

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 the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds and the Notes are not "private activity bonds" and interest on the Bonds and 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; the Bonds and the Notes are "qualified tax-exempt obligations"; interest on the Bonds and the 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 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. (See Appendix B – "Form of Opinion of Bond Counsel and Tax Exemption" herein).

TOWN OF WINDSOR, CONNECTICUT

\$4,490,000

GENERAL OBLIGATION BONDS, ISSUE OF 2012 (BANK QUALIFIED) BOOK-ENTRY-ONLY

Dated: Date of Delivery

Due: May 1, 2013-2024

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 May 1 and November 1 in each year until maturity, commencing November 1, 2012. 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)

\$800,000

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

Dated: May 2, 2012

Due: May 1, 2013

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 April 5, 2012. 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 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 in definitive form will be made on or about May 2, 2012.

Dated: April 18, 2012

TOWN OF WINDSOR, CONNECTICUT

\$4,490,000

**GENERAL OBLIGATION BONDS, ISSUE OF 2012
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

Dated: Date of Delivery

Due: Serially, May 1, as shown below

MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP (1)</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP (1)</u>
2013	\$ 375,000	2.000%	0.350%	973568U97	2019	\$ 375,000	2.000%	1.350%*	973568V70
2014	375,000	2.000	0.400	973568V21	2020	375,000	2.000	1.550*	973568V88
2015	375,000	2.000	0.550	973568V39	2021	375,000	2.000	1.700*	973568V96
2016	375,000	2.000	0.750	973568V47	2022	375,000	2.000	1.850*	973568W20
2017	375,000	2.000	0.900	973568V54	2023	375,000	2.000	1.950*	973568W38
2018	375,000	2.000	1.100*	973568V62	2024	365,000	2.000	2.050	973568W46

* Priced assuming redemption on May 1, 2017; however any such redemption is at the election of the Town. (See "Optional Redemption" herein).

FTN FINANCIAL CAPITAL MARKETS

TOWN OF WINDSOR, CONNECTICUT

\$800,000

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

Dated: May 2, 2012

Due: May 1, 2013

<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
1.000%	0.300%	973568W53

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 the 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 the 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. 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 "Form of 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 the Notes (the "Continuing Disclosure Agreement"), 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 material 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
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(860) 275-0100

INDEPENDENT FINANCIAL ADVISOR
INDEPENDENT BOND AND
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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, April 18, 2012, at 11:30 o'clock A.M. (E.D.T).
Location of Sale:	Office of Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6 th Floor, Hartford, Connecticut, 06103.
Issuer:	Town of Windsor, Connecticut (the "Town").
Issue:	\$4,490,000 General Obligation Bonds (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	May 1 and November 1 in each year, commencing November 1, 2012.
Principal Due:	Serially, May 1, 2013-2024.
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 ratings on the Town's other outstanding bonds are "AAA" by S&P and "Aa1" by Moody's Investors Service, Inc. ("Moody's"). The Town did NOT apply for a rating from Moody's on this issue. (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 May 2, 2012, 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, April 18, 2012, at 11:00 o'clock A.M. (E.D.T).
Location of Sale:	Office of Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6 th Floor, Hartford, Connecticut, 06103.
Issuer:	Town of Windsor, Connecticut
Issue:	\$800,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	May 2, 2012.
Principal and Interest Due:	At maturity – May 1, 2013.
Purpose and Authority:	The Notes are being issued to finance the Windsor High School Roof Replacement and Auditorium Repair Project 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 ordinances 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 Town's current bond ratings are "AAA" by S&P and "Aa1" by Moody's Investors Service, Inc. ("Moody's"). The Town did NOT apply for a rating from Moody's on this issue. (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 May 2, 2012, 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 \$4,490,000 General Obligation Bonds, Issue of 2012 (the "Bonds") and \$800,000 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 the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the 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 May 1 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 May 1 and November 1 in each year until maturity, commencing November 1, 2012. 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 close of business on the fifteenth day of April and October in each year, or the preceding business day if the fifteenth day is not a business day. 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 May 1, 2017 are not subject to redemption prior to maturity. The Bonds maturing on May 1, 2018 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after May 1, 2017, 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>
May 1, 2017 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 May 2, 2012. Principal and interest on the Notes will be due at maturity on May 1, 2013. 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 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:

Public Works Equipment Replacement: An appropriation and bond authorization in the amount of \$185,000 was approved by the Town Council on February 6, 2012 for costs in connection with the purchase of large trucks and equipment, such as payloaders and dump trucks/snow plows to carry out the programs of the Department of Public Works, including snow plowing, stormwater system construction and pavement repair.

Streetlight Replacement Program: An appropriation and bond authorization in the amount of \$100,000 was approved by the Town Council on February 6, 2012 for costs in connection with the purchase and installation of streetlight poles, fixtures and bulbs to replace town-owned poles and fixtures that are in poor condition.

Stormwater Management Improvements: An appropriation and bond authorization in the amount of \$150,000 was approved by the Town Council on January 17, 2012 for costs in connection with the improvement of stormwater operations throughout Town.

Town Facility – HVAC Replacement: An appropriation and bond authorization in the amount of \$305,000 was approved by the Town Council on February 21, 2012 for costs in connection with the design, purchase and installation of new equipment, as well as construction of improvements, including replacing rooftop HVAC units and installing a generator at 330 Windsor Avenue to meet the operational needs of the Caring Connection and Recreation programs.

Heavy Duty Rescue Pumper Vehicle Acquisition: An appropriation and bond authorization in the amount of \$685,000 was approved by the Town Council on January 3, 2012 for costs in connection with the replacement of a 1993 Pumper located at the Hayden Station Firehouse with a 2012 heavy rescue/pumper vehicle equipped with vehicle extrication equipment, foam for extinguishing petroleum fires and structural firefighting equipment. A generator and high-intensity flood lighting also will be installed.

Harvey and Hillcrest Roads Reconstruction: An appropriation and bond authorization in the amount of \$545,000 was approved by the Town Council on January 17, 2012 for costs in connection with improvements to Harvey Road (entire length) and Hillcrest Road (entire length), including pavement milling and overlay, improving the stormwater drainage system, installation of new curbing, restoration of the snow shelf and tree belt, improvements to driveway aprons, sidewalk repairs and replacement, and other related amenities and improvements.

Maple Avenue, Spring Street and Court Street Reconstruction: An appropriation and bond authorization in the amount of \$695,000 was approved by the Town Council on January 17, 2012 for costs in connection with improvements to Maple Avenue (entire length), Spring Street (from approximately Elm Street to Bloomfield Avenue), and Court Street (entire length), including pavement milling and overlay, improving the stormwater drainage system, installation of new curbing, restoration of the snow shelf and tree belt, improvements to driveway aprons, and other related amenities and improvements.

Day Hill Road Pedestrian Circulation Enhancements: An appropriation and bond authorization in the amount of \$115,000 was approved by the Town Council on February 21, 2012 for costs in connection with the construction of sidewalks and related improvements along Northfield Drive. It is contemplated that the project will involve the construction of a five foot wide concrete sidewalk with ADA-compliant sidewalk ramps along the east side of Northfield Drive, from the vicinity of Day Hill Road to the ING campus at One Orange Way, a distance of approximately 1,250 linear feet.

Day Hill Road Reconstruction: An appropriation and bond authorization in the amount of \$1,535,000 was approved by the Town Council on June 6, 2011 for costs, or the Town's share thereof, in connection with resurfacing and reconstruction of various portions of Day Hill Road including the ramps connecting to Route 75.

Park Facility Renovations – Tennis and Basketball Courts: An appropriation and bond authorization in the amount of \$175,000 was approved by the Town Council on February 6, 2012 for costs in connection with the repairs and improvements to the outdoor tennis courts located at Windsor High School, Sage Park Middle School, and Welch Park, and to the outdoor basketball courts located at Welch Park.

Windsor High School Roof Replacement and Auditorium Repair Project: An appropriation and bond authorization in the amount of \$2,525,000 was adopted by the Town Council on February 21, 2012 and approved at referendum held March 10, 2012 for costs in connection with replacement of the damaged roof of the Windsor High School Auditorium and renovation of the auditorium interior, including: removing the existing damaged roof; installation of a new roof; complete renovation of the interior, including but not limited to the installation of new structural steel framing, weatherproof membrane, new flooring, seating, lighting, sound systems and related audio-visual equipment, stage curtains, stage lighting, handicap accessibility and ADA code compliance upgrades, and related amenities and improvements.

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

Projects	Amount of Total Authorization	Previously Bonded	Additions / (Reductions)	The Bonds (<i>This Issue</i>)	The Notes (<i>This Issue</i>)
Public Works Equipment Replacement	\$ 185,000	\$ -	\$ 185,000	\$ 185,000	\$ -
Streetlight Replacement Program	100,000	-	100,000	100,000	-
Stormwater Management Program	150,000	-	150,000	150,000	-
Town Facility HVAC Improvements	305,000	-	305,000	305,000	-
Heavy Duty Rescue Pumper	685,000	-	685,000	685,000	-
Harvey and Hillcrest Roads Reconstruction	545,000	-	545,000	545,000	-
Maple Avenue, Spring Street and Court Street Reconstruction	695,000	-	695,000	695,000	-
Day Hill Rd. Pedestrian Circulation Enhancements	115,000	-	115,000	115,000	-
Day Hill Rd. Reconstruction	1,535,000	-	1,535,000	1,535,000	-
Park Facility Renovations - Tennis and Basketball Courts	175,000	-	175,000	175,000	-
Windsor High School Roof Replacement and Auditorium Repair Project	2,525,000	-	800,000	-	800,000
Total	<u>\$ 7,015,000</u>	<u>\$ -</u>	<u>\$ 5,290,000</u>	<u>\$ 4,490,000</u>	<u>\$ 800,000</u>

Ratings

The Bonds are rated "AAA" by Standard and Poor's ("S&P"). The ratings on the Town's other outstanding bonds are "AAA" by S&P and "Aa1" by Moody's Investors Service, Inc. ("Moody's"). The Notes have been rated by "SP-1+" by S&P. The Town did NOT apply for ratings from Moody's on the Bonds or Notes. Such ratings reflect only the views of such rating agencies and an explanation of the significance of such ratings may be obtained from Moody's and S&P at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and 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 ratings may have an effect on the market price of the Town's bonds and notes.

Security and Remedies

The Bonds and the 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 the Notes when due.

Unless paid from other sources, the Bonds and the 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 was, however, no 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 the 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 the 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 the 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 the 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 the 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 the Notes.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and the Notes. The Bonds and the 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 regulated 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 has Standard & Poor's rating of AA+. 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 and www.dtc.org.

Purchases of Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the 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 confirmation 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 the 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 the Notes, except in the event that use of the book-entry system for the Bonds and the 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 the 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 and Notes 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 the Bonds and the 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 the 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 the 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 the 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 nor its nominee, 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, and 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 the 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 the Notes at any time by giving reasonable notice to the Town or the 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 Town will provide for the issuance of fully registered Bond and Note certificates directly to the 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 or Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds or 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 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 the Town with 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, is located just minutes away from Windsor. Interstate 91, a major expressway to New York and northern New England, traverses the Town and has seven interchanges with the Town's borders. In addition, the Connecticut Turnpike, the Massachusetts Turnpike and the New York State 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 Residential Development, Economic Development, and Village Development chapters. The Town has approximately 1,500 acres of undeveloped industrially zoned land and has approved a concept plan that will allow for the development of approximately 600 acres of industrial land and add 4,000 dwelling units. Full development of the remaining residential land would result in a population increase of approximately 5,100. The Town's estimated population as of April 1, 2010 according to the U.S. Census Bureau was 29,044.

The Town's educational system consists of five elementary schools, one middle school and one senior high school, which was fully renovated in March 2003. In addition to an eight-grade parochial school, Windsor is the home of the well-known Loomis-Chaffee college preparatory school.

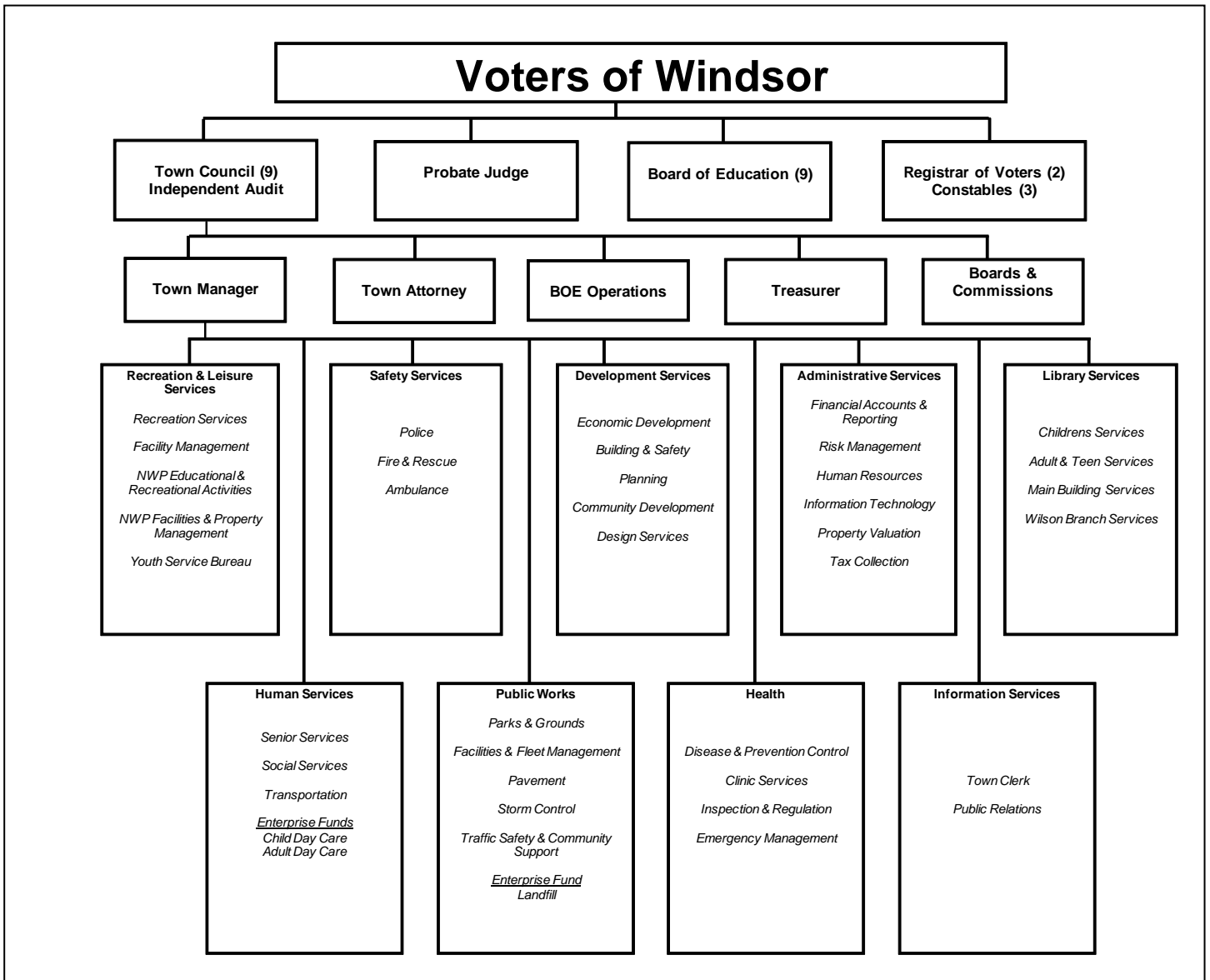
Form of Government

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 just 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

<u>Name</u>	<u>Position</u>	<u>Term of Office</u>	<u>Years of Service</u>
Donald S. Trinks	Mayor	2 Years – Elected	17.0
Alan J. Simon	Deputy Mayor	2 Years – Elected	13.0
Donald A. Jepsen Jr.	Town Council	2 Years – Elected	11.0
William H. Herzfeld	Town Council	2 Years – Elected	7.0
Randy P. McKenney	Town Council	2 Years – Elected	5.0
Aaron Jubrey	Town Council	2 Years – Elected	2.0
Michael McDonald	Town Council	2 Years – Elected	2.0
Jody L. Terranova	Town Council	2 Years – Elected	0.5
Lisa Marie Boccia	Town Council	2 Years – Elected	0.5
Peter P. Souza	Town Manager	Appointed	8.0
Jeffrey A. Villar	Superintendent of Schools	Appointed March	0.0
Robert Metcalf	Finance Director	N/A	3.5
James R. Bourke	Assistant Finance Director	N/A	3.5

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 Masters 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. Jeffrey A. Villar was recently appointed Superintendent of Schools for the Windsor Public Schools, and began his service in March 2012. Dr. Villar holds a Bachelors degree in History from Eastern Connecticut State University and a Masters degree in Education from the University of Connecticut. He received his Doctorate of Philosophy degree in Curriculum and Instruction from the University of Connecticut.

Prior to his appointment with the Town of Windsor, he most recently served as Superintendent of the Rocky Hill Public Schools for five years, and as Associate Superintendent for the Meriden Public Schools for four years prior to that. His school administrator experience includes the position of Principal at Washington Middle School in Meriden, as Assistant Principal at both Francis T. Maloney High School in Meriden and at Washington Middle School, and as a Vice Principal and Curriculum Specialist for the Hartford Public Schools' Sports Sciences Academy.

Before becoming a school administrator, Dr. Villar was a Social Studies teacher in the Hartford Public Schools system at Bulkeley High School and at Quirk Middle School.

Finance Director: Robert Metcalf was hired in December of 2008 to serve as the Interim Finance Director for the Town of Windsor. 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 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 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 and also the Connecticut Government Finance Officers Association.

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 to residences. 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 twice a week.

Public Works: The Public Works Department provides and maintains the Town's road network, pedestrian walkways, parks & playing field 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. 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”). It is anticipated that the landfill will reach its capacity in 2013. An alternative plan for disposal of municipal solid waste once the landfill has been closed is being developed. The cost of solid waste disposal is not a tax-supported function. In March 2006, the Windsor Town Council determined that the last receipt of waste at the landfill will be when it reaches current permitted elevations as provided by the designed landform. By remaining open until the permitted elevations are reached, 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.

During FY 2010, the Town received feedback from the DEEP indicating that a final cover system made of impermeable soils will be acceptable at the site. This decision should have a favorable effect and is expected to reduce one component of the landfill’s long-term closure estimate.

Management is proposing that some of the closure work will 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 primarily carried out by town staff and performed at a savings to the Landfill Enterprise Fund compared to having the work carried out by a third party.

Additional factors relative to closure which effect the closure and post-closure costs are how leachate will be managed at the site and how landfill gas will be managed. The town has installed a gas collection system on part of the landfill, and has expanded this system in FY 2012. Other open issues are still to be determined by the DEEP as part of the landfill closure plan approval.

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

Educational System

The Town's elementary school system consists of one school for pupils Pre-K through K; four schools for grades 1 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

<u>Grades</u>	<u>Date Occupied</u>	<u>Additions/ Renovations</u>	<u>Classrooms</u>	<u>Enrollment 10/01/11</u>	<u>Capacity</u>
Pre-K	1996		16	248	350
1-5	1957	1988	27	224	517
1-5	1947	1958, 1980, 1988	27	312	546
1-5	1965	1988	28	290	546
1-5	1971		31	399	660
6-8	1969	1993	50	785	1,250
9-12	1952	1977, 2000	86	1,227	1,500
				<u>3,485</u>	<u>5,369</u>

Source: Superintendent of Schools

School Enrollments

As of October 1	Actual				Special	Total
	Pre-K-5	6 - 8	9 - 12	Education (1)		
2002	1,813	1,107	1,468	64	4,452	
2003	1,779	1,098	1,495	40	4,412	
2004	1,825	1,023	1,486	40	4,374	
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	
Projected						
2012	1,480	785	1,227	-	3,492	
2013	1,431	779	1,182	-	3,392	
2014	1,381	753	1,170	-	3,304	
2015	1,377	687	1,136	-	3,200	
2016	1,386	666	1,085	-	3,137	

(1) Special education students included in grade totals.

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

Municipal Employment

Fiscal Year	2012	2011	2010	2009	2008	2007	2006	2005	2004
Board of Education	600	622	631	673	668	675	684	666	689
General Government	164	164	165	168	165	165	170	174	168
Grant and Enterprise Funded	23	23	24	24	27	27	27	33	28
Total	<u>787</u>	<u>809</u>	<u>820</u>	<u>865</u>	<u>860</u>	<u>867</u>	<u>881</u>	<u>873</u>	<u>885</u>

Source: Town Officials.

Municipal Employees by Category

<u>Department</u>	<u>Employees</u>
<u>General Government</u>	
Administrative Services	18
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	64
Town Manager	3
General Government Subtotal	<u>164</u>
Enterprise Personnel	<u>23</u>
General Government Total	187
<u>Board of Education</u>	
Administration and Principals	26
Teachers	329
Pupil Personnel (Psychologists, Social Workers, Speech Clinicians)	27
Secretaries/ParaProfessionals	89
Nurses	9
Non-Bargaining Employees	33
Custodial/Maintenance	37
Board of Education Subtotal	<u>550</u>
Food Service	50
Grant Funded	<u>-</u>
Board of Education Total	<u>600</u>
Grand Total	<u><u>787</u></u>

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	47	6/30/12
Public Works/Clerical	International Brotherhood of Teamsters, Local 671	43	6/30/14
Dispatchers	United Public Service Employees Union (UPSUE Local 424, Unit 10)	8	6/30/11 (2)
<u>BOARD OF EDUCATION</u>			
Teachers	Windsor Education Association, CEA	389	6/30/13
Administrators	Windsor School Administrators and Supervisors Assoc.	26	6/30/12
Nurses	Windsor School Nurses Assoc., CSEA	9	6/30/13
Paraprofessionals	Windsor Paraprofessional Employees Assoc., NAGE	85	6/30/13
Secretaries	CSEA AFL-CIO Administrative Support Staff	34	6/30/13
School Employees	Windsor School Employees Union, NAGE (Custodial, Maintenance and Cafeteria Employees)	59	6/30/13

(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 and high-tech manufacturing, software development, regional distribution, data management and hospitality.

With a jobs base of more than 23,000, Windsor ranks fifth among Hartford area communities in total non-retail employment. Major private employers include Hartford Life, ING, Alstom, Northeast Utilities, Westinghouse, Konica Minolta, CIGNA, Walgreens, Permasteelisa and SS&C.

Between 2000 and 2009, Windsor experienced substantial growth. More than four 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 2.5 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 \$250 million facility was placed in operation in January, 2009 and will employ up to 500 persons.
- ING Corporate Office Campus, 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 2,000 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 2,100 persons.
- Travelers Insurance completed the purchased and \$20 million renovation of the 182,000 SF former manufacturing plant into a national insurance claim training facility (Travelers Claim University). The company trains more than 8,500 claims agents each year at this site.

Between 2000 and 2010, the number of jobs in Windsor increased by 25.9% from 18,910 to 23,809. The most significant change came in the Finance, Insurance, and Real Estate industry which increased employment by 175.3% from 2,210 jobs in 2000 to 6,085 jobs in 2010. This increased the Finance sector's portion of the local workforce from 11.9% in 2000 to 26% in 2010. Other sectors that increased significantly are Professional, Scientific, Management with 1,051 new jobs, a 78.3% increase, and Arts, Entertainment, Accommodation and Food with 316 new jobs, a 55.5% increase. While it has declined over the decade, manufacturing employment at nearly 19% of Windsor-based jobs remains a significant component of the local economy.

Average annual wages in Windsor have increased by 47% between 2000 and 2010 from \$46,221 to \$68,000. By comparison, over the same period, annual wages in the State of Connecticut rose by only 31% (\$45,485 to \$59,463) and in Hartford County by only 33% (\$43,656 to \$58,001).

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. 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 Plan of Conservation and Development has been modified to encourage mixed-use developments in the Day Hill Road Corporate Area that will add value to existing space and provide opportunities for new workforce housing. A private real estate development entity comprised of ABB Inc. and Winstanley Enterprises has prepared a detailed master plan to guide the transformation of more than 600 acres within the town's corporate corridor. The plan calls for a set of mixed use neighborhoods offering a broad array of housing choices, employment opportunities and service amenities including access to trails, parks and 300 acres of open space, public transit links, and high quality civic spaces. A multi-phased project known as Great Pond Village, the development is expected to contain a series of new pedestrian oriented neighborhoods containing a mix of uses including 850,000 square feet of office, commercial and institutional uses and up to 4,000 residential units. In connection with this project, the Windsor Town Council has authorized entering into an inter-local agreement with the Great Pond Improvement District (the "District"), a tax assessment district formed for the purpose of financing the public infrastructure needs of Great Pond Village. The agreement provides for the District to construct certain public improvements and issue up to \$140 million in bonds of the District to finance the public improvements. No portion of the District debt will be an obligation of the Town. The inter-local agreement provides for the Town to pay the lesser of 50% of the future incremental property taxes collected in the District or the debt service on the District's bonds. The District has authority to levy benefits assessments should the payment by the Town of 50% of incremental property tax collections be insufficient to pay annual debt service on the District's bonds. The District does not anticipate issuing bonds until Phase I of vertical construction is completed in approximately two to three years at which time tax revenues are anticipated to be sufficient to support the debt service on the District's bonds.

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

Year	Town of Windsor	Hartford County	State of Connecticut
1950	11,833	539,661	2,007,280
1960	19,467	689,555	2,535,234
1970	22,502	816,737	3,032,217
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

Source: U.S. Department of Commerce, Bureau of Census.

Age Characteristics of Population

Age	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5	1,417	4.9	50,688	5.7	202,106	5.7
5 - 19	5,470	18.8	176,874	19.8	713,670	20.0
20 - 24	1,513	5.2	55,702	6.2	227,898	6.4
25 - 44	6,960	24.0	228,481	25.6	904,815	25.3
45 - 64	9,253	31.9	252,150	28.2	1,019,049	28.5
65 and over	4,431	15.3	130,119	14.6	506,559	14.2
TOTAL	29,044	100.0	894,014	100.0	3,574,097	74.4

Source: U.S. Department of Commerce, Bureau of Census, 2010 Census.

Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(2000)	(2010)	(2000)	(2010)
Town of Windsor	\$73,064	\$90,856	\$27,633	\$35,780
Hartford County	62,144	78,599	26,047	33,151
Connecticut	65,521	84,170	28,766	36,775
United States	49,600	62,363	21,690	27,041

Source: U.S. Department of Commerce, Bureau of Census, Census 2000 and 2006-2010 American Community Survey.

Income Distribution

	Town of Windsor		Hartford County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	338	3.1	21,639	6.2	28,163	3.1
10,000 to 14,999	260	2.4	15,408	4.4	18,987	2.1
15,000 to 24,999	476	4.3	32,269	9.3	48,016	5.3
25,000 to 34,999	779	7.1	29,119	8.4	57,101	6.3
35,000 to 49,999	1,124	10.2	42,209	12.1	91,930	10.1
50,000 to 74,999	2,212	20.2	60,809	17.5	155,098	17.0
75,000 to 99,999	2,003	18.2	48,503	14.0	142,615	15.6
100,000 to 149,999	2,338	21.3	54,287	15.6	190,257	20.9
150,000 to 199,999	933	8.5	22,595	6.5	81,689	9.0
200,000 or more	513	4.7	20,787	6.0	97,797	10.7
TOTAL	10,976	100.0	347,625	100.0	911,653	100.0

Source: U.S. Department of Commerce, 2006-2010 American Community Survey.

Educational Attainment

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	520	2.6	32,467	5.4	112,149	4.7
9th to 12th grade	706	3.5	45,380	7.5	167,250	7.0
High School Graduate	5,635	28.2	173,259	28.7	685,158	28.6
Some College	4,070	20.4	105,988	17.6	415,439	17.3
Associate Degree	1,808	9.1	45,715	7.6	174,712	7.3
Bachelor Degree	4,305	21.6	115,557	19.1	476,316	19.9
Graduate or Professional Degree	2,931	14.7	85,210	14.1	367,259	15.3
TOTAL	19,975	100.0	603,576	100.0	2,398,283	100.0
Percent High School Graduate or Higher		93.9%		87.1%		88.4%
Percent Bachelor's Degree or Higher		36.2%		33.3%		35.2%

Source: U.S. Department of Commerce, 2006-2010 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	27	0.2	1,081	0.2	6,592	0.4
Construction	652	4.1	22,709	5.2	112,301	6.4
Manufacturing	1,462	9.1	51,218	11.7	207,476	11.8
Wholesale trade	299	1.9	12,106	2.8	47,436	2.7
Retail trade	1,301	8.1	47,101	10.7	195,667	11.1
Transportation, warehousing, and utilities	1,090	6.8	17,727	4.0	67,556	3.8
Information	401	2.5	11,030	2.5	46,077	2.6
Finance, insurance, real estate and rental & leasing	2,600	16.2	53,169	12.1	167,484	9.5
Professional, scientific, management, administrative, and waste management services	1,672	10.4	43,073	9.8	189,671	10.7
Educational, health and social services	3,930	24.5	107,236	24.5	438,801	24.9
Arts, entertainment, recreation, accommodation and food services	958	6.0	32,865	7.5	140,551	8.0
Other services (except public administration)	755	4.7	19,562	4.5	78,859	4.5
Public Administration	885	5.5	19,537	4.5	67,078	3.8
TOTAL	16,032	100.0	438,414	100.0	1,765,549	100.0

Source: U.S. Department of Commerce, 2006-2010 American Community Survey.

Major Employers

Name of Employer	Nature of Entity	Estimated Number of Employees
Hartford Life	Financial Services	2,200
ING	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	787
Westinghouse Electric Co.	Nuclear power engineering	700
Northeast Utilities	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 %
2002	4.3	4.1	4.3	5.8
2003	6.0	5.4	5.5	5.8
2004	4.9	5.2	4.7	5.5
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 Monthly				
January	8.1	8.4	8.5	8.8
February	7.6	8.1	8.2	8.7

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		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2012 (2)	0	\$ -	231	\$ 11,588,963	901	\$ 4,806,463	1,132	\$ 16,395,426
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
2005	83	12,273,988	469	45,441,321	1,619	13,557,905	2,171	71,273,214
2004	87	11,321,625	428	27,462,783	1,948	16,475,638	2,463	55,260,046
2003	43	5,217,435	535	37,230,545	1,429	13,649,627	2,007	56,097,607

(1) Beginning in fiscal year 2002-03, "Residential" has been re-categorized as new homes. "All Other" represents all other residential work.

(2) As of January 31, 2012.

Source: Town of Windsor, Office of Building Inspections.

Number of Dwelling Units

					% Increase	% Increase
	2010	2000	1990	1980	2000-2010	1970-2010
	11,767	10,900	10,279	8,793	6,658	7.95%
						76.73%

Source: U. S. Department of Commerce, Bureau of Census.

Characteristics of Housing Units

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
\$ 0 to \$ 50,000	77	0.9	3,326	1.4	13,644	1.5
50,000 to 99,999	186	2.1	4,909	2.1	18,668	2.0
100,000 to 149,999	588	6.6	18,310	7.9	56,161	6.0
150,000 to 199,999	1,823	20.3	44,044	19.1	122,274	13.0
200,000 to 299,999	4,087	45.5	81,431	35.2	267,519	28.5
300,000 to 499,999	2,016	22.5	60,892	26.4	280,008	29.8
500,000 to 999,999	117	1.3	15,660	6.8	134,075	14.3
1,000,000 and over	80	0.9	2,494	1.1	47,635	5.1
	<u>8,974</u>	<u>100.0</u>	<u>231,066</u>	<u>100.0</u>	<u>939,984</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2006-2010 American Community Survey.

Age Distribution of Housing

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	1,647	14.4	83,733	22.5	351,823	23.8
1940 to 1949	852	7.5	31,441	8.5	109,487	7.4
1950 to 1959	2,247	19.7	64,469	17.3	225,730	15.3
1960 to 1969	1,404	12.3	52,809	14.2	198,079	13.4
1970 to 1979	2,011	17.6	48,596	13.1	202,661	13.7
1980 to 1989	1,841	16.1	46,630	12.5	189,562	12.8
1990 to 1999	734	6.4	24,281	6.5	108,780	7.4
2000 to 2004	421	3.7	13,346	3.6	61,101	4.1
2005 or later	248	2.2	6,493	1.7	28,434	1.9
	<u>11,405</u>	<u>100.0</u>	<u>371,798</u>	<u>100.0</u>	<u>1,475,657</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2006-2010 American Community Survey.

Breakdown of Land Use

Land Use Category	Total Acreage By		Developed Acreage By		Undeveloped Acreage	
	Zoning (1)	Percent	Land Use	Percent	Acreage	Percent
Residential	7,228.24	43.9	5,503.33	53.4	1,724.91	28.0
Commercial	370.39	2.3	232.10	2.3	138.29	2.3
Industrial	4,240.02	25.8	2,292.02	22.3	1,948.00	31.7
Other (2)	4,609.06	28.0	2,267.46	22.0	2,341.60	38.0
Total Area	<u>16,447.71</u>	<u>100.0</u>	<u>10,294.91</u>	<u>100.0</u>	<u>6,152.80</u>	<u>100.0</u>

Source: Assessor's CAMA tax database as of May 2006.

- (1) Based on acreage in individual parcels. Does not include roads and water bodies.
 (2) Includes town-owned land, public use, agriculture and PUD.

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit

As of May 2, 2012 (Pro Forma)

Total Receipts for fiscal year ended June 30, 2011 (including interest and lien fees)	\$ 78,345,290
State Reimbursement for Revenue Loss on: Tax Relief for Elderly	-
Base for Establishing Debt Limit	<u>\$ 78,345,290</u>

Debt Limit (1)

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 176,276,903					
(4.50 times base)		\$ 352,553,805				
(3.75 times base)			\$ 293,794,838			
(3.25 times base)				\$ 254,622,193		
(3.00 times base)					\$ 235,035,870	
(7.00 times base)						\$ 548,417,030

Indebtedness (Including the Bonds and the Notes)

Bonds Payable	\$ 20,020,000	\$ 14,435,000	\$ -	\$ -	\$ -	\$ 34,455,000
The Bonds (<i>This Issue</i>)	4,490,000	-	-	-	-	4,490,000
The Notes (<i>This Issue</i>)	-	800,000	-	-	-	800,000
Overlapping and Underlying Debt (2)	-	-	32,203,978	-	-	32,203,978
Authorized but Unissued Debt	715,000	1,725,000	-	-	-	2,440,000
Total Indebtedness	25,225,000	16,960,000	32,203,978	-	-	74,388,978
Less:						
School grants receivable (3)	-	(273,634)	-	-	-	(273,634)
Total Net Indebtedness	25,225,000	16,686,366	32,203,978	-	-	74,115,344
Excess of Limit Over Outstanding and Authorized Debt	\$ 151,051,903	\$ 335,867,439	\$ 261,590,859	\$ 254,622,193	\$ 235,035,870	\$ 474,301,686

(1) Under Connecticut General Statutes, Town debt cannot exceed \$548,417,030 or seven times the debt limit base.

(2) Overlapping and underlying debt as of December 31, 2011. (See "Overlapping and Underlying Indebtedness" herein).

(3) The Town anticipates receiving State of Connecticut principal subsidy grants in the amount of \$273,634 over the remaining life of outstanding school bonds approved prior to July 1, 1996. (See "School Projects" herein).

Calculation of Net Direct Indebtedness

As of May 2, 2012 (Pro Forma)

Long-Term Indebtedness (1)	
Long Term Indebtedness	
The Bonds (<i>This Issue</i>)	\$ 4,490,000
General Purpose	20,020,000
Schools	14,435,000
Total Long-Term Indebtedness	<u>38,945,000</u>
Short-Term Indebtedness	
The Notes (This Issue)	<u>800,000</u>
Total Direct Indebtedness	39,745,000
Exclusions:	
(School building grants receivable) (2)	<u>(273,634)</u>
Total Net Direct Indebtedness	39,471,366
Underlying Indebtedness	-
Net Overlapping Indebtedness (3)	<u>32,203,978</u>
Total Underlying and Net Overlapping Indebtedness	<u>32,203,978</u>
Total Net Direct and Net Overlapping Indebtedness	<u>\$ 71,675,344</u>

- (1) Does not include authorized but unissued debt of \$2,440,000. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.
- (2) Includes \$273,634 for principal subsidy school building construction grants receivable to be received over the life of outstanding bonds for projects approved prior to July 1, 1996. (See "School Projects" herein).
- (3) Overlapping and underlying debt as of December 31, 2011. (See "Overlapping and Underlying Indebtedness" herein).

Current Debt Ratios

As of May 2, 2012 (Pro Forma)

Total Direct Indebtedness	\$39,745,000
Total Net Direct Indebtedness	\$39,471,366
Total Net Direct and Net Overlapping Indebtedness	\$71,675,344
Population (1)	29,044
Net Taxable Grand List (10/1/10)	\$2,811,979,697
Estimated Full Value	\$4,017,113,853
Equalized Net Taxable Grand List (2009) (2)	\$4,039,645,772
Per Capita Income (2010) (3)	\$35,780
Total Direct Indebtedness:	
Per Capita	\$1,368.44
To Net Taxable Grand List	1.41%
To Estimated Full Value	0.99%
To Equalized Net Taxable Grand List	0.98%
Per Capita to Per Capita Income	3.82%
Total Net Direct Indebtedness:	
Per Capita	\$1,359.02
To Net Taxable Grand List	1.40%
To Estimated Full Value	0.98%
To Equalized Net Taxable Grand List	0.98%
Per Capita to Per Capita Income	3.80%
Total Net Direct and Net Overlapping Indebtedness:	
Per Capita	\$2,467.82
To Net Taxable Grand List	2.55%
To Estimated Full Value	1.78%
To Equalized Net Taxable Grand List	1.77%
Per Capita to Per Capita Income	6.90%

- (1) U.S. Department of Commerce, Bureau of Census 2010.
- (2) Office of Policy and Management, State of Connecticut.
- (3) U.S. Department of Commerce, 2006-2010 American Community Survey.

Historical Debt Statement

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Population (1)	29,044	29,044	28,883	28,787	28,564
Net taxable grand list	\$ 2,734,641,908	\$ 2,653,336,173	\$ 2,590,683,323	\$ 2,401,788,440	\$ 2,303,286,906
Estimated full value	\$ 3,906,631,297	\$ 3,790,480,247	\$ 4,991,682,703	\$ 3,431,126,343	\$ 4,059,370,649
Equalized net taxable grand list	\$ 4,039,645,772	\$ 4,295,760,010	\$ 4,533,063,159	\$ 4,553,843,709	\$ 4,152,615,880
Per capita income (3)	\$ 35,780	\$ 35,780	\$ 35,780	\$ 35,780	\$ 35,780
Short-term debt	\$ 1,010,000	\$ -	\$ 3,535,000	\$ 2,345,000	\$ 1,950,000
Long-term debt	\$ 38,485,000	\$ 38,730,000	\$ 39,265,000	\$ 43,743,000	\$ 44,225,000
Total Direct Indebtedness	\$ 39,495,000	\$ 38,730,000	\$ 42,800,000	\$ 46,088,000	\$ 46,175,000
Net Direct Indebtedness	\$ 38,922,199	\$ 37,818,952	\$ 41,546,696	\$ 44,494,963	\$ 44,068,454
Net Direct and Net Overlapping Indebtedness	\$ 64,459,131	\$ 56,255,933	\$ 53,733,445	\$ 55,591,631	\$ 50,961,238

- (1) U.S. Department of Commerce, Bureau of Census 2010.
(2) Office of Policy and Management, State of Connecticut.
(3) U.S. Department of Commerce, 2006-2010 American Community Survey.

Historical Debt Ratios

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Total Direct Indebtedness:					
Per capita	\$1,359.83	\$1,333.49	\$1,481.84	\$1,601.00	\$1,616.55
To net taxable grand list	1.44%	1.46%	1.65%	1.92%	2.00%
To estimated full value	1.01%	1.02%	0.86%	1.34%	1.14%
To equalized net taxable grand list	0.98%	0.90%	0.94%	1.01%	1.11%
Debt per capita to per capita income	3.80%	3.73%	4.14%	4.47%	4.52%
Net Direct Indebtedness:					
Per capita	\$1,340.11	\$1,302.13	\$1,438.45	\$1,545.66	\$1,542.80
To net taxable grand list	1.42%	1.43%	1.60%	1.85%	1.91%
To estimated full value	1.00%	1.00%	0.83%	1.30%	1.09%
To equalized net taxable grand list	0.96%	0.88%	0.92%	0.98%	1.06%
Debt per capita to per capita income	3.75%	3.64%	4.02%	4.32%	4.31%
Net Direct and Net Overlapping Indebtedness:					
Per capita	\$2,219.36	\$1,936.92	\$1,860.38	\$1,931.14	\$1,784.11
To net taxable grand list	2.36%	2.12%	2.07%	2.31%	2.21%
To estimated full value	1.65%	1.48%	1.08%	1.62%	1.26%
To equalized net taxable grand list	1.60%	1.31%	1.19%	1.22%	1.23%
Debt per capita to per capita income	6.20%	5.41%	5.20%	5.40%	4.99%

Outstanding Short-Term Indebtedness

With this issue, the Town will have \$800,000 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.

Amount of Outstanding Debt	Less Exclusions (1)	Total Net Overlapping Debt	Applicable % of Net Debt Charged to Town	Town Net Overlapping Debt (2)
\$ 489,767,724	\$ 129,544,254	\$ 360,223,470	8.94%	\$ 32,203,978

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

(2) As of December 31, 2011.

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 2011, 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 ("CWP") CIP. The CWP combines the elimination of Sanitary Sewer Overflows ("SSO"), the design and construction of the Combined Sewer Overflow Long-Term Plan ("LTCP") and the treatment and reduction of nitrogen from the water pollution control facilities. The CWP has a 2006 estimated cost of \$1.6 billion and a 15 year implementation requirement. \$800 million, which will cover 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 Phase II is planned for 2012. 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 CWP. 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 supported by the Special Sewer Service Surcharge will not be included in the calculation of overlapping debt of the Member Municipalities.

In 2010, the CWP received \$60 million, representing pass-through funding under the American Recovery and Reinvestment Act (ARRA) or stimulus funds. These funds were awarded as 50% grant and 50% loan at 2% under the State's Clean Water Fund program. An additional \$19 million in ARRA funds for a "green infrastructure" will be awarded as 20% grant and 80% loan at 2% also under the State's Clean Water Fund Program. To date, the District has received commitments for \$273,525,558 under this program and the Drinking Water State Revolving Fund Program.

Source: MDC

Fire Districts:

Windsor has two underlying special tax districts, Wilson Fire District and Windsor Fire District. As of June 30, 2011 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 2012-2017 Plan projects a total of \$134,571,686 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 will continue under the old program for all projects approved prior to July 1, 1996.

Under the old program, the State of Connecticut will reimburse 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 has no projects currently under construction that qualify under this method of reimbursement.

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 Financings	Paydowns/ Grants	The Bonds (This Issue)	The Notes (This Issue)	Authorized But Unissued
Batchelder Road Causeway						
Improvements Project (1)	\$ 1,215,000	\$ 875,000	\$ -	\$ -	\$ -	\$ 340,000
Day Hill Road Improvement Project	2,225,000	245,000	1,755,000	-	-	225,000
Hayden Station Firehouse Project	2,800,000	2,650,000	-	-	-	150,000
Public Works Equipment Replacement	185,000	-	-	185,000	-	-
Streetlight Replacement Program	100,000	-	-	100,000	-	-
Stormwater Management Program	150,000	-	-	150,000	-	-
Town Facility HVAC Improvements	305,000	-	-	305,000	-	-
Heavy Duty Rescue Pumper	685,000	-	-	685,000	-	-
Harvey and Hillcrest Roads Reconstruction	545,000	-	-	545,000	-	-
Maple Avenue, Spring Street and Court Street Reconstruction	695,000	-	-	695,000	-	-
Day Hill Rd. Pedestrian Circulation Enhancements	115,000	-	-	115,000	-	-
Day Hill Rd. Reconstruction	1,535,000	-	-	1,535,000	-	-
Park Facility Renovations - Tennis and Basketball Courts	175,000	-	-	175,000	-	-
Windsor High School Roof Replacement and Auditorium Repair Project	2,525,000	-	-	-	800,000	1,725,000
Total	\$ 13,255,000	\$ 3,770,000	\$ 1,755,000	\$ 4,490,000	\$ 800,000	\$ 2,440,000

- (1) The balance of this authorization will be provided by available cash funding and the Town does not anticipate any future borrowing against this authorization.

Combined Schedule of Long Term Debt through Maturity

As of May 2, 2012 (Pro Forma)

Fiscal Year	Principal Payments (1)	Interest Payments	Total Debt Service (1)	The Bonds Principal Payments	All Issues Principal (1)
2012 (1)	\$ 4,505,000	\$ 1,312,165	\$ 5,817,165	\$ -	\$ 4,505,000
2013	3,990,000	1,174,919	5,164,919	375,000	4,365,000
2014	3,965,000	1,045,000	5,010,000	375,000	4,340,000
2015	3,655,000	924,450	4,579,450	375,000	4,030,000
2016	3,785,000	794,363	4,579,363	375,000	4,160,000
2017	3,745,000	642,263	4,387,263	375,000	4,120,000
2018	3,575,000	501,219	4,076,219	375,000	3,950,000
2019	3,225,000	373,675	3,598,675	375,000	3,600,000
2020	3,220,000	252,038	3,472,038	375,000	3,595,000
2021	1,560,000	160,700	1,720,700	375,000	1,935,000
2022	1,145,000	112,325	1,257,325	375,000	1,520,000
2023	1,145,000	72,250	1,217,250	375,000	1,520,000
2024	745,000	34,375	779,375	365,000	1,110,000
2025	225,000	9,000	234,000	-	225,000
	<u>\$ 38,485,000</u>	<u>\$ 7,408,740</u>	<u>\$ 45,893,740</u>	<u>\$ 4,490,000</u>	<u>\$ 42,975,000</u>

(1) Does not reflect principal payments of \$4,030,000 made as of May 2, 2012.

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, 2011, 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 2010 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. Per the Connecticut General Statutes the annual Town meeting may be adjourned to a referendum vote within 14 days of the town meeting date.

<u>On or About</u>	<u>Day of Week</u>	<u>Action</u>
February 6, 2012	Monday	Public Hearing by Town Council to hear budget requests from citizens.
March 28, 2012	Tuesday	Estimated receipts and expenditures submitted to Council by Town Manager and Board of Education. (Proposed Budget)
April 2, 2012	Monday	Public Hearing by Council to hear expression of public opinion regarding budget submitted to Council by Town Manager and Board of Education.
May 15, 2012	Tuesday	Annual Town Budget Referendum held; budget adopted.
May 21, 2012	Monday	Regular Town Council Meeting; Council sets tax rate.
June 22, 2012	Friday	Tax bill mailing completed.
June 30, 2012	Saturday	End of Fiscal Year.
July 1, 2012	Sunday	Taxes for 2012-13 fiscal year due and payable; fiscal year 2012-13 budget becomes effective.

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.

Based upon a July 1, 2011 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)	Overfunded AAL (UAAL) (b) - (a)	Percentage Funded Ratio (a) / (b)
2007	\$ 48,961,596	\$ 43,855,272	\$ 5,106,324	111.6
2008	51,029,433	45,790,887	5,238,546	111.4
2009	52,671,376	50,355,944	2,315,432	104.6
2010	54,245,354	53,427,746	817,608	101.5
2011	56,804,114	55,428,256	1,375,858	102.5

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2008	\$ 827,855	\$ 827,855	100.0
2009	834,453	834,453	100.0
2010	843,833	843,833	100.0
2011	1,273,290	1,273,290	100.0
2012 (1)	1,334,389	1,334,389	100.0
2013 (1)	1,367,561	1,367,561	100.0

(1) The actuarial required contribution ("ARC") as provided by the Town's actuary. The Town intends to contribute 100% of the fiscal years 2011-12 and 2012-13 ARCs which they have done historically. Note: Fiscal years 2011-12 and 2012-13 ARCs are inclusive of the following: Non-affiliated employee contributions increased from 2.25% to 3.25% as of July 1, 2011. The Teamsters bargaining unit employee contribution increased from 2.25% to 3.25% as of January 1, 2012.

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 cost was \$815,940 for its share of the PERS cost for the fiscal year ending June 30, 2011. The Town is projecting \$889,944 for its share of the PERS cost for fiscal years ending June 30, 2012 and is proposing \$911,750 for the fiscal year 2013 budget commencing on July 1, 2012.

On June 20, 2011, the Windsor Town Council approved the establishment of a 401(a) defined contribution plan for all unaffiliated employees hired after July 1, 2011. The Town's contribution is 5%, and new hires are required to contribute 5%. The collective bargaining agreement between the Town of Windsor and the Teamsters Local 671, for the period July 1, 2011 to June 30, 2013, which was ratified on October 17th and approved by both parties on October 25th, 2011, states that Teamsters bargaining unit employees hired on or after November 1, 2011 shall participate in the Town of Windsor 401(a) defined contribution plan, and that the Town and the employee are each required to contribute 5% of the employee's total earnings to the plan.

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, and has not established any fund for the accumulation of assets with which to pay such benefits in future years. The cost for the fiscal year ending June 30, 2011 was \$808,800. The cost for the fiscal years ending June 30, 2012 and June 30, 2013 are projected to be \$760,780 and \$740,340, respectively. An actuarial consultant has performed an actuarial valuation of this liability in accordance with GASB Statement No. 45 requirements effective for fiscal year beginning July 1, 2008. The unfunded accrued liability per the actuarial consultant's actuary report dated July 1, 2009 is \$72,896,000. The Town attempts to mitigate employee health care costs when negotiating with collective bargaining units. The collective bargaining agreement between the Town of Windsor and the Teamsters Local 671, for the period July 1, 2011 to June 30, 2013, which was ratified on October 17, 2011 and approved by both parties on October 25, 2011, states that Teamsters bargaining unit employees will pay an additional 1% towards their health insurance in each of years two and three of the agreement. This will bring the total percentage contributed to health insurance up from 15% to 17% for this employee group and will reduce the Town's contribution to employee health 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. The Town implemented a self-funded insurance program that began on July 1, 2011 for bargaining unit employees as well as for non-affiliated employees and is seeing substantial cost savings from this initiative.

Based upon the July 1, 2009 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)	Overfunded AAL (UAAL) (b) - (a)	Percentage Funded Ratio (a) / (b)
2007	\$ -	\$ 66,013,000	\$ (66,013,000)	0.0
2009 (1)	-	72,896,000	(72,896,000)	0.0

(1) The actuarial accrued liability is based on the actuarial valuation dated July 1, 2009 and is subject to change.

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2009	\$ 6,389,000	\$ 1,898,000	29.7
2010	7,185,000	2,085,000	29.0
2011	7,118,000	2,067,000	29.0
2012 (1)	7,681,000	2,283,000	29.7

(1) As projected for fiscal year 2011-12.

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 Town Treasurer 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 11 to Financial Statements" herein.

Assessment Practices

The Town of Windsor last revalued its real property to be effective on its October 1, 2008 Grand List which has been implemented in fiscal year 2009-10. The revaluation is being phased-in over a five-year period at 20% per annum beginning fiscal year 2009-10 and ending fiscal year 2013-14. 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. Public Act 09-60 permits any municipality required to effect a revaluation of real property under Section 12-62 of the Connecticut General Statutes for the 2008, 2009 or 2010 assessment years upon approval of its legislative body, to delay such revaluation until the 2011 assessment year. Any required revaluation subsequent to such a delayed revaluation shall re-commence at the point in the schedule required pursuant to Section 12-62 that the municipality was following prior to such delay. 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.

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 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 tax is prorated, and the pro-ration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed 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 (1)	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2011
2012 (2)	\$ 2,811,979,697	28.03	\$ 77,755,930	In Process	In Process	In Process
2011	2,734,641,908	28.38	77,747,083	98.6	\$1,091,108	\$1,091,108
2010	2,653,336,173	28.34	74,984,463	98.6	1,037,133	3,553,477
2009	2,590,683,323	29.30	76,374,720	98.8	898,815	50,119
2008	2,401,788,440	29.30	70,937,721	98.8	864,604	21,364
2007	2,303,286,906	29.30	68,003,214	98.7	905,941	7,895
2006	2,284,745,107	28.73	66,125,430	98.8	767,326	7,363
2005	2,243,767,090	28.83	65,073,579	98.9	716,790	4,792
2004	1,836,550,760	33.57	62,034,181	98.8	770,071	1,167
2003	1,768,511,335	32.60	58,464,014	98.5	875,797	1,134

(1) The Town's last revaluation was effective 10/01/2008. The revaluation will be phased-in over a 5 year period at 20% per annum beginning fiscal year 2009-10 and ending fiscal year 2013-14. (See "Assessments Practices" herein).

(2) Adopted budget for the fiscal year commencing July 1, 2011. (See "Budgetary Procedures" 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)
10/01/10	\$ 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
10/01/04	1,820,332,650	341,352,590	169,786,997	2,331,472,237	46,727,130	2,284,745,107
10/01/03	1,797,160,420	335,867,610	159,949,270	2,292,977,300	49,210,210	2,243,767,090
10/01/02	1,394,352,120	331,037,890	168,337,145	1,893,727,155	57,176,395	1,836,550,760
10/01/01	1,361,813,880	308,154,080	164,100,655	1,834,068,615	65,557,280	1,768,511,335

(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 10/01/2008). The revaluation is being phased-in over a 5 year period at 20% per annum beginning fiscal year 2009-10 and ending fiscal year 2013-14. The prior revaluation 10/01/2003 grand list was implemented in full effective 10/01/2003. (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, 2010:

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List Amount</u>	<u>Estimated Taxes</u>
Griffin Land & Affiliates	Real Estate Development	\$ 77,202,020	\$ 2,163,973
Walgreens	Distribution Center	61,826,055	1,732,984
CIGNA	Insurance and Financial Services	58,730,777	1,646,224
IBM & Affiliates	Information Technology	46,807,524	1,312,015
Northeast Utilities & Affiliates	Electric Utility	42,768,024	1,198,788
Cellco/Verizon Wireless	Telecommunications	41,722,615	1,169,485
Hartford Financial Corp	Insurance and Financial Services	30,411,782	852,442
ING	Insurance and Financial Services	26,456,015	741,562
Ferraina & Affilites	Real Estate Development	25,987,304	728,424
GPT Windsor LLC/Rivers Bend Condominiums	Property Management	25,689,650	720,081
Total		<u>\$ 437,601,766</u> ⁽¹⁾	<u>\$12,265,978</u> ⁽²⁾

(1) Represents 15.6% of the net taxable grand list of \$2,811,979,697 dated October 1, 2010.

(2) Represents 16.3% of the total adjusted tax levy of \$77,755,930 adopted budget for fiscal year 2011-12.

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 2007-2011, 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

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Property Tax Revenues</u>	<u>Property Tax as a % of General Fund Revenues</u>
2012 (Adopted Budget)	\$ 97,339,890	\$ 79,215,030	81.38
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
2006	87,510,520	66,518,496	76.01
2005	83,411,561	65,305,954	78.29
2004	80,076,489	62,484,349	78.03
2003	75,416,324	58,684,319	77.81

Source: Annual audited financial statements for fiscal years 2003-2011, and the adopted budget for fiscal year 2011-12.

Intergovernmental Revenues

Fiscal Year	General Fund		Aid As a % of General Fund Revenue
	Revenues	Intergovernmental	
2012 (Adopted Budget)	\$ 97,339,890	\$ 15,040,687	15.45
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
2006	87,510,520	15,976,226	18.26
2005	83,411,561	14,183,961	17.00
2004	80,076,489	13,957,575	17.43
2003	75,416,324	13,835,715	18.35

Source: Annual audited financial statements for fiscal years 2003-2011, and the adopted budget for fiscal year 2011-12.

Expenditures (1)

Fiscal Year	General			
	Education %	Government %	Public Safety %	Public Works %
2012 (Adopted Budget)	67.85	13.97	8.92	5.09
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
2006	69.51	11.38	9.24	5.93
2005	70.76	11.30	8.86	6.16
2004	72.19	9.36	8.77	5.68
2003	70.78	9.71	9.13	5.64

(1) As of June 30, 2003, the Town implemented GASB Statement No. 34. With the implementation of GASB Statement No. 34, the Town has classified expenditures differently beginning in fiscal year 2002-03 than in previous years.

Source: Annual audited financial statements for fiscal years 2003-2011, and the adopted budget for fiscal year 2011-12.

Recent Financial Operations

On October 29-30, 2011 the Town experienced a severe snowstorm, which resulted in tree damage requiring local emergency disaster relief efforts. To finance the response, recovery and cleanup from the storm, the Town Council approved a combination of emergency and additional appropriations of approximately \$906,000.00. Following the storm, the President of the United States issued a major disaster declaration for portions of Connecticut, including the Town of Windsor. As a result of the major disaster declaration, the Town is eligible for 75% reimbursement from FEMA and estimates its net share of costs after reimbursement to be \$265,000. The Town is finalizing its application to FEMA and anticipates reimbursement in calendar 2012. Management has indicated that this will not materially impact fiscal year 2012 operations or results.

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

	Fiscal Year 2010-11			2011-12 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	
REVENUES				
Property taxes	\$ 77,543,754	\$ 78,440,338	\$ 896,584	\$ 79,215,030
Licenses, permits and fees	550,700	708,578	157,878	591,430
Fines, forfeitures and penalties	42,000	43,379	1,379	35,000
Other agencies	514,453	179,399	(335,054)	122,773
Intergovernmental	15,494,573	15,340,171	(154,402)	15,040,687
Revenues from use of assets	580,880	592,930	12,050	617,950
Charges for services	687,170	869,069	181,899	817,020
TOTAL REVENUES	<u>95,413,530</u>	<u>96,173,864</u>	<u>760,334</u>	<u>96,439,890</u>
EXPENDITURES				
Current:				
General government	960,580	926,559	34,021	883,330
Safety services	8,641,680	8,578,347	63,333	8,678,100
Public works	5,310,145	5,182,777	127,368	4,950,460
Health services	518,480	471,241	47,239	489,700
Human services	854,260	784,328	69,932	746,620
Recreation and leisure services	993,360	988,343	5,017	1,310,160
Education	60,606,050	60,179,372	426,678	61,829,030
Town support for education	1,687,410	1,666,820	20,590	4,219,650
Library services	1,515,940	1,444,689	71,251	1,494,380
Development services	1,709,210	1,674,188	35,022	1,697,180
Information services	433,130	428,125	5,005	423,140
Administrative services	1,928,950	1,786,296	142,654	1,917,610
Community development	25,000	25,000	-	25,000
General services	4,739,020	4,694,877	44,143	8,675,530
TOTAL EXPENDITURES	<u>89,923,215</u>	<u>88,830,962</u>	<u>1,092,253</u>	<u>97,339,890</u>
Revenues over expenditures	<u>5,490,315</u>	<u>7,342,902</u>	<u>1,852,587</u>	<u>(900,000)</u>
Other financing sources (uses)				
Operating transfers in	128,220	113,220	(15,000)	-
Operating transfers out	(6,656,300)	(6,656,300)	-	-
Use of fund balance	-	-	-	900,000
Total other financing sources (uses)	<u>(6,528,080)</u>	<u>(6,543,080)</u>	<u>(15,000)</u>	<u>900,000</u>
Net change in budgetary fund balance	<u>\$ (1,037,765)</u>	799,822	<u>\$ 1,837,587</u>	<u>\$ -</u>
Budgetary Fund Balance, beginning		<u>15,223,877</u>		
Budgetary Fund Balance, ending		<u>\$ 16,023,699</u>		

Source: Annual audited financial statements for fiscal year 2010-11 and adopted budget for fiscal year 2011-12.

Comparative Balance Sheets - General Fund

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>
ASSETS					
Cash and cash equivalents	\$ 16,913,748	\$ 19,229,173	\$ 20,390,702	\$ 21,430,689	\$ 28,232,878
Receivables:					
Property taxes	1,087,489	1,068,109	1,087,303	1,305,709	1,452,058
Accounts receivable	231,940	68,770	417,305	766,162	300,707
Intergovernmental and other	2,106,546	1,593,038	1,253,304	916,683	572,802
Due from other funds	-	413,997	498,874	284,308	289,220
Prepays	-	-	19,731	-	-
Inventory	40,713	40,758	35,989	44,044	35,544
TOTAL ASSETS	<u>\$ 20,380,436</u>	<u>\$ 22,413,845</u>	<u>\$ 23,703,208</u>	<u>\$ 24,747,595</u>	<u>\$ 30,883,209</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts and accrued liabilities	\$ 1,393,510	\$ 2,299,268	\$ 2,267,129	\$ 2,485,275	\$ 3,333,527
Due to other funds	369,460	675,973	32,757	51,890	53,326
Advanced tax collections	1,993,914	3,089,965	3,930,897	4,559,537	7,209,589
Deferred revenue	3,012,974	2,477,869	2,203,768	2,092,970	1,917,809
TOTAL LIABILITIES	<u>6,769,858</u>	<u>8,543,075</u>	<u>8,434,551</u>	<u>9,189,672</u>	<u>12,514,251</u>
FUND BALANCES					
Nonspendable	-	-	-	-	35,544
Assigned	-	-	-	-	3,395,259
Unassigned	-	-	-	-	14,938,155
Reserved for:					
Encumbrances	688,169	160,497	522,844	334,036	-
Inventory	40,713	40,758	35,989	44,044	-
Prepays	-	-	19,731	-	-
Loan gurantee	-	-	-	-	-
Unreserved:					
Designated for other purposes	612,700	500,000	1,149,905	900,000	-
Unreserved and undesignated	12,268,996	13,169,515	13,540,188	14,279,843	-
TOTAL FUND BALANCES	<u>13,610,578</u>	<u>13,870,770</u>	<u>15,268,657</u>	<u>15,557,923</u>	<u>18,368,958</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,380,436</u>	<u>\$ 22,413,845</u>	<u>\$ 23,703,208</u>	<u>\$ 24,747,595</u>	<u>\$ 30,883,209</u>

(1) The June 30, 2011 fund balances are reported as per the Governmental Accounting Standards Board ("GASB") Rule 54.

Source: Annual audited financial statements.

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

REVENUES	2007	2008	2009	2010	2011
Property taxes	\$ 68,138,291	\$ 71,336,266	\$ 76,562,176	\$ 75,182,401	\$ 78,440,338
Charges for services	4,914,403	3,037,786	2,105,689	2,327,254	3,764,362
State and Federal governments	17,014,499	19,912,200	21,033,244	19,483,098	19,819,257
Investment income	2,380,276	1,753,149	801,980	215,245	243,289
TOTAL REVENUES	92,447,469	96,039,401	100,503,089	97,207,998	102,267,246
EXPENDITURES					
Education	57,431,966	61,406,479	63,321,537	63,097,716	64,675,805
Public safety	7,453,284	7,900,906	8,361,647	8,173,386	9,191,543
Human services	1,114,448	1,182,827	1,210,215	1,223,405	1,339,342
Cultural and recreation	2,075,378	2,243,064	2,448,050	2,423,677	3,562,735
Public works	5,115,106	5,245,661	5,600,080	5,551,103	5,745,378
General government	9,527,818	9,850,885	9,932,944	9,845,335	10,508,186
TOTAL EXPENDITURES	82,718,000	87,829,822	90,874,473	90,314,622	95,022,989
Revenues over expenditures	9,729,469	8,209,579	9,628,616	6,893,376	7,244,257
Net transfers out	(7,142,489)	(7,949,387)	(8,230,729)	(6,604,110)	(6,110,730)
State teachers on-behalf payments	-	-	(16,336,000)	-	-
State teachers on-behalf payments	-	-	16,336,000	-	-
Net change in fund balances	2,586,980	260,192	1,397,887	289,266	1,133,527
Fund Balance - July 1	11,023,598	13,610,578	13,870,770	15,268,657	17,235,431 (1)
Fund Balance - June 30	<u>\$ 13,610,578</u>	<u>\$ 13,870,770</u>	<u>\$ 15,268,657</u>	<u>\$ 15,557,923</u>	<u>\$ 18,368,958</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 Moody's Investors Service and 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 the Notes (the "Continuing Disclosure Agreement"), 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 material 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). To date the Town has not failed to meet any of its 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 and the Notes. 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 the Notes

Upon delivery of the Bonds and the 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 the 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 the 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 statement 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. Receipt for the purchase price of the Bonds and the 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 100 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 the Notes.

This Official Statement is submitted only in connection with the sale of the Bonds and the 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: April 18, 2012

APPENDIX A – FINANCIAL STATEMENTS

TOWN OF WINDSOR, CONNECTICUT

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JUNE 30, 2011

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Appendix A – Financial Statements – is taken from the Annual Financial Report of the Town of Windsor for the Fiscal Year ending June 30, 2011 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

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 year ended June 30, 2011, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position, and cash flows, where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Notes 14 and 15 to the basic financial statements, the Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its method of accounting of governmental funds' fund balance classifications and restated the General Fund and Nonmajor Governmental Funds' beginning fund balances.

In accordance with "Government Auditing Standards," we have also issued our report dated December 5, 2011 on our consideration of the Town of Windsor, Connecticut'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis, the schedules of funding progress and schedules of employer contributions for the pension trust funds, other postemployment benefit plans and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary detail, combining and individual nonmajor fund statements, capital assets schedule and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 5, 2011

Town of Windsor, Connecticut Management's Discussion and Analysis June 30, 2011

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, 2011. 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 assets at the close of the fiscal year of \$77.4 million. Total net assets for Governmental Activities at fiscal year-end were \$84.1 million, which was a decrease of \$1.1 million. Total net assets (deficits) for Business-Type Activities were (\$6.7 million), which was a decrease in the deficit of \$0.4 million. 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 \$116.8 million, which is an increase of \$1.4 million from FY 10. Government-wide revenues were \$116.1 million, which is an increase of \$3.2 million from FY 10.
- At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$29.4 million, an increase of \$0.1 million from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$18.4 million, an increase of \$2.8 million from the prior fiscal year. This increase is due to the new fund definitions under the GASB 54 pronouncement that was enacted for FY 11 and is described in more detail in Note 15 and Note 16 of the financial statements. As a result of the new fund definition for Special Revenue funds, \$1.9 million of ending fund balance was reallocated from the Special Revenue fund to the General Fund assigned fund balance. The remaining increase of \$1.1 million is generally due to revenues exceeding estimates, less government spending and lower than anticipated Board of Education staffing and benefit costs.
- Of the total General Fund balance as of June 30, 2011, \$14.9 million represents unassigned fund balance. Unassigned fund balance at year-end represents 14.7% of total FY 11 General Fund expenditures and transfers, and 15.3% of FY 12 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, 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 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 assets presents information on all of the Town's assets and liabilities, with the difference reported as net assets. One can think of the Town's net assets - 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 assets 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 assets 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 assets and statement of activities) can be found on pages 13-14 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 62-63 and in the combining statement of revenues, expenditures and changes in fund balance on pages 64-65.

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 57.

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, 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 three 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 54 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 55 and 56 of this report. Also now included in the required supplementary information is the budgetary-basis revenue and expenditure financial report and notes. This information can be found on pages 57-59.

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 \$84.1 million on June 30, 2011, which was a decrease of \$1.1 million.

TOWN OF WINDSOR CONNECTICUT
NET ASSETS (\$000's)
June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2010-11</u>
Current and other assets	\$ 51,973	\$ 42,868	\$ 30,478	\$ 29,497	\$ 82,451	\$ 72,365	13.9%
Capital assets, net of accumulated depreciation	102,643	102,214	186	177	102,829	102,391	0.4%
Total Assets	154,616	145,082	30,664	29,674	185,280	174,756	6.0%
Current liabilities	20,200	14,371	1,753	1,645	21,953	16,016	37.1%
Long-term liabilities outstanding	50,302	45,553	35,649	35,147	85,951	80,700	6.5%
Total Liabilities	70,502	59,924	37,402	36,792	107,904	96,716	11.6%
Net Assets (Deficits):							
Invested in capital assets, net of related debt	64,665	64,077	186	177	64,851	64,254	0.9%
Restricted	3,131	1,733	-	-	3,131	1,733	80.7%
Unrestricted	16,318	19,348	(6,925)	(7,295)	9,393	12,053	-22.1%
Total Net Assets (Deficits)	\$ 84,114	\$ 85,158	\$ (6,739)	\$ (7,118)	\$ 77,375	\$ 78,040	-0.9%

At the end of the current fiscal year, the Town of Windsor is able to report positive balances of \$77.3 million in net assets for the government as a whole, but negative net assets for its business type activities. The negative value is solely attributable to the cost for 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 assets 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
CHANGES IN NET ASSETS (DEFICITS) (\$000's)
For the Years Ended June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2011	2010	2011	2010	2011	2010	2009-10
Revenues:							
Program Revenues:							
Charges for services	\$ 4,314	\$ 4,703	\$ 4,555	\$ 4,525	\$ 8,869	\$ 9,228	-3.9%
Operating grants and contributions	23,280	22,506	-	-	23,280	22,506	3.4%
Capital grants and contributions	476	1,385	-	-	476	1,385	-65.6%
General Revenues:							
Property taxes	78,392	75,412	-	-	78,392	75,412	4.0%
Grants not restricted to specific programs	1,997	2,573	-	-	1,997	2,573	-22.4%
Miscellaneous	2,278	1,280	-	-	2,278	1,280	197.0%
Unrestricted investment earnings	290	271	128	281	418	552	-24.3%
Insurance recovery	413	-	-	-	413	-	0.0%
Total revenues	111,440	108,130	4,683	4,806	116,123	112,936	2.8%
Expenses:							
General Government	11,525	10,040	-	-	11,525	10,040	14.8%
Culture & Recreation	4,109	4,009	-	-	4,109	4,009	2.5%
Human Services	1,509	1,614	-	-	1,509	1,614	-6.5%
Public Works	7,057	6,636	-	-	7,057	6,636	6.3%
Education	77,131	77,319	-	-	77,131	77,319	-0.2%
Public Safety	10,150	9,654	-	-	10,150	9,654	5.1%
Interest expense	1,146	1,255	-	-	1,146	1,255	-8.7%
Landfill	-	-	2,323	3,113	2,323	3,113	-25.4%
Child Development	-	-	1,295	1,234	1,295	1,234	4.9%
Adult Caring Connection	-	-	543	567	543	567	-4.2%
Total expenses	112,627	110,527	4,161	4,914	116,788	115,441	1.2%
Excess of revenues over expenses before transfers	(1,187)	(2,397)	522	(108)	(665)	(2,505)	-73.5%
Transfers	143	143	(143)	(143)	-	-	0.0%
Change in net assets	(1,044)	(2,254)	379	(251)	(665)	(2,505)	-73.5%
Net assets (deficits)-beginning	85,158	87,412	(7,118)	(6,867)	78,040	80,545	-3.1%
Net assets (deficits)-ending	\$ 84,114	\$ 85,158	\$ (6,739)	\$ (7,118)	\$ 77,375	\$ 78,040	-0.9%

Governmental Activities

Approximately 70.6% of the revenues came from property taxes, followed by 23.2% from State and Federal Government revenues, then 6.2% from other revenue sources.

Major revenue factors included:

- Property tax revenues recorded for fiscal year 2011 were based on Town's tax rate increasing to 28.38 mills. The change reflected an increase in the annual budget and an increase in total budgeted assessed value of all taxable property of \$65,663,827 or 2.5% from the previous year due to phase-in.
- A reduction in the telecommunication property tax of \$248,000 due to changes in the State statute and cutbacks in State funding. The loss in this category was offset by property tax collections that were billed by the Town directly to the taxpayer (that were previously billed by the State of Connecticut).
- Increase in building permit revenue of \$135,000, mainly due to increased commercial renovation activity.

For Governmental Activities in FY 11, approximately 68.5% of the Town's expenses relate to education (versus 70.0% in FY 10), 9.0% (versus 8.7% in FY 10) relate to public safety, 10.2% (vs. 9.1% in FY 10) to general government, 6.3% (vs. 6.0% in FY 10) relate to public works, 3.6% (vs. 3.6% in FY 10) to culture and recreation, 1.3% (vs. 1.5% in FY 10) to human services, and 1.0% (vs. 1.1% in FY 10) to interest on long-term debt.

Major expense factors include:

- Non-affiliated administration employees salaries increased 2.5% and teamsters collective bargain group salaries increased 3.5%. Public safety dispatchers' salaries increased 3.75% and Police increased 3.0%.
- Employee health insurance costs for town employees rose approximately 6.0% for combined dental, health and prescription.
- The cost of education services decreased due to staffing and benefits savings.

Business-Type Activities

- Business Type Activities net income was \$0.379 million for FY 11. This was due primarily to increased revenues from bulky waste and decreased expenses in utilities and fuel.

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 the end of the current fiscal year, the Town of Windsor's governmental funds reported combined ending fund balances of \$29.4 million, an increase of \$0.1 million from \$29.3 million the previous year. Approximately 50.8% 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 the

new GASB 54 fund balance definitions. These new 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. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14.9 million, while total fund balance reached \$18.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.7% of total General Fund expenditures, while total fund balance represents 19.4% of that same amount.

As stated earlier, the fund balance of the Town of Windsor's General Fund increased by approximately \$2.8 million during the current fiscal year. Key factors in this increase are as follows:

- This increase is due to the new fund definitions under the GASB 54 pronouncement that was enacted for FY 11 and is described in more detail in note 15 and note 16 of the financial statements. As previously stated, \$1.9 million of ending fund balances was reallocated from the Special Revenue fund to the General Fund assigned fund balance due to the requirements of GASB 54.
- Property tax receipts were \$900 thousand above budgeted estimates, due to prior year collections and interest.
- Revenues from charges for services were \$182 thousand above budgeted estimates; revenues from licenses and permits were \$158 thousand above budgeted estimates; revenues from other agencies were \$335 thousand below budgeted estimates and intergovernmental revenues were \$154 thousand below budgeted estimates.
- Total departmental expenditures were \$1.1 million under budget.

The Capital Projects Fund has a total fund balance of \$6.9 million (\$1.4 million in assigned fund balance), which is a decrease from a balance of \$7.1 million in the prior year. The decrease is explained by the issuance of \$5.5 million of new general obligation bonds and short-term notes combined with \$6.0 million in capital project expenditures during the year.

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 assets(deficits) of the Landfill Enterprise Fund at the end of the year were approximately \$(7.7) million with unrestricted net assets(deficits) of approximately \$(7.9) million compared to \$(8.1) million and \$(8.3) million in the prior year. The Landfill Enterprise Fund had a net gain during the year of approximately \$397 thousand compared with a net loss of \$292 thousand in the prior year. This is primarily due to increased revenues from bulky waste and decreased expenses in utilities, fuel and post-closure costs.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was approximately \$138 thousand. The additional appropriation approved during the year is summarized below:

- An additional appropriation of \$137,765 for Department of Public Works due to expenditures related to severe winter storms.

During the year, actual revenues, on a budgetary basis were approximately \$96.3 million, which exceeded budgetary estimates by approximately \$0.8 million. The major variances in revenues were:

- General property tax collections in excess of estimates by \$897,000
- Licenses and permits exceeded estimates by \$158,000
- Special education grant funds exceeded estimates by \$109,000
- Manufacturers inventory payment in-lieu of taxes fell short of estimates by \$248,000

Actual expenditures and transfers out on a budgetary basis and other financing uses totaled \$95.5 million, below actual revenues on a budgetary basis by approximately \$800 thousand.

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, 2011, amounted to \$102.8 million (net of accumulated depreciation) compared to \$102.4 million in the prior fiscal year. This slight increase from the prior year is due to the new construction in progress less depreciation of existing assets. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges.

TOWN OF WINDSOR CONNECTICUT
CAPITAL ASSETS (net of depreciation)
June 30, 2011

	Governmental Activities	Business- Type Activities	Total
Land	\$ 4,775	\$ -	\$ 4,775
Construction in Progress	8,428	-	8,428
Buildings and improvements	62,697	139	62,836
Infrastructure	22,352	-	22,352
Machinery and equipment	4,391	47	4,438
Total	\$ 102,643	\$ 186	\$ 102,829

Major capital asset events during the current fiscal year included the following:

- Hayden Station firehouse renovation
- Day Hill Road reconstruction
- Geothermal heating & cooling system at Northwest Park
- Open space purchase on Pigeon Hill Road
- Information technology upgrades

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 \$38.5 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, 2011**

	<u>Governmental Activities</u>
General obligation bonds	<u>\$ 38,485,000</u>

The Town of Windsor's total bonded debt decreased by \$.245 million or 0.64% during the current fiscal year compared to a 1.0% decrease 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 2011 when the Town issued \$4.5 million of general obligation bonds and a one year bond anticipation note in the amount of \$1.0 million. The Moody's rating is a result of a recalibration process that occurred in FY 10.

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 \$548 million, up from \$526 million in FY 10. As of June 30, 2011, the Town recorded long-term debt of \$38.5 million related to Governmental Activities, well below its statutory debt limits.

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

Economic Factors

As of September 2011, the unemployment rate for the Windsor labor market area was 8.2%. The unemployment rate for the greater Hartford area as well as the State of Connecticut stood at 8.4%, and the overall national average was 9.1% for this same time period.

Although unemployment rates remain relatively high, the economy is showing some signs of relief, and The Town of Windsor is well-positioned to deal with the present economic situation. The Town relies heavily on property taxes, but 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 continue to provide high levels of service during the economic recession.

The Town has a high quality tax base consisting of 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 to attract and retain firms for well over a decade, 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. Statistics on growth for the last ten years is 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 ASSETS (DEFICITS)

June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total*
Assets			
Cash and cash equivalents	\$ 32,428,722	\$ 21,479,356	\$ 53,908,078
Investments	12,439,644	8,709,875	21,149,519
Receivables:			
Property taxes, net of allowance for collection losses	1,452,058	-	1,452,058
Accounts receivable	1,745,238	-	1,745,238
Customer receivables	1,367,754	345,550	1,713,304
Federal and state governments	572,802	-	572,802
Community rehabilitation loans, net	1,843,816	-	1,843,816
Inventories	43,849	-	43,849
Internal balances	60,000	(60,000)	-
Prepays	19,333	2,838	22,171
Capital assets, not being depreciated	13,202,530	-	13,202,530
Capital assets, being depreciated, net of depreciation	89,440,414	185,613	89,626,027
Total assets	154,616,160	30,663,232	185,279,392
Liabilities			
Accounts payable and accruals	6,548,352	253,381	6,801,733
BANS Payable	1,010,000	-	1,010,000
Accrued interest payable	519,071	-	519,071
Advance tax collections	7,209,589	-	7,209,589
Unearned revenues	220,293	16,561	236,854
Noncurrent liabilities:			
Due within one year	4,693,586	1,482,913	6,176,499
Due in more than one year	50,301,606	35,649,049	85,950,655
Total liabilities	70,502,497	37,401,904	107,904,401
Net Assets (Deficits)			
Investment in capital assets, net of related debt	64,665,367	185,613	64,850,980
Restricted	3,130,557	-	3,130,557
Unrestricted (deficit)	16,317,739	(6,924,285)	9,393,454
Total net assets (deficits)	\$ 84,113,663	\$ (6,738,672)	\$ 77,374,991

The notes to the financial statements are an integral part of this statement.

* After internal receivables and payables have been eliminated.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		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	\$ (11,524,755)	\$ 1,640,657	\$ 374,059	\$ 212,479	\$ (9,297,560)	\$ -	\$ (9,297,560)
Culture & recreation	(4,109,577)	715,831	238,632	-	(3,155,114)	-	(3,155,114)
Human services	(1,508,514)	150,042	136,100	-	(1,222,372)	-	(1,222,372)
Public works	(7,056,984)	225,617	221,571	262,473	(6,347,323)	-	(6,347,323)
Education	(77,130,965)	1,446,583	22,139,906	-	(53,544,476)	-	(53,544,476)
Public safety	(10,150,274)	135,567	169,971	-	(9,844,736)	-	(9,844,736)
Interest expense	(1,146,445)	-	-	-	(1,146,445)	-	(1,146,445)
Total governmental activities	(112,627,514)	4,314,297	23,280,239	474,952	(84,558,026)	-	(84,558,026)
Business-type activities:							
Landfill	(2,322,740)	2,595,208	-	-	-	272,468	272,468
Child development	(1,295,539)	1,324,437	-	-	-	28,898	28,898
Adult caring connection	(542,844)	635,673	-	-	-	92,829	92,829
Total business-type activities	(4,161,123)	4,555,318	-	-	-	394,195	394,195
Total primary government	\$ (116,788,637)	\$ 8,869,615	\$ 23,280,239	\$ 474,952	(84,558,026)	394,195	(84,163,831)
General revenues:							
Property taxes					78,391,639	-	78,391,639
Grants and contributions not restricted to specific programs					1,997,469	-	1,997,469
Miscellaneous					2,278,004	-	2,278,004
Unrestricted investment earnings					290,418	128,419	418,837
Transfers out					143,220	(143,220)	-
Insurance recovery					413,000	-	413,000
Total general revenues					83,513,750	(14,801)	83,498,949
Change in net assets					(1,044,276)	379,394	(664,882)
Net assets (deficits) - beginning					85,157,939	(7,118,066)	78,039,873
Net assets (deficits) - ending					\$ 84,113,663	\$ (6,738,672)	\$ 77,374,991

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 20,084,466	\$ 6,579,729	\$ 2,047,045	\$ 28,711,240
Investments	8,148,412	2,668,079	650,896	11,467,387
Receivables (net of allowances for collection losses):				
Property taxes	1,452,058	-	-	1,452,058
Accounts receivable	300,707	1,145,164	299,367	1,745,238
State and Federal governments	572,802	-	-	572,802
Community rehabilitation loans, net	-	-	1,843,816	1,843,816
Due from other funds	289,220	60,000	33	349,253
Inventories	35,544	-	8,305	43,849
Total assets	\$ 30,883,209	\$ 10,452,972	\$ 4,849,462	\$ 46,185,643
Liabilities				
Accounts payable and accrued liabilities	\$ 3,333,527	\$ 1,400,274	\$ 83,184	\$ 4,816,985
BANS Payable	-	1,010,000	-	1,010,000
Advanced tax collections	7,209,589	-	-	7,209,589
Unearned revenues	-	-	220,293	220,293
Deferred revenues	1,917,809	1,145,164	116,158	3,179,131
Due to other funds	53,326	-	289,220	342,546
Total liabilities	12,514,251	3,555,438	708,855	16,778,544
Fund balances (deficits)				
Nonspendable	35,544	-	21,305	56,849
Restricted	-	2,740,350	3,130,557	5,870,907
Committed	-	2,767,973	846,971	3,614,944
Assigned	3,395,259	1,389,211	148,144	4,932,614
Unassigned	14,938,155	-	(6,370)	14,931,785
Total fund balances	18,368,958	6,897,534	4,140,607	29,407,099
Total liabilities and fund balances	\$ 30,883,209	\$ 10,452,972	\$ 4,849,462	

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

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	102,642,944
Deferred revenues are not available and therefore not recognized in the funds.	3,179,131
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(54,995,192)
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 assets.	4,398,752
Accrued interest payable	(519,071)

Net assets of governmental activities

\$ 84,113,663

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2011

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
REVENUES				
Property taxes	\$ 78,440,338	\$ -	\$ -	\$ 78,440,338
State and Federal governments	19,819,257	542,227	5,634,070	25,995,554
Charges for services	3,764,362	-	1,239,385	5,003,747
Investment income	243,289	30,674	16,455	290,418
Other	-	207,733	78,928	286,661
Total revenues	102,267,246	780,634	6,968,838	110,016,718
EXPENDITURES				
Current:				
Education	64,675,805	-	5,603,457	70,279,262
General government	10,508,186	-	1,114,379	11,622,565
Culture and recreation	3,562,735	-	133,595	3,696,330
Human services	1,339,342	-	179,146	1,518,488
Public safety	9,191,543	-	244,540	9,436,083
Public works	5,745,378	-	318,779	6,064,157
Debt service:				
Principal retirements	-	-	4,735,000	4,735,000
Interest and other charges	-	-	1,285,144	1,285,144
Capital outlay	-	5,997,630	-	5,997,630
Total expenditures	95,022,989	5,997,630	13,614,040	114,634,659
Revenues over (under) expenditures	7,244,257	(5,216,996)	(6,645,202)	(4,617,941)
OTHER FINANCING SOURCES (USES)				
Transfers in	113,220	499,200	5,895,588	6,508,008
Transfers out	(6,223,950)	(7,438)	(133,400)	(6,364,788)
Issuance of bonds	-	4,490,000	-	4,490,000
Premium on bonds issued	-	-	88,118	88,118
Total other financing sources (uses)	(6,110,730)	4,981,762	5,850,306	4,721,338
Change in fund balances	1,133,527	(235,234)	(794,896)	103,397
FUND BALANCES , beginning, as restated (Note 15)	17,235,431	7,132,768	4,935,503	29,303,702
FUND BALANCES , ending	\$ 18,368,958	\$ 6,897,534	\$ 4,140,607	\$ 29,407,099

The notes to the financial statements are an integral part of this statement.

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, 2011**

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

Net change in fund balances – total governmental funds	\$ 103,397
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 in the current period.	1,329,101
Loss on impairment	(900,000)
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,010,299
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 assets. 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	458,162
Changes in 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.	(5,053,973)
The net income of certain activities of internal service funds is reported with governmental activities.	<u>2,008,738</u>
Change in net assets of governmental activities	<u>\$ (1,044,276)</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICITS) - PROPRIETARY FUNDS

June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Other			Activities
	Landfill	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 20,731,996	\$ 747,360	\$ 21,479,356	\$ 3,717,482
Receivables:				
Customer receivables, net	255,752	89,798	345,550	1,367,754
Due from other funds	-	-	-	53,293
Prepaid expenses	-	2,838	2,838	19,333
Investments	8,406,821	303,054	8,709,875	972,257
Total current assets	29,394,569	1,143,050	30,537,619	6,130,119
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	157,326	28,287	185,613	-
Total noncurrent assets	157,326	28,287	185,613	-
Total assets	29,551,895	1,171,337	30,723,232	6,130,119
LIABILITIES				
Current liabilities:				
Accounts payable	205,593	47,788	253,381	33,583
Accrued claims payable	-	-	-	1,097,784
Accrued post closure costs	1,482,913	-	1,482,913	-
Unearned revenue	555	16,006	16,561	-
Due to other funds	-	60,000	60,000	-
Total current liabilities	1,689,061	123,794	1,812,855	1,131,367
Noncurrent liabilities:				
Accrued post closure costs	35,589,922	-	35,589,922	-
Compensated absences	10,082	49,045	59,127	-
Accrued claims payable	-	-	-	600,000
Total noncurrent liabilities	35,600,004	49,045	35,649,049	600,000
Total liabilities	37,289,065	172,839	37,461,904	1,731,367
NET ASSETS (DEFICITS)				
Invested in capital assets	157,326	28,287	185,613	-
Unrestricted	(7,894,496)	970,211	(6,924,285)	4,398,752
Total net assets (deficits)	\$ (7,737,170)	\$ 998,498	\$ (6,738,672)	\$ 4,398,752

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS (DEFICITS) - PROPRIETARY FUNDS
For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other	Total	Activities
		Nonmajor Enterprise Funds		Internal Service Fund
OPERATING REVENUES				
User charges	\$ 2,595,208	\$ 1,960,110	\$ 4,555,318	\$ 11,104,344
Total operating revenues	2,595,208	1,960,110	4,555,318	11,104,344
OPERATING EXPENSES				
Operations and maintenance	2,306,394	1,832,723	4,139,117	-
Claims	-	-	-	10,421,666
Depreciation	16,346	5,660	22,006	-
Total operating expenses	2,322,740	1,838,383	4,161,123	10,421,666
Operating income	272,468	121,727	394,195	682,678
NONOPERATING REVENUES (EXPENSES)				
Interest income	124,137	4,282	128,419	13,060
Transfers out	-	(143,220)	(143,220)	-
Insurance recovery	-	-	-	1,313,000
Total nonoperating revenues (expenses)	124,137	(138,938)	(14,801)	1,326,060
Net income (loss)	396,605	(17,211)	379,394	2,008,738
NET ASSETS (DEFICITS), beginning	(8,133,775)	1,015,709	(7,118,066)	2,390,014
NET ASSETS (DEFICITS), ending	\$ (7,737,170)	\$ 998,498	\$ (6,738,672)	\$ 4,398,752

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor		Total	Activities
	Landfill	Enterprise Funds		Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 2,710,318	\$ 1,973,033	\$ 4,683,351	\$ 11,120,834
Payments to suppliers	(993,625)	(448,600)	(1,442,225)	(10,116,188)
Payments to employees	(682,578)	(1,401,154)	(2,083,732)	-
Net cash provided by operating activities	1,034,115	123,279	1,157,394	1,004,646
Cash Flows From Noncapital Financing Activities				
Payment of due to/from other funds	-	(30,000)	(30,000)	(13,003)
Transfers out	-	(143,220)	(143,220)	-
Net cash used in noncapital financing activities	-	(173,220)	(173,220)	(13,003)
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	(21,710)	(9,100)	(30,810)	-
Net cash used in capital and related financing activities	(21,710)	(9,100)	(30,810)	-
Cash Flows From Investing Activities				
Interest received	124,137	4,282	128,419	13,060
Purchase of investments	(6,262,354)	(217,275)	(6,479,629)	(725,013)
Net cash used in investing activities	(6,138,217)	(212,993)	(6,351,210)	(711,953)
Net increase (decrease) in cash and cash equivalents	(5,125,812)	(272,034)	(5,397,846)	279,690
Cash and Cash Equivalents				
Beginning	25,857,808	1,019,394	26,877,202	3,437,792
Ending	<u>\$ 20,731,996</u>	<u>\$ 747,360</u>	<u>\$ 21,479,356</u>	<u>\$ 3,717,482</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 272,468	\$ 121,727	\$ 394,195	\$ 682,678
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	16,346	5,660	22,006	-
Changes in assets and liabilities:				
Decrease in receivable accounts	114,555	16,163	130,718	16,490
Decrease (increase) in prepaid expenses	-	1,097	1,097	(2,496)
Increase (decrease) in accounts payable	117,011	(17,031)	99,980	(46,701)
Increase (decrease) in accrued liabilities	513,735	(4,337)	509,398	354,675
Net cash provided by operating activities	<u>\$ 1,034,115</u>	<u>\$ 123,279</u>	<u>\$ 1,157,394</u>	<u>\$ 1,004,646</u>
Noncash item:				
Insurance recovery receivable	\$ -	\$ -	\$ -	\$ 1,313,000

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2011

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 830,034	\$ 720,387
Investments		
Common and preferred stock	11,321,718	-
Debt securities	13,396,780	-
Equity mutual funds	20,490,631	-
Corporate debt	4,660,273	-
Total investments	<u>49,869,402</u>	<u>-</u>
Contributions receivable	750,480	-
Other receivables	242,618	-
Total assets	<u>51,692,534</u>	<u>720,387</u>
LIABILITIES		
Accounts payable	-	720,387
Net Assets Held in Trust for Pension Benefits and Others	<u>\$ 51,692,534</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - PENSION TRUST FUND

For the Year Ended June 30, 2011

	Pension Trust Fund
Additions	
Contributions	
Employer	\$ 1,273,290
Plan members	360,880
Total contributions	<u>1,634,170</u>
Investment Income	
Net appreciation in fair value of investments	7,875,899
Interest and dividends	<u>1,051,877</u>
	8,927,776
Less investment expenses:	
Investment management fees	<u>242,300</u>
Total investment income	<u>8,685,476</u>
Deductions	
Benefits	<u>2,707,039</u>
Change in net assets	7,612,607
Net Assets	
Beginning of year	<u>44,079,927</u>
End of year	<u><u>\$ 51,692,534</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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 assets and the statement of changes in net assets) 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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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).

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.

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 assets, 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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

Fiduciary Funds

The *Pension Trust Fund*, a fiduciary fund, accounts for the activities of the Town's defined pension benefit 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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 nonoperating 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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

Cash and cash equivalents

The Town classifies money market funds, STIF investments, treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

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.

Investments

Investments for the Town are stated at fair value using quoted market prices. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

Inventories

Inventories are stated at cost, determined on the first-in, first-out basis.

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 incurred net of interest earned during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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

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

In the governmental fund financial statements, capital outlay (assets) is reported as an 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.

Sick leave and vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they are paid or due (matured). If an employee is retiring, limited accumulated unused sick leave is not paid but added to the credited service used to calculate pension benefits. 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 assets. Bond principal premiums and discounts, as well as issuance costs, 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 and deferred gains/losses on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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.

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.

Governmental Activities

Expenditures are recognized when they are paid or are expected to be paid with current available resources.

Funding Policy

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

Net other post-employment benefit obligations

In fiscal year 2009, the Town implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions." This pronouncement required the Town to calculate and record a net other post-employment benefit obligation (NOPEBO) at June 30, 2009. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008. The Town makes annual contributions based upon budgetary decisions using the actuarial valuation.

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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

Net assets

In the Government-Wide and Proprietary Fund Financial Statements, net assets are classified in the following categories:

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

Restricted Net Assets – This category represents the net assets of the Town, which are restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets (Deficit) – This category represents the net assets 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.
- **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).
- **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.
- **Unassigned Fund Balance** – 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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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 assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. 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	\$ 38,485,000
Compensated absences	754,345
Deferred amounts on refunding, net	(528,219)
OPEB	14,532,920
Deferred premiums, net of amortization	<u>1,751,146</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 54,995,192</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 a reconciliation between net changes in fund balances – total governmental funds, and changes in net assets 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	\$ 6,740,918
Depreciation expense	<u>(5,411,817)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,329,101</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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 assets. 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	\$ 4,490,000
Bond premium	(328,868)
Deferred amounts on refundings	115,706
Principal repayments:	
General obligation debt	<u>(4,735,000)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (458,162)</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	\$ 6,504
OPEB obligation	4,971,553
Accrued interest	162,582
Claims payable	<u>(86,666)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,053,973</u>

Note 3. Cash, Cash Equivalents and Investments

Deposits: The Town has a policy that 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.

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

three rating categories of any nationally recognized rating service. The Town does not have a custodial credit risk policy for investments.

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 Poors'. 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 Poors' 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.

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, 2011, approximately \$69,768,000 of the Town's bank balance of approximately \$79,575,000 was uninsured and uncollateralized.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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 and investments of the Town consist of the following at June 30, 2011:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 76,465,995
MBIA	78,019
State Short-Term Investment Fund	64,004
Total cash and cash equivalents	<u>76,608,018</u>
Less: Certificates of deposits classified as investments	<u>(21,149,519)</u>
	<u>55,458,499</u>
 Pension Trust Funds:	
U.S. Government Securities	2,341,359 *
U.S. Government Agencies	6,861,729 *
Corporate Debt	4,660,273 *
Common and Preferred Stocks	11,321,718 *
Equity Mutual Funds	20,490,631
Municipal Bonds	4,193,692 *
Total pension investments	<u>49,869,402</u>
 Total cash, cash equivalents and investments	 <u>\$ 126,477,420</u>

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

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

Statement of Net Assets	
Cash and cash equivalents	\$ 53,908,078
Investments	21,149,519
	<u>75,057,597</u>
 Fiduciary Funds:	
Cash and cash equivalents	1,550,421
Investments	49,869,402
	<u>51,419,823</u>
 Total cash and investments	 <u>\$ 126,477,420</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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
U.S. Government Securities	\$ 2,341,359	\$ 503,085	\$ 1,838,274	\$ -
U.S. Government Agencies	6,861,729	2,709,209	4,152,520	-
Corporate Debt	4,660,273	785,205	3,875,068	-
Municipal Bonds	4,193,692	-	2,372,224	1,821,468
Pooled Fixed Income	142,023	142,023	-	-
Total	<u>\$ 18,199,076</u>	<u>\$ 4,139,522</u>	<u>\$ 12,238,086</u>	<u>\$ 1,821,468</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 or investment risk. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Pooled Fixed Income	U.S. Government Agencies	Corporate Debt	Municipal Bonds
AAA	\$ -	\$ 6,861,729	1,025,230	-
AAA _m	142,023	-	-	-
AA ⁺	-	-	812,760	-
AA	-	-	-	1,472,700
AA ⁻	-	-	-	1,552,072
A	-	-	785,205	-
A ⁻	-	-	552,730	-
BBB ⁺	-	-	613,720	-
BBB	-	-	439,320	-
BBB ⁻	-	-	431,308	-
Unrated	-	-	-	1,168,920
Total	<u>\$ 142,023</u>	<u>\$ 6,861,729</u>	<u>\$ 4,660,273</u>	<u>\$ 4,193,692</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,398,567	\$ 376,342	\$ -	\$ 4,774,909
Construction in progress	4,603,007	5,098,320	1,273,706	8,427,621
Total capital assets, not being depreciated	9,001,574	5,474,662	1,273,706	13,202,530
Capital assets, being depreciated:				
Buildings and improvements	117,790,084	48,848	1,100,000	116,738,932
Machinery and equipment	17,900,495	1,468,895	149,509	19,219,881
Infrastructure	91,457,676	1,022,219	-	92,479,895
Total capital assets being depreciated	227,148,255	2,539,962	1,249,509	228,438,708
Less accumulated depreciation for:				
Buildings and improvements	51,382,601	2,859,721	200,000	54,042,322
Machinery and equipment	14,192,058	785,865	149,509	14,828,414
Infrastructure	68,361,327	1,766,231	-	70,127,558
Total accumulated depreciation	133,935,986	5,411,817	349,509	138,998,294
Total capital assets, being depreciated, net	93,212,269	(2,871,855)	900,000	89,440,414
Governmental activities capital assets, net	\$ 102,213,843	\$ 2,602,807	\$ 2,173,706	\$ 102,642,944

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 399,711	\$ 10,695	\$ -	\$ 410,406
Machinery and equipment	3,089,310	20,114	-	3,109,424
Total capital assets, being depreciated	3,489,021	30,809	-	3,519,830
Less accumulated depreciation for:				
Buildings and improvements	265,373	6,012	-	271,385
Machinery and equipment	3,046,838	15,994	-	3,062,832
Total accumulated depreciation	3,312,211	22,006	-	3,334,217
Total business-type capital assets, net	\$ 176,810	\$ 8,803	\$ -	\$ 185,613

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

Governmental activities:	
Board of Education	\$ 3,393,683
General Government	235,955
Culture and Recreation	457,326
Human Services	74,486
Public Works	688,013
Public Safety	562,354
Total depreciation expense – governmental activities	<u>\$ 5,411,817</u>
Business-type activities:	
Landfill	\$ 16,346
Adult Caring Connection	5,660
Total depreciation expense – business-type activities	<u>\$ 22,006</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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, 2011 is presented below:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 289,220	\$ 53,326
Capital Projects	60,000	-
Non-Major Governmental Funds	33	289,220
Other Nonmajor Enterprise Funds	-	60,000
Internal Service Fund	53,293	-
	<u>\$ 402,546</u>	<u>\$ 402,546</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, 2011 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 113,220	\$ 6,223,950
Capital Projects	499,200	7,438
Non-Major Governmental Funds	5,895,588	133,400
Other Nonmajor Enterprise Funds	-	143,220
	<u>\$ 6,508,008</u>	<u>\$ 6,508,008</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, Continued
June 30, 2011

Note 6. Unearned Revenue/Deferred Revenue

Governmental funds report deferred revenue 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 revenue reported in the governmental funds and governmental activities were as follows:

	Deferred Revenues	Unearned Revenues
	<hr/>	<hr/>
General Fund		
Property taxes	\$ 1,228,339	\$ -
School construction grant receivable	572,802	-
Other receivables	116,668	-
	<hr/>	<hr/>
	1,917,809	-
Capital Project Fund		
Grant receivables	<hr/>	<hr/>
	1,145,164	-
Other Nonmajor Governmental Funds		
Other receivables	116,158	-
Prepaid program fees	-	220,293
	<hr/>	<hr/>
	116,158	220,293
Total		
	<hr/>	<hr/>
	\$ 3,179,131	\$ 220,293
	<hr/>	<hr/>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Note 7. Long-Term Liabilities

A summary of changes in outstanding long-term obligations during the year ended June 30, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 38,730,000	\$ 4,490,000	\$ 4,735,000	\$ 38,485,000	\$ 4,505,000
Premiums on refunding	2,080,014	-	328,868	1,751,146	-
Less deferred amount on refunding	(643,925)	-	(115,706)	(528,219)	-
	<u>40,166,089</u>	<u>4,490,000</u>	<u>4,948,162</u>	<u>39,707,927</u>	<u>4,505,000</u>
Other long-term liabilities:					
Compensated absences	747,841	749,422	742,918	754,345	188,586
Other post-employment benefits	9,561,367	4,971,553	-	14,532,920	-
Claims payable	86,666	-	86,666	-	-
	<u>10,395,874</u>	<u>5,720,975</u>	<u>829,584</u>	<u>15,287,265</u>	<u>188,586</u>
Governmental activity long-term liabilities	<u>\$ 50,561,963</u>	<u>\$ 10,210,975</u>	<u>\$ 5,777,746</u>	<u>\$ 54,995,192</u>	<u>\$ 4,693,586</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	\$ 87,887	\$ 79,512	\$ 88,564	\$ 78,835	\$ 19,708
Landfill post closure costs	36,542,876	529,959	-	37,072,835	1,482,913
Total other long-term liabilities	<u>36,630,763</u>	<u>609,471</u>	<u>88,564</u>	<u>37,151,670</u>	<u>1,502,621</u>
Business-type activity long-term liabilities	<u>\$ 36,630,763</u>	<u>\$ 609,471</u>	<u>\$ 88,564</u>	<u>\$ 37,151,670</u>	<u>\$ 1,502,621</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

General obligation bonds

As of June 30, 2011, the outstanding general obligation bonds of the Town was as follows:

Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance 6/30/2011
GENERAL PURPOSE					
PUBLIC IMPROVEMENTS	\$227,000-\$234,000	1991	6.4-6.6	\$ 4,165,000	\$ 229,000
PUBLIC IMPROVEMENTS	\$125,000-\$180,000	2007	4.0-5.5	1,555,000	150,000
PUBLIC IMPROVEMENTS	\$202,000-\$1,505,000	2008	3.25-5.0	3,508,000	1,306,000
PUBLIC IMPROVEMENTS REFUNDING	\$190,000-\$1,330,000	2009	2.0-4.0	8,806,000	7,388,000
PUBLIC IMPROVEMENTS	\$225,000-\$425,000	2010	3.0-4.0	3,980,000	3,635,000
PUBLIC IMPROVEMENTS REFUNDING	\$130,000-\$1,580,000	2010	3.0-5.0	6,096,000	6,096,000
PUBLIC IMPROVEMENTS	\$232,000-\$350,000	2011	2.5-3.5	3,450,000	3,450,000
TOTAL GENERAL PURPOSE				31,560,000	22,254,000
SCHOOLS					
SCHOOL GEN. OBLIGATION	\$46,000-\$53,000	1991	6.4-6.6	\$ 835,000	\$ 46,000
SCHOOL GEN. OBLIGATION	\$202,000-\$1,505,000	2008	3.25-5.0	235,000	69,000
SCHOOL REFUNDING	\$190,000-\$1,330,000	2009	2.0-4.0	9,819,000	8,202,000
SCHOOL GEN. OBLIGATION	\$225,000-\$425,000	2010	3.0-4.0	700,000	665,000
SCHOOL REFUNDING	\$130,000-\$1,580,000	2010	3.0-5.0	6,209,000	6,209,000
SCHOOL GEN. OBLIGATION	\$232,000-\$350,000	2011	2.5-3.5	1,040,000	1,040,000
TOTAL SCHOOLS				18,838,000	16,231,000
GRAND TOTAL				\$ 50,398,000	\$ 38,485,000

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

The following is a summary as of June 30, 2011, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal	Interest	Total
2012	\$4,505,000	\$1,312,165	\$5,817,165
2013	3,990,000	1,174,919	5,164,919
2014	3,965,000	1,045,000	5,010,000
2015	3,655,000	924,450	4,579,450
2016	3,785,000	794,363	4,579,363
2017	3,745,000	642,263	4,387,263
2018	3,575,000	501,219	4,076,219
2019	3,225,000	373,675	3,598,675
2020	3,220,000	252,038	3,472,038
2021	1,560,000	160,700	1,720,700
2022	1,145,000	112,325	1,257,325
2023	1,145,000	72,250	1,217,250
2024	745,000	34,375	779,375
2025	225,000	9,000	234,000
Total	<u>\$38,485,000</u>	<u>\$7,408,742</u>	<u>\$45,893,742</u>

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, 2011 was approximately \$338,000. Additional payments for principal and interest aggregating approximately \$614,611 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	\$ 176,276,903	\$ 24,874,000	\$ 151,402,903
Unfunded Pension Benefit Obligation	235,035,870	-	235,035,870
Schools	352,553,805	16,298,198	336,255,607
Sewers	293,794,838	-	293,794,838
Urban renewal	254,622,193	-	254,622,193

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or approximately \$548,417,030.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Prior years' debt defeasance

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the basic financial statements. At June 30, 2011, the Town's portion of defeased bonds outstanding, but removed from the Town's government-wide financial statements was approximately \$2,280,000.

Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2011 consists of the following:

General purpose	<u>\$2,250,000</u>
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Bond anticipation notes

In April 2011, the Town issued \$1,010,000 in bond anticipation notes, which have an interest rate of 2.0% and will mature in April 2012.

Bond anticipation note transactions for the year ended June 30, 2011 were as follows:

Outstanding, July 1, 2010	\$ -
New Borrowings	1,010,000
Outstanding, June 30, 2011	<u><u>\$ 1,010,000</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.

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.

Town of Windsor Retirement Plan

Plan Description

All Town employees (except police officers and certified members of the Board of Education) participate in this PERS, a single-employer, defined benefit pension plan, established and administered by the Town Council and Board of Education (through the Pension Committee) to provide pension, disability, and death benefits to plan members and their beneficiaries. The Town Charter and State statutes provide the authority to establish and amend benefit provisions. The PERS is considered to be part of the Town's

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

financial reporting entity and is included in the Town's financial reports as a pension trust fund. Stand-alone financial statements are not issued.

All full-time employees are required to join the PERS. Employees are 100 percent vested after the completion of five years of service. The retirement benefit is 1.75% of the average monthly earnings (36 consecutive months) times years of service for normal retirement benefits. Active employees with ten years of credited service who become permanently and totally disabled receive a benefit determined in the same manner as a normal retirement benefit based on credited service and average monthly earnings to the date of the disability. If the disability is a result of the employee's employment with the Town, the ten year requirement is waived.

Prior to 1999-2000, the PERS did not provide for cost of living adjustments to benefits in years subsequent to retirement. Cost of living adjustments were paid to retirees at the discretion of the Town Council and were paid directly by the General Fund. Effective July 1, 2000, such payments are paid from the PERS and the percentage increase is set to match that given to Social Security recipients.

The membership in the PERS at July 1, 2009 is comprised of the following:

Retirees and beneficiaries currently receiving benefits	153
Vested terminated employees	25
Active employees:	
Fully vested	250
Non-vested	117
Total	<u>545</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 2.25% of their earnings up to the social security wage base plus five percent of the excess, to the PERS. 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 8.02% 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, Continued
June 30, 2011**

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, 2011 were as follows:

Annual required contribution	\$ 1,273,290
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>1,273,290</u>
Contributions made	<u>(1,273,290)</u>
Decrease in net pension asset	-
Net pension asset, July 1, 2010	-
Net pension asset, June 30, 2011	<u><u>\$ -</u></u>

TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/09	\$ 834,453	100%	\$ -
6/30/10	\$ 843,833	100%	\$ -
6/30/11	\$ 1,273,290	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, 2009	\$ 52,671,376	\$ 50,355,944	\$ 2,315,432	104.6%	\$ 15,875,106	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, Continued June 30, 2011

Actuarial assumptions are as follows:

Valuation date	7/1/09
Actuarial cost method	Projected Unit
Amortization method	Level percent
Remaining amortization period	30 Years (decreasing)
Asset valuation method	10-Year Smoothed Market (closed)
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.0%
Cost of living adjustments	2.25%

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 – Plan members are required by State statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 13.5% 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, 2011, 2010 and 2009 were \$857,865, \$664,302 and \$615,739, 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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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 \$4,464,000 for the year ended June 30, 2011.

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, 2009. 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, 2009, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	262
Active plan members	<u>720</u>
Total	<u><u>982</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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

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 Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 6,389,000	\$ 1,898,000	29.71%	\$ 4,491,000
6/30/10	\$ 7,155,367	\$ 2,085,000	29.14%	\$ 9,561,367
6/30/11	\$ 7,038,553	\$ 2,067,000	29.37%	\$ 14,532,920

OPEB Obligation

Annual required contribution	\$ 7,118,000
Interest on net pension obligation	382,455
Adjustment to annual required contribution	(461,902)
Annual OPEB cost	<u>7,038,553</u>
Contributions made	<u>2,067,000</u>
Increase in net OPEB liability	4,971,553
Net OPEB obligation, beginning of year	<u>9,561,367</u>
Net OPEB obligation, end of year	<u><u>\$ 14,532,920</u></u>

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)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%	28,688,520	N/A

Actuarial assumptions are as follows:

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent
Remaining Amortization Period:	30 Years (decreasing), 20 years (decreasing) (non-police)
Valuation Type:	Closed Group

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Actuarial Assumptions:

Discount rate	4.00%
Inflation rate	3.00%
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: 6.6%
	Ultimate inflation rate: 4.7%
	Years until ultimate inflation rate 82 years

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.

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.

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.

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.

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

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2009-10	\$ 1,179,378	\$ 2,811,786	\$ 2,648,055	\$ 1,343,109
2010-11	\$ 1,343,109	\$ 4,467,155	\$ 4,112,480	\$ 1,697,784

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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 fully insured 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 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. Contingent Liabilities

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 \$25,536,932 or 8.94% of the debt of the District Fund Deficits.

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 estimated that potential claims against the Town resulting from such litigation not covered by insurance would not 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.

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 \$37,072,835 reported as landfill closure and post-closure care liability at June 30, 2011, is \$529,959 more than the liability reported on June 30, 2010. Due to revised engineer estimates (regarding settling of the landfill and a more efficient redesign of the final shape of the landfill), the proportion of the landfill used is now estimated at 97%. This increase or adjustment in estimated closure costs accrued to date directly decreases the operating income for the Landfill Enterprise Fund in fiscal year 2011. The landfill will recognize the remaining estimated cost of closure and post-closure care of \$1,327,165 as the

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care at 2011 prices with a third party performing all closure work. Actual costs may also change based on inflation, compliance with the standing consent order, changes in technology, or changes in the regulations. 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". It is anticipated that no additional amount will be required from the Towns upon closure of the landfill.

The landfill is currently operating under a consent order issued by the Department of Environmental Protection (DEP) that addresses the detail needs of the regulations, including the control and monitoring of leachate and landfill generated gases. It is expected that this process may result in collecting leachate from the groundwater and treating the effluent.

Note 13. Fund Deficits

The following funds had net fund deficits as of June 30, 2011:

Landfill Fund	<u>\$7,737,170</u>
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The deficits will be funded by future operations.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Note 14. Fund Balances

In fiscal year 2011, the Town adopted GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the Town's fund balance are the following:

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances:			
Nonspendable:			
Inventory	\$ 35,544	\$ -	\$ 8,305
Permanent Fund Principal	-	-	13,000
Total nonspendable	35,544	-	21,305
Restricted:			
Education	-	-	3,775
General government	-	-	55,954
Culture & Recreation	-	-	103,809
Human Services	-	-	192,096
Public safety	-	-	228,373
Public works	-	-	702,734
Community Rehabilitation Program	-	-	1,843,816
Capital Outlay	-	2,740,350	-
Total restricted	-	2,740,350	3,130,557
Committed:			
Capital Outlay	-	2,767,973	354,121
Debt service	-	-	492,850
Total committed	-	2,767,973	846,971
Assigned:			
Education	281,097	-	16,525
General government	192,803	-	-
Culture & Recreation	702,773	-	-
Human Services	72,620	-	-
Public safety	675,604	-	-
Public works	420,362	-	-
Community Rehabilitation Program	-	-	131,619
Capital Outlay	150,000	1,389,211	-
Future Appropriations	900,000	-	-
Total assigned	3,395,259	1,389,211	148,144
Unassigned:	14,938,155	-	(6,370)
Total fund balance	\$ 18,368,958	\$ 6,897,534	\$ 4,140,607

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2011

Note 15. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented during the year ended June 30, 2011. The effect of fund type reclassification is as follows:

	General Fund	Nonmajor Governmental Funds
Fund balance, June 30, 2010, as previously reported	\$ 15,557,923	\$ 6,613,011
Change in fund type classification per implementation of GASB Statement No. 54	1,677,508	(1,677,508)
Fund balance, July 1, 2010, as restated	<u>\$ 17,235,431</u>	<u>\$ 4,935,503</u>

Note 16. Governmental Accounting Standards Board (GASB) Statements

The Town adopted the following statements during the year ended June 30, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.** This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. As explained in Notes 14 and 15 to the basic financial statements, the Town reclassified the fund balances for governmental funds and restated the General Fund and the Nonmajor Governmental Funds fund balance by \$1,667,508 as a result of the implementation of this Statement.
- GASB Statement No. 59, *Financial Instruments Omnibus*.** This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, Accounting and Financial Reporting for Derivative Instruments, and applying the reporting provisions for interest-earning investment contracts of GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. The Town included additional disclosures for their external investment pools.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- **GASB Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans***, was issued in December 2009. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This Statement amends Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, to permit certain OPEB plans to use an alternative measurement method. Consistent with this change to the employer-reporting requirements, this Statement also amends a Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, requirement that a defined benefit OPEB plan obtain an actuarial valuation. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2012.
- **GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- **GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*** (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the Town beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectibility of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

**Required Supplementary
Information**

TOWN OF WINDSOR, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
PENSION TRUST FUND
June 30, 2011**

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, 2004	\$ 40,520,462	\$ 34,163,256	\$ 6,357,206	118.6%	\$ 13,274,916	0.0%
July 1, 2005	42,994,540	37,665,616	5,328,924	114.2%	14,101,531	0.0%
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%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2006	\$ 789,843	100.0%
2007	737,493	100.0%
2008	827,855	100.0%
2009	834,453	100.0%
2010	843,833	100.0%
2011	1,273,290	100.0%

TOWN OF WINDSOR, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2011**

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)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%	\$ 28,688,520	N/A

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%

TOWN OF WINDSOR, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BUDGETARY
 FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 77,543,754	\$ 77,543,754	\$ 78,440,338	\$ 896,584
Licenses and permits	550,700	550,700	708,578	157,878
Fines, forfeitures and penalties	42,000	42,000	43,379	1,379
Other agencies	514,453	514,453	179,399	(335,054)
Intergovernmental	15,494,573	15,494,573	15,340,171	(154,402)
Revenues from use of assets	580,880	580,880	592,930	12,050
Charges for services	687,170	687,170	869,069	181,899
Total revenues	95,413,530	95,413,530	96,173,864	760,334
EXPENDITURES				
Current:				
General government	960,580	960,580	926,559	34,021
Safety Service	8,641,680	8,641,680	8,578,347	63,333
Public works	5,172,380	5,310,145	5,182,777	127,368
Health Services	518,480	518,480	471,241	47,239
Human Services	854,260	854,260	784,328	69,932
Recreation and Leisure Services	1,308,310	993,360	988,343	5,017
Education	60,724,650	60,606,050	60,179,372	426,678
Town support for education	4,280,680	1,687,410	1,666,820	20,590
Library services	1,515,940	1,515,940	1,444,689	71,251
Development services	1,709,210	1,709,210	1,674,188	35,022
Information services	433,130	433,130	428,125	5,005
Administrative services	1,928,950	1,928,950	1,786,296	142,654
Community development	25,000	25,000	25,000	-
General services	8,368,500	4,739,020	4,694,877	44,143
Total expenditures	96,441,750	89,923,215	88,830,962	1,092,253
Revenues over (under) expenditures	(1,028,220)	5,490,315	7,342,902	1,852,587
OTHER FINANCING SOURCES (USES)				
Transfers in	128,220	128,220	113,220	(15,000)
Transfers out	-	(6,656,300)	(6,656,300)	-
Total other financing sources (uses)	128,220	(6,528,080)	(6,543,080)	(15,000)
Net change in budgetary fund balance	\$ (900,000)	\$ (1,037,765)	799,822	\$ 1,837,587
BUDGETARY FUND BALANCE, beginning			15,223,877	
BUDGETARY FUND BALANCE, ending			\$ 16,023,699	

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2011**

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 \$138,000 as a result of fund balance and revenue appropriations during the year ended June 30, 2011. 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	\$ 102,380,466	\$ 101,246,939
State Teachers Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(4,464,000)	(4,464,000)
Reclassified to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB 54.	(1,629,382)	(1,387,164)
Encumbrances:		
June 30, 2010	-	(334,036)
June 30, 2011	-	425,523
Balance, budgetary basis	<u>\$ 96,287,084</u>	<u>\$ 95,487,262</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, Continued
June 30, 2011

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 – FORM OF 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 \$4,490,000 General Obligation Bonds, Issue of 2012, dated as of May 2, 2012 and \$800,000 Bond Anticipation Notes, dated as of May 2, 2012.

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 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 Bonds 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 Bonds.

The discussion in this paragraph applies to those Notes having original issue premium. An owner who purchases a note with original issue premium must amortize such original issue premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the note for federal income tax purposes. Owners of Notes having original issue premium, and especially any owner who is not an original owner of a note who bought the note 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 Notes.

GENERAL.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds and Notes may affect the tax status of interest on the Bonds and Notes. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. For example, on September 13, 2011, S.B. 1549, the "American Jobs Act of 2011" (the "Jobs Act"), was introduced into the United States Senate, which legislation, if enacted as introduced, would have subjected to federal income taxation a portion of the interest on all tax-exempt bonds (including the Bonds and Notes) received for taxable years beginning on or after January 1, 2013 by certain individuals with incomes above specified limits. The Jobs Act was not enacted; however, on February 13, 2012, President Obama released his fiscal 2013 Federal budget request, which includes a proposal to cap at 28% the value of tax preferences, including tax-exempt interest for municipal bonds. No assurance can be given that Federal legislation enacted or proposed after the date of issuance of the Bonds and Notes will not have an adverse effect on the tax-exempt status or market price of the Bonds and Notes or will not change the effect of other Federal tax law consequences 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 affecting municipal bonds.

The information above does not purport to deal with all aspects of Federal or State of Connecticut taxation that may be relevant to a particular owner of the Bonds and 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 May 2, 2012 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$4,490,000 General Obligation Bonds, Issue of 2012, dated as of May 2, 2012 (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 April 18, 2012 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, 2012) as follows:

(i) Financial statements of the Issuer's general fund, and any capital projects, landfill, internal service, pension trust or agency funds, 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 Issuer's fiscal year currently ends on June 30.

(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:

- (e) principal and interest payment delinquencies;
- (f) non-payment related defaults, if material;
- (g) unscheduled draws on debt service reserves reflecting financial difficulties;
- (h) unscheduled draws on credit enhancements reflecting financial difficulties;
- (i) substitution of credit or liquidity providers, or their failure to perform;
- (j) 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;
- (k) modifications to rights of holders of the Bonds, if material;
- (l) Bond calls, if material, and tender offers;
- (m) Bond defeasances;
- (n) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (o) rating changes;
- (p) bankruptcy, insolvency, receivership or similar event of the Issuer;

(q) 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

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

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 May 2, 2012 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$800,000 Bond Anticipation Notes, dated as of May 2, 2012 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.

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 AND BID PROPOSAL – THE BONDS

**NOTICE OF SALE
\$4,490,000
Town of Windsor, Connecticut
General Obligation Bonds
(BOOK-ENTRY)**

SEALED PROPOSALS and ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor, Connecticut at Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6th Floor, Hartford, Connecticut, until **11:30 A.M. (Eastern Daylight Time) on WEDNESDAY,**

APRIL 18, 2012

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

**\$4,490,000 General Obligation Bonds, Issue of 2012
Payable annually on May 1 as follows:**

**\$375,000 in 2013 through 2023
\$365,000 in 2024**

The Bonds will be dated May 2, 2012, with interest payable on November 1, 2012 and thereafter semiannually on each May 1st and November 1st.

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 fifteenth day of April and October (or the preceding business day if such fifteenth day is not a business day).

Redemption. Bonds maturing after May 1, 2017 are subject to redemption prior to maturity, at the option of the Town, on or after May 1, 2017, 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>
May 1, 2017 and thereafter	100.0%

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.

Sealed Proposals Bidding Procedure. All proposals for the purchase of Bonds 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 Bonds." All proposals should be addressed to Mr. Peter P. Souza, Town Manager, Town of Windsor, c/o Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6th floor, Hartford, Connecticut 06103.

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 May 2, 2012, 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; 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 April 5, 2012. 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 100 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.**

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about May 2, 2012 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) 745-7264) 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) 283-1890).

PETER P. SOUZA,
Town Manager

ROBERT W. METCALF,
Finance Director

April 5, 2012

PROPOSAL FOR BONDS

April 18, 2012

Mr. Peter P. Souza
 Town Manager
 Town of Windsor
 c/o Day Pitney LLP
 Bushnell Conference Room
 242 Trumbull Street, 6th Floor
 Hartford, Connecticut 06103

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated April 5, 2012 which is hereby made a part of this proposal, we hereby offer to purchase all of the aggregate principal amount of \$4,490,000 General Obligation Bonds, Issue of 2012, of the Town of Windsor described in said Notice of Sale, and to pay therefor the price of par plus a premium of \$_____ plus interest accrued on said Bonds to the date of their delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2013	\$375,000	_____%	2019	\$375,000	_____%
2014	\$375,000	_____%	2020	\$375,000	_____%
2015	\$375,000	_____%	2021	\$375,000	_____%
2016	\$375,000	_____%	2022	\$375,000	_____%
2017	\$375,000	_____%	2023	\$375,000	_____%
2018	\$375,000	_____%	2024	\$365,000	_____%

We acknowledge receipt of the Official Statement referred to in the Notice of Sale.

Name of Bidder: _____

Address of Bidder: _____

Signature of Officer or
 Authorized Agent of Bidder: _____

Telephone Number: _____

The following is our computation of the percentage of true interest cost, made as provided in the above mentioned Notice of Sale, and certain other information, which is not part of the foregoing proposal.

Percent of True Interest Cost _____%
 (four decimals)

Gross Interest \$ _____

Premium \$ _____

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

NOTICE OF SALE
\$800,000
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 c/o Day Pitney LLP, 242 Trumbull Street, 6th Floor, Hartford, Connecticut until **11:00 A.M. (Eastern Daylight Time) on WEDNESDAY,**

APRIL 18, 2012

for the purchase of \$800,000 Bond Anticipation Notes of the Town of Windsor, dated May 2, 2012, maturing on May 1, 2013 (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 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 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, 242 Trumbull Street, 6th floor, 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 April 5, 2012. 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.

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 May 2, 2012.

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) 745-7264) 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) 283-1890).

PETER P. SOUZA,
Town Manager

ROBERT W. METCALF,
Finance Director

April 5, 2012

PROPOSAL FOR NOTES

April 18, 2012

Mr. Peter P. Souza
 Town Manager
 Town of Windsor
 c/o Day Pitney LLP
 Bushnell Conference Room
 242 Trumbull Street, 6th Floor
 Hartford, Connecticut 06103

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated April 5, 2012 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, 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 \$800,000 Bond Anticipation Notes of the Town of Windsor, dated May 2, 2012, maturing May 1, 2013, we bid the following:

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

Name of Bidder: _____
 Address of Bidder: _____
 Signature of Officer or Authorized Agent of Bidder: _____
 Telephone Number: _____