
Dr. Craig A. Cooke	Superintendent of Schools	Appointed	2.0
Robert W. Metcalf	Finance Director	N/A	7.0
James R. Bourke	Assistant Finance Director	N/A	7.0

Biographies of Principal Officials

Town Manager: Appointed as Town Manager in October 2004, Peter P. Souza has served the Town of Windsor since September 1999 initially as the Assistant Town Manager and then as Acting Town Manager. Prior to his arriving in Windsor, Mr. Souza was an Assistant City Manager for the City of Olathe, Kansas, a large fast growing full-service suburban community, where he worked from 1992 until 1999. Mr. Souza also has project management, budgeting, capital planning and community engagement experience through positions with the Town of Barnstable, Massachusetts and non-profit housing development organizations in Worcester, Massachusetts.

Mr. Souza earned a Bachelor's degree in Urban Studies from Worcester State College in 1985 and a Master's of Public Administration from the University of Kansas in 1994. He is a member of the International City/County Management Association and the Connecticut Town and City Management Association.

Superintendent of Schools: Dr. Craig A. Cooke began his service as Superintendent of Schools in November 2013. Dr. Cooke holds a Bachelor's degree in Business from Castleton State College in Vermont and a Master's degree in Business Administration from Clarkson University in New York. He received his Sixth Year certificate and Doctorate of Philosophy degree in Educational Leadership from the University of Connecticut.

Prior to his appointment as Superintendent, he was the Assistant Superintendent for Human Resources with Windsor Public Schools for the past five years. Prior to coming to Windsor, Dr. Cooke served as the Director of Human Resources for the Town of Enfield, Connecticut public schools for 14 years.

Finance Director: Robert Metcalf was hired in December of 2008. Mr. Metcalf received a Bachelor's degree in Finance from the University of Massachusetts in 1972 and a Master's degree in Business Administration in 1973, also from the University of Massachusetts. Mr. Metcalf has over 30 years of municipal experience as a finance director in the State of Connecticut.

Assistant Finance Director: James R. Bourke, CPFO, was hired as Assistant Finance Director in September of 2008. Mr. Bourke earned a Bachelor's degree in Accounting from Eastern Connecticut State University in 2004.

Prior to his employment with the Town of Windsor, Mr. Bourke was the Assistant Finance Director for the City of Neosho, Missouri from November 2006 to August of 2008. He also has nineteen years of experience in the private sector in the areas of Banking Operations, Treasury and Cash Management and Securities and Investment Accounting.

Mr. Bourke is a member of the Government Finance Officers Association of America (GFOA) as well as the Connecticut Government Finance Officers Association. He is certified as a Public Finance Officer by the GFOA.

Summary of Municipal Services

Administrative Services: Administrative Services supports town operations by supplying other departments with the financial, personnel, and information resources they need to deliver services to the community. Administrative Services also protects town resources from the risk of loss through risk management services, and provides information directly to the financial community as well as the general public. In addition, Administrative Services assesses property and collects taxes.

Development Services: This department guides the public and private development of land and buildings in order to ensure the long-term success of the community. This is achieved through safety in building design and construction, the appropriate use of land and protection of natural resources, and dedicated economic development initiatives.

Health Services: Health Services protects the public from preventable diseases by minimizing the environmental causes of disease, through preventive health care programs, and by carrying out state mandated health and safety inspections.

Human Services: Human Services provides child and adult day care and family support services. It also provides casework and referral services for the public. The Transportation unit provides safe, reliable transportation to Windsor's seniors and adults with disabilities to various locations within Town.

Information Services: Information Services maintains public records and vital statistics, issues various licenses and permits, provides information referral services for the community, town council and other staff, and acts as a chief point of contact for the media and general public.

Library Services: From two attractive facilities, the unit provides materials and information, along with literary, educational and cultural programs to the community. Regular scheduling provides for public access every day, as well as extended evening hours four nights per week.

Public Works: The Public Works Department provides and maintains the Town's road network, pedestrian walkways, parks & playing fields and public buildings for the residents, businesses and visitors. This department also minimizes the disruption caused by inclement weather, especially winter storms. These services cover 136 miles of roads, more than 1,500 acres of town-owned land, and 29 buildings. Ninety-eight percent (98%) of the Town's roads are illuminated.

Recreation and Leisure Services: Recreation and Leisure Services provide recreational and cultural programming for all age groups. Through the operation of Northwest Park, it also provides safe, clean open space and educational facilities for public enjoyment.

Safety Services: This service unit is made up of the police and fire departments, ambulance services and an emergency management program. Fire and ambulance personnel maintain fire and rescue delivery systems as well as an extensive fire prevention program, respond to calls for emergency medical assistance, render medical treatment and provide transportation to area medical facilities. Windsor Police enforce criminal and motor vehicle laws, render aid to victims of medical emergencies or accidents, and patrol the Town. The Police Department maintains a 24-hour public safety dispatch center which coordinates responses by all safety services including fire, ambulance, and civil preparedness. The police force also provides a number of community relations and public education programs with special emphasis on safety and drug abuse prevention programs in the local schools.

Water and Sewerage: Water and sewerage service is provided to Windsor by the Metropolitan District Commission. The Metropolitan District was created by the Connecticut General Assembly in 1929 and operates as a quasi-municipal corporation of the State of Connecticut under Act No. 511, of the 1929 Special Acts of the State of Connecticut, as amended. The District's purpose is to provide, as authorized, complete, adequate and modern systems of water supply, sewerage collection and disposal facilities for its member municipalities. The member municipalities incorporated in the District are the City of Hartford and the Towns of East Hartford, Wethersfield, Rocky Hill, Newington, Bloomfield, West Hartford and Windsor.

Solid Waste: Windsor maintains a town-owned landfill consisting of 173 acres. The landfill serves the towns of Windsor and Bloomfield. The two towns are equally responsible for closure costs in accordance with an agreement dated November 19, 1993. The cost of solid waste disposal is not a tax-supported function. Town residents pay private haulers for curbside pickup. The landfill is currently operating under a stewardship permit issued by the State of Connecticut Department of Energy and Environmental Protection (DEEP). The landfill will reach its permitted capacity in fiscal year 2015. The Town Council has approved an ordinance that requires all trash haulers operating in town as of the landfill's closure to acquire a license which demonstrates they are disposing of municipal solid waste at a properly permitted facility. It is projected that there will be adequate retained earnings available plus interest income over thirty years, under present assumptions, to provide sufficient funding for closure and post-closure activities.

Closure and post-closure costs are calculated on a conservative basis. The conservative calculation basis assumes: a) that all work is contracted at prevailing contractor rates rather than performed by Town staff with Town equipment (which is a requirement of EPA Subtitle-D regulations), and b) that regulatory authorities will require systems to manage leachate and to collect gases generated within the landfill prior to discharge into the air.

Management has proposed that a majority of the closure work be performed by Town staff. Closure work began during FY 2011 with the construction of a stormwater basin along the southern side of the landfill. This work was carried out primarily by Town staff and performed at a savings to the Landfill Enterprise Fund compared to having the work carried out by a third party. The Town has installed a gas collection system on part of the landfill, and has expanded this system in FY 2012 and FY 2014. Other open issues, such as how leachate will be managed are still to be determined by the DEEP as part of the landfill closure plan approval. In fiscal year 2015 and going forward, the Town will continue to operate a residential transfer station at the landfill site.

Utilities: Eversource, the Connecticut Natural Gas Corporation, and AT&T, Inc. all provide service within the Town.

Educational System

The Town's elementary school system consists of one school for pupils pre-kindergarten through second grade; one school for pupils for kindergarten through second grade; two schools for grades 3 through 5; one school for grades 6 through 8; and one high school for grades 9-12. The schools are governed by a nine-member Board of Education.

Educational Facilities

Schools	Grades	Date Occupied	Additions/ Renovations	Classrooms	Enrollment 10/01/14	Capacity
Oliver Ellsworth Elementary	Pre-K-2	1971		31	432	660
Poquonock Elementary School	K-2	1947	1958, 1980, 1988	27	251	546
Clover St. Elementary School	3-5	1957	1988	27	252	517
J.F.Kennedy Elementary School	3-5	1965	1988	28	418	546
Sage Park Middle School	6-8	1969	1993	50	671	1,250
Windsor High School	9-12	1952	1977, 2000	86	1,121	1,500
Total					<u>3,145</u>	<u>5,019</u>

Source: Superintendent of Schools

School Enrollments

As of October 1	Actual				Special Education (1)	Total
	Pre-K-5	6 - 8	9 - 12			
2005	1,775	993	1,472	40	4,280	
2006	1,702	967	1,481	-	4,150	
2007	1,683	923	1,492	-	4,098	
2008	1,648	912	1,406	-	3,966	
2009	1,544	842	1,373	-	3,759	
2010	1,498	814	1,312	-	3,624	
2011	1,473	785	1,227	-	3,485	
2012	1,438	750	1,203	-	3,391	
2013	1,383	725	1,144	-	3,252	
2014	1,353	671	1,121	-	3,145	
	Projected					
2015	1,373	679	1,084	-	3,136	
2016	1,330	650	1,050	-	3,030	
2017	1,299	607	1,027	-	2,933	
2018	1,283	584	983	-	2,850	
2019	1,269	574	908	-	2,751	

(1) Special education students included in grade totals.

Source: Superintendent of Schools and State of Connecticut Board of Education.

Municipal Employment

<u>Fiscal Year</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Board of Education	667	643	628	600	622
General Government	164	163	163	164	164
Grant and Enterprise Funded	48	56 (1)	23	23	23
Total	<u>879</u>	<u>806</u>	<u>814</u>	<u>787</u>	<u>809</u>

(1) Consists of Board of Education grant funded positions not previously included, in addition to Enterprise Fund positions that were reflected previously.

Source: Town Officials.

Municipal Employees by Category

<u>Department</u>	<u>Employees</u>
<u>General Government</u>	
Administrative Services	17
Development Services	16
Community Development	2
Human Services	6
Recreation Services	7
Health Services	4
Information Services	3
Library Services	9
Public Works	32
Safety Services	65
Town Manager	3
General Government Subtotal	<u>164</u>
Enterprise Personnel	<u>22</u>
General Government Total	<u>186</u>
<u>Board of Education</u>	
Administration and Principals	30
Teachers	337
Pupil Personnel (Psychologists, Social Workers, Speech Clinicians)	23
Secretaries/ParaProfessionals	147
Nurses	8
Non-Bargaining Employees (1)	34
Custodial/Maintenance	38
Board of Education Subtotal	<u>617</u>
Food Service	50
Grant Funded	<u>26</u>
Board of Education Total	<u>693</u>
Grand Total	<u>879</u>

(1) Consists of Administrative Assistants to the Superintendent, Director of Business Services, Transportation Coordinator, Residency Investigator, Technicians, Food Service Managers and Director, and non-union secretarial positions.

Source: Town Officials.

Municipal Employees Bargaining Organizations (1)

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<u>GENERAL GOVERNMENT</u>			
Police	Windsor Police Department Employees Association	49	6/30/16
Public Works/Clerical	International Brotherhood of Teamsters, Local 671	42	6/30/14 (2)
Dispatchers	United Public Service Employees Union (UPSUE Local 424, Unit 10)	8	6/30/16
<u>BOARD OF EDUCATION</u>			
Teachers	Windsor Education Association, CEA	371	6/30/16
Administrators	Windsor School Administrators and Supervisors Assoc.	27	6/30/17
Nurses	Windsor School Nurses Assoc., CSEA	7	6/30/16
Paraprofessionals	Windsor Paraprofessional Employees Assoc., NAGE	109	6/30/17
Secretaries	CSEA AFL-CIO Administrative Support Staff	34	6/30/17
School Employees	Windsor School Employees Union, NAGE (Custodial, Maintenance and Cafeteria Employees)	57	6/30/16

- (1) The negotiation of collective bargaining agreements is subject to binding arbitration under Connecticut Statutes.
- (2) Currently in negotiations.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teacher's contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Economic Development

Windsor is an important regional employment center in New England's Knowledge Corridor. It is strategically located between Hartford, CT and Springfield, MA on Interstate I-91 and adjoining Bradley International Airport. Windsor maintains a diversified economic base. Major industries include business and financial services, precision manufacturing, software development, regional distribution, data management and hospitality.

With a jobs base of more than 24,000, Windsor ranks fifth among Hartford area communities in total non-retail employment. Major private employers include Hartford Life, Voya, Alstom, Eversource, Westinghouse, Konica Minolta, CIGNA, Walgreens, Permasteelisa and SS&C.

Between 2000 and 2013, Windsor experienced substantial growth. More than five million square feet of new commercial space was constructed during this period including 300,000 SF of retail, 1.2 million SF of office, and 3.5 million SF of industrial/distribution space. In addition, more than 580 new hotel rooms and conference space were built to serve the growing business community.

Among the most significant projects during this period were:

- Walgreens Northeast Distribution Center - an 800,000 SF high-tech distribution facility to serve drugstores in an eight-state region. This \$130 million facility was placed in operation in January 2009 and currently employs approximately 500 persons.
- Voya Financial (formerly ING) - a 475,000 SF office center to house its largest employee base in North America. This \$90 million facility was completed in the fall of 2007 and employs approximately 1,800 persons.
- Emhart Glass Research and Development Center - a 60,000 SF facility including a 40-metric ton glass furnace for the development of glass container fabrication technologies and equipment. This \$20 million research center opened in the spring of 2008 and employs 60 engineers and scientists.
- Hartford Life Campus - a 450,000 SF office center to consolidate existing operations in the area and to provide space for planned growth. This \$110 million facility opened in the fall of 2008 and employs approximately 2,200 persons.
- Dollar Tree Distribution Center - a 1,000,000 SF distribution facility to serve retail stores in the United States and Canada. This \$70 million facility was placed in operation in June of 2013 and employs approximately 200 persons.

Between 2000 and 2013, the number of jobs in Windsor increased by 27.97% from 18,910 to 24,191. The most significant changes came in the Professional, Scientific and Management sector and the Finance, Insurance and Real Estate sector. The former saw increased employment by 180% from 1,343 jobs in 2000 to 5,297 jobs in 2013. The latter increased employment by 139% from 2,210 jobs in 2000 to 5,297 jobs in 2013. This increased these sectors' portions of the local workforce from 7.1% and 11.7% respectively in 2000 to 16% and 22.5% in 2013.

Other sectors that increased significantly are Arts, Entertainment, Accommodation and Food with 393 new jobs which is a 69% increase and Transportation and Warehousing with 731 new jobs which is a 93.5% increase.

Average annual wages in Windsor have increased by 53.5% between 2000 and 2013 from \$46,221 to \$70,970. By comparison, over the same period, annual wages in the State of Connecticut rose by only 37% (\$45,485 to \$62,284) and in Hartford County by only 41.5% (\$43,656 to \$61,804).

The most significant projects currently under construction are:

- Amazon.com - a 1.5 million SF fulfillment center for the leading online retailer. This \$100 million facility will be completed in 2015 and will employ 380 persons.

Looking forward, the Town of Windsor is taking steps to sustain its growth and the quality of its development. A variety of initiatives are underway to further improve highway access, manage transportation demand and enhance community livability. Approval has been granted to a 600-acre mixed-use project, Great Pond Village, in the Day Hill Road Corporate Area. This project will add value to existing space and provide opportunities for new workforce housing. The Redevelopment Agency is pursuing redevelopment of key properties and planning for development to support and benefit from commuter rail service expansion in the Town center. The CT DOT has initiated a project for high-speed and enhanced commuter rail service through Windsor by the 4th quarter of 2016.

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

Year	Town of Windsor	Hartford County	State of Connecticut
1980	25,204	807,766	3,107,576
1990	27,817	851,783	3,287,116
2000	28,237	857,183	3,405,565
2010	29,044	894,014	3,574,097
2013	29,100	895,827	3,583,561

Source: U.S. Department of Commerce, Bureau of Census and 2009-2013 American Community Survey.

Age Characteristics of Population

Age	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5	1,709	5.9	49,926	5.6	197,395	5.5
5 - 19	5,368	18.4	175,769	19.6	712,697	19.9
20 - 24	1,813	6.2	56,121	6.3	229,708	6.4
25 - 44	6,678	22.9	228,283	25.5	898,004	25.1
45 - 64	9,040	31.1	252,784	28.2	1,025,473	28.6
65 and over	4,492	15.4	132,944	14.8	520,284	14.5
TOTAL	29,100	100.0	895,827	100.0	3,583,561	100.0

Source: U.S. Department of Commerce, 2009-2013 American Community Survey.

Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(2000)	(2013)	(2000)	(2013)
Town of Windsor	\$73,064	\$93,688	\$27,633	\$35,857
Hartford County	62,144	81,805	26,047	34,698
Connecticut	65,521	87,245	28,766	37,892
United States	49,600	64,719	21,690	28,155

Source: U.S. Department of Commerce, Bureau of Census, Census 2000 and 2009-2013 American Community Survey.

Income Distribution

	Town of Windsor		Hartford County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	144	1.9	8,863	3.9	29,895	3.3
10,000 to 14,999	34	0.4	5,838	2.6	19,176	2.1
15,000 to 24,999	249	3.2	13,259	5.8	47,319	5.2
25,000 to 34,999	279	3.6	14,689	6.5	56,997	6.3
35,000 to 49,999	730	9.4	22,737	10.0	86,025	9.5
50,000 to 74,999	1,271	16.4	38,289	16.9	143,989	15.9
75,000 to 99,999	1,473	19.0	34,023	15.0	131,874	14.6
100,000 to 149,999	2,037	26.2	45,500	20.0	187,718	20.8
150,000 to 199,999	1,027	13.2	21,723	9.6	90,602	10.0
200,000 or more	521	6.7	22,206	9.8	109,982	12.2
TOTAL	7,765	100.0	227,127	100.0	903,577	100.0

Source: U.S. Department of Commerce, 2009-2013 American Community Survey.

Educational Attainment
Years of School Completed, Age 25 and Over

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	620	3.1	30,091	4.9	109,133	4.5
9th to 12th grade	985	4.9	42,674	7.0	155,272	6.4
High School Graduate	5,342	26.4	170,017	27.7	678,370	27.8
Some College	3,830	19.0	110,152	17.9	431,469	17.7
Associate Degree	2,157	10.7	46,875	7.6	178,597	7.3
Bachelor Degree	3,961	19.6	121,398	19.8	498,124	20.4
Graduate or Professional Degree	3,315	16.4	92,804	15.1	392,796	16.1
TOTAL	20,210	100.0	614,011	100.0	2,443,761	100.0
Percent High School Graduate or Higher		92.1%		88.1%		89.2%
Percent Bachelor's Degree or Higher		36.0%		34.9%		36.5%

Source: U.S. Department of Commerce, 2009-2013 American Community Survey.

Employment by Industry

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing, hunting and mining	23	0.2	1,055	0.2	6,945	0.4
Construction	816	5.3	20,531	4.7	99,444	5.7
Manufacturing	1,114	7.3	47,141	10.8	193,945	11.0
Wholesale trade	404	2.6	11,392	2.6	43,550	2.5
Retail trade	1,280	8.4	47,231	10.8	191,841	10.9
Transportation, warehousing, and utilities	809	5.3	17,507	4.0	65,630	3.7
Information	419	2.7	10,332	2.4	41,588	2.4
Finance, insurance, real estate and rental & leasing	2,236	14.6	49,715	11.4	160,976	9.1
Professional, scientific, management, administrative, and waste management services	1,747	11.4	44,951	10.3	194,959	11.1
Educational, health and social services	3,974	25.9	114,048	26.2	464,177	26.4
Arts, entertainment, recreation, accommodation and food services	1,081	7.1	33,690	7.7	148,097	8.4
Other services (except public administration)	535	3.5	19,093	4.4	81,443	4.6
Public Administration	880	5.7	19,256	4.4	66,817	3.8
TOTAL	15,318	100.0	435,942	100.0	1,759,412	100.0

Source: U.S. Department of Commerce, 2009-2013 American Community Survey.

Major Employers

Name of Employer	Nature of Entity	Estimated Number of Employees
Hartford Life	Financial Services	2,200
VOYA	Insurance and Financial Services	1,800
Alstom Power Systems	North America HQ - engineering and customer service	1,350
CIGNA	Insurance (Data center)	1,000
Town of Windsor	Government/education	879
Westinghouse Electric Co.	Nuclear power engineering	700
Eversource	Utility	600
Walgreens	Distribution center for retail drug stores	500
Konica Minolta	Business equipment sales and support	450
Permasteelisa NA	Curtain wall design and manufacturer	400

Source: Town of Windsor Economic Development Staff

Unemployment Rate Statistics

Yearly Average	Town of Windsor %	Hartford Labor Market %	State of Connecticut %	United States %
2005	4.8	5.1	4.9	5.1
2006	4.1	4.4	4.3	4.6
2007	4.2	4.7	4.5	4.6
2008	5.4	5.9	5.7	5.8
2009	7.7	8.1	8.0	9.3
2010	8.5	9.1	9.0	9.6
2011	8.4	8.9	8.8	9.0
2012	8.2	8.4	8.3	8.1
2013	7.7	7.9	6.8	7.4
2014	6.6	6.7	6.7	6.2

2015 Monthly

January	6.3	6.8	6.8	6.1
February	6.3	6.9	6.9	5.8
March	6.0	6.5	6.5	5.6

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

Number and Value of Building Permits

Fiscal Year	Residential (1)		Non-Residential		All Other (1)		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2015 (2)	15	\$ 3,121,202	353	\$ 22,920,387	928	\$ 7,337,451	1,296	\$ 33,379,040
2014	20	4,184,575	406	112,575,131	1,455	9,480,348	1,881	126,240,054
2013	9	1,564,150	433	121,965,417	1,287	9,052,796	1,729	132,582,363
2012	8	1,641,325	422	22,128,336	1,473	10,652,096	1,903	34,421,757
2011	6	1,078,050	412	39,345,785	1,261	8,336,940	1,679	48,760,775
2010	95	13,799,191	403	52,647,142	1,325	9,815,096	1,823	76,261,429
2009	19	2,771,448	378	61,878,140	1,210	10,966,397	1,607	75,615,985
2008	60	9,964,140	477	121,593,104	1,132	8,652,111	1,669	140,209,355
2007	68	12,869,160	597	247,970,218	1,323	10,040,579	1,988	270,879,957
2006	132	19,825,867	441	48,233,581	1,319	8,268,182	1,892	76,327,630

(1) Residential permits figures are for new homes only. All Other permits figures are for all other residential permit activity.

(2) As of March 31, 2015.

Source: Town of Windsor, Office of Building Inspections.

Number of Dwelling Units

2013	2010	2000	1990	1980	1970	% Increase 2000-2013	% Increase 1970-2013
11,629	11,767	10,900	10,279	8,793	6,658	6.69%	74.66%

Source: U.S. Department of Commerce, Bureau of Census and 2009-2013 American Community Survey.

**Characteristics of Housing Units
(Owner-occupied)**

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
\$ 0 to \$ 50,000	177	2.0	5,589	2.5	20,800	3.0
50,000 to 99,999	126	1.5	6,723	2.9	24,638	3.5
100,000 to 149,999	725	8.4	20,791	9.1	66,934	9.6
150,000 to 199,999	1,648	19.0	44,966	19.7	135,715	19.5
200,000 to 299,999	4,262	49.2	78,911	34.6	264,832	38.1
300,000 to 499,999	1,557	18.0	54,719	24.0	25,076	3.6
500,000 to 999,999	97	1.1	14,306	6.3	114,622	16.5
1,000,000 and over	69	0.8	1,949	0.9	41,872	6.0
	<u>8,661</u>	<u>100.0</u>	<u>227,954</u>	<u>100.0</u>	<u>694,489</u>	<u>100.0</u>
Median Values	\$236,000		\$241,500		\$278,900	

Source: U.S. Department of Commerce, 2009-2013 American Community Survey.

Age Distribution of Housing

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	1,653	14.2	74,221	19.9	336,587	22.6
1940 to 1949	864	7.4	32,513	8.7	105,742	7.1
1950 to 1959	2,230	19.2	68,139	18.2	232,555	15.6
1960 to 1969	1,152	9.9	52,766	14.1	200,430	13.5
1970 to 1979	2,265	19.5	49,011	13.1	200,576	13.5
1980 to 1989	1,973	17.0	49,145	13.1	192,185	12.9
1990 to 1999	619	5.3	24,243	6.5	111,295	7.5
2000 to 2009	873	7.5	23,031	6.2	102,666	6.9
2010 or later	0	0.0	740	0.2	4,959	0.3
	<u>11,629</u>	<u>100.0</u>	<u>373,809</u>	<u>100.0</u>	<u>1,486,995</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2009-2013 American Community Survey.

Breakdown of Land Use

Land Use Category	Total Acreage		Developed Acreage by Land Use		Undeveloped Acreage	
	By Zoning	Percent	Land Use	Percent	Acreage	Percent
Residential	7,340.81	44.5%	6,366.62	58.5%	974.19	17.4%
Commercial	1,840.17	11.2%	1,245.67	11.4%	594.50	10.6%
Industrial	2,381.81	14.4%	1,891.24	17.4%	490.57	8.7%
Other	4,935.96	29.9%	1,387.25	12.7%	3,548.71	63.3%
Total Area	<u>16,498.75</u>	<u>100.0%</u>	<u>10,890.78</u>	<u>100.0%</u>	<u>5,607.97</u>	<u>100.0%</u>

Source: Assessor's CAMA tax database as of October 2014.

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit

As of June 24, 2015 (Pro Forma)

Total Receipts for fiscal year ended June 30, 2014 (including interest and lien fees)	\$ 82,874,758
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly	-
Base for Establishing Debt Limit	<u>\$ 82,874,758</u>

Debt Limit (1)

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 186,468,206					
(4.50 times base)		\$ 372,936,411				
(3.75 times base)			\$ 310,780,343			
(3.25 times base)				\$ 269,342,964		
(3.00 times base)					\$ 248,624,274	
(7.00 times base)						\$ 580,123,306
Indebtedness (Including the Bonds)						
Bonds Payable	\$ 22,892,000	\$ 11,503,000	\$ -	\$ -	\$ -	\$ 34,395,000
The Bonds (<i>This Issue</i>)	3,165,000	2,205,000	-	-	-	5,370,000
The Notes (<i>This Issue</i>)	420,000	-	-	-	-	420,000
Overlapping and Underlying Debt (2)	-	-	44,916,873	-	-	44,916,873
Authorized but Unissued Debt	-	220,000	-	-	-	220,000
Total Indebtedness	26,477,000	13,928,000	44,916,873	-	-	85,321,873
Less:						
School grants receivable	-	-	-	-	-	-
Total Net Indebtedness	26,477,000	13,928,000	44,916,873	-	-	85,321,873
Excess of Limit Over Outstanding and Authorized Debt	\$ 159,991,206	\$ 359,008,411	\$ 265,863,470	\$ 269,342,964	\$ 248,624,274	\$ 494,801,433

(1) Under Connecticut General Statutes, Town debt cannot exceed \$580,123,306 or seven times the debt limit base.

(2) Overlapping and underlying debt as of December 31, 2014. (See "Overlapping and Underlying Indebtedness" herein).

Calculation of Net Direct Indebtedness

As of June 24, 2015 (Pro Forma)

Long-Term Indebtedness (1)	
The Bonds (<i>This Issue</i>)	\$ 5,370,000
General Purpose	22,892,000
Schools	<u>11,503,000</u>
Total Long-Term Indebtedness	39,765,000
Short-Term Indebtedness	
The Notes (<i>This Issue</i>)	<u>420,000</u>
Total Direct Indebtedness	40,185,000
Exclusions:	
(School building grants receivable)	<u>-</u>
Total Net Direct Indebtedness	40,185,000
Underlying Indebtedness	-
Net Overlapping Indebtedness (2)	<u>44,916,873</u>
Total Underlying and Net Overlapping Indebtedness	44,916,873
Total Net Direct and Net Overlapping Indebtedness	<u>\$ 85,101,873</u>

(1) Does not include authorized but unissued debt of \$220,000. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.

(2) Overlapping and underlying debt as of December 31, 2014. (See "Overlapping and Underlying Indebtedness" herein).

Current Debt Ratios

As of June 24, 2015 (Pro Forma)

Total Direct Indebtedness	\$40,185,000
Total Net Direct Indebtedness	\$40,185,000
Total Net Direct and Net Overlapping Indebtedness	\$85,101,873
Population (1)	29,100
Net Taxable Grand List (10/1/14)	\$2,849,933,303
Estimated Full Value	\$4,071,333,290
Equalized Net Taxable Grand List (2012) (2)	\$4,026,160,993
Per Capita Income (2013) (1)	\$35,857
Total Direct Indebtedness:	
Per Capita	\$1,380.93
To Net Taxable Grand List	1.41%
To Estimated Full Value	0.99%
To Equalized Net Taxable Grand List	1.00%
Per Capita to Per Capita Income	3.85%
Total Net Direct Indebtedness:	
Per Capita	\$1,380.93
To Net Taxable Grand List	1.41%
To Estimated Full Value	0.99%
To Equalized Net Taxable Grand List	1.00%
Per Capita to Per Capita Income	3.85%
Total Net Direct and Net Overlapping Indebtedness:	
Per Capita	\$2,924.46
To Net Taxable Grand List	2.99%
To Estimated Full Value	2.09%
To Equalized Net Taxable Grand List	2.11%
Per Capita to Per Capita Income	8.16%

(1) U.S. Department of Commerce, 2009-2013 American Community Survey.

(2) Office of Policy and Management, State of Connecticut.

Historical Debt Statement

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Population (1)	29,100	29,140	29,140	29,067	29,044
Net taxable grand list	\$ 3,013,897,453	\$ 2,907,640,693	\$ 2,811,979,697	\$ 2,734,641,908	\$ 2,653,336,173
Estimated full value	\$ 4,305,567,790	\$ 4,153,772,419	\$ 4,017,113,853	\$ 3,906,631,297	\$ 3,790,480,247
Equalized net taxable grand list (2)	\$ 4,026,160,993	\$ 4,026,157,221	\$ 4,003,835,033	\$ 4,039,645,772	\$ 4,295,760,010
Per capita income (1)	\$ 35,857	\$ 35,857	\$ 35,857	\$ 35,857	\$ 35,857
Short-term debt	\$ -	\$ 1,670,000	\$ 800,000	\$ 1,010,000	\$ -
Long-term debt	\$ 39,390,000	\$ 39,140,000	\$ 38,470,000	\$ 38,485,000	\$ 38,730,000
Total Direct Indebtedness	\$ 39,390,000	\$ 40,810,000	\$ 39,270,000	\$ 39,495,000	\$ 38,730,000
Net Direct Indebtedness	\$ 39,335,625	\$ 40,700,371	\$ 38,996,366	\$ 38,922,199	\$ 37,818,952
Net Direct and Net Overlapping Indebtedness	\$ 95,305,326	\$ 84,585,946	\$ 71,200,344	\$ 64,459,131	\$ 56,255,933

(1) U.S. Department of Commerce, 2009-2013 American Community Survey.

(2) Office of Policy and Management, State of Connecticut.

Historical Debt Ratios

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Total Direct Indebtedness:					
Per capita	\$1,353.61	\$1,400.48	\$1,347.63	\$1,358.76	\$1,333.49
To net taxable grand list	1.31%	1.40%	1.40%	1.44%	1.46%
To estimated full value	0.91%	0.98%	0.98%	1.01%	1.02%
To equalized net taxable grand list	0.98%	1.01%	0.98%	0.98%	0.90%
Debt per capita to per capita income	3.78%	3.91%	3.76%	3.79%	3.72%
Net Direct Indebtedness:					
Per capita	\$1,351.74	\$1,396.72	\$1,338.24	\$1,339.05	\$1,302.13
To net taxable grand list	1.31%	1.40%	1.39%	1.42%	1.43%
To estimated full value	0.91%	0.98%	0.97%	1.00%	1.00%
To equalized net taxable grand list	0.98%	1.01%	0.97%	0.96%	0.88%
Debt per capita to per capita income	3.77%	3.90%	3.73%	3.73%	3.63%
Net Direct and Net Overlapping Indebtedness:					
Per capita	\$3,275.10	\$2,902.74	\$2,443.39	\$2,217.61	\$1,936.92
To net taxable grand list	3.16%	2.91%	2.53%	2.36%	2.12%
To estimated full value	2.21%	2.04%	1.77%	1.65%	1.48%
To equalized net taxable grand list	2.37%	2.10%	1.78%	1.60%	1.31%
Debt per capita to per capita income	9.13%	8.10%	6.81%	6.18%	5.40%

Outstanding Short-Term Indebtedness

With this issue, the Town will have \$420,000 in short-term indebtedness outstanding. (See "Authorized but Unissued Debt" herein).

Overlapping and Underlying Indebtedness

Metropolitan District Commission:

Windsor is a member of the Metropolitan District Commission ("MDC") along with the City of Hartford and the towns of Rocky Hill, Bloomfield, East Hartford, Newington, West Hartford, and Wethersfield.

<u>Amount of Outstanding Debt</u>	<u>Less Exclusions (1)</u>	<u>Total Net Overlapping Debt</u>	<u>Applicable % of Net Debt Charged to Town</u>	<u>Town Net Overlapping Debt (2)</u>
\$ 971,003,645	\$ 449,321,026	\$ 521,682,619	8.61%	\$ 44,916,873

(1) Debt for water purposes or supply of electricity.

(2) As of December 31, 2014.

Each year the District adopts a Capital Improvement Program ("CIP") for its capital infrastructure and facility needs. The program requires a series of decisions about the amount, timing, purpose and structure of debt issuance. Annual capital project appropriations and the issuance of debt are approved in accordance with budgetary policies and procedures as presented under the Budget Procedure and Policy of Debt Administration. The Finance Department manages all District borrowings, paying particular attention to debt affordability and timing of borrowings to take advantage of favorable market conditions. The goal is to repay debt rapidly, maintain a conservative level of outstanding debt, and ensure the District's continued positive financing standing in the bond market. For 2015, the CIP continues to focus on implementing a comprehensive asset management program for wastewater, water and combined programs.

The District has also initiated a comprehensive Clean Water Project CIP. The Project combines the elimination of Sanitary Sewer Overflows, the design and construction of the Combined Sewer Overflow Long-Term Plan and the treatment and reduction of nitrogen from the water pollution control facilities. The Project has a 2006 estimated cost of \$2.1 billion and a 15 year implementation requirement. \$800 million, which covers the costs of Phase I of the Project and is expected to last six years, was authorized by the Member Municipalities at a referendum in November 2006. Approval for \$800 million for Phase II was authorized by the Member Municipalities at a referendum on November 6, 2012 and is expected to be completed in 2024. Phase III of the project will require submission of a further appropriation for approval by voters, currently expected to be in 2016. A Special Sewer Service Surcharge, adopted in October 2007 and implemented in January 2008, will be used exclusively for the payment of debt service on bonds and loans issued to finance the Project. The District's goal is to fund project costs with State and Federal grants and State and Federal low-cost loans as they become available, and open market debt. Bonds and loans that are solely supported by the Special Sewer Service Surcharge will not be included in the calculation of overlapping debt of the Member Municipalities.

Source: MDC

Fire Districts:

Windsor has two underlying special tax districts, Wilson Fire District and Windsor Fire District. As of June 30, 2014 the Windsor Fire District and the Wilson Fire District have no outstanding debt.

Legal Requirements for Approval of Borrowing

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Town Charter, Town Meeting approval is required when bonds or notes, except tax anticipation notes, are issued in excess of 2% of the tax levy. An ordinance providing for the sale or purchase of real estate valued in excess of \$10,000 must be adopted at a Town Meeting by a vote of the majority. Borrowing and additional appropriations in excess of 3% of the tax levy require approval by referendum.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Capital Improvement Program

Under Town Charter, the Town Manager annually submits an updated six-year capital improvement program. The plan is a systematic program to add or replace capital items for each department within the General Government and Board of Education. The 2016-2021 Plan projects a total of \$155,171,486 in projects. A copy of the most recent capital improvement program is available from the Town Manager's Office.

School Projects

Pursuant to Public Act No. 97-11, the State of Connecticut provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Debt service reimbursement was available under the old program for all projects approved prior to July 1, 1996.

Under the old program, the State of Connecticut has reimbursed the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund school projects. The Town anticipates receiving one more grant payment under the old program. After fiscal year 2014-15, there will no longer be grant funds available to the Town under this program.

Authorized but Unissued Debt

The following is a list of all of the projects for which the Town has outstanding bond authorizations:

Projects	Amount Authorized	Prior Bonds	Paydowns/ Grants	The Bonds (This Issue)	The Notes (This Issue)	Authorized But Unissued
Pavement Management Improvements	\$ 180,000	\$ -	\$ -	\$ 180,000	\$ -	\$ -
Town Facility HVAC, Electrical and Energy Improvements	635,000	-	-	635,000	-	-
Stormwater Management Program	515,000	-	-	515,000	-	-
Town Hall Windows and Egress Door Replacement	215,000	-	-	215,000	-	-
Tower Ladder Truck Replacement	1,270,000	-	-	1,270,000	-	-
Batchelder Rd. and Mechanic St. Pavement Rehabilitation	770,000	-	-	350,000	420,000	-
Clover St. Elementary School HVAC Equipment Replacement	2,425,000	-	-	2,205,000	-	220,000
Total	\$ 6,010,000	\$ -	\$ -	\$ 5,370,000	\$ 420,000	\$ 220,000

Combined Schedule of Long Term Debt through Maturity

As of June 24, 2015 (Pro Forma)

Fiscal Year	Principal Payments (1)	Interest Payments	Total Debt Service (1)	The Bonds Principal Payments	All Issues Principal (1)
2015 (1)	\$ 4,995,000	\$ 1,125,383	\$ 6,120,383	\$ -	\$ 4,995,000
2016	5,080,000	1,025,950	6,105,950	450,000	5,530,000
2017	5,040,000	842,950	5,882,950	450,000	5,490,000
2018	4,880,000	664,806	5,544,806	450,000	5,330,000
2019	4,540,000	498,763	5,038,763	450,000	4,990,000
2020	4,535,000	348,775	4,883,775	450,000	4,985,000
2021	3,570,000	228,413	3,798,413	450,000	4,020,000
2022	2,470,000	154,443	2,624,443	450,000	2,920,000
2023	2,420,000	85,268	2,505,268	450,000	2,870,000
2024	1,435,000	35,738	1,470,738	450,000	1,885,000
2025	425,000	7,438	432,438	450,000	875,000
2026	-	-	-	450,000	450,000
2027	-	-	-	420,000	420,000
	\$ 39,390,000	\$ 5,017,927	\$ 44,407,927	\$ 5,370,000	\$ 44,760,000

(1) Does not reflect principal payments of \$4,995,000 made as of June 24, 2015.

Source: Annual audit financial statements.

SECTION V - FINANCIAL DATA

Accounting Policies

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements (Appendix A).

Basis of Accounting

See "Measurement Focus, Basis of Accounting and Financial Statement Presentation" under Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements (Appendix A).

Audit

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the Town of Windsor Charter, the Town is obligated to undergo an annual examination by an independent certified public accountant. The current auditors, McGladrey & Pullen, LLP, of New Haven, Connecticut were appointed by the Town Council and are required to conduct their examination under the guidelines issued by the State of Connecticut Office of Policy & Management, who receive a copy of said Audit Report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2014, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by McGladrey & Pullen, LLP, independent certified public accountants. The information contained in "Appendix A" is not the whole audit report. Individuals wishing a complete document should contact the Finance Director of the Town of Windsor, Connecticut.

Certificate of Achievement for Excellence in Financial Reporting

The Town of Windsor's Comprehensive Annual Financial Reports ("CAFR") for fiscal years 1985 through 2014 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Financial Officers Association of the United States and Canada ("GFOA"). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

Budgetary Procedure

The Town follows the following procedure in establishing the budgetary data included in the General Fund. No later than April 1st the Town Manager shall present to the Council a budget and recommendations. The Council shall hold one or more public hearings no later than April 15th, at which time any elector or taxpayer may be heard regarding appropriations for the ensuing fiscal year. On the second Monday in May, the Town Council submits to an adjourned Town meeting (referendum) and approves proposed expenditures and the means of financing them.

<u>On or About</u>	<u>Day of Week</u>	<u>Action</u>
February 2, 2015	Monday	Public Hearing by Town Council to hear budget requests from citizens.
March 27, 2015	Thursday	Estimated receipts and expenditures submitted to Council by Town Manager and Board of Education. (Proposed Budget)
April 6, 2015	Monday	Public Hearing by Council to hear expression of public opinion regarding budget submitted to Council by Town Manager and Board of Education.

May 12, 2015 (1)	Tuesday	Annual Town Budget Referendum held; budget adopted.
June 8, 2015	Monday	Regular Town Council Meeting; Council sets tax rate.
Seven Days Prior to Due Date	Monday	Tax bill mailing completed.
June 30, 2015	Monday	End of Fiscal Year.
July 1, 2015 (2)	Tuesday	Taxes for 2015-16 fiscal year due and payable; fiscal year 2015-16 budget becomes effective.

- (1) The budget for the fiscal year commencing July 1, 2015 was defeated at referenda on May 12, 2015 and June 2, 2015. A third budget referendum is scheduled for June 23, 2015.
- (2) Pursuant to Windsor Town Charter Sec. 9.3(c), if the voters disapprove the budget appropriation recommended by the Town Council, the annual budget appropriation for the existing fiscal year shall be continued until the new budget appropriation is adopted.

All unencumbered appropriations lapse at year-end, except those for the Capital Projects Fund and certain special revenue grants. Appropriations for Capital Projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Supplemental Appropriations

Under the Town Charter, any appropriation in excess of 1% of the tax levy in addition to or supplementary to the annual budget requires approval at a Town Meeting. An ordinance providing for the sale or purchase of real estate valued in excess of \$10,000 must be adopted at a Town Meeting by a vote of the majority. Borrowings and additional appropriations in excess of 3% of the tax levy require approval by referendum.

Employee Pension Systems

The Town of Windsor maintains the Town's retirement plan, a single-employer, defined benefit public employee retirement system ("PERS"), that covers substantially all of its employees except police officers and the certified faculty and administrative personnel of the Board of Education. The Town funds its pension liability each year based on the recommendation of an independent actuary.

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30, 2014 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2013. The date of the Town's most recent actuarial valuation was July 1, 2014.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town as of June 30, 2014 were as follows:

Total pension liability	\$ 69,655,089
Plan fiduciary net position	<u>65,167,454</u>
Net pension liability	<u>\$ 4,487,635</u>
Plan fiduciary net position as a % of total pension liability	93.6%

The following represents the net pension liability of the Town, calculated using the discount rate of 7.5%, 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease	Current	1% Increase
	6.50%	7.50%	8.50%
Net Pension Liability	\$ 13,039,067	\$ 4,487,635	\$ (2,389,798)

Based upon a July 1, 2014 actuarial valuation, the actuarial value of assets and actuarial liabilities for the PERS plan were as follows:

Schedule of Funding Progress

Actuarial Valuation July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Percentage Funded Ratio (a) / (b)
2010	\$ 54,245,354	\$ 53,427,746	\$ 817,608	101.5
2011	56,804,114	55,428,256	1,375,858	102.5
2012	59,251,864	58,623,672	628,192	101.1
2013 (1)	62,034,394	66,628,676	(4,594,282)	93.1
2014	65,167,454	69,668,604	(4,501,150)	93.5

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2011	\$ 1,273,290	\$ 1,273,290	100.0
2012	1,334,389	1,334,389	100.0
2013	1,367,561	1,367,561	100.0
2014	1,311,760	1,311,760	100.0
2015 (1,2)	998,378	998,378	100.0
2016 (1,2)	1,026,539	1,026,539	100.0

- (1) Increase in Actuarial Accrued Liability and the decrease in Actuarial Required Contribution is due to changes in the actuarial funding method from Projected Unit Credit to Entry Age Normal, and the plan's interest rate assumption lowered from 7.75% to 7.5%. The reason for these changes is to allow for consistency with new standards set forth in GASB Statement No. 67 as well as Actuarial Standards of Practice recommendations.
- (2) The actuarial required contribution ("ARC") as provided by the Town's actuary. The Town contributes 100% of the ARC, which they have done historically.

For further details on the plans, see Appendix A, "Notes to General Purpose Financial Statements".

All uniformed police officers are covered under the State administered Municipal Employee Retirement Fund B ("MERF"), a defined benefit cost-sharing multi-employer cost sharing public employee retirement system ("PERS") established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to employees and beneficiaries of participating municipalities. The Town's General Fund expenditure for its share of the PERS cost was \$976,122 for the fiscal year ending June 30, 2014. The Town is projecting \$848,180 for its share of the PERS cost for fiscal year ending June 30, 2015, and is proposing \$827,530 for the fiscal year 2016 budget commencing on July 1, 2015.

As of FY 2012, newly hired employees in the Teamsters, Public Safety Dispatchers bargaining unit as well as the non-affiliated employee group were required to participate in the Town of Windsor 401(a) defined contribution plan. The Town's contribution is 5% of annual income, and new hires are required to contribute 5% of annual income for these three groups. The contribution rate for defined benefit plan participants was increased to 4% of annual income.

As of FY 2014, newly hired employees of the Town of Windsor Board of Education (with the exception of certified faculty and administrative personnel) were required to participate in a 401(a) defined contribution plan. The Board of Education's contribution is 5% of annual income, and new hires are required to contribute 5% of annual income. The contribution rate for the defined benefit plan was increased to 3.25% of annual income.

As of FY 2015, the contribution rate for the defined benefit plan for the General Government Non-Affiliated and Public Safety Dispatchers was increased to 4.25%. Board of Education Non-Affiliated and bargaining unit members' contribution rate is currently 3.25% and will increase to 4.0% on July 1, 2016.

The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the Connecticut State Teachers' Retirement Board. The Board of Education does not contribute to the plan. The actuarial present value of accumulated plan benefits for this plan is not available. For further discussion on the plans, see "Appendix A, Note 8 to Financial Statements" herein.

Other Post-Employment Benefits

The Town provides limited post-employment health care benefits for retired employees. Substantially all of the Town's employees are eligible for these benefits when they become eligible for retirement while working for the Town. The Town currently finances the cost of these benefits on a pay-as-you-go basis. The cost for the 2014 fiscal year was \$855,760. The cost for the 2015 fiscal year is estimated to be \$757,660, and proposed at \$729,220 for the 2016 fiscal year. An actuarial consultant has performed an actuarial valuation of this liability in accordance with GASB Statement No. 45 requirements effective for the fiscal year beginning July 1, 2013. The unfunded accrued liability as calculated by the actuary for the valuation report dated July 1, 2013 is \$80,766,578. A trust fund was established on July 1, 2015 and a strategic plan was developed for the purpose of accumulating assets with which to pay such benefits in future years. The town deposited \$390,000 into the trust for fiscal year 2015, and another deposit of \$350,000 is proposed for fiscal year 2016.

The Town attempts to mitigate employee health care costs when negotiating with collective bargaining units.

Since fiscal year 2012, the allocation rate towards health insurance for members of the Teamsters bargaining unit has increased from 15% to 17% of the full premium cost, and the Town's contribution has decreased from 85% to 83%. For Teamsters bargaining unit retirees hired after July 1, 2008 and before November 1, 2011, the Town will pay 50% of the cost for health insurance premiums for the retiree's spouse at the time of retirement. Prior to this, retirees contributed the same percentage they were paying at the time of retirement. For Teamsters retirees hired after November 1, 2011, the retiree's spouse may choose to continue health coverage at their own expense. Retiree spouses are not eligible for Town of Windsor health benefits if they have other coverage available to them.

Since fiscal year 2013, the allocation rate towards health insurance for members of the Public Safety Dispatchers bargaining unit has increased from 15% to 17% of the full premium cost, and the Town's contribution has decreased from 85% to 83%. Effective July 1, 2013, the allocation rate for non-affiliated employees increased from 16% to 17%, and the Town's allocation decreased from 84% to 83%.

Effective and retroactive to July 1, 2013, the allocation rate towards health insurance for each subscribing member of the Windsor Police Department Employees Association (WPDEA) bargaining unit and his/her eligible dependents will be 17% of the full premium cost, and the Town's allocation will be 83%. Effective July 1, 2014, the allocation rate for each subscribing employee and his/her eligible dependents will be 18% of the full premium cost, and the Town's allocation will be 82%. Effective July 1, 2015, the allocation rate for each subscribing employee and his/her eligible dependents will be 19% of the full premium cost, and the Town's allocation will be 81%.

For members of the WPDEA bargaining unit who select the Lumenos High Deductible Health Care Plan, the allocation rate for each subscribing employee and his/her eligible dependents will be 15% of the full premium cost, and the Town's allocation will be 85%. Effective July 1, 2015, the allocation rate for each subscribing employee and his/her eligible dependents will be 16% of the full premium cost and the Town's allocation will be 84%.

A retired WPDEA bargaining unit employee may elect to continue the Town's insurance plan for the subscribing employee and his or her spouse at the time of retirement, with the retired employee paying the same premium share as active employees at any given time to a maximum of 25%. The hospital and medical insurance plan shall be the plan selected by the retiree from the plans available to current employees at any given time, as it may change from time to time, provided said plans include all those plans available to any current employee. The retiree is not eligible for insurance coverage if other insurance coverage is available or becomes available to the retiree through another employer of the retiree. If the retired employee's spouse has comparable coverage available to him/her through his/her employer or the retiree's employer, the retiree and his/her spouse shall not be eligible for coverage under the Town's insurance coverage.

Based upon the July 1, 2013 actuarial valuation, the actuarial value of assets and actuarial liabilities for the OPEB plan were as follows:

Schedule of Funding Progress

Actuarial Valuation July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Percentage Funded Ratio (a) / (b)
2007	\$ -	\$ 66,013,000	\$ (66,013,000)	0.0
2009	-	72,896,000	(72,896,000)	0.0
2011	-	74,028,000	(74,028,000)	0.0
2013	-	80,766,578	(80,766,578)	0.0

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2011	\$ 7,118,000	\$ 2,067,000	29.0
2012	7,681,000	2,283,000	29.7
2013	7,258,000	2,047,000	28.2
2014	7,831,000	2,240,000	28.6
2015 (1)	8,130,000	2,206,000	27.1

(1) As projected for fiscal year 2014-15.

For further details on the plans, see Appendix A, "Notes to General Purpose Financial Statements".

Investment Policies and Procedures

Under the Town Charter and under Connecticut General Statutes Sections 7-400, 7-401 and 7-402, the Town may invest in (a) obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Federal Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, the Tennessee Valley Authority, or any other agency of the United States government, (b) certain mutual funds and money market mutual funds investing in such obligations or repurchase agreements fully collateralized by such obligations and (c) certain state and municipal bonds and notes, and may make deposits with certain "qualified public depositories".

The Town's investment practices have been to invest only in certificates of deposit and the State of Connecticut Short-Term Investment Fund ("STIF"). The Town does not invest in derivative based investment products. The Finance Director has followed these investment practices and the Town's operating funds and capital funds are currently invested in the following short-term investments: (1) various certificates of deposit with Connecticut banks; and (2) the State of Connecticut Short-Term Investment Fund.

All Town pension funds are invested with investment managers and for educators, the State of Connecticut Retirement Commission oversees the investment pool for teachers and administrators. For a further description of the Town's Pension Plans, see "Appendix A, Note 8 to Financial Statements" herein.

Assessment Practices

The Town of Windsor last revalued its real property to be effective on its October 1, 2013 Grand List and was implemented in fiscal year 2014-15. There is no phase-in for this revaluation. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods. Prior to the completion of each revaluation, the Assessor shall conduct a field review. The Assessor must fully inspect each parcel of improved real property once in every ten assessment years, provided that the Assessor is not required to fully inspect all of a town's improved real property parcels in the same assessment year or to fully inspect any such parcel more than once during every ten assessment years. Section 12-62 provides that the full inspection requirement shall not apply to any parcel of improved real property for which the Assessor obtains satisfactory verification of data listed on the Assessor's property record by means of a questionnaire sent by the Assessor, at any time during the period in which a full inspection of an improved parcel of real property is required, to the owner of such parcel to (A) obtain information concerning the property's acquisition, and (B) obtain verification of the accuracy of data listed on the Assessor's property record for such parcel. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property and motor vehicles located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last general revaluation.

The Town has a Fixed Assessment / Abatement policy pursuant to CGS 12-65b. Currently there are three active abatements and one approved abatement not yet implemented.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed as of the revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automotive price schedule as recommended by the State Office of Policy and Management and the Assessor. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The assessment is prorated, and the pro-ration is based on the number of months of ownership between October 1 and the following July 31. Vehicles purchased in August and September are not assessed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was assessed on the October Grand List, the taxpayer is entitled to certain credits.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy (70%) of present market value.

Tax Collection Procedure

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in one installment. Payments not received by August 1 become delinquent. According to the provisions of Public Act No. 82-141, effective July 1, 1982, and applicable to property taxes due on or after said date, delinquent property taxes were subject to interest at the rate of 1.5% per month.

Real Property Tax Levies and Collections

FY Ending 6/30	Net Taxable Grand List	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2014
2016 (1)	\$ 2,849,933,303 (2)	31.12	\$ 87,885,294	In Process	In Process	In Process
2015 (3)	2,838,103,716	30.47	86,535,450	In Process	In Process	In Process
2014	3,013,897,453	27.33	82,919,994	98.6	\$ 1,192,548	\$ 1,192,548
2013	2,907,640,693	27.95	81,403,784	98.7	1,062,846	545,596
2012	2,811,979,697	28.03	79,201,381	98.8	979,265	58,797
2011	2,734,641,908	28.38	77,747,083	98.6	1,091,108	16,812
2010	2,653,336,173	28.34	74,984,463	98.6	1,037,133	2,307
2009	2,590,683,323	29.30	76,374,720	98.8	898,815	2,015
2008	2,401,788,440	29.30	70,937,721	98.8	864,604	1,670
2007	2,303,286,906	29.30	68,003,214	98.7	905,941	995

- (1) Proposed budget for the fiscal year commencing July 1, 2015 was defeated at referenda on May 12, 2015 and June 2, 2015. A third budget referendum is scheduled for June 23, 2015. (See "Budgetary Procedures" herein).
- (2) The Net Taxable Grand List for fiscal year 2016 is after Board of Assessment Appeals.
- (3) The Town's last revaluation is effective as of 10/01/2013. The revaluation was implemented in full in FY 2014-15 budget year (will not be phased-in). (See "Assessments Practices" herein).

Source: Town Officials.

Taxable Grand List (1)

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List (1)
10/01/14	\$ 2,317,358,059	\$ 496,016,198	\$ 202,210,460	\$ 3,015,584,717	\$ 165,651,414	\$ 2,849,933,303
10/01/13	2,287,068,998	531,939,149	202,876,570	3,021,884,717	183,781,001	2,838,103,716
10/01/12	2,537,512,418	196,798,900	496,943,459	3,231,254,777	217,357,324	3,013,897,453
10/01/11	2,524,291,833	512,131,547	202,124,650	3,238,548,030	330,907,337	2,907,640,693
10/01/10	2,532,178,040	471,342,141	186,248,492	3,189,768,673	377,788,976	2,811,979,697
10/01/09	2,521,616,780	482,561,434	179,816,305	3,183,994,519	449,352,611	2,734,641,908
10/01/08	2,232,341,208	488,125,018	185,708,117	2,906,174,343	252,838,170	2,653,336,173
10/01/07	2,077,747,360	425,093,172	190,257,671	2,693,098,203	102,414,880	2,590,683,323
10/01/06	1,909,387,140	366,616,914	186,060,915	2,462,064,969	60,276,529	2,401,788,440
10/01/05	1,850,533,380	332,285,896	181,808,230	2,364,627,506	61,340,600	2,303,286,906

- (1) The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Tax Review determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation (Grand List of 10/01/2013). This revaluation was implemented in full in fiscal year 2014-15. The prior revaluation for the 10/01/2008 grand list was phased-in over a five year period at 20% per annum beginning in fiscal year 2009-2010 and ending in fiscal year 2013-14. (See "Assessments Practices" herein).

Source: Town Officials

Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town per the Grand List dated October 1, 2014:

Name of Taxpayer	Nature of Business	Grand List Amount
Griffin Land & Affiliates	Real Estate Development	\$ 74,467,249
CIGNA	Insurance and Financial Services	70,856,850
Voya Financial	Insurance and Financial Services	60,367,098
Hartford Financial Corp	Insurance and Financial Services	55,070,353
Cellco/Verizon Wireless	Telecommunications	44,307,016
Northeast Utilities & Affiliates	Electric Utility	42,121,713
Walgreens	Distribution Center	40,748,295
Dollar Tree Distribution Inc.	Distribution Center	38,960,176
IBM & Affiliates	Information Technology	36,303,264
KTR CT I LLC	Distribution Center	35,864,900
Total		\$ 499,066,914 (1)

(1) Represents 17.51% of the net taxable grand list of \$2,849,933,303 dated October 1, 2014.

Source: Town Officials.

Revenues

The Town derives its revenues from a direct tax levy on property, State and Federal aid, various fees and charges, and certain miscellaneous sources. Town revenues are summarized for fiscal years ended 2010-2014, in "Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

Property Tax Revenues

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax as a % of General Fund Revenues
2016 (Proposed Budget) (1)	\$ 105,658,490	\$ 88,464,970	83.73
2015 (Estimated Actuals) (1)	105,242,000	87,621,540	83.26
2014	110,221,210	82,937,213	75.25
2013	108,233,721	82,156,015	75.91
2012	104,442,171	79,806,333	76.41
2011	102,267,246	78,440,338	76.70
2010	97,207,998	75,182,401	77.34
2009	100,503,089	76,562,176	76.18
2008	96,039,401	71,336,266	74.28
2007	92,447,469	68,138,291	73.70

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was approximately \$7,044,000 in fiscal year 2013-14.

Source: Annual audited financial statements for fiscal years 2007-2014, estimated actuals for fiscal 2014-15 and the proposed budget for the fiscal year commencing July 1, 2015 which was defeated at referenda on May 12, 2015 and June 2, 2015. A third budget referendum is scheduled for June 23, 2015. (See "Budgetary Procedures" herein).

Intergovernmental Revenues

Fiscal Year	General Fund	Intergovernmental	Aid As a % of
	Revenues		General Fund Revenue
2016 (Proposed Budget) (1)	\$ 105,658,490	\$ 15,136,460	14.33
2015 (Estimated Actuals) (1)	105,242,000	15,134,130	14.38
2014	110,221,210	22,298,413	20.23
2013	108,233,721	21,410,871	19.78
2012	104,442,171	21,115,541	20.22
2011	102,267,246	19,819,257	19.38
2010	97,207,998	19,483,098	20.04
2009	100,503,089	21,033,244	20.93
2008	96,039,401	19,912,200	20.73
2007	92,447,469	17,014,499	18.40

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was approximately \$7,044,000 in fiscal year 2013-14.

Source: Annual audited financial statements for fiscal years 2007-2014, estimated actuals for fiscal 2014-15 and the proposed budget for the fiscal year commencing July 1, 2015 which was defeated at referenda on May 12, 2015 and June 2, 2015. A third budget referendum is scheduled for June 23, 2015. (See "Budgetary Procedures" herein).

Expenditures

Fiscal Year	Education %	General	Public Safety %	Public Works %
		Government %		
2016 (Proposed Budget) (1)	62.38	15.08	9.27	4.86
2015 (Estimated Actuals) (1)	62.71	14.57	9.12	5.02
2014	68.20	11.32	10.03	5.52
2013	68.38	11.39	9.50	5.56
2012	68.83	11.05	9.44	5.56
2011	68.06	11.06	9.67	6.05
2010	69.86	10.90	9.05	6.15
2009	69.68	10.93	9.20	6.16
2008	69.92	11.22	9.00	5.97
2007	69.43	11.52	9.01	6.18

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was approximately \$7,044,000 in fiscal year 2013-14.

Source: Annual audited financial statements for fiscal years 2007-2014, estimated actuals for fiscal 2014-15 and the proposed budget for the fiscal year commencing July 1, 2015 which was defeated at referenda on May 12, 2015 and June 2, 2015. A third budget referendum is scheduled for June 23, 2015. (See "Budgetary Procedures" herein).

Comparative General Fund Operating Statement
(Budget and Actual – Budgetary Basis)

	Fiscal Year 2013-14			2014-15 Estimated Actuals	2015-16 Proposed Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)		
REVENUES					
Property taxes	\$ 82,536,630	\$ 82,937,213	\$ 400,583	\$ 87,621,540	\$ 88,464,970
Licenses, permits and fees	499,550	1,456,398	956,848	749,480	629,230
Fines, forfeitures and penalties	38,000	37,968	(32)	43,000	40,000
Other agencies	133,100	140,794	7,694	153,910	113,750
Intergovernmental	14,919,030	15,131,679	212,649	15,134,130	15,136,460
Revenues from use of assets	493,830	513,242	19,412	478,830	513,830
Charges for services	793,710	897,031	103,321	1,061,110	760,250
TOTAL REVENUES	99,413,850	101,114,325	1,700,475	105,242,000	105,658,490
EXPENDITURES					
Current:					
General government	936,560	915,650	20,910	896,160	966,020
Safety services	9,281,050	9,235,555	45,495	9,482,720	9,876,810
Public works	5,025,500	5,024,965	535	5,221,390	5,177,280
Health services	469,650	444,901	24,749	466,370	477,170
Human services	894,030	826,835	67,195	779,080	787,460
Recreation and leisure services	1,036,220	1,031,046	5,174	1,387,080	1,412,430
Education	63,271,300	63,242,216	29,084	65,220,700	66,475,950
Town support for education	1,973,280	1,904,449	68,831	4,679,300	4,604,720
Library services	1,545,260	1,523,563	21,697	1,521,590	1,590,340
Development services	1,739,350	1,700,996	38,354	1,723,560	1,799,370
Information services	441,180	396,839	44,341	424,860	436,140
Administrative services	2,001,540	1,985,394	16,146	1,959,950	2,127,280
Community development	125,230	125,230	-	92,500	92,500
General services	5,236,340	5,235,518	822	10,145,950	10,735,020
TOTAL EXPENDITURES	93,976,490	93,593,157	383,333	104,001,210	106,558,490
Revenues over expenditures	5,437,360	7,521,168	2,083,808	1,240,790	(900,000)
Other financing sources (uses)					
Operating transfers in	111,510	95,510	(16,000)	-	-
Operating transfers out	(6,493,900)	(6,493,900)	-	-	-
Use of fund balance	(1,025,000)	(1,025,000)	-	(487,500)	900,000
Total other financing sources (uses)	(7,407,390)	(7,423,390)	(16,000)	(487,500)	900,000
Net change in budgetary fund balance	\$ (1,970,030)	97,778	\$ 2,067,808	\$ 753,290	\$ -
Budgetary Fund Balance, beginning		18,501,393			
Budgetary Fund Balance, ending		<u>\$ 18,599,171</u>			

Source: Annual audited financial statements for fiscal year 2014, estimated actuals for fiscal 2014-15 and the proposed budget for the fiscal year commencing July 1, 2015 which was defeated at referenda on May 12, 2015 and June 2, 2015. A third budget referendum is scheduled for June 23, 2015. (See "Budgetary Procedures" herein).

Comparative Balance Sheets - General Fund

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
ASSETS					
Cash and cash equivalents	\$ 21,430,689	\$ 28,232,878	\$ 24,864,249	\$ 24,410,473	\$ 28,166,050
Receivables:					
Property taxes	1,305,709	1,452,058	1,494,656	1,206,348	1,626,595
Accounts receivable	766,162	300,707	710,376	809,580	387,213
Intergovernmental and other	916,683	572,802	273,634	109,629	54,375
Due from other funds	284,308	289,220	1,583,568	168,395	168,782
Prepays	-	-	-	-	-
Inventory	44,044	35,544	48,934	42,682	46,154
TOTAL ASSETS	<u>\$ 24,747,595</u>	<u>\$ 30,883,209</u>	<u>\$ 28,975,417</u>	<u>\$ 26,747,107</u>	<u>\$ 30,449,169</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,485,275	\$ 3,333,527	\$ 3,529,352	\$ 3,078,560	\$ 4,228,868
Due to other funds	51,890	53,326	767,425	1,127,456	146,304
Advanced tax collections	4,559,537	7,209,589	4,426,446	-	-
Deferred revenue	2,092,970	1,917,809	1,648,057	1,277,060	-
Unearned Revenue	-	-	-	352,681	-
TOTAL LIABILITIES	<u>9,189,672</u>	<u>12,514,251</u>	<u>10,371,280</u>	<u>5,835,757</u>	<u>4,375,172</u>
DEFERRED INFLOW OF RESOURCES					
Advance tax collections	-	-	-	-	3,352,487
Unavailable resources	-	-	-	-	1,531,680
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,884,167</u>
FUND BALANCES					
Nonspendable	-	35,544	48,934	42,679	46,154
Assigned	-	3,395,259	3,238,973	3,939,957	3,795,689
Unassigned	-	14,938,155	15,316,230	16,928,714	17,347,987
Reserved for:					
Encumbrances	334,036	-	-	-	-
Inventory	44,044	-	-	-	-
Prepays	-	-	-	-	-
Loan gurantee	-	-	-	-	-
Unreserved:					
Designated for other purposes	900,000	-	-	-	-
Unreserved and undesignated	14,279,843	-	-	-	-
TOTAL FUND BALANCES	<u>15,557,923</u>	<u>18,368,958</u>	<u>18,604,137</u>	<u>20,911,350</u>	<u>21,189,830</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 24,747,595</u>	<u>\$ 30,883,209</u>	<u>\$ 28,975,417</u>	<u>\$ 26,747,107</u>	<u>\$ 30,449,169</u>

Source: Annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES					
Property taxes	\$ 75,182,401	\$ 78,440,338	\$ 79,806,333	\$ 82,159,015	\$ 82,937,213
Charges for services	2,327,254	3,764,362	3,361,671	4,531,261	4,865,078
State and Federal governments	19,483,098	19,819,257	21,115,541	21,410,871	22,298,413
Investment income	215,245	243,289	158,626	132,574	120,506
TOTAL REVENUES	<u>97,207,998</u>	<u>102,267,246</u>	<u>104,442,171</u>	<u>108,233,721</u>	<u>110,221,210</u>
EXPENDITURES					
Education	63,097,716	64,675,805	67,390,801	68,251,357	70,387,913
Public safety	8,173,386	9,191,543	9,246,685	9,482,675	10,347,278
Human services	1,223,405	1,339,342	1,293,713	1,409,128	1,333,534
Cultural and recreation	2,423,677	3,562,735	3,714,831	3,748,207	3,765,963
Public works	5,551,103	5,745,378	5,444,107	5,553,231	5,697,653
General government	9,845,335	10,508,186	10,823,683	11,367,560	11,681,899
TOTAL EXPENDITURES	<u>90,314,622</u>	<u>95,022,989</u>	<u>97,913,820</u>	<u>99,812,158</u>	<u>103,214,240</u>
Revenues over expenditures	6,893,376	7,244,257	6,528,351	8,421,563	7,006,970
Net transfers out	<u>(6,604,110)</u>	<u>(6,110,730)</u>	<u>(6,293,172)</u>	<u>(6,114,350)</u>	<u>(6,728,490)</u>
Net change in fund balances	289,266	1,133,527	235,179	2,307,213	278,480
Fund Balance - July 1	<u>15,268,657</u>	<u>17,235,431</u>	(1) <u>18,368,958</u>	<u>18,604,137</u>	<u>20,911,350</u>
Fund Balance - June 30	<u>\$ 15,557,923</u>	<u>\$ 18,368,958</u>	<u>\$ 18,604,137</u>	<u>\$ 20,911,350</u>	<u>\$ 21,189,830</u>

(1) As restated.

Source: Annual audited financial statements; Town Officials.

SECTION VI - ADDITIONAL INFORMATION

Litigation

The Town of Windsor, its officers, employees, boards and commissions are defendants in various lawsuits. The Town Attorney is of the opinion that all pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially adversely affect its financial position.

Availability of Continuing Disclosure Information

The Town of Windsor prepares, in accordance with State Law, annual independent audited financial statements and an annual Comprehensive Annual Financial Report and files such annual reports with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide Standard & Poor's Corporation ongoing disclosure in the form of comprehensive annual financial reports, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

The Town will enter into continuing disclosure agreements with respect to the Bonds and Notes (the "Continuing Disclosure Agreements"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the forms attached as Appendices C and D, respectively, to this Official Statement.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and material event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the Town has not failed to meet, in any material respects, with its previous undertakings under such agreements.

Financial Advisor

The Town has retained Independent Bond and Investment Consultants LLC ("IBIC LLC") of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds. Although IBIC LLC has assisted in the preparation of the Official Statement, IBIC LLC is not obligated to undertake, and has not undertaken an independent verification of or assumed responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. IBIC LLC is an independent municipal bond advisory firm and is not engaged in the business of providing investment advice, underwriting, trading or distributing municipal or other public securities.

Documents Accompanying Delivery of the Bonds and Notes

Upon delivery of the Bonds and Notes, the original purchaser will be furnished with the following:

1. Signature and No Litigation Certificates stating that at the time of delivery no litigation is pending or threatened effecting the validity of the Bonds and Notes or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the Town Manager and the Finance Director, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify to the best of said officials' knowledge and belief, that at the time bids were accepted on the Bonds and Notes, the descriptions and statements in the Official Statement relating to the Town of Windsor and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. A Receipt for the purchase price of the Bonds and Notes;

4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut;
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the forms attached to the Official Statement as Appendices C and D; and
6. Within seven business days of the bid opening, the Town will furnish the purchaser of the Bonds 50 copies of the Official Statement, and each purchaser of the Notes 15 copies of the Official Statement, as prepared by the Town. Additional copies and/or printing of underwriting information may be obtained by the original purchaser at its own expense by arrangement with the printer.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of U.S. Bank National Association, of Hartford, Connecticut and will be available for examination upon reasonable request.

Concluding Statement

Additional information concerning the Town of Windsor and this issue may be obtained upon request from the office of the Finance Director at (860) 285-1890 or from Independent Bond and Investment Consultants LLC at (203) 245-7264.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

This Official Statement is not to be constructed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds and Notes.

This Official Statement is submitted only in connection with the sale of the Bonds and Notes by the Town and may not be reproduced or used in whole or part for any other purpose.

TOWN OF WINDSOR, CONNECTICUT

/ s / Peter P. Souza

BY: PETER P. SOUZA
Town Manager

/ s / Robert Metcalf

BY: ROBERT METCALF
Finance Director

Dated: June 10, 2015

APPENDIX A – FINANCIAL STATEMENTS

TOWN OF WINDSOR, CONNECTICUT

TABLE OF CONTENTS

JUNE 30, 2014

	<u>Page</u>
<i>Independent Auditors' Report</i>	1
<i>Management Discussion and Analysis</i>	3
 <u>Basic Financial Statements</u> 	
Statement of Net Position (Deficits)	13
Statement of Activities	14
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Position (Deficits) – Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits) - Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Statement of Fiduciary Net Position – Fiduciary Funds	21
Statement of Changes in Fiduciary Net Position – Pension Trust Fund	22
Notes to Financial Statements.	23
Required Supplementary Information	53

Appendix A – Financial Statements – is taken from the Annual Financial Report of the Town of Windsor for the Fiscal Year ending June 30, 2014 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the office of the Finance Director, Town of Windsor, Connecticut.



Independent Auditor's Report

To the Members of the Town Council
Town of Windsor, Connecticut

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, Connecticut (the "Town") as of and for the fiscal year ended June 30, 2014, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Connecticut as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, the schedules of the funding progress, employer contributions and the schedule of changes in net pension plan liability and related ratios, the schedules of funding progress and employer contributions for other post-employment benefits and the General Fund budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 introductory section, combining and individual fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates 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 combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2014 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.



New Haven, Connecticut
December 16, 2014

**Town of Windsor, Connecticut
Management's Discussion and Analysis- unaudited
June 30, 2014**

As management of the Town of Windsor, Connecticut (the "Town") we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Windsor for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the Town's basic financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets of the Town of Windsor exceeded its liabilities resulting in total net position at the close of the fiscal year of \$67.8 million. Total net position for Governmental Activities at fiscal year-end was \$74.1 million, which was a decrease of \$2.2 million from FY 13. Total net position (deficit) for Business-Type Activities was (\$6.4 million), which was an increase of \$834 thousand from FY 13. The net deficit for Business-Type Activities is due to the accrual of closure and post-closure costs for the landfill.
- Government-wide expenses were \$125.5 million, which is an increase of \$4.5 million from FY 13. Government-wide revenues were \$122.5 million, which is an increase of \$2.5 million from FY 13.
- At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$35.7 million, an increase of \$1.3 million from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$21.2 million, an increase of \$.3 million from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2014, \$17.3 million represents unassigned fund balance. Unassigned fund balance at year-end represents 15.8% of total FY 14 General Fund expenditures and transfers, and 16.6% of FY 15 budgeted expenditures and transfers.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The 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 other supplementary information as well as the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Windsor's finances, in a manner similar to a private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference reported as net position. One can think of the Town's net position - the difference between assets and liabilities - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating. It speaks to the question of whether or not the Town, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town of Windsor.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period; uncollected taxes are an example.

Both of the government-wide financial statements distinguish functions of the Town of Windsor that are 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).

- Governmental activities of the Town of Windsor encompass most of the Town's basic services and include general government, public safety, public works, human services, culture and recreation, and education. Property taxes, charges for services, and state and federal grants finance most of these activities.
- Business-type activities of the Town of Windsor include the Landfill, Milo Peck Child Development center, and the Caring Connection Adult Day Care center. They are reported here as the Town charges fees to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 15-16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three kinds of 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, governmental fund financial statements focus on near-term inflows and outflows 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for 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 fund balance sheet and the governmental fund 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 ten (10) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as other governmental funds. Non-major governmental funds for the Town of Windsor include the Community Development Block Grant, Cafeteria Fund, Educational Grant Programs, J. Bartash Trust Fund, Treehouse Fund, Debt Service Fund, Other Special Revenue Funds and Open Space Fund. The report provides individual fund data for each of these non-major governmental funds in the combining balance sheets on pages 60-61 and in the combining statement of revenues, expenditures and changes in fund balance on pages 62-63.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statements of General Fund revenues on a budgetary basis and General Fund expenditures, encumbrances and transfers out on a budgetary basis can be found on page 56.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 15-16 of this report.

Proprietary funds. The Town of Windsor maintains two different types of proprietary funds, three enterprise funds and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Windsor uses enterprise funds to account for its Landfill, Milo Peck Child Development center, and the Caring Connection Adult Day Care center.

Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the Town of Windsor's various functions. The Town of Windsor uses one (1) internal service fund to account for its risk management costs related to Workers' Compensation, Property, Liability, and Employee and Retiree Health Insurance. Because these internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Landfill Enterprise Fund which is considered to be the only major proprietary fund of the Town of Windsor. The report combines the Milo Peck Child Development center and the Caring Connection Adult Day Care center into the non-major funds of the Town of Windsor. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements. The proprietary fund financial statements can be found on pages 18-20 of this report.

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 statement because the resources of those funds are not available to provide services to the Town's constituency. The Town has one pension trust fund and five agency funds. The accounting used for fiduciary funds is similar to the accounting for proprietary funds. The basic fiduciary fund financial statements are in pages 21-22 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are in pages 23 to 52 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. This information can be found on pages 53-55 of this report. Also included in the required supplementary information is the budgetary-basis revenue and expenditure financial report and notes. This information can be found on pages 56-58.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town's governmental activities assets exceeded liabilities by \$74.1 million on June 30, 2014, which was a decrease of \$2.2 million. This decrease was due to the Town's increased other post-retirement employee benefits liability.

Town of Windsor, Connecticut Summary Statement of Net Position (Deficit) (\$000's) June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-14
Current and other assets	\$ 53,703	\$ 48,818	\$ 30,852	\$ 31,099	\$ 84,555	\$ 79,917	5.8%
Capital assets, net of accumulated depreciation	102,623	101,634	169	191	102,792	101,825	0.9%
Total Assets	156,326	150,452	31,021	31,290	187,347	181,742	3.1%
Deferred outflows of resources	491	297	-	-	491	297	65.3%
Current liabilities	7,799	8,202	158	1,625	7,957	9,827	-19.0%
Long-term liabilities outstanding	71,527	65,813	37,241	35,209	108,768	101,022	7.7%
Total Liabilities	79,326	74,015	37,399	36,834	116,725	110,849	5.3%
Deferred Inflows of resources	3,352	353	-	-	3,352	353	849.6%
Net Position (Deficits):							
Net investment in capital assets	66,130	65,895	169	191	66,299	66,086	0.3%
Restricted	3,569	3,417	-	-	3,569	3,417	4.4%
Unrestricted	4,440	7,069	(6,547)	(5,735)	(2,107)	1,334	-257.9%
Total Net Position (Deficits)	\$ 74,139	\$ 76,381	\$ (6,378)	\$ (5,544)	\$ 67,761	\$ 70,837	-4.3%

At the end of the current fiscal year, the Town of Windsor is able to report positive balances of \$67.8 million in net position for the government as a whole, but negative net position for its business type activities. The negative value is solely attributable to the cost of accruing a pro rata portion of the closure and post-closure costs for the town's landfill.

By far, the largest portion of the Town of Windsor's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt that is still outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Windsor's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Windsor, Connecticut
Summary Statement of Activities (\$000's)
For the Years Ended June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-14
Revenues:							
Program Revenues:							
Charges for services	\$ 5,999	\$ 5,510	\$ 3,109	\$ 3,843	\$ 9,108	\$ 9,353	-2.6%
Operating grants and contributions	26,076	24,552	-	-	26,076	24,552	6.2%
Capital grants and contributions	1,692	309	-	-	1,692	309	447.6%
General Revenues:							
Property taxes	83,295	81,938	-	-	83,295	81,938	1.7%
Grants not restricted to specific programs	1,771	1,798	-	-	1,771	1,798	-1.5%
Miscellaneous	253	-	-	-	253	-	N/A
Unrestricted investment earnings	159	169	113	118	272	287	-5.2%
Insurance Recoveries	-	1,736	-	-	-	1,736	N/A
Total revenues	119,245	116,012	3,222	3,961	122,467	119,973	2.1%
Expenses:							
General Government	12,405	12,509	-	-	12,405	12,509	-0.8%
Culture & Recreation	4,242	4,335	-	-	4,242	4,335	-2.1%
Human Services	1,540	1,722	-	-	1,540	1,722	-10.6%
Public Works	7,181	6,990	-	-	7,181	6,990	2.7%
Education	83,700	80,085	-	-	83,700	80,085	4.5%
Public Safety	11,443	11,087	-	-	11,443	11,087	3.2%
Interest expense	1,082	989	-	-	1,082	989	9.4%
Landfill	-	-	2,203	1,593	2,203	1,593	38.3%
Child Development	-	-	1,241	1,277	1,241	1,277	-2.8%
Adult Caring Connection	-	-	506	494	506	494	2.4%
Total expenses	121,593	117,717	3,950	3,364	125,543	121,081	3.7%
Excess (Deficit) of revenues over (under) expenses before transfers	(2,348)	(1,705)	(728)	597	(3,076)	(1,108)	177.6%
Transfers	106	145	(106)	(145)	-	-	0.0%
Change in net position (deficit)	(2,242)	(1,560)	(834)	452	(3,076)	(1,108)	177.6%
Net position (deficits)-beginning	76,381	77,941	(5,544)	(5,996)	70,837	71,945	-1.5%
Net position (deficits)-ending	\$ 74,139	\$ 76,381	\$ (6,378)	\$ (5,544)	\$ 67,761	\$ 70,837	-4.3%

Governmental Activities

Approximately 69.8% of revenues and transfers in were derived from property taxes, followed by 24.7% from operating, capital and unrestricted grants, and 5.5% from other miscellaneous revenue sources.

Major revenue factors included:

- Property tax revenues collected in FY 14 were based on the Town's mill rate of 27.33. This was a decrease of .62 from FY 13 and represents the fifth and final year of a five year property revaluation phase-in.
- The Town's collection rate on the current adjusted levy, including the interim motor vehicle tax, was 98.56%, which is a decrease from the prior year's rate of 98.69%.
- Revenue from building permits increased by \$148 thousand over FY 13.

For Governmental Activities in FY 14, approximately 68.8% of the Town's expenses relate to education (vs. 68.1% in FY 13), 9.4% (9.4% in FY 13) relate to public safety, 10.2% (vs. 10.6% in FY 13) to general government, 5.9% (vs. 5.9% in FY 13) relate to public works, 3.5% (3.7% in FY 13) to culture and recreation, 1.3% (vs. 1.5% in FY 13) to human services, and 0.9% (vs. 0.8% in FY 13) to interest on long-term debt. It is important to remember that these expenses include non-budgetary items such as depreciation and disposal of capital assets, the change in compensated absence accruals, as well as pension and OPEB (other post employment benefits) costs.

Major expense factors included:

- Non-affiliated administrative employee's and public works/clerical worker collective bargaining group salaries increased 2.25%. Public safety dispatchers' salaries increased 2.00%. Police increased as follows: Police Officer 2.75%; Detective 2.00%; Sergeant 1.75%; Shift Commander 1.75%; and, Animal Control 2.75%.
- FY 14 reflected the second year of the BOE self-insured health program. The General Government had implemented this same program in FY 12.

Business-Type Activities

- There was an \$834 thousand increase to the Business Type Activities deficit. This was due primarily to an increased accrual costs in FY 14 as compared to FY 13 for closure and post-closure costs for the landfill. The Landfill discontinued accepting municipal solid waste (MSW) on June 30, 2014 and has since then converted to a transfer station facility for residents.

Financial Analysis of the Fund Financial Statements

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

Governmental funds. The focus of the Town of Windsor'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 of Windsor's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2014 the Town of Windsor's governmental funds reported combined ending fund balances of \$35.7 million, an increase of \$1.3 million from \$34.4 million the previous year and is mostly attributable to favorable revenues in the General Fund, timing of receipt of revenues versus the timing of expenditures in the Capital Projects Fund, and favorable activity in Special Revenue Funds. Approximately 48.6% of the total fund balance constitutes unassigned fund balance. The remainder of the fund balance is considered either nonspendable, restricted, committed, or assigned as defined by

GASB 54 fund balance definitions. These fund balance definitions can be found in note 1 in the notes to the financial statements.

The General Fund is the chief operating fund of the Town of Windsor. As of June 30, 2014, unassigned fund balance of the General Fund was \$17.3 million, while total fund balance was \$21.2 million. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16.8% of total General Fund expenditures of \$103.2 million, while total fund balance represents 20.5% of that same amount.

The Capital Projects Fund had a total fund balance of \$9.3 million (\$623 thousand in assigned fund balance), which is an increase from a balance of \$8.7 million in the prior year. The increase is due to the timing of capital project expenditures relative to fiscal year end.

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

The net position (deficits) of the Landfill Enterprise Fund at the end of the year was approximately \$(6.9) million with unrestricted net position (deficits) of approximately \$(7.1) million compared to \$(6.4) million and \$(6.5) million in the prior year. The Landfill Enterprise Fund had a net loss during the year of approximately \$577 thousand compared with a net gain of \$554 thousand in the prior year. As noted before, the Landfill discontinued accepting municipal solid waste (MSW) on June 30, 2014 and has since then converted to a transfer station facility for residents.

General Fund Budgetary Highlights

Actual revenues on a budgetary basis were approximately \$101.1 million. This amount exceeded budgetary estimates by approximately \$1.7 million. The major revenue variances were:

- General property tax collections in excess of estimates by \$401,000 due to additional amounts from Walgreens for a personal property tax agreement and from additional motor vehicle tax.
- Licenses and Building permits exceeded budget by \$957,000, which is mostly attributable to a few unanticipated major construction projects such as Amazon and the Capital Regional Educational Council School.
- Special Education Excess Costs Grant exceeded budget by \$226,000.

Actual expenditures, including transfers but not use of fund balance, were approximately \$100.0 million and kept under budget in all functional areas by \$367 thousand. This was primarily due to staff vacancies.

The difference between the original budget and the final amended budget was for additional appropriations of \$1,070,000 from fund balance. Uses were as follows:

Windsor Historical Society for Strong-Howard House	50,000
Town Council technology purchases	5,000
Fleet & equipment replacements	225,000
Open Space appraisals & acquisitions	200,000
Pavement Management	150,000
Roger Wolcott Building Maintenance	65,000
Old Colony settlement	105,000
Town Hall Elevator Modernization Project	125,000
Façade Improvement Program	100,000
Windsor Police Department Employee Association	
(WPDEA) FY 13 Retroactive Wage Increase	45,000
	1,070,000

These items combined (additional revenues, expenditure savings and use of fund balance) produced an increase of approximately \$98 thousand to the General Fund budgetary fund balance. This takes into consideration that the \$900 thousand opening cash appropriation was not needed to balance the budget as actual revenues exceeded actual expenditures during the year.

Capital Asset and Debt Administration

Capital Assets

The Town of Windsor's investment in capital assets for its governmental and business type activities as of June 30, 2014, amounted to \$102.8 million (net of accumulated depreciation) compared to \$101.8 million in the prior fiscal year. This increase from the prior year is due to capital spending less depreciation of existing assets. This investment in capital assets includes land, building and mechanical improvements, machinery and equipment, park facilities, roads, sewers and bridges.

**TOWN OF WINDSOR CONNECTICUT
CAPITAL ASSETS (net of depreciation)
June 30, 2014**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 4,759	\$ -	\$ 4,759
Construction in Progress	2,739	-	2,739
Buildings and improvements	64,661	121	64,782
Infrastructure	21,580	-	21,580
Machinery and equipment	8,884	48	8,932
Total	\$ 102,623	\$ 169	\$ 102,792

Major additions during the year included the following:

- Oliver Ellsworth Roof Replacement
- L.P. Wilson Roof Replacement
- Windsor Volunteer Ambulance Facility Roof Repairs & HVAC Improvement
- Sage Park School Energy Efficiency Improvements
- Maple & Spring Street Reconstruction
- Day Hill Road Rehabilitation Project
- Day Hill Road Pedestrian Circulation
- Police Department Data Center Virtualization
- Deerfield & Sharshon Park Improvements
- Dispatchers Communications Equipment

Additional information on the Town of Windsor's capital assets can be found in Note 4 of this report.

Debt Administration

At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$39.4 million. 100% of this debt is backed by the full faith and credit of the Town government.

TOWN OF WINDSOR CONNECTICUT OUTSTANDING DEBT June 30, 2014

	Governmental Activities
General obligation bonds	<u>\$ 39,390,000</u>

The Town of Windsor's total bonded debt increased by \$250 thousand or 0.63% during the current fiscal year compared to a 1.74% increase in the prior year.

The Town of Windsor general obligation bond ratings are AAA from Standard & Poor's and Aa1 from Moody's Investors Services. The AAA rating from Standard and Poor's was reaffirmed in April of 2014 when the Town issued \$5.0 million of general obligation bonds. Additionally, the town received an AAA rating from Standard & Poor's in June of 2014 on a \$4.4 million refunding bond issue.

The State of Connecticut limits the amount of general obligation debt that towns and cities can issue based on a formula determined under State Statutes and according to type of debt and the tax base. The Town's overall statutory debt limit is equal to seven times annual receipts from taxation or \$580.1 million, up from \$575.6 million in FY 13. As of June 30, 2014, the Town recorded long-term debt of \$39.4 million related to Governmental Activities, well below its statutory debt limits. The following is a summary as of June 30, 2014, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal	Interest	Total
2015	\$ 4,995,000	\$ 1,125,383	\$ 6,120,383
2016	5,080,000	1,025,950	6,105,950
2017	5,040,000	842,950	5,882,950
2018	4,880,000	664,806	5,544,806
2019	4,540,000	498,763	5,038,763
2020	4,535,000	348,775	4,883,775
2021	3,570,000	228,413	3,798,413
2022	2,470,000	154,443	2,624,443
2023	2,420,000	85,268	2,505,268
2024	1,435,000	35,738	1,470,738
2025	425,000	7,438	432,438
Total	<u>\$ 39,390,000</u>	<u>\$ 5,017,925</u>	<u>\$ 44,407,925</u>

Additional information on the Town of Windsor's long-term debt can be found in Note 7 of this report.

Economic Factors

As of October 2014, the unemployment rate for Windsor was 6.2%. The unemployment rate for the Hartford labor market area was 6.3% and for the State of Connecticut it stood at 6.3%. The overall national average was 5.5% for this same time period.

Unemployment rates have steadily improved since last year, and the overall economy continues to improve as well. The Town's main source of revenue is property taxes, and this income stream has proved to be stable. State revenues make up a smaller portion of the Town's total revenue, but fortunately this revenue has seen only minor fluctuations in the current period. Even with an over-reliance on property taxes and no significant increases in state aid, the Town has been able to adjust expenditures accordingly and continues to provide high levels of service.

The Town has a high quality tax base which includes a diverse mix of commercial and business enterprises, and this lends even more stability to the Town's revenue. The Town has maintained an active economic development program that for many decades has attracted and retained firms, and prides itself on a fast development approval process. Windsor has positioned itself as a destination address for office and commercial development, and this increased development will lend itself to an increase in the tax base in coming years. A 1.5 million square foot Amazon fulfillment center is nearing completion, and the Town anticipates seeing increased activity from the Great Pond Village development in the next one to two years. Statistics on growth for the last ten years are available in the statistical section of this report.

Requests for Information

The Town of Windsor Comprehensive Annual Financial Report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances, and to demonstrate transparency and the Town's accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 275 Broad Street, Windsor, CT 06095.

Basic Financial Statements

Town of Windsor, Connecticut

Statement of Net Position (Deficits)
June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total*
Assets			
Cash and cash equivalents	\$ 33,845,798	\$ 23,105,600	\$ 56,951,398
Investments	11,733,199	7,526,410	19,259,609
Receivables:			
Property taxes, net of allowance for collection losses	1,626,595	-	1,626,595
Accounts receivable	542,712	-	542,712
Customer receivables	27,365	219,838	247,203
Federal and state governments	54,375	-	54,375
Community rehabilitation loans, net	2,113,155	-	2,113,155
Inventories	49,796	-	49,796
Restricted cash and cash equivalents - capital outlay	3,700,972	-	3,700,972
Prepays	9,248	1,026	10,274
Capital assets, not being depreciated	7,497,579	-	7,497,579
Capital assets, being depreciated, net of depreciation	95,125,057	168,582	95,293,639
Total assets	156,325,851	31,021,456	187,347,307
Deferred Outflows of Resources			
Deferred charge on refunding	491,435	-	491,435
Total deferred outflows of resources	491,435	-	491,435
Liabilities			
Accounts payable and accruals	7,397,254	113,412	7,510,666
Accrued interest payable	366,051	-	366,051
Unearned revenues	35,146	45,404	80,550
Long-term liabilities:			
Due within one year	5,209,116	1,506,520	6,715,636
Due in more than one year	66,317,979	35,733,959	102,051,938
Total liabilities	79,325,546	37,399,295	116,724,841
Deferred Inflows of Resources			
Advance property tax collections	3,352,487	-	3,352,487
Total deferred inflows of resources	3,352,487	-	3,352,487
Net Position (Deficits)			
Net investment in capital assets	66,129,757	168,583	66,298,340
Restricted			
Community rehabilitation program	2,113,155	-	2,113,155
Public works	962,090	-	962,090
Other	494,195	-	494,195
Unrestricted (deficit)	4,440,056	(6,546,422)	(2,106,366)
Total net position (deficits)	\$ 74,139,253	\$ (6,377,839)	\$ 67,761,414

See Notes to Financial Statements.

* After internal receivables and payables have been eliminated.

Town of Windsor, Connecticut

Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ (12,404,563)	\$ 2,342,563	\$ 103,481	\$ -	\$ (9,958,519)	\$ -	\$ (9,958,519)
Culture & recreation	(4,241,754)	1,001,011	35,568	-	(3,205,175)	-	(3,205,175)
Human services	(1,540,362)	101,367	4,471,595	-	3,032,600	-	3,032,600
Public works	(7,181,146)	227,409	406,698	1,691,839	(4,855,200)	-	(4,855,200)
Education	(83,699,815)	1,300,935	20,969,423	-	(61,429,457)	-	(61,429,457)
Public safety	(11,443,091)	1,025,507	89,448	-	(10,328,136)	-	(10,328,136)
Interest expense	(1,081,963)	-	-	-	(1,081,963)	-	(1,081,963)
Total governmental activities	(121,592,694)	5,998,792	26,076,213	1,691,839	(87,825,850)	-	(87,825,850)
Business-type activities:							
Landfill	(2,203,146)	1,515,475	-	-	-	(687,671)	(687,671)
Child development	(1,240,443)	1,135,806	-	-	-	(104,637)	(104,637)
Adult caring connection	(505,725)	457,350	-	-	-	(48,375)	(48,375)
Total business-type activities	(3,949,314)	3,108,631	-	-	-	(840,683)	(840,683)
Total primary government	<u>\$ (125,542,008)</u>	<u>\$ 9,107,423</u>	<u>\$ 26,076,213</u>	<u>\$ 1,691,839</u>	<u>(87,825,850)</u>	<u>(840,683)</u>	<u>(88,666,533)</u>
General revenues:							
Property taxes					83,295,005	-	83,295,005
Miscellaneous					253,291		253,291
Grants and contributions not restricted to specific programs					1,770,956	-	1,770,956
Unrestricted investment earnings					158,936	112,595	271,531
Internal transfers					105,510	(105,510)	-
Total general revenues and internal transfers					<u>85,583,698</u>	<u>7,085</u>	<u>85,590,783</u>
Change in net position					(2,242,152)	(833,598)	(3,075,750)
Net position (deficits) - beginning					76,381,405	(5,544,241)	70,837,164
Net position (deficits) - ending					<u>\$ 74,139,253</u>	<u>\$ (6,377,839)</u>	<u>\$ 67,761,414</u>

See Notes to Financial Statements.

Town of Windsor, Connecticut

Balance Sheet - Governmental Funds
June 30, 2014

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 21,239,525	\$ 3,694,440	\$ 2,553,904	\$ 27,487,869
Investments	6,926,525	2,408,833	756,205	10,091,563
Restricted cash and cash equivalents	-	3,700,972	-	3,700,972
Receivables (net of allowances for collection losses):				
Property taxes	1,626,595	-	-	1,626,595
Accounts receivable	387,213	-	155,499	542,712
State and Federal governments	54,375	-	-	54,375
Community rehabilitation loans, net	-	-	2,113,155	2,113,155
Due from other funds	168,782	-	146,304	315,086
Prepays	-	-	9,248	9,248
Inventories	46,154	-	3,642	49,796
Total assets	\$ 30,449,169	\$ 9,804,245	\$ 5,737,957	\$ 45,991,371
Liabilities				
Accounts payable and accrued liabilities	\$ 4,228,868	\$ 509,113	\$ 334,553	\$ 5,072,534
Unearned revenues	-	-	35,146	35,146
Due to other funds	146,304	-	168,782	315,086
Total liabilities	4,375,172	509,113	538,481	5,422,766
Deferred Inflow of Resources				
Advance tax collections	\$ 3,352,487	\$ -	\$ -	\$ 3,352,487
Unavailable resources	1,531,680	-	5,905	1,537,585
Total deferred inflows of resources	4,884,167	-	5,905	4,890,072
Fund Balances				
Nonspendable	46,154	-	16,642	62,796
Restricted	-	3,700,972	3,569,440	7,270,412
Committed	-	4,971,366	1,496,609	6,467,975
Assigned	3,795,689	622,794	110,880	4,529,363
Unassigned	17,347,987	-	-	17,347,987
Total fund balances	21,189,830	9,295,132	5,193,571	35,678,533
Total liabilities, deferred inflows and fund balances	\$ 30,449,169	\$ 9,804,245	\$ 5,737,957	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	102,622,636
Other long-term assets are not available and therefore not recognized in the funds.	1,537,585
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(71,527,095)
Deferred charge on refunding	491,435
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	5,702,210
Accrued interest payable	(366,051)

Net position of governmental activities

\$ 74,139,253

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Revenues				
Property taxes	\$ 82,937,213	\$ -	\$ -	\$ 82,937,213
State and Federal governments	22,298,413	1,731,839	5,564,010	29,594,262
Charges for services	4,865,078	-	1,133,714	5,998,792
Investment income	120,506	25,718	12,712	158,936
Other	-	225,873	122,124	347,997
Total revenues	110,221,210	1,983,430	6,832,560	119,037,200
Expenditures				
Current:				
Education	70,387,913	-	5,900,462	76,288,375
General government	11,681,899	-	159,939	11,841,838
Culture and recreation	3,765,963	-	66,040	3,832,003
Human services	1,333,534	-	164,824	1,498,358
Public safety	10,347,278	-	122,011	10,469,289
Public works	5,697,653	-	298,350	5,996,003
Debt service:				
Principal retirements	-	-	4,750,000	4,750,000
Interest and other charges	-	-	1,385,301	1,385,301
Capital outlay	-	6,991,841	-	6,991,841
Total expenditures	103,214,240	6,991,841	12,846,927	123,053,008
Excess (deficiency) revenues over (under) expenditures	7,006,970	(5,008,411)	(6,014,367)	(4,015,808)
Other Financing Sources (Uses)				
Transfers in	95,510	620,000	6,214,000	6,929,510
Transfers out	(6,824,000)	-	-	(6,824,000)
Issuance of bonds	-	5,020,000	-	5,020,000
Issuance of refunding bonds	-	-	4,270,000	4,270,000
Premium on bonds issued	-	-	530,642	530,642
Payments made to escrow	-	-	(4,600,334)	(4,600,334)
Total other financing sources (uses)	(6,728,490)	5,640,000	6,414,308	5,325,818
Change in fund balances	278,480	631,589	399,941	1,310,010
Fund Balances, beginning	20,911,350	8,663,543	4,793,630	34,368,523
Fund Balances, ending	\$ 21,189,830	\$ 9,295,132	\$ 5,193,571	\$ 35,678,533

See Notes to Financial Statements.

Town of Windsor, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

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

Net change in fund balances – total governmental funds \$ 1,310,010

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation exceeded in the current period. 988,842

Changes in receivables that impact revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 207,832

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net positions. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (257,146)

Changes in some liabilities that impact expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (5,174,006)

The net income of certain activities of internal service funds is reported with governmental activities. 682,316

Change in net position of governmental activities \$ (2,242,152)

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Net Position (Deficits) - Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 22,658,231	\$ 447,369	\$ 23,105,600	\$ 6,357,929
Receivables:				
Customer receivables, net	151,656	68,182	219,838	27,365
Prepaid expenses	-	1,026	1,026	-
Investments	7,380,439	145,971	7,526,410	1,641,636
Total current assets	30,190,326	662,548	30,852,874	8,026,930
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	143,661	24,921	168,582	-
Total noncurrent assets	143,661	24,921	168,582	-
Total assets	30,333,987	687,469	31,021,456	8,026,930
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	76,346	57,186	133,532	106,623
Unearned revenue	21,346	24,058	45,404	-
Accrued claims payable	-	-	-	1,618,097
Accrued post closure costs	1,486,400	-	1,486,400	-
Total current liabilities	1,584,092	81,244	1,665,336	1,724,720
Noncurrent liabilities:				
Accrued post closure costs	35,673,600	-	35,673,600	-
Compensated absences	17,784	42,575	60,359	-
Accrued claims payable	-	-	-	600,000
Total noncurrent liabilities	35,691,384	42,575	35,733,959	600,000
Total liabilities	37,275,476	123,819	37,399,295	2,324,720
Net Position (Deficits)				
Net investment in capital assets	143,662	24,921	168,583	-
Unrestricted net position (deficits)	(7,085,151)	538,729	(6,546,422)	5,702,210
Total net position (deficits)	\$ (6,941,489)	\$ 563,650	\$ (6,377,839)	\$ 5,702,210

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits) - Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
Operating Revenues				
User charges	\$ 1,515,475	\$ 1,593,156	\$ 3,108,631	\$ 16,534,161
Total operating revenues	<u>1,515,475</u>	<u>1,593,156</u>	<u>3,108,631</u>	<u>16,534,161</u>
Operating Expenses				
Operations and maintenance	2,185,219	1,741,382	3,926,601	-
Claims	-	-	-	15,866,910
Depreciation	17,927	4,786	22,713	-
Total operating expenses	<u>2,203,146</u>	<u>1,746,168</u>	<u>3,949,314</u>	<u>15,866,910</u>
Operating income (loss)	(687,671)	(153,012)	(840,683)	667,251
Nonoperating Revenues				
Interest income	111,122	1,473	112,595	15,065
Income (loss) before transfers	(576,549)	(151,539)	(728,088)	682,316
Transfers out	-	(105,510)	(105,510)	-
Change in net position (deficit)	(576,549)	(257,049)	(833,598)	682,316
Net Position (Deficits), beginning	(6,364,940)	820,699	(5,544,241)	5,019,894
Net Position (Deficits), ending	<u>\$ (6,941,489)</u>	<u>\$ 563,650</u>	<u>\$ (6,377,839)</u>	<u>\$ 5,702,210</u>

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor		Total	Internal
	Landfill	Enterprise Funds		Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 1,609,254	\$ 1,625,665	\$ 3,234,919	\$ 16,516,759
Payments to suppliers	(1,013,708)	(401,901)	(1,415,609)	(15,616,717)
Payments to employees	(625,815)	(1,335,918)	(1,961,733)	-
Net cash (used in) provided by operating activities	(30,269)	(112,154)	(142,423)	900,042
Cash Flows From Noncapital Financing Activities				
Payment of bond anticipation notes	-	-	-	(150,000)
Payments to other funds	-	-	-	1,102,667
Transfers out	-	(105,510)	(105,510)	-
Net cash (used in) provided by noncapital financing activities	-	(105,510)	(105,510)	952,667
Cash Flows From Investing Activities				
Interest received	111,122	1,473	112,595	15,065
(Purchase) / Sale of investments	321,618	62,156	383,774	(126,618)
Net cash provided by (used in) investing activities	432,740	63,629	496,369	(111,553)
Net increase (decrease) in cash and cash equivalents	402,471	(154,035)	248,436	1,741,156
Cash and Cash Equivalents				
Beginning	22,255,760	601,404	22,857,164	4,616,773
Ending	<u>\$ 22,658,231</u>	<u>\$ 447,369</u>	<u>\$ 23,105,600</u>	<u>\$ 6,357,929</u>
Reconciliation of Operating Income (Loss) to Net Cash (Used in) Provided by Operating Activities				
Operating income (loss)	\$ (687,671)	\$ (153,012)	\$ (840,683)	\$ 667,251
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:				
Depreciation	17,927	4,786	22,713	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	81,080	28,864	109,944	(17,402)
Decrease in prepaid expenses	-	404	404	-
Increase (decrease) in accounts payable	(14,022)	3,159	(10,863)	(107)
Increase in unearned revenue	12,699	3,645	16,344	-
Increase in accrued liabilities	559,718	-	559,718	250,300
Net cash (used in) provided by operating activities	\$ (30,269)	\$ (112,154)	\$ (142,423)	\$ 900,042

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2014

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 2,094,316	\$ 932,864
Investments		
Common stock	12,040,571	-
Equity mutual funds	32,439,235	-
Fixed income mutual funds	17,845,960	-
Total investments	<u>62,325,766</u>	<u>-</u>
Contributions receivable	767,143	-
Other receivables	11,205	-
Total assets	<u>65,198,430</u>	<u>932,864</u>
Liabilities		
Accounts payable	-	<u>932,864</u>
Net position restricted for pensions	<u>\$ 65,198,430</u>	<u>\$ -</u>

See Notes to Financial Statements

Town of Windsor, Connecticut

Statement of Changes in Fiduciary Net Position - Pension Trust Fund
For the Year Ended June 30, 2014

	Pension Trust Fund
Additions	
Contributions	
Employer	\$ 1,311,760
Plan members	<u>554,902</u>
Total contributions	<u><u>1,866,662</u></u>
Investment Income	
Net appreciation in fair value of investments	8,483,845
Interest and dividends	<u>847,578</u>
	9,331,423
Less investment expenses:	
Investment management fees	<u>242,433</u>
Net investment income	<u><u>9,088,990</u></u>
Total additions	<u><u>10,955,652</u></u>
Deductions	
Benefits	<u>3,111,600</u>
Change in Plan net position	7,844,052
Net Position Restricted for Pensions	
Beginning of year	<u>57,354,378</u>
End of year	<u><u>\$ 65,198,430</u></u>

See Notes to Financial Statements.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity: The Town was founded by English settlers in 1633, making it the first town in the State of Connecticut. The Town operates under a Council-Manager form of government and provides the following services as authorized by its Charter: public safety, public works, sanitation, health and social services, culture-recreation, education, planning and zoning, and general administrative services. The Charter was most recently revised (via referendum) in 1998. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement Codification Section 2100 have been considered and there are no agencies or entities that should be, but are not, combined in the financial statements of the Town.

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus, and follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Governmental Funds: Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Town's major governmental funds:

The *General Fund* is the Town's primary operating fund. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

The *Capital Project Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay other than reported in proprietary funds.

The other governmental funds of the Town are considered nonmajor and are as follows:

The *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 *Debt Service Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Proprietary Funds: Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows.

The Town reports the following major proprietary fund:

The *Landfill Fund* accounts for the operations of the Windsor-Bloomfield Sanitary Landfill.

Additionally, the Town reports the following proprietary fund:

The *Internal Service Fund* accounts for all general health, auto, fire, heart and hypertension, and workers' compensation insurance activity, including premiums and claims.

Fiduciary Funds:

The *Pension Trust Fund*, a fiduciary fund, accounts for the activities of the Town's defined benefit pension plan which accumulates resources for pension benefit payments to qualified employees upon retirement.

The *Agency Funds*, fiduciary funds, account for monies held as a custodian for outside student groups and agencies and are used for performance bonds, adult education and scholarships.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations, which include premium charges and claims. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Property Taxes: Property taxes are assessed as of October 1, and are levied for on the following July 1, and due in one installment, July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year.

Delinquent real estate taxes are billed at least twice a year, with interest charged at a rate of 1.5 percent per month. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years, at which time they cease to be carried as receivables. However, they remain valid claims for up to 15 years after being levied.

Cash and Cash Equivalents: The Town classifies money market funds, Short-Term Investment Fund (STIF) investments, treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

Restricted Cash and Cash Equivalents: Certain assets are classified as restricted because their use is limited. Restricted cash and cash equivalents in the Capital Projects Fund are to be used for construction purposes.

Allowance for Doubtful Accounts: Accounts, notes receivable and community development loans are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay.

Valuation of Investments: Investments are reported at fair value. Fair values of securities held directly are based on quotations from national securities exchanges, except for pooled funds for which fair values are estimated as detailed below.

Pooled Funds: The fair value of shares in managed investment pools is based on unit values reported by the funds.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Inventories and prepaids: Inventories are stated at cost, determined on the first-in, first-out basis. Inventories of governmental funds are recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, grants and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost greater than \$5,000 depending on asset classification and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs are capitalized on business-type activity capital assets.

Property, plant, and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	35-50
Building improvements	20
Distribution and collection systems	50-65
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

In the governmental fund financial statements, capital outlay (assets) is reported as expenditure and no depreciation expense is reported.

Loans Receivable: The Town records its loans receivable for the Community Rehabilitation Program in the Special Revenue Funds as the loan proceeds are advanced, net of an allowance for collectible accounts.

Compensated Absences: Under the terms of its various union contracts, Town and Board of Education employees are granted vacation in varying amounts based on length of service. Sick leave does not vest. Town employees may carry over a limited number of unused vacation days (up to 30 days) to subsequent years and, in the event of termination, employees are reimbursed for accumulated vacation. Board of Education employees may carry over a limited number of unused vacation days to the next fiscal year.

Vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they are paid or due (matured). The liability for the remainder of the accrued vacation earned and not due is reported in the government-wide and proprietary fund financial statements.

The General Fund is typically used to liquidate the liability for compensated absences.

Long-Term Obligations: In the government-wide and proprietary fund financial statements, long-term debt 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. Bond principal premiums and discount are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

Landfill Closure and Post-Closure: The Town accounts for the cost and estimated costs for closure and post-closure care costs in its Landfill Fund. The Landfill Fund is an enterprise fund. Enterprise funds account for the estimated total current costs of landfill closure and post-closure and are recognized as an expense and liability in each period in which the landfill accepts solid waste. Estimated total current costs are based on use. The Landfill discontinued accepting municipal solid waste (MSW) as of June 30, 2014 and has converted to a transfer station facility for residents.

Pension Accounting:

Pension Trust Fund: The Pension Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Governmental Funds and Governmental Activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. The pension obligation (asset) is recorded as a noncurrent liability (asset) in the government-wide financial statements.

Funding Policy: The Town funds the contributions to its pension plans based on the actuarial required contribution.

Net Other Post-Employment Benefit Obligations:

Governmental Funds and Governmental Activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation (asset), the cumulative differences between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, are calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation (asset) is recorded in the government-wide financial statements.

Encumbrances: Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

All other General Fund appropriations lapse at year-end.

Net Position: In the Government-Wide and Proprietary Fund Financial Statements, net position is classified in the following categories:

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

Restricted Net Position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

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

Fund Balance: In the government fund financial statements, the Town classified fund balances as follows:

- *Nonspendable Fund Balance* – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Note 1. Summary of Significant Accounting Policies (Continued)

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

- *Committed Fund Balance* – This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Windsor Town Council) in the form of a Resolution. Once adopted, the limitation, imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.
- *Assigned Fund Balance* – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town’s adopted policy, the Town Manager or the Finance Director has the authority to assign amounts for a specific purpose as delegated by the Town Council.
- *Unassigned Fund Balance (Deficit)* – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position: The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 39,390,000
OPEB	29,985,344
Premiums, net of amortization	<u>1,295,286</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net positions – governmental activities	<u>\$ 71,527,095</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities: The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds, and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 7,353,275
Depreciation expense	<u>(6,364,433)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 988,842</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 9,290,000
Loss on refundings	(194,628)
Principal repayments:	
General obligation debt	(4,750,000)
Payment to escrow	(4,290,000)
Amortization of premiums :	
Bond premium	<u>201,774</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 257,146</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Change in:	
Compensated absences	\$ 28,956
OPEB obligation	5,233,226
Accrued interest	<u>(88,176)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,174,006</u>

Note 3. Cash, Cash Equivalents and Investments

Deposits: Town deposits can include demand accounts, savings accounts and certificates of deposits. The Town’s policy for custodial credit risk follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk based capital ratio.

Note 3. Cash, Cash Equivalents and Investments (Continued)

Investments: Town policy for eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by laws applicable to fiduciaries and the provisions of the applicable plan.

The Town has an investment policy for its pension funds providing an asset allocation average, over a full market cycle, of approximately 70% equities (or equivalents) and 30% fixed income and cash (or equivalents). For purposes of this document, a full market cycle is defined by the Board to be no less than three years, or more than seven years. However, within a market cycle, investment allocation should not exceed the following:

- a. No more than twenty-five percent (25%) of the portfolio, at fair value, is to be invested in any one of eleven (11) major industrial groups as defined by SEI's Funds Evaluation service (see appendix A for SEI/S&P industry sectors). No more than ten percent (10%) of the market value of the total portfolio shall be held in equity securities of any one corporation. The investment manager shall have full discretion as to the selection of individual equity issues. The Committee reserves the right to impose restrictions if the occasion arises (i.e. social investing criteria).
- b. Fixed income investments should be made only in obligations of the U.S. Government, Agencies of the U.S. Government and U.S. Corporations whose debt obligations are minimally rated Baa by Moody's or BBB by Standard and Poor's'. The fixed income portfolio should be diversified between issuers within each sector with no one issuer comprising more than 15% of the aggregate fixed income portfolio. This does not apply to issues of the U.S. Treasury or other Federal Agencies. The investment manager shall have full discretion as to the selection of the individual fixed income issues. The Committee reserves the right to impose restrictions if the occasion arises (i.e. social investing criteria).
- c. Cash reserves should be invested only in the highest quality issues, i.e., U.S. Treasury Bills, U.S. Government and Government Agency Obligations, certificates of deposit, bankers acceptances and repurchase agreements with major U.S. money center banks, denominated in dollars, commercial paper rated A-1 by Standard and Poor's' and P-1 by Moody's.
- d. Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility of the portfolio will be similar to that of the market. Consequently, it is expected that the volatility of the total portfolio, in aggregate, will be reasonably close to the volatility of a commitment-weighted composite of market indices.
- e. There is no requirement for the investment manager to maintain liquid reserves for the payment of pension benefits. This will be evaluated on an annual basis by the Committee.

Interest Rate Risk: The Town's policy, which includes the Pension Trust Fund, is to limit its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Concentrations: The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial Credit Risk:

Deposits: This is the risk that, in the event of 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. As of June 30, 2014, approximately \$70,828,000 of the Town's bank balance of approximately \$80,751,000 was uninsured and uncollateralized.

Investments: This 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 Town and the pension trust funds do not have custodial credit risk policies for investments.

Cash, restricted cash and investments of the Town consist of the following at June 30, 2014:

Cash, Restricted Cash and Equivalents

Deposits with financial institutions	\$ 75,967,773
State Short-Term Investment Fund	3,270,414
Total cash, restricted cash and equivalents	<u>79,238,187</u>
Less: Certificates of deposits classified as investments	<u>(19,259,609)</u>
	<u>59,978,578</u>
Pension Trust Funds:	
Common Stocks	12,040,571 *
Equity Mutual Funds	32,439,235
Fixed Income Mutual Funds	17,845,960
Total pension investments	<u>62,325,766</u>
Total cash, cash equivalents and investments	<u><u>\$ 141,563,953</u></u>

*These investments are uninsured and unregistered, with securities held by the counterparty, in the Town's or Pension Trust's name.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of Net Position

Cash and cash equivalents	\$ 56,951,398
Restricted cash	3,700,972
Investments	19,259,609
	<u>79,911,979</u>

Fiduciary Funds

Cash and cash equivalents	3,027,180
Investments	62,325,766
	<u>65,352,946</u>
Total cash, cash equivalents and investments	<u><u>\$ 145,264,925</u></u>

Interest Rate Risk: This 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. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Pooled Fixed Income	3,270,414	3,270,414	-	-	-
Fixed income mutual funds	17,845,960	-	3,707,638	5,026,680	9,111,642
Total	<u>\$ 21,116,374</u>	<u>\$ 3,270,414</u>	<u>\$ 3,707,638</u>	<u>\$ 5,026,680</u>	<u>\$ 9,111,642</u>

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town does not have a formal policy for credit risk. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Pooled Fixed Income
AAA	\$ 8,217,238
AAAm	3,270,414
AA+	-
AA	1,669,651
AA-	-
A	2,760,965
A-	-
BBB+	-
BBB	2,633,110
BB	1,569,497
B	650,511
Below B	344,988
Total	<u><u>\$ 21,116,374</u></u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,758,895	\$ -	\$ -	\$ 4,758,895
Construction in progress	3,198,404	6,079,381	6,539,101	2,738,684
Total capital assets, not being depreciated	7,957,299	6,079,381	6,539,101	7,497,579
Capital assets, being depreciated:				
Buildings and improvements	124,430,927	3,711,290	-	128,142,217
Machinery and equipment	24,970,207	1,702,199	164,660	26,507,746
Infrastructure	94,417,896	2,399,506	-	96,817,402
Total capital assets being depreciated	243,819,030	7,812,995	164,660	251,467,365
Less accumulated depreciation for:				
Buildings and improvements	60,255,005	3,226,524	-	63,481,529
Machinery and equipment	16,325,725	1,462,509	164,660	17,623,574
Infrastructure	73,561,805	1,675,400	-	75,237,205
Total accumulated depreciation	150,142,535	6,364,433	164,660	156,342,308
Total capital assets, being depreciated, net	93,676,495	1,448,562	-	95,125,057
Governmental activities capital assets, net	\$ 101,633,794	\$ 7,527,943	\$ 6,539,101	\$ 102,622,636

Town of Windsor, Connecticut

Notes to Financial Statements

Note 4. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 410,406	\$ -	\$ -	\$ 410,406
Machinery and equipment	3,169,588	-	-	3,169,588
Total capital assets, being depreciated	3,579,994	-	-	3,579,994
Less accumulated depreciation for:				
Buildings and improvements	283,409	6,012	-	289,421
Machinery and equipment	3,105,290	16,701	-	3,121,991
Total accumulated depreciation	3,388,699	22,713	-	3,411,412
Total business-type capital assets, net	\$ 191,295	\$ (22,713)	\$ -	\$ 168,582

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
Board of Education	\$ 3,811,490
General Government	442,191
Culture and Recreation	453,294
Human Services	119,264
Public Works	661,164
Public Safety	877,030
Total depreciation expense – governmental activities	\$ 6,364,433
Business-type activities:	
Landfill	\$ 17,927
Child Development	1,000
Adult Caring Connection	3,786
Total depreciation expense – business-type activities	\$ 22,713

Town of Windsor, Connecticut

Notes to Financial Statements

Note 5. Interfund Receivables, Payables and Transfers

During the course of operations, transactions are processed through a fund on behalf of another fund. A summary of interfund balances as of June 30, 2014 is presented below:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 168,782	\$ 146,304
Non-Major Governmental Funds	146,304	168,782
	<u>\$ 315,086</u>	<u>\$ 315,086</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers during the year ended June 30, 2014 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 95,510	\$ 6,824,000
Capital Projects	620,000	-
Non-Major Governmental Funds	6,214,000	-
Other Nonmajor Enterprise Funds	-	105,510
	<u>\$ 6,929,510</u>	<u>\$ 6,929,510</u>

Transfers from the General Fund to the Debt Service Fund represent the Town's payment toward debt service on bonds outstanding. The remaining transfers primarily consisted of financing by the General Fund of programs accounted for in other funds in accordance with budgetary authorizations.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 6. Unearned Revenue/Deferred Inflows

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds:

	Deferred Inflows	Unearned Revenues
General Fund		
Property taxes	\$ 1,404,284	\$ -
Advance tax collections	3,352,487	-
School construction grant receivable	54,375	-
Other receivables	73,021	-
	<u>4,884,167</u>	<u>-</u>
Other Nonmajor Governmental Funds		
Other receivables	5,905	-
Prepaid program fees	-	35,146
	<u>5,905</u>	<u>35,146</u>
Total	<u><u>\$ 4,890,072</u></u>	<u><u>\$ 35,146</u></u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities

A summary of changes in outstanding long-term obligations during the year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 39,140,000	\$ 9,290,000	\$ 9,040,000	\$ 39,390,000	\$ 4,995,000
Unamortized premiums	1,093,512	530,642	328,868	1,295,286	-
	<u>40,233,512</u>	<u>9,820,642</u>	<u>9,368,868</u>	<u>40,685,286</u>	<u>4,995,000</u>
Other long-term liabilities:					
Compensated absences	827,509	812,910	783,954	856,465	214,116
Other post-employment benefits	24,752,118	5,233,226	-	29,985,344	-
	<u>25,579,627</u>	<u>6,046,136</u>	<u>783,954</u>	<u>30,841,809</u>	<u>214,116</u>
Governmental activity long-term liabilities	<u>\$ 65,813,139</u>	<u>\$ 15,866,778</u>	<u>\$ 10,152,822</u>	<u>\$ 71,527,095</u>	<u>\$ 5,209,116</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	\$ 82,576	\$ 64,765	\$ 66,862	\$ 80,479	\$ 20,120
Landfill post closure costs	36,611,545	548,455	-	37,160,000	1,486,400
Total other long-term liabilities	<u>36,694,121</u>	<u>613,220</u>	<u>66,862</u>	<u>37,240,479</u>	<u>1,506,520</u>
Business-type activity long-term liabilities	<u>\$ 36,694,121</u>	<u>\$ 613,220</u>	<u>\$ 66,862</u>	<u>\$ 37,240,479</u>	<u>\$ 1,506,520</u>

All long-term liabilities for governmental activities are liquidated by the General Fund.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

General Obligation Bonds: As of June 30, 2014, the outstanding general obligation bonds of the Town were as follows:

Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance 6/30/2014
GENERAL PURPOSE					
PUBLIC IMPROVEMENTS REFUNDING	\$190,000-\$1,330,000	2009	2.0-4.0	8,806,000	4,618,000
PUBLIC IMPROVEMENTS	\$225,000-\$425,000	2010	3.0-4.0	3,980,000	815,000
PUBLIC IMPROVEMENTS REFUNDING	\$130,000-\$1,580,000	2010	3.0-5.0	6,096,000	4,786,000
PUBLIC IMPROVEMENTS	\$232,000-\$350,000	2011	2.5-3.5	3,450,000	1,312,000
PUBLIC IMPROVEMENTS	\$365,000-\$375,000	2012	2.0	4,490,000	3,740,000
PUBLIC IMPROVEMENTS	\$410,000-\$425,000	2013	1.25 - 2.0	3,450,000	3,754,000
PUBLIC IMPROVEMENTS	\$500,000-\$520,000	2014	2.0-3.0	3,690,000	3,690,000
PUBLIC IMPROVEMENTS REFUNDING	\$45,000-\$1,415,000	2014	2.0-4.0	3,355,000	3,355,000
TOTAL GENERAL PURPOSE				37,317,000	26,070,000
SCHOOLS					
SCHOOL REFUNDING	\$190,000-\$1,330,000	2009	2.0-4.0	9,819,000	5,042,000
SCHOOL GEN. OBLIGATION	\$225,000-\$425,000	2010	3.0-4.0	700,000	135,000
SCHOOL REFUNDING	\$130,000-\$1,580,000	2010	3.0-5.0	6,209,000	4,589,000
SCHOOL GEN. OBLIGATION	\$232,000-\$350,000	2011	2.5-3.5	1,040,000	438,000
SCHOOL GEN. OBLIGATION	\$410,000-\$425,000	2013	1.25 - 2.0	950,000	871,000
SCHOOL GEN. OBLIGATION	\$500,000-\$520,000	2014	2.0-3.0	1,330,000	1,330,000
SCHOOL REFUNDING	\$45,000-\$1,415,000	2014	2.0-4.0	915,000	915,000
TOTAL SCHOOLS				20,963,000	13,320,000
GRAND TOTAL				\$ 58,280,000	\$ 39,390,000

The following is a summary as of June 30, 2014, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal	Interest	Total
2015	\$ 4,995,000	\$ 1,125,383	\$ 6,120,383
2016	5,080,000	1,025,950	6,105,950
2017	5,040,000	842,950	5,882,950
2018	4,880,000	664,806	5,544,806
2019	4,540,000	498,763	5,038,763
2020 - 2024	14,430,000	852,637	15,282,637
2025	425,000	7,438	432,438
Total	\$ 39,390,000	\$ 5,017,927	\$ 44,407,927

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

2014 General Obligation Bond – In-substance Defeasance

On June 26, 2014, the Town issued \$4,270,000 of general obligation bonds with interest rates ranging from 2.0% to 4.0% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bonds of the Town dated June 15, 2008, April 20, 2010, and April 12, 2011 (the "Refunding Bonds"). Of the net proceeds of \$4,677,834, \$4,600,334 was placed in an irrevocable trust fund under an Escrow Agreement dated June 2014 between the Town and the Escrow Holder (after payment of \$84,125 in underwriters fees and other costs). The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt) of approximately \$246,000, and a savings of approximately \$355,000 between the old debt payments and the new debt payments.

The balance in the escrow was approximately \$4 million at June 30, 2014. The balance of the defeased bonds was approximately \$4 million at June 30, 2014. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

School Bond Reimbursements: The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2014 was approximately \$60,000. Additional payments for principal and interest aggregating approximately \$57,000 are expected to be received through the bonds maturity.

Debt Limitation: The Town's indebtedness (including authorized but unissued bonds, net of principal reimbursements expected from the State) does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 186,468,206	\$ 26,070,000	\$ 160,398,206
Unfunded Pension Benefit Obligation	248,624,274	-	248,624,274
Schools	372,936,411	14,840,625	358,095,786
Sewers	310,780,343	-	310,780,343
Urban renewal	269,342,964	-	269,342,964

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or approximately \$580,123,000

Bonds Authorized but Unissued: Total authorized but unissued debt at June 30, 2014 consists of the following:

Schools \$ 1,575,000

Bond Anticipation Notes: In May 2013, the Town issued \$1,670,000 in bond anticipation notes, which were repaid in April 2014. The Town did not issue any bond anticipation notes during fiscal 2014.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

Bond anticipation note transactions for the year ended June 30, 2014 were as follows:

Outstanding, July 1, 2013	\$ 1,670,000
New Borrowings	-
Repayments	(1,670,000)
Outstanding, June 30, 2014	<u>\$ -</u>

Note 8. Employee Retirement Plans

Employee Pension Plans: The Town maintains the Town of Windsor Retirement Plan, a public employee retirement system (PERS), which covers all Town employees (except police officers) and all employees of the Board of Education not eligible for membership in the State of Connecticut Teacher's Retirement Plan, hired before July 1, 2011 (before November 1, 2011 for the Teamster Local 671 bargaining unit and before November 1, 2012 for the United Public Service Employee Union Local 424).

Plan Administration: The general administration and management of the Town pension plan and the responsibility for carrying out the provision of the plan shall be placed in the Town Retirement Plan Committee. The Retirement Plan Committee shall consist of the Town Manager, Finance Director, Superintendent of Schools and an employee of the Board of Education designated by the Superintendent of Schools.

The Town participates in the statewide Municipal Employees' Retirement Fund B, a multiple-employer, cost-sharing public employee retirement system that covers all of the police officers of the Town.

The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan (non-contributory for the employer) administered by the Connecticut State Teachers' Retirement Board.

The membership in the PERS at July 1, 2012, the date of the actuarial valuation, is comprised of the following:

Retirees and beneficiaries currently receiving benefits	172
Vested terminated employees	29
Active members	<u>354</u>
Total	<u>555</u>

Funding Policy: The contribution requirements of plan members are established and may be amended by the Town Council and Board of Education, subject to union contract negotiation. Employees are required to contribute 4% of their earnings. If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. As determined by the Town's actuaries, the current rate is 9.00% of annual covered payroll. The direct management costs of the plan (fund manager, trustee) are paid for by the Pension Fund. The Town pays the cost of monitoring the plan (advisor) and administering its plan (actuary) through an additional annual budget appropriation. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Actuarial assumptions (GASB 27) are as follows:

Valuation date	July 1, 2012
Actuarial cost method	Projected Unit
Amortization method	Level percent (closed)
Remaining amortization period	30 Years (decreasing)
Asset valuation method	90% of expected actuarial value + 10% of actual market value
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.0%
Cost of living adjustments	4.0%
Inflation rate	2.5%

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension asset to the PERS for the year ended June 30, 2014 were as follows:

Annual required contribution	\$ 1,311,760
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>1,311,760</u>
Contributions made	<u>(1,311,760)</u>
Decrease in net pension asset	-
Net pension asset, July 1, 2013	-
Net pension asset, June 30, 2014	<u><u>\$ -</u></u>

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/12	\$ 1,334,389	100%	\$ -
6/30/13	\$ 1,367,561	100%	\$ -
6/30/14	\$ 1,311,760	100%	\$ -

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Overfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2012	\$ 59,251,864	\$ 58,623,672	\$ 628,192	101.1%	\$ 15,947,178	0.0%

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Investments

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Plan Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2014.

Asset Class	Index	Target Allocation*	Long-term expected Real rate of Return
Core Fixed Income	Barclays Aggregate	35.00%	1.95%
Broad U.S. Equities	Wilshire 5000 / Russell 3000	37.00%	4.49%
Developed Foreign Equities	MSCI EAFE	22.00%	4.39%
Emerging Market Equities	MSCI Emerging Markets	4.00%	4.88%
Alternative Investments	HFRI Fund of Funds	2.00%	2.93%

The long-term expected rate of return on the Town Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Town Plan's target asset allocation as of June 30, 2014 are summarized in the table above.

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.25 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate (GASB 67): The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the Town will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

Net Pension Liability of the Town: The components of the net pension liability of the Town at June 30, 2014 were as follows:

Net Pension Liability	June 30, 2014
Total pension liability	\$ 69,655,089
Fiduciary net position	65,167,454
Net pension liability	4,487,635
Fiduciary net position as a percentage of total pension liability	93.56%
Covered payroll	15,947,178
Net pension liability as a percentage of covered payroll	28.14%

Actuarial Assumptions (GASB 67): The total pension liability was determined by an actuarial valuation as of July 1, 2013, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2014. There have been no significant changes between the valuation date and the fiscal year end.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Discount Rate (GASB 67)

Discount rate	7.50%
Long-term expected rate of return, net of investment expense	7.50%
Municipal bond rate	N/A

Other Key Actuarial Assumptions (GASB 67): The Plan has not had a formal actuarial experience study performed.

Valuation date	July 1, 2013
Measurement date	June 30, 2014
Inflation	2.25%
Salary increases including inflation	3.50%
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale AA
Actuarial cost method	Entry Age Normal

Sensitivity Analysis (GASB 67): The following table presents the net pension liability of the Town, calculated using the discount rate of 7.50%, 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total pension liability	\$ 78,206,521	\$ 69,655,089	\$ 62,777,656
Fiduciary net position	65,167,454	65,167,454	65,167,454
Net pension liability	\$ 13,039,067	\$ 4,487,635	\$ (2,389,798)

Town of Windsor Retirement Plan - Defined Contribution Pension Plan: As part of the FY 2012 budget process, management took steps to reduce the town's cost of providing retirement benefits for future employees. To help mitigate future increases in retirement costs, the Town Council voted to amend the Personnel Rules requiring all non-affiliated full-time employees hired after July 1, 2011 to participate in a 401(a) defined contribution plan. This Plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion.

On October 17, 2011, the Town Council approved a new three year collective bargaining agreement with Teamsters Local 671 for the period July 1, 2011 to June 30, 2014. As part of this new agreement, all members of the collective bargaining unit hired after November 1, 2011 are required to participate in a 401(a) defined contribution plan.

On October 15, 2012, the Town Council approved a new three year agreement collective bargaining agreement with the United Public Service Employees Union Local 424 (Public Safety Dispatchers Bargaining Unit) for the period July 1, 2011 to June 30, 2014. As part of this new agreement all members of the collective bargaining unit hired on or after November 1, 2012 are required to participate in a 401(a) defined contribution plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

The Defined Contribution Plan requires the Town to contribute 5% of each participant's salary. Employees are also required to contribute 5% of their salary and may make additional contributions subject to IRS regulations.

The assets for the Plan are held by ICMA Retirement Corporation. The balance of the Plan amounted to approximately \$336,879 at June 30, 2014 and is not reflected in the accompanying financial statements of the Town, as the Town's role in the administration of the Plan is limited.

Connecticut Municipal Employees' Retirement Fund B: All uniformed police officers of the Town of Windsor participate in the Connecticut Municipal Employees' Retirement Fund B (MERF), a defined benefit cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling 860-702-3480.

Funding Policy: Town of Windsor plan members are required by State statute to contribute 5% of earnings (based on earnings not being covered by Social Security). Each participating municipality is required to contribute at an actuarially determined rate. The rate for fiscal year 2014 is 16.01% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to MERF for the years ended June 30, 2014, 2013 and 2012 were \$1,090,885, \$978,430 and \$966,083, respectively, equal to the required contributions for each year.

Connecticut State Teachers' Retirement System: The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$7,044,000 for the year ended June 30, 2014.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits

In addition to providing pension benefits, the Town instituted a policy providing 50% to 75% of certain health care benefits for retired employees. Substantially all of the Town's employees may become eligible for those benefits, if they retire under a normal retirement or with disability.

Post Retirement Benefits: From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of postemployment healthcare in the year when the employee services are received, disclosed the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description: The Town provides post-employment benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2011. The post-retirement plan does not issue stand-alone financial reports.

The contribution requirements of plan members and the Town are established and may be amended by the Town.

Membership in the plan consisted of the following at July 1, 2011, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	263
Active plan members	<u>689</u>
Total	<u><u>952</u></u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Town's contributions represent payments made for premiums for insured individuals on a pay-as-you-go method.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/12	\$ 7,532,987	\$ 2,283,000	30.31%	\$ 19,782,907
6/30/13	\$ 7,016,211	\$ 2,047,000	29.18%	\$ 24,752,118
6/30/14	\$ 7,473,226	\$ 2,240,000	29.97%	\$ 29,985,344

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)
July 1, 2011	\$ -	\$ 74,028,000	\$ (74,028,000)	0.0%

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

OPEB Obligation

Annual required contribution	\$ 7,831,000
Interest on net pension obligation	990,085
Adjustment to annual required contribution	<u>(1,347,859)</u>
Annual OPEB cost	7,473,226
Contributions made	<u>2,240,000</u>
Increase in net OPEB liability	5,233,226
Net OPEB obligation, beginning of year	<u>24,752,118</u>
Net OPEB obligation, end of year	<u><u>\$ 29,985,344</u></u>

Actuarial assumptions are as follows:

Valuation Date:	July 1, 2011
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	N/A
Amortization Method:	Level Percent (closed)
Remaining Amortization Period:	30 Years (decreasing), 20 years (decreasing) (non-police)
Valuation Type:	Closed Group
Actuarial Assumptions:	
Discount rate	4.00%
Inflation rate	4.70%
Salary increase rate	3.00%
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Initial inflation rate:	5.9%
Ultimate inflation rate:	4.7%
Years until ultimate inflation rate	80 years

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.

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Projections 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 include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Town performed an actuarial valuation as of July 1, 2013, which will be used to determine the June 30, 2015 and 2016 annual required contributions. The July 1, 2013 valuation shows an actuarial accrued liability of \$80,767,000.

Note 10. Risk Management

The Town self-insures its liability for workers' compensation claims to a limit of \$500,000/employee. Aggregate claims in excess of that amount up to \$20,000,000, as well as any individual claim up to \$1,000,000 are fully insured. Workers' Compensation Trust, a fully qualified, third party administrator, is the current administrator of the program and assists management in determining the liability at year-end. As employee claims are processed and certified for payment by the third party administrator, payment is made out of the Internal Service Fund. The accrued liability made for this purpose is determined annually based on prior experience and the amount of unsettled claims outstanding on an actuarial basis.

Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

Employee health/medical claims are self-funded through Anthem Blue Cross/Blue Shield of Connecticut and CIGNA Corporation. Funds are transferred into the Insurance Internal Service Fund from other funds and are available to pay the health/medical premium costs.

The Town is self insured for health benefits. Claim activity and service fees are accounted for in a Self Insurance Reserve Fund. The Town has Individual Stop Loss (ISL) coverage that limits the Town's liability to \$150,000 annually. On an aggregate basis, the Town's liability is limited to 125% of expected claims (\$2,901,618). Claims exceeding the Town's maximum liability are fully insured through stop loss coverage (Aggregate and ISL). Anthem, the provider, administers the payment of claims and calculates and provides the accrued liability at year-end based on prior claims experience and the amount of unsettled claims outstanding on an actuarial basis. L&R Benefits, the Town's consultant, analyzes claims and advises the Town on all health insurance related issues. Conservatively, through the budget process and available reserves, the Town will project to have at a minimum, the Town's maximum liability available to process expected claims.

The BOE records its liability for health benefits in a Self Insurance Reserve Fund and accounts for claim activity and service fees on a self insured basis. The BOE has Individual Stop Loss (ISL) coverage that limits the BOE's liability to \$150,000 annually. On an aggregate basis, the BOE's liability is limited to 110% of expected claims (\$11,577,132). Claims exceeding the BOE's maximum liability are fully insured through stop loss coverage (Aggregate and ISL). Anthem, the provider, administers the payment of claims. Lockton Companies, the BOE's consultant, analyzes claims and advises the BOE on all health insurance related issues as well as calculating and providing the accrued liability at year-end based on prior claims experience and the amount of unsettled claims outstanding on an actuarial basis. Conservatively, through the budget process and available reserves, the BOE will project to have at a minimum, the BOE's maximum liability available to process expected claims.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

The following is a schedule of changes in the aggregate liabilities for the Internal Service Fund claims:

<u>Workers' Compensation / Heart and Hypertension / Liability</u>	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2012-13	\$ 1,222,609	\$ 2,648,127	\$ 2,491,462	\$ 1,379,274
2013-14	1,379,274	2,284,120	2,102,577	1,560,817

<u>Town - Health / Medical</u>	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2012-13	\$ 193,023	\$ 3,543,456	\$ 3,582,256	\$ 154,223
2013-14	154,223	3,580,736	3,573,077	161,882

<u>BOE - Health / Medical</u>	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2012-13	\$ 74,425	\$ 10,089,831	\$ 9,720,956	\$ 443,300
2013-14	443,300	9,993,161	9,941,063	495,398

The Town has commercial general liability and auto liability with levels of coverage of \$3,000,000 and \$1,000,000, respectively, with umbrella coverage up to \$15.0 million. There have been no significant reductions in insurance coverage from the level of coverage in the prior year. Furthermore, for the past three fiscal years, no settlements have exceeded insurance coverage.

The Town maintains a limited risk management program for general liability, auto and fire losses. Property and casualty risks are fully insured except for the general environmental liability exposure represented by the landfill, which is essentially uninsurable.

Note 11. Contingencies

The Town has received State and Federal grants for specific purposes that are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewage collection and disposal facilities for members), the Town is contingently liable for \$55,969,701 or 8.61% of the debt of the District.

Lawsuits: Various litigations, principally involving claims for personal injury and contested tax assessment, are pending against the Town. The outcome and eventual liability of the Town, if any, in these cases are not known at this time. The Town's management does not believe any potential claims against the Town would have a material adverse effect on the financial position of the Town.

Note 12. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require the Town to place a final cover on its 65 acre landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for at least thirty years after closure. Under these regulations, the landfill has established a horizontal footprint of 55 acres which is now the basis of maximum horizontal expansion without providing a liner system. The results of a July 2014 capacity analysis show that the landfill has reached its overall capacity as of June 30, 2014. The landfill has stopped accepting commercial waste on July 1, 2014 and has converted to a transfer facility for residents.

Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the Landfill Enterprise Fund reports a portion of these closure and post-closure costs as an operating expense in each period based on the landfill capacity used as of each balance sheet date. The \$37,160,000 reported as landfill closure and post-closure care liability at June 30, 2014, is \$548,455 more than the liability reported on June 30, 2013. This increase, or adjustment in estimated closure costs accrued to date, directly decreases the operating income for the Landfill Enterprise Fund in fiscal year 2014. These amounts are based on what it would cost to perform all closure and post-closure care at 2014 prices with a third party performing all closure work. Actual costs may also change based on inflation, compliance with the State of Connecticut stewardship permit, changes in technology, changes in the regulations, or if some of the work is performed by staff. The engineering analysis assumes that numerous engineering and construction procedures will be required.

The landfill serves the Towns of Bloomfield and Windsor. An agreement (dated November 19, 1993) exists between the two communities. This agreement establishes the terms and conditions of operating the landfill. For closure costs, the agreement states "The two towns shall contribute equally, on an annual basis, for said purposes and shall be equally responsible for closure, post-closure, and monitoring expenses until all Federal and State requirements are met". The Town of Windsor is responsible for the funding, accounting and financial reporting for the landfill on behalf of both towns. The post closure cost will be covered by the landfill's funds. If those funds run out, and only if they do, then the Town of Windsor and the Town of Bloomfield will split the costs. It is anticipated that no additional amount will be required from the Towns for closure of the landfill.

The landfill is currently operating under the State of Connecticut stewardship permit issued by the Department of Energy and Environmental Protection (DEEP) that addresses the requirements of the regulations, including the control and monitoring of leachate and landfill generated gases.

Note 13. Fund Deficit

The following fund had a net fund deficit as of June 30, 2014:

Landfill Fund	<u>\$6,941,489</u>
---------------	--------------------

The fund deficit will be funded using the Landfill Fund cash and investments and if needed by the General Fund once the Landfill Fund cash and investments are exhausted.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 14. Fund Balances

The Town classifies fund balances under the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The details for the Town's fund balance are the following:

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund Balances:			
Nonspendable:			
Inventories	\$ 46,154	\$ -	\$ 3,642
Scholarship fund principal	-	-	13,000
Total nonspendable	46,154	-	16,642
Restricted:			
Scholarship funding	-	-	2,972
Library operations	-	-	78,378
Human services programs	-	-	160,192
Public safety programs	-	-	198,775
Road construction and maintenance	-	-	962,090
Community Development Block Grant loans	-	-	2,113,155
Road and sidewalk construction and maintenance	-	1,578,628	-
School capital improvements	-	1,682,463	-
Other capital projects	-	439,881	-
Other programs	-	-	53,878
Total restricted	-	3,700,972	3,569,440
Committed:			
Open space program	-	-	574,526
School capital improvements	-	3,040,899	-
Road and sidewalk construction and maintenance	-	1,281,430	-
Other capital projects	-	649,037	-
Debt Service	-	-	922,083
Total committed	-	4,971,366	1,496,609
Assigned:			
Subsequent year expenditures	900,000	-	-
Capital outlay in subsequent year	305,000	-	-
Encumbrances	-	-	-
Education	374,511	-	65,413
General government activities	205,022	-	-
Recreation programs	865,569	-	-
Clinic services	52,012	-	-
Public safety and police private duty	924,947	-	-
Building maintenance	168,628	-	-
Community Development Block Grant	-	-	45,467
Other capital projects	-	622,794	-
Total assigned	3,795,689	622,794	110,880
Unassigned:	17,347,987	-	-
Total fund balance	\$ 21,189,830	\$ 9,295,132	\$ 5,193,571

Encumbrances are contained in the above table are as follows: \$376,931 in the General Fund; \$2,707,987 in the Capital Projects Fund; and \$86,291 in Nonmajor Governmental Funds.

Note 15. Governmental Accounting Standards Board (GASB) Statements

Accounting Standards Adopted in the Current Year.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented as July 1, 2013. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of this standard, \$296,807 of deferred amounts on refundings were reclassified to Deferred Outflows of Resources. Previously, these amounts offset long-term debt.

GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25*, issued in June 2012, was effective for the Town as of July 1, 2013. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The implementation of this statement did not have a material impact on the Town's financial statements.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, became effective on July 1, 2013. This statement provides guidance to governments that extend and receive nonexchange financial guarantees. The implementation of this statement had no impact on the Town's financial statement.

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71*, will be effective on July 1, 2014. This statement revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expense than is currently required.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, will be effective for the fiscal year beginning on July 1, 2014. This statement provides guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments.

Management has not yet determined the effect that the above GASB statements will have on the financial statements, but GASB Statement No. 68 will have a material impact.

**Required Supplementary
Information**

Town of Windsor

**Required Supplementary Information - unaudited
Pension Trust Fund
June 30, 2014**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2006	\$ 45,594,279	\$ 41,130,295	\$ 4,463,984	110.9%	\$ 14,776,977	0.0%
July 1, 2007	48,961,596	43,855,272	5,106,324	111.6%	15,265,451	0.0%
July 1, 2008	51,029,433	45,790,887	5,238,546	111.4%	15,671,874	0.0%
July 1, 2009	52,671,376	50,355,944	2,315,432	104.6%	15,875,106	0.0%
July 1, 2010	54,245,354	53,427,746	817,608	101.5%	15,782,256	0.0%
July 1, 2011	56,804,114	55,428,256	1,375,858	102.5%	15,894,915	0.0%
July 1, 2012	59,251,864	58,623,672	628,192	101.1%	15,947,178	0.0%

Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2005	\$ 763,468	\$ 763,468	\$ -	\$ 13,131,981	5.81%
2006	789,843	789,843	-	13,274,916	5.95%
2007	737,493	737,493	-	14,101,531	5.23%
2008	827,855	827,855	-	14,776,977	5.60%
2009	834,453	834,453	-	15,265,451	5.47%
2010	843,833	843,833	-	15,671,874	5.38%
2011	1,273,290	1,273,290	-	15,875,106	8.02%
2012	1,334,389	1,334,389	-	15,782,256	8.45%
2013	1,367,561	1,367,561	-	15,894,915	8.60%
2014	1,311,760	1,311,760	-	15,947,178	8.23%

Town of Windsor, Connecticut

Required Supplementary Information - unaudited
 Schedule of Changes in Net Pension Liability and Related Ratios
 Last Fiscal Year
 (in 000s)
 June 30, 2014

	2014
Total Pension Liability	
Service cost	\$ 1,206
Interest on total pension liability	4,973
Effect of economic/demographic gains or (losses)	(41)
Benefit payments	(3,112)
Net change in total pension liability	<u>3,026</u>
Total Pension Liability, beginning	<u>66,629</u>
Total pension liability, ending (a)	<u>69,655</u>
Fiduciary Net Position	
Employer contributions	\$ 1,312
Member contributions	618
Investment income net of investment expenses	9,135
Benefit payments	(3,112)
Administrative expenses	(58)
Net change in plan fiduciary net position	<u>7,895</u>
Fiduciary Net Position, beginning	<u>57,272</u>
Fiduciary net position, ending (b)	<u>65,167</u>
Net pension liability, ending = (a) - (b)	<u>\$ 4,488</u>
Fiduciary net position as a % of total pension liability	93.56%
Covered payroll	\$ 15,947
Net pension liability as a % of covered payroll	28.14%

Town of Windsor, Connecticut

Required Supplementary Information - unaudited
 Other Post-Employment Benefits
 June 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)
July 1, 2007	\$ -	\$ 66,013,000	\$ (66,013,000)	0.0%
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%
July 1, 2011	\$ -	\$ 74,028,000	\$ (74,028,000)	0.0%
July 1, 2013	\$ -	\$ 80,767,000	\$ (80,767,000)	0.0%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 6,389,000	29.71%
2010	7,185,000	29.02%
2011	7,118,000	29.04%
2012	7,681,000	29.72%
2013	7,258,000	31.45%
2014	7,831,000	28.60%

Town of Windsor, Connecticut

Required Supplementary Information - unaudited
 Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance - Budgetary Basis -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 82,536,630	\$ 82,536,630	\$ 82,937,213	\$ 400,583
Licenses and permits	499,550	499,550	1,456,398	956,848
Fines, forfeitures and penalties	38,000	38,000	37,968	(32)
Other agencies	133,100	133,100	140,764	7,664
Intergovernmental	14,919,030	14,919,030	15,131,679	212,649
Revenues from use of assets	493,830	493,830	513,242	19,412
Charges for services	793,710	793,710	897,031	103,321
Total revenues	99,413,850	99,413,850	101,114,295	1,700,445
Expenditures				
Current:				
General government	926,530	936,530	915,650	20,880
Safety Service	9,196,050	9,281,050	9,235,555	45,495
Public works	5,021,000	5,025,500	5,024,965	535
Health Services	469,650	469,650	444,901	24,749
Human Services	904,030	894,030	826,835	67,195
Recreation and Leisure Services	1,377,520	1,036,220	1,031,046	5,174
Education	63,394,900	63,271,300	63,242,216	29,084
Town support for education	4,304,520	1,973,280	1,904,449	68,831
Library services	1,545,260	1,545,260	1,523,563	21,697
Development services	1,772,080	1,739,350	1,700,996	38,354
Information services	441,180	441,180	396,839	44,341
Administrative services	2,049,040	2,001,540	1,985,394	16,146
Community development	92,500	125,230	125,230	-
General services	8,931,100	5,236,340	5,235,518	822
Total expenditures	100,425,360	93,976,460	93,593,157	383,303
Revenues over (under) expenditures	(1,011,510)	5,437,390	7,521,138	2,083,748
Other Financing Sources (Uses)				
Transfers in	111,510	111,510	95,510	(16,000)
Transfers out	-	(6,493,900)	(6,493,900)	-
Use of Fund Balance	-	(1,025,000)	(1,025,000)	-
Total other financing sources (uses)	111,510	(7,407,390)	(7,423,390)	(16,000)
Net change in budgetary fund balance	\$ (900,000)	\$ (1,970,000)	97,748	\$ 2,067,748
Budgetary Total Fund Balance, beginning			18,501,393	
Budgetary Total Fund Balance, ending			18,599,141	
Less:				
Inventory			(46,154)	
FY 15 Appropriation of Fund Balance			(900,000)	
FY 15 Town Council Appropriation			(305,000)	
Unassigned fund balance, ending			17,347,987	
Unassigned, beginning			16,928,714	
Net change in unassigned fund balance			\$ 419,273	

See Notes to Required Supplementary Information.

Town of Windsor, Connecticut

Note to Required Supplementary Information (unaudited)

Note 1. Budgets and Budgetary Accounting

General Fund: Budget policies in accordance with the Town Charter, Chapter 8, Sections 8-1 through 8-4, are as follows:

- A. Prior to April 1, the Town Manager submits the proposed budget for the General Fund to the Town Council.
- B. After various public hearings, the Town Council recommends the budget, as revised, for adoption at the annual Town Meeting on the first Tuesday in May.
- C. The Town Meeting appropriates the budget as one balance for revenues and separate expenditure amounts per individual service unit. Additional appropriations and transfers between functions and activities may be made by the Town Council in accordance with Town Charter provisions, thereby lowering the legal level of control to the function and activity levels. The level at which expenditures may not legally exceed appropriations is at the department level, i.e., safety, service, public works, etc.
- D. The original budget for expenditures, encumbrances and other financing uses was increased by approximately \$1,070,000 as a result of fund balance and revenue appropriations during the year ended June 30, 2014. The additional appropriations were approved in accordance with the Town Charter.
- E. A reconciliation of General Fund operations presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") to the amounts presented on the budgetary basis is as follows:

	Revenues and Transfers	Expenditures and Transfers
Balance, GAAP basis	\$ 110,316,720	\$ 110,038,240
State Teachers Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(7,044,000)	(7,044,000)
Reclassified to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB 54.	(2,062,915)	(1,866,351)
Encumbrances:		
June 30, 2013	-	(392,763)
June 30, 2014	-	376,931
Balance, budgetary basis	<u>\$ 101,209,805</u>	<u>\$ 101,112,057</u>

- F. Classifications of certain revenues and expenditures under GAAP differ from classifications utilized for budgetary purposes.

Town of Windsor, Connecticut

Note to Required Supplementary Information (unaudited)

Note 1. Budgets and Budgetary Accounting (Continued)

Special Revenue Funds: The Town does not have legally adopted annual budgets for its special revenue funds, including the Debt Service Fund. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements of the State or other grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital Projects Funds: Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects.

APPENDIX B – OPINION OF BOND COUNSEL AND TAX EXEMPTION

The following information has been prepared by Bond Counsel in connection with this *bond and note* issue. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in the Official Statement (other than matters in this Appendix), and they make no representation that they have independently verified the same.

BOND COUNSEL OPINION

The legal opinion of the firm of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful bidder when the Bonds and Notes are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds and Notes. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds and Notes to the successful bidder.

The opinion of Day Pitney LLP with respect to the Bonds and Notes will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Windsor
Windsor, Connecticut

We have represented the Town of Windsor, Connecticut as Bond Counsel in connection with the issuance by the Town of \$5,370,000 General Obligation Bonds, Issue of 2015, dated as of June 24, 2015 and \$420,000 Bond Anticipation Notes, dated as of June 24, 2015.

We have examined a record of proceedings authorizing the Bonds and Notes, and based on our examination, we are of the opinion that the Town of Windsor is authorized to issue the Bonds and Notes; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds and Notes have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds and Notes; the Bonds and Notes will be valid and binding general obligations of the Town when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the Town has the power to levy ad valorem taxes to pay the Bonds and Notes against all the taxable property in the Town without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds and Notes is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds and Notes have executed written representations and agreements on behalf of the Town relating to compliance with such provisions of the Code to ensure that the interest on the Bonds and Notes will be excluded from gross income for Federal income tax purposes. The representations and agreements also provide that the Bonds and Notes are designated or deemed designated as "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds and Notes, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds and Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; (2) the Bonds and Notes are not "private activity bonds" and interest on the Bonds and Notes is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and (3) the Bonds and Notes are "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Based on the record of proceedings authorizing the Bonds and Notes, it is our opinion that, under existing statutes: (1) interest on the Bonds and Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds and Notes is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

Interest Excluded From Gross Income. The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met in order that interest on the Bonds and Notes is excluded from the gross income of the owners thereof for federal income tax purposes. Some of these requirements must be continuously met subsequent to delivery of the Bonds and Notes. Failure to comply with any of these requirements may cause the interest on the Bonds and Notes to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs.

The Town officials authorized to issue the Bonds and Notes will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds and Notes, which will contain certain representations and covenants on behalf of the Town relating to compliance with such requirements of the Code to ensure that the interest on the Bonds and Notes will be excluded from the gross income of the owners thereof for federal income tax purposes.

Alternative Minimum Tax. The Code imposes an alternative minimum tax on individuals and an alternative minimum tax on corporations. The alternative minimum tax is imposed on alternative minimum taxable income, which includes preference items. The interest on certain tax-exempt "private activity bonds" is treated as a preference item. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds and Notes are not "private activity bonds" so that interest on the Bonds and Notes will not be treated as a preference item for individuals or corporations in calculating alternative minimum taxable income.

The Code provides, however, that for most corporations a portion of the excess of adjusted current earnings (which includes certain tax-exempt interest) over other alternative minimum taxable income will be included in alternative minimum taxable income for purposes of calculating the corporation's alternative minimum tax.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds and Notes will be "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Additional Federal Income Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds and Notes should be aware that the ownership of tax-exempt obligations, such as the Bonds and Notes, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers otherwise eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations and foreign corporations subject to the branch profits tax. Prospective purchasers of the Bonds and Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds and Notes, under existing statutes: (1) interest on the Bonds and Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Bonds and Notes is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds and Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Bonds and Notes should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and Notes and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds and Notes held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of certain of the Bonds may be less than the amount payable on the Bonds at maturity. The excess of the amount payable at maturity over the initial public offering price at which a substantial amount of such Bonds are sold constitutes original issue discount. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue discount. Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any such bond during each day it is owned by a taxpayer is added to the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Accrued original issue discount on a bond is excluded from gross income of the owners thereof for federal income tax purposes. Accrued original issue discount on a bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest payable on such bond during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Owners of Bonds having original issue discount, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of certain of the Bonds and Notes may be greater than the amount payable on the Bonds and Notes at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds and Notes are sold over the amount payable thereon at maturity constitutes original issue premium. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds and Notes were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds and Notes having original issue premium. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as having amortized with respect to any bond during each day it is owned by a taxpayer is subtracted from the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity on such bond using the taxpayer's cost basis and a constant semiannual compounding method. As a consequence of the resulting cost basis reduction, under certain circumstances an owner of a bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such owner's original cost of acquiring the bond. Amortized original issue premium on a bond is not allowed as a deduction from gross income for federal income tax purposes. Amortized original issue premium on a bond also does not reduce Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and does not reduce amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Owners of the Bonds and Notes having original issue premium, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such the bonds and notes.

GENERAL.

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or any changes in law or the interpretation thereof that may occur after the date of its opinion. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that pending federal legislation, if any, or federal legislation enacted or proposed after the date of issuance of the Bonds and Notes will not have an effect on the federal tax status or the market price of the Bonds and Notes or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Bonds and Notes, and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds and Notes or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds and Notes are advised to consult their tax advisors regarding the potential tax consequences of proposed federal or State of Connecticut tax legislation, if any, affecting municipal bonds.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of Bonds or Notes. Prospective owners of the Bonds and Notes, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Bonds and Notes, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE BONDS

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for Bonds to be executed by the Town substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds.

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of June 24, 2015 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$5,370,000 General Obligation Bonds, Issue of 2015, dated as of June 24, 2015 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer dated June 10, 2015 prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2015) as follows:

(i) Financial statements of the Issuer's general fund for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

- (A) amounts of the gross and the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,

- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

Section 3. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Finance Director, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Finance Director is Town Hall, 275 Broad Street, P.O. Box 472, Windsor, Connecticut 06095.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF WINDSOR

By: _____
Peter P. Souza
Town Manager

By: _____
Robert W. Metcalf
Finance Director

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE NOTES

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for Notes to be executed by the Town substantially in the following form, to provide, or cause to be provided, notice of the occurrence of certain events with respect to the Notes:

Continuing Disclosure Agreement For Notes

This Continuing Disclosure Agreement for Notes ("Agreement") is made as of June 24, 2015 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$420,000 Bond Anticipation Notes, dated as of June 24, 2015 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Notes is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Notes will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Note to be redeemed as required under the terms of the Notes, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Note purchases.

Section 3. Use of Agents.

Notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 4. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

Section 5. Enforcement.

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's Finance Director, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the Finance Director is Town Hall, 275 Broad Street, P.O. Box 472, Windsor, Connecticut 06095.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Notes shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 6. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Section 2 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such information, data or additional notices from time to time as it deems appropriate in connection with the Notes. If the Issuer elects to provide any such information, data or additional notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further information, data or additional notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF WINDSOR

By: _____
Peter P. Souza
Town Manager

By: _____
Robert W. Metcalf
Finance Director

APPENDIX E - NOTICE OF SALE – THE BONDS

**NOTICE OF SALE
\$5,370,000
Town of Windsor, Connecticut
General Obligation Bonds
(BOOK-ENTRY)**

ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor, Connecticut at Day Pitney LLP, Goodwin Conference Room, 242 Trumbull Street, Hartford, Connecticut, until **11:30 A.M. Eastern Time on WEDNESDAY,**

JUNE 10, 2015

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

**\$5,370,000 General Obligation Bonds, Issue of 2015
Payable annually on June 15 as follows:**

**\$450,000 in 2016 through 2026
\$420,000 in 2027**

The Bonds will be dated June 24, 2015, with interest payable on December 15, 2015 and thereafter semiannually on each June 15th and December 15th.

The Bonds will be general obligations of the Town payable from ad valorem taxes levied on all taxable property in the Town without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

DTC Book Entry. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Town as of the close of business on the record date preceding each interest payment date. The record dates will be the last business day of May and November.

Redemption. Bonds maturing on June 15, 2022 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2021, at any time, either in whole or in part in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
June 15, 2021 and thereafter	100%

Proposals. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth or one eighth of one percent the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than two (2%) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.**

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice and the form of Proposal for Bonds.

Basis of Award. As between proposals which comply with this Notice, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to June 24, 2015, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

Certifying and Paying Agent. The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will act as Registrar and Paying Agent.

Delivery. At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

Bond Counsel Opinion. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid general obligations of the Town when duly certified; (2) that, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and the Bonds are "qualified tax-exempt obligations"; and (3) that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax

Official Statement. The Town of Windsor has prepared a preliminary Official Statement for the Bond issue which is dated May 29, 2015. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser 50 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's financial advisor, Independent Bond and Investment Consultants LLC, Madison, Connecticut, by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement. The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2 12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain material events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for Bonds.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Reoffering Prices. **IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE BONDS THE REOFFERING PRICES AT WHICH A SUBSTANTIAL PORTION OF EACH MATURITY OF THE BONDS WERE SOLD.** The successful bidder may specify that the Bonds as "not reoffered" if the successful bidder certifies that it purchased the specified Bonds for its own account (or the account of a related party) without any present intention of reoffering such Bonds to any other investor.

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about June 24, 2015 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

More Information. For more information regarding this issue and the Town reference is made to the Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Mark N. Chapman, Independent Bond and Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 (telephone: (203) 245-7264) or from Mr. Robert W. Metcalf, Finance, Director Town of Windsor, Town Hall, P.O. Box 472, 275 Broad Street, Windsor, Connecticut 06095 (telephone: (860) 285-1890).

PETER P. SOUZA,
Town Manager

ROBERT W. METCALF,
Finance Director

May 29, 2015

APPENDIX F - NOTICE OF SALE AND BID PROPOSAL– THE NOTES

NOTICE OF SALE
\$420,000
Town of Windsor, Connecticut
Bond Anticipation Notes
(BOOK-ENTRY)

SEALED PROPOSALS and ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor, Connecticut at Day Pitney LLP, Goodwin Conference Room, 242 Trumbull Street, Hartford, Connecticut, until **11:00 A.M. Eastern Time on WEDNESDAY,**

JUNE 10, 2015

for the purchase of \$420,000 Bond Anticipation Notes of the Town of Windsor, dated June 24, 2015, maturing on June 23, 2016 (the "Notes").

The Town will designate the Notes as "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

The Notes will be payable with interest at maturity. Interest shall be computed on the basis of a 30-day month and a 360-day year. The Notes are not subject to redemption prior to maturity.

The Notes will be general obligations of the Town payable from ad valorem taxes levied on all taxable property in the Town without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

DTC Book-Entry. The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$25,000 except for any odd amount, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Notes and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes, the Town will authenticate and deliver replacement Notes in the form of fully registered certificates. Any such replacement Notes, will provide that principal of and interest on the Notes will be payable to the registered owner upon presentation and surrender of the Notes at the principal office of the Paying Agent, or of its successors as paying agent for the Notes.

Proposals. Proposals may be made for all or any part of the Notes. No proposal for less than the minimum denomination or for less than par and accrued interest will be entertained. Each proposal must state one rate of interest in a multiple of one-hundredth (1/100) of one-percent (1%) per annum for each part of the Notes bid for in the proposal. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest rate to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Sealed Proposals Bidding Procedure. All sealed proposals for the purchase of the Notes shall be submitted on forms furnished by the Town and submitted at the time and place indicated above. All proposals must be enclosed in sealed envelopes marked on the outside, in substance, "Proposal for Windsor Notes." All proposals should be addressed to Mr. Peter P. Souza, Town Manager, Town of Windsor, c/o Day Pitney LLP, Goodwin Conference Room, 242 Trumbull Street, Hartford, Connecticut 06103.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Notes must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021, email notice: parity@i-deal.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Notes via PARITY®, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.**

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Notes. The Town is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the form of Proposal for Notes.

Basis of Award. As between proposals which comply with this Notice, the Notes will be sold to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest rate, which will be determined for each interest rate stated in the proposal based on the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making said offer at the same lowest net interest rate, the Notes will be sold to the responsible bidder with a proposal for the highest principal amount of Notes specified or, if the same principal amount of Notes is specified in such proposals, to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest rate with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid at such rate, carried to four places.

The Town reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

Certifying and Paying Agent. The Notes will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will act as Registrar and Paying Agent.

Delivery. At or prior to the delivery of the Notes the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes and receipt of payment therefor, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this Note issue; (d) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

Bond Counsel Opinion. The opinion of Bond Counsel will cover the following matters: (1) that the Notes will be valid general obligations of the Town when duly certified; (2) that, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, under existing statutes, interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Notes are not "private activity bonds" and interest on the Notes is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and the Notes are "qualified tax-exempt obligations"; and (3) that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Notes is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Official Statement. The Town of Windsor has prepared a preliminary Official Statement for the Note issue which is dated May 29, 2015. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1) but it is subject to revision or amendment. The Town will make available to each winning purchaser 15 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser(s) at the office of the Town's financial advisor, Independent Bond and Investment Consultants LLC, Madison, Connecticut, by the delivery of the Notes or by the seventh business day after the day bids on the Notes are received if earlier. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement. The Town will enter into a Continuing Disclosure Agreement with respect to the Notes, substantially in the form attached as Appendix D to the Official Statement (the "Continuing Disclosure Agreement for Notes"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, timely notice of the occurrence of certain material events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for Notes.

CUSIP Numbers. The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Reoffering Prices. **IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE NOTES THE REOFFERING PRICES AT WHICH A SUBSTANTIAL PORTION OF THE NOTES WERE SOLD.** The successful bidder may specify that the Bonds as "not reoffered" if the successful bidder certifies that it purchased the specified Bonds for its own account (or the account of a related party) without any present intention of reoffering such Notes to any other investor.

Delivery Date and Payment. The Notes will be delivered against payment in immediately available Federal funds through the facilities of The Depository Trust Company, New York, New York on June 24, 2015.

More Information. For more information regarding this issue and the Town reference is made to Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Mark N. Chapman, Independent Bond and Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 (telephone: (203) 245-7264) or from Mr. Robert W. Metcalf, Finance Director, Town of Windsor, Town Hall, P.O. Box 472, 275 Broad Street, Windsor, Connecticut 06095 (telephone: (860) 285-1890).

PETER P. SOUZA,
Town Manager

ROBERT W. METCALF,
Finance Director

May 29, 2015

PROPOSAL FOR NOTES

June 10, 2015

Mr. Peter P. Souza
 Town Manager
 Town of Windsor
 c/o Day Pitney LLP
 242 Trumbull Street
 Goodwin Conference Room
 Hartford, Connecticut 06103

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated May 29, 2015 which is hereby made a part of this proposal, we hereby offer to purchase the principal amount of the Notes specified below at the interest rate per annum plus the premium, if any, specified below, and to pay therefor said principal amount, premium, if any, (not to exceed false months interest on the principal amount bid for), and interest accrued on said Notes to the date of their delivery, if any. The following is our computation of the net interest rate, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

Of the \$420,000 Bond Anticipation Notes of the Town of Windsor, dated June 24, 2015, maturing June 23, 2016, we bid the following:

Principal Amount	\$	_____	Principal Amount	\$	_____
Interest Rate		_____ %	Interest Rate		_____ %
Premium	\$	_____	Premium	\$	_____
Net Interest Rate		_____ %	Net Interest Rate		_____ %
		(four decimals)			(four decimals)

Principal Amount	\$	_____	Principal Amount	\$	_____
Interest Rate		_____ %	Interest Rate		_____ %
Premium	\$	_____	Premium	\$	_____
Net Interest Rate		_____ %	Net Interest Rate		_____ %
		(four decimals)			(four decimals)

Name of Bidder: _____

Address of Bidder: _____

Signature of Officer or
 Authorized Agent of Bidder: _____

Telephone Number: _____

The following is our computation of the net interest cost, made as provided in the above mentioned Notice of Sale, but not constituting any part of the foregoing proposal:

Gross Interest	\$	_____
Less Premium	\$	_____
Net Interest Cost	\$	_____
Percent Net Interest Cost		_____ %
		(four decimals)