

Official Statement Dated March 26, 2009

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 is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the 2009 Series A Bonds are not "private activity bonds" and interest on the 2009 Series A 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; interest on the 2009 Series B Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax and is not taken into account in the calculation of adjusted current earnings for purposes of the Federal alternative minimum tax imposed on corporations; the Bonds are "qualified tax-exempt obligations"; 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. (See Appendix B-1 "Form of Opinion of Bond Counsel and Tax Exemption (2009 Series A Bonds)" and Appendix B-2 "Form of Opinion of Bond Counsel and Tax Exemption (2009 Series B Bonds)" herein.)

TOWN OF WINDSOR, CONNECTICUT

\$18,625,000

GENERAL OBLIGATION REFUNDING BONDS ISSUE OF 2009, COMPRISED OF:

\$8,930,000 GENERAL OBLIGATION REFUNDING BONDS, 2009 SERIES A

AND

\$9,695,000 GENERAL OBLIGATION REFUNDING BONDS, 2009 SERIES B

(BANK QUALIFIED)

BOOK-ENTRY-ONLY

Dated: Date of Delivery

Due: August 1, as shown herein

The Series A Bonds and the Series B Bonds (collectively, 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 when due. (See "Security and Remedies" herein).

Interest on the Bonds will be payable on February 1 and August 1 in each year until maturity, commencing August 1, 2009. 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 Registrar, Certifying Bank, Transfer Agent, Paying Agent and Escrow Agent for the Bonds will be U.S. Bank National Association, of Hartford, Connecticut.

MATURITY SCHEDULE AND AMOUNTS

\$8,930,000 SERIES A BONDS

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2009	\$ 190,000	3.000%	0.700%	973568L71	2015	\$775,000	3.000%	2.480%	973568M54
2010	1,325,000	3.000	0.850	973568L89	2016	470,000	4.000	2.700	973568M62
2011	1,085,000	2.000	1.150	973568L97	2017	855,000	3.250	2.920	973568M70
2012	960,000	2.500	1.410	973568M21	2018	860,000	4.000	3.150*	973568M88
2013	920,000	2.250	1.850	973568M39	2019	705,000	3.500	3.420*	973568M96
2014	785,000	2.500	2.250	973568M47					

\$9,695,000 SERIES B BONDS

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2009	\$190,000	3.000%	0.700%	973568N20	2015	\$780,000	4.000%	2.480%	973568N87
2010	1,330,000	3.000	0.850	973568N38	2016	1,230,000	4.000	2.700	973568N95
2011	1,085,000	2.500	1.150	973568N46	2017	855,000	4.000	2.920	973568P28
2012	955,000	3.000	1.410	973568N53	2018	860,000	4.000	3.150*	973568P36
2013	925,000	3.000	1.850	973568N61	2019	700,000	4.000	3.350*	973568P44
2014	785,000	3.000	2.250	973568N79					

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

PiperJaffray.

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 book-entry form will be made on or about April 17, 2009.

Dated: March 26, 2009

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 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 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 Appendices B-1 and B-2 "Forms 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 make 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 a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, financial information, operating data and notices of material events with respect to the Bonds. The Underwriter'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.

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 event notices pursuant to SEC Rule 15c2-12(b)(5). To date the Town has not failed to meet any of its undertakings under such agreements.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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INDEPENDENT BOND AND
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SECTION I - SECURITIES OFFERED

Introduction

This Official Statement, including the 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 \$18,625,000 General Obligation Refunding Bonds, Issue of 2009, comprised of the \$8,930,000 General Obligation Refunding Bonds, 2009 Series A (the "Series A Bonds") and \$9,695,000 General Obligation Refunding Bonds, 2009 Series B (the "Series B Bonds") (collectively, "the Bonds").

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 proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds 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 opinions in Appendices B-1 and B-2) 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 August 1 in each of the years and in the principal amounts set forth on the cover page hereof. Interest on the Bonds will be payable on February 1 and August 1 in each year until maturity, commencing August 1, 2009. 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 January and July in each year, or the preceding business day if the fifteenth 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 Bank, Transfer Agent, Paying Agent and Escrow 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 August 1, 2017 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2018 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after August 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>
August 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.

Plan of Refunding

The Bonds are being issued pursuant to refunding bond resolutions (the "Resolutions") adopted by the Town Council at meetings held March 2, 2009. The Resolutions authorize the issuance of refunding bonds in an amount not to exceed \$24,500,000 to refund all or a portion of the Refunded Bonds.

The refunding is contingent upon delivery of the Bonds.

The 2009 Series A Bonds

<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2001	03/01/2001	07/15/2010	\$ 1,190,000	4.000%	07/15/2009	100%
2001	03/01/2001	07/15/2011	1,175,000	4.125	07/15/2009	100
2001	03/01/2001	07/15/2012	890,000	4.250	07/15/2009	100
2001	03/01/2001	07/15/2013	575,000	4.500	07/15/2009	100
2001	03/01/2001	07/15/2014	315,000	5.000	07/15/2009	100
2001	03/01/2001	07/15/2015	<u>310,000</u>	5.000	07/15/2009	100
			4,455,000			
2002	03/01/2002	03/01/2011	\$ 300,000	4.000%	03/01/2010	100%
2002	03/01/2002	03/01/2012	300,000	4.000	03/01/2010	100
2002	03/01/2002	03/01/2013	200,000	4.100	03/01/2010	100
2002	03/01/2002	03/01/2014	200,000	4.200	03/01/2010	100
2002	03/01/2002	03/01/2015	225,000	4.300	03/01/2010	100
2002	03/01/2002	03/01/2016	225,000	4.400	03/01/2010	100
2002	03/01/2002	03/01/2017	225,000	4.500	03/01/2010	100
2002	03/01/2002	03/01/2018	225,000	4.625	03/01/2010	100
2002	03/01/2002	03/01/2019	225,000	4.625	03/01/2010	100
2002	03/01/2002	03/01/2020	225,000	4.750	03/01/2010	100
2002	03/01/2002	03/01/2021	225,000	4.750	03/01/2010	100
2002	03/01/2002	03/01/2022	<u>225,000</u>	4.750	03/01/2010	100
			2,800,000			

<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2003	03/01/2003	03/01/2010	\$ 135,000	3.000%	05/18/2009	100%
2003	03/01/2003	03/01/2011	145,000	3.150	05/18/2009	100
2003	03/01/2003	03/01/2012	145,000	3.300	05/18/2009	100
2003	03/01/2003	03/01/2013	145,000	3.400	05/18/2009	100
2003	03/01/2003	03/01/2014	100,000	3.550	05/18/2009	100
2003	03/01/2003	03/01/2015	100,000	3.700	05/18/2009	100
2003	03/01/2003	03/01/2016	100,000	3.800	05/18/2009	100
2003	03/01/2003	03/01/2017	105,000	3.900	05/18/2009	100
2003	03/01/2003	03/01/2018	105,000	4.000	05/18/2009	100
2003	03/01/2003	03/01/2019	105,000	4.000	05/18/2009	100
2003	03/01/2003	03/01/2020	105,000	4.150	05/18/2009	100
2003	03/01/2003	03/01/2021	115,000	4.250	05/18/2009	100
2003	03/01/2003	03/01/2022	115,000	4.375	05/18/2009	100
2003	03/01/2003	03/01/2023	<u>115,000</u>	4.400	05/18/2009	100
			\$ 1,635,000			

The 2009 Series B Bonds

<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2004	03/01/2004	03/15/2010	\$ 180,000	2.750	05/18/2009	100%
2004	03/01/2004	03/15/2011	180,000	3.000	05/18/2009	100
2004	03/01/2004	03/15/2012	180,000	3.000	05/18/2009	100
2004	03/01/2004	03/15/2013	180,000	3.250	05/18/2009	100
2004	03/01/2004	03/15/2014	180,000	3.500	05/18/2009	100
2004	03/01/2004	03/15/2015	115,000	3.500	05/18/2009	100
2004	03/01/2004	03/15/2016	120,000	3.500	05/18/2009	100
2004	03/01/2004	03/15/2017	120,000	3.600	05/18/2009	100
2004	03/01/2004	03/15/2018	120,000	3.750	05/18/2009	100
2004	03/01/2004	03/15/2019	125,000	4.000	05/18/2009	100
2004	03/01/2004	03/15/2020	<u>125,000</u>	4.000	05/18/2009	100
			\$ 1,625,000			
2004	04/01/2004	07/15/2010	\$ 645,000	2.500%	07/15/2009	100%
2004	04/01/2004	07/15/2011	405,000	2.750	07/15/2009	100
2004	04/01/2004	07/15/2012	455,000	3.000	07/15/2009	100
2004	04/01/2004	07/15/2013	440,000	3.200	07/15/2009	100
2004	04/01/2004	07/15/2014	460,000	3.375	07/15/2009	100
2004	04/01/2004	07/15/2015	455,000	3.500	07/15/2009	100
2004	04/01/2004	07/15/2016	470,000	3.500	07/15/2009	100
2004	04/01/2004	07/15/2017	465,000	3.750	07/15/2009	100
2004	04/01/2004	07/15/2018	455,000	3.750	07/15/2009	100
2004	04/01/2004	07/15/2019	<u>450,000</u>	4.000	07/15/2009	100
			\$ 4,700,000			
2005	06/15/2005	06/15/2011	\$ 300,000	3.150	06/15/2010	100%
2005	06/15/2005	06/15/2012	300,000	3.300	06/15/2010	100
2005	06/15/2005	06/15/2013	300,000	4.000	06/15/2010	100
2005	06/15/2005	06/15/2014	300,000	4.000	06/15/2010	100
2005	06/15/2005	06/15/2015	325,000	4.000	06/15/2010	100
2005	06/15/2005	06/15/2016	325,000	3.750	06/15/2010	100
2005	06/15/2005	06/15/2017	325,000	3.800	06/15/2010	100
2005	06/15/2005	06/15/2018	325,000	3.850	06/15/2010	100
2005	06/15/2005	06/15/2019	325,000	4.000	06/15/2010	100
2005	06/15/2005	06/15/2024	350,000	4.800	06/15/2010	100
2005	06/15/2005	06/15/2025	<u>350,000</u>	4.800	06/15/2010	100
			\$ 3,525,000			
Total Refunded Bonds			<u>\$18,740,000</u>			

Upon delivery of the Bonds, the proceeds of the Bonds will be placed in an irrevocable trust fund (the "Escrow Deposit Fund") established with U.S. Bank National Association of Hartford, Connecticut, as escrow agent (the "Escrow Agent") under an Escrow Agreement (the "Escrow Agreement") dated as of April 17, 2009 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations guaranteed by the United States of America, including the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") (collectively, the "Escrow Securities") all of which shall not be callable or prepayable at the option of the issuer thereof. All investment income on and maturing principal of the Escrow Securities held in the Escrow Deposit Fund and needed to pay the principal, interest payments and redemption prices of the Refunded Bonds will be irrevocably deposited by the Town for payment of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay costs of issuance and the Underwriter's discount.

The Connecticut General Statutes provide that upon placement in escrow of proceeds of refunding bonds sufficient to provide for the payment of the principal, interest, and call premium payments on the bonds to be funded by such refunding bonds, such bonds are no longer counted in computing the Town's debt for statutory debt limitation purposes.

Verification of Mathematical Computations

Barthe & Wahrman, a Professional Association, will verify from the information provided to them the mathematical accuracy as of the date of the closing on the Bonds of (1) the computations that the anticipated receipts from the Escrow Securities and cash deposits set forth in the Underwriter's schedules, will be sufficient to pay, when due, the principal, interest and applicable call premium, payment requirements, if any, of the Refunded Bonds, and (2) the computations of yield on the Bonds and the Escrow Securities contained in the provided schedules. Barthe & Wahrman, a Professional Association, will express no opinion on the assumptions provided to them.

Estimated Sources and Uses of Bond Proceeds

Estimated sources and uses of proceeds of the Bonds are as follows:

Sources:	
Proceeds of the Series A Bonds	\$ 8,930,000.00
Proceeds of the Series B Bonds	9,695,000.00
Net Original Issue Premium	<u>776,853.90</u>
Total Sources	<u>\$19,401,853.90</u>
Uses:	
Deposit to Escrow Deposit Fund	\$19,205,031.53
Underwriter's Discount	83,812.50
Costs of Issuance	110,000.00
Additional Proceeds	<u>3,009.87</u>
Total Uses	<u>\$19,401,853.90</u>

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.

Ratings

The Town's current bond rating has recently been affirmed as "AAA" by Standard and Poor's ("S&P"). The underlying ratings on the Town's outstanding bonds are currently "AAA" by S&P and "Aa2" by Moody's Investors Service, Inc. ("Moody's"). However, the Town has NOT applied for a rating from Moody's for this issue. Such ratings reflect only the views of such rating agencies and any 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 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 when due.

Unless paid from other sources, the Bonds 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 taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town. 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 upon its power to tax such dwelling houses or the Town may place a lien on the property for the amount of tax relief granted plus interest.

Payment of the Bonds 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.

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, 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 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 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.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds 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.

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 highest rating of: AAA. 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 under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 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, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 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. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds 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 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 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 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 are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond 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

The determination of the Town authorizing the Bonds provides for issuance of fully registered Bond certificates directly to Beneficial Owners of the Bonds or their nominees 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 for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds 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.

Underwriting

The Bonds are being purchased by Piper Jaffray & Co. (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase the 2009 Series A Bonds from the Town at the net aggregate purchase price of \$9,147,590.85, (consisting of the principal amount of \$8,930,000, plus original issue premium of \$257,775.85 and less Underwriter's discount of \$40,185.00) and to purchase the 2009 Series B Bonds from the Town at the net aggregate purchase price of \$10,170,450.55, (consisting of the principal amount of \$9,695,000, plus original issue premium of \$519,078.05 and less Underwriter's discount of \$43,627.50). The Underwriter will be obligated to purchase all such Bonds, if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

Piper Jaffray & Co., (the "Underwriter") has entered into an agreement (the "Distribution Agreement") with Advisors Asset Management, Inc. ("AAM") for the distribution of certain municipal securities offerings, including the Bonds, allocated to the Underwriter at the original offering prices. Under the Distribution Agreement, the Underwriter will share with AAM a portion of the fee or commission, exclusive of management fees, paid to the Underwriter.

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 31.1 square mile area on the west bank of the Connecticut River. The Farmington River also flows through Windsor and into the Connecticut River endowing 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 1/3 of the U.S. economy and 2/3 of the Canadian economy). Bradley International Airport is located just minutes away from Windsor has undergone a major expansion. A 3,500 space parking garage was completed in 2001, and a new terminal and concourse has been in operation since April 2003. Passenger traffic in the region is increasing significantly as a result of this physical expansion coupled with recent and planned additions in carrier services. Interstate 91, a major expressway to New York and northern New England, traverses the Town and has seven interchanges within the Town's borders. In addition, the Connecticut Turnpike, the Massachusetts Turnpike and the New York Thruway are easily accessible. Windsor is a community predominantly composed of owner-occupied, single-family dwellings which account for 80% of all housing units.

Planning was inaugurated in 1924. Comprehensive zoning regulations, which were first adopted in 1931, are periodically revised to reflect current development standards and practices. The Comprehensive Plan of Development was revised and approved by the Town in 2004, amended in 2007 for the Open Space Plan and Agricultural Preservation Plan and amended in 2008 for the Day Hill Corporate Area Plan. The Town has approximately 1,500 acres of undeveloped industrially zoned land, approximately 71 acres of undeveloped warehouse zoned land and approximately 1,500 acres of undeveloped residentially zoned land. Full development of the remaining residential land would result in a population increase of approximately 5,100. The Town's estimated population as of July 1, 2007 according to the U. S. Census Bureau was 28,754.

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.

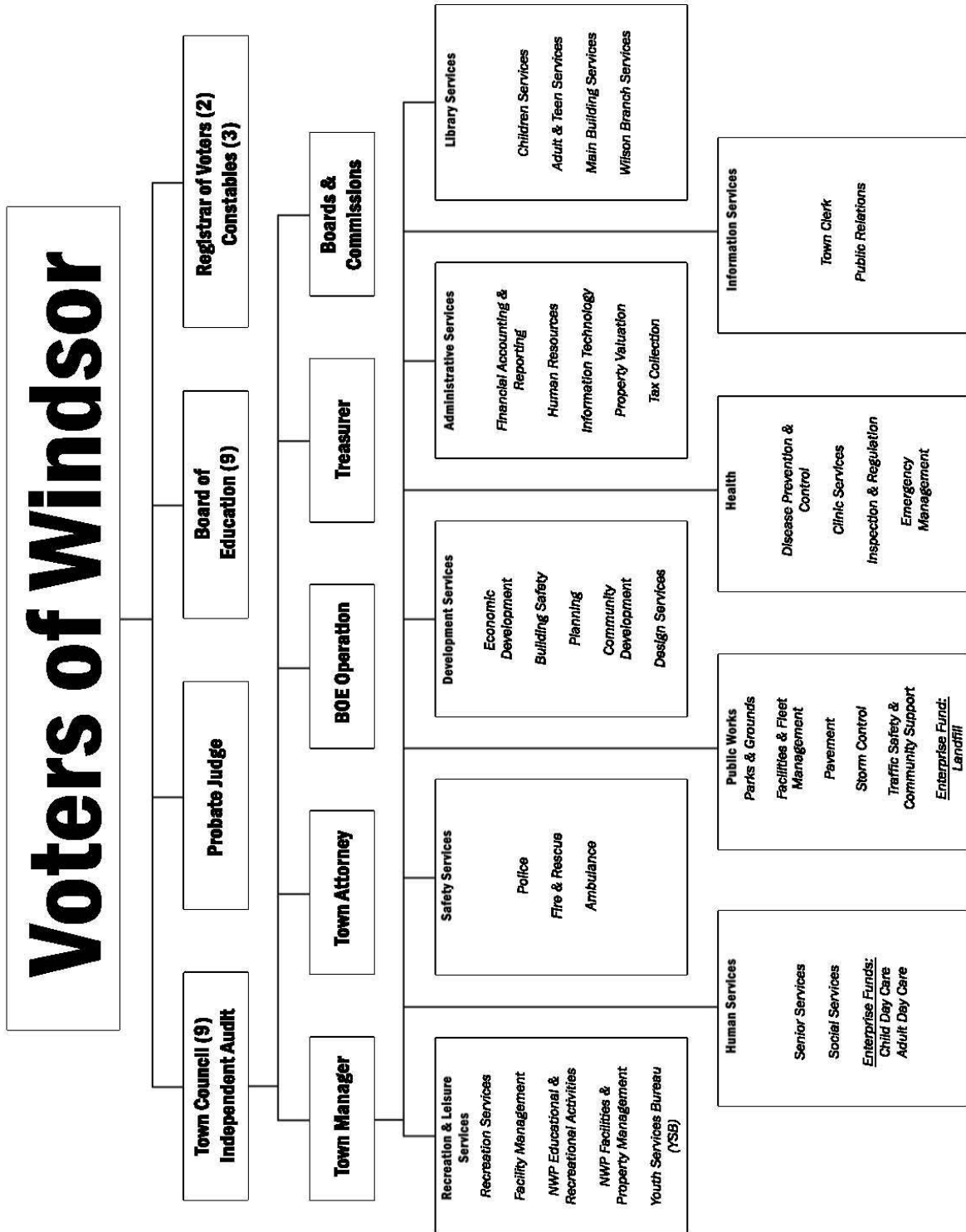
Form of Government

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</u>	<u>Total Length of Service</u>
Donald S.Trinks	Mayor	2 Years - Elected	14 years
Alan J. Simon	Deputy Mayor	2 Years - Elected	10 years
Ronald C. Eleveld	Town Council	2 Years - Elected	2 year
Robert B. Gegetskas II	Town Council	2 Years - Elected	4 years
William H. Herzfeld	Town Council	2 Years - Elected	4 years
Donald A. Jepsen, Jr.	Town Council	2 Years - Elected	8 years
Mathew A. Marci	Town Council	2 Years - Elected	2 year
Randy P. McKenney	Town Council	2 Years - Elected	2 year
Robert L. Rispoli	Town Council	2 Years - Elected	2 year
Peter P. Souza	Town Manager	Appointed	5 years
Elizabeth E. Feser	Superintendent of Schools	Appointed	7 years
Robert Metcalf	Interim Finance Director	N/A	Less than one year
James R. Bourke	Assistant Finance Director	N/A	Less than one year

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: Elizabeth E. Feser has served as Superintendent of Schools for the Windsor Public Schools since July 2002. Dr. Feser holds a B.A. Degree from St. Xavier College and an M. Ed. in Education from Boston College. She earned her Ed. Degree in Educational Administration from Teachers College, Columbia University.

Prior to Dr. Feser's appointment as Superintendent, she most recently served for eight years as the Assistant Superintendent for Instruction in the New Canaan Public Schools. In that capacity, she assumed responsibility for all instructional programs, planning and development of curriculum, professional development for teachers, and standardized testing.

Prior to her service in New Canaan, Dr. Feser served as Principal of Danbury High School, one of the largest high schools in Connecticut, with a student population of 2,300. She came to Danbury from Arlington School District, a large suburban school system located outside of Poughkeepsie, NY, where she served for two years as Assistant Principal of Instruction. Dr. Feser spent 11 years with Boston Archdiocesan School System as both a teacher of social studies and theology and a school administrator.

Interim 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.

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. Services are provided by a staff of ten full-time and thirty-eight part-time employees.

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 comprised of some 140 volunteers, maintain aggressive 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, numbering 64 employees, enforce criminal and motor vehicle laws, render aid to victims of medical emergencies or accidents, and patrol the Town. The Police Department maintains a 24-hour public safety dispatch center which coordinates responses by all safety services including fire, ambulance, and civil preparedness. The police force also provides a number of community relations and public education programs with special emphasis on safety and drug abuse prevention programs in the local schools.

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

Solid Waste: Windsor maintains a Town owned landfill consisting of 173 acres. The landfill serves the towns of Windsor and Bloomfield. The two Towns are equally responsible for closure costs in accordance with an agreement dated November 19, 1993. The two Towns have recently resolved their legal dispute regarding various aspects of their agreement with respect to the landfill. Town residents pay private haulers for curbside pickup. The landfill is currently operating under a consent order issued by the State of Connecticut Department of Environmental Protection ("DEP") regarding control and monitoring of leachate. It is anticipated that the landfill will reach its capacity in 2012. 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 there will be adequate retained earnings on-hand plus interest income over 30 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 techniques employed are: a) assuming 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 to the air.

Management is proposing that some of the closure work will be performed by Town staff. The three main factors that are yet to be determined which effect the closure and post-closure costs are: a) how leachate will be managed at the site, b) how landfill gas will be managed, and c) what material(s) will be used for capping the landfill. The Town has installed a small gas collection system on part of the landfill, and is considering expanding this system to the remainder of the landfill. The last two issues (leachate management and the capping materials) are still to be determined by the DEP as a 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>School</u>	<u>Grades</u>	<u>Occupied</u>	<u>Renovation</u>	<u>Classrooms</u>	Enrollment	<u>Capacity</u>
					<u>10/1/08</u>	
Roger Wolcott Early Child Center	Pre-K-K	1996		16	232	350
Clover Street Elementary School	K-5	1957	1988	27	323	517
Poquonock Elementary School	K-5	1947	1958,1980,1988	27	303	546
J.F. Kennedy Elementary School	K-5	1965	1988	28	370	546
Oliver Ellsworth Elementary School	K-5	1971		31	420	660
Sage Park Middle School	6-8	1969	1993	50	912	1,250
Windsor High School	9-12	1952	1977,2000	<u>86</u>	<u>1,406</u>	<u>1,500</u>
Total				<u>265</u>	<u>3,966</u>	<u>5,369</u>

Source: Superintendent of Schools

School Enrollments

<u>School Year</u> (1)	Actual				
	<u>Pre-K-5</u>	<u>6-8</u>	<u>9-12</u>	<u>Spec. Ed.</u>	<u>Total</u>
1999-00	2,023	1,083	1,376	-0- (2)	4,482
2000-01	1,935	1,070	1,510	51	4,566
2001-02	1,860	1,069	1,462	76	4,467
2002-03	1,813	1,107	1,468	64	4,452
2003-04	1,779	1,098	1,495	40	4,412
2004-05	1,825	1,023	1,486	40	4,374
2005-06	1,775	993	1,472	40	4,280
2006-07	1,702	967	1,481	-0- (2)	4,150
2007-08	1,683	923	1,492	-0- (2)	4,098
2008-09	1,648	912	1,406	-0- (2)	3,966
<u>School Year</u> (1)	Projected				
	<u>K-5</u>	<u>6-8</u>	<u>9-12</u>	<u>Spec. Ed.</u>	<u>Total</u>
2009-10	1,579	867	1,399	-0- (2)	3,845
2010-11	1,530	888	1,319	-0- (2)	3,737
2011-12	1,504	875	1,286	-0- (2)	3,665
2012-13	1,479	877	1,242	-0- (2)	3,598
2013-14	1,471	831	1,241	-0- (2)	3,543

(1) As of October 1.

(2) Special education students included in grade totals.

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

Municipal Employment

<u>Fiscal Year</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Board of Education	673.10	668.00	675.00	684.00	666.00	688.60	679.00
General Government	167.50	164.75	165.25	170.09	174.25	167.75	174.75
Grant and Enterprise Funded	<u>23.50</u>	<u>26.50</u>	<u>26.50</u>	<u>27.25</u>	<u>33.05</u>	<u>28.25</u>	<u>28.75</u>
Total	<u>864.10</u>	<u>859.25</u>	<u>866.75</u>	<u>881.34</u>	<u>873.30</u>	<u>884.60</u>	<u>882.50</u>

Source: Town Officials.

Municipal Employees by Category

<u>Department</u>	<u>Number of Employees</u>
<u>General Government</u>	
Administrative Services	18.50
Development Services	16.00
Community Development	2.00
Human Services	7.00
Recreation Services	7.00
Health Services	4.00
Information Services	3.00
Library Services	10.00
Public Works	33.00
Safety Services	64.00
Town Manager	<u>3.00</u>
General Government subtotal	167.50
Grant Enterprise Personnel	<u>23.50</u>
General Government Total	<u>191.00</u>
<u>Board of Education</u>	
Administration and Principals	30.00
Teachers	378.00
Pupil Personnel (Psychologists, Social Workers, Speech Clinicians)	29.70
Secretaries/Paraprofessionals	107.00
Nurses	9.40
Non-Bargaining Employees	24.00
Custodial/Maintenance	<u>38.00</u>
Board of Education subtotal	616.10
Food Service	57.00
Grant Funded	<u>-0-</u>
Board of Education Total	<u>673.10</u>
Grand Total	<u>864.10</u>

Source: Town Officials.

Municipal Employees Bargaining Organizations

Municipal Employees' Bargaining Organizations (1)

<u>Employees</u>	<u>Organization</u>	<u>Employees Covered</u>	<u>Current Contract Expiration Date</u>
General Government			
Police	Windsor Police Department Employees Association	48	6/30/12
Public Works/ Clerical	International Brotherhood of Teamsters, Local 671	45	6/30/08 (2)
Dispatchers	United Public Service Employees Union (UPSEU) Local 424, Unit 10	7	6/30/11
Board of Education			
Teachers	Windsor Education Association, CEA	412	6/30/10
Administrators	Windsor School Administrators' and Supervisors' Assoc.	30	6/30/10
Nurses	Windsor School Nurses' Assoc., CSEA	9	6/30/10
Paraprofessionals	Windsor Paraprofessional Employees' Assoc., NAGE	99	6/30/10
Secretaries	CSEA AFL-CIO Administrative Support Staff	30	6/30/11
School Employees	Windsor School Employees' Union, NAGE (Custodial, Maintenance, and Cafeteria Employees)	56	6/30/10

(1) The negotiation of collective bargaining agreements is subject to binding arbitration under Connecticut Statutes.

(2) 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 7, 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 20,000, Windsor ranks fifth among Hartford area communities in non-retail employment. The major employers include ING, Hartford Life, Alstom, Stanadyne, Northeast Utilities, American Airlines, Westinghouse, Konica Minolta, Bank of America, Aetna, Sun Life Financial, and Permasteelisa. Windsor has become a haven for foreign-owned companies in the Hartford area. Sixteen companies from Europe and Asia employ more than 3,000 persons here.

Between 2000 and 2008, Windsor experienced substantial growth. More than four million square feet of new retail (300,000 SF), office (1.2 million SF), and industrial/distribution (2.5 million SF) space was constructed during this period. 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 are:

- Northeast Utilities, 165,000 SF customer service and data center for Connecticut Light and Power, Western Massachusetts Electric and Yankee Gas.
- New Target Store, expanded retail, restaurant and bank at I-91 exit 39.
- New Price-Chopper supermarket, restaurant and retail at I-91 exit 38.
- Walgreens Northeast Distribution Center, a 900,000 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 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 was opened in the fall of 2008 and employs 1,500 persons.
- Travelers Insurance completed the purchase and \$20 million renovation of the 182,000 SF former manufacturing plant into a national insurance claim training facility (Travelers Claim University). The company will train more than 8,500 claims agents each year at this site.
- Hyatt Summerfield Suites, a 132-room extended stay hotel on Corporate Drive, will open in April of 2009.

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 and to manage transportation demand. The Plan of Conservation and Development has been modified to encourage mixed-use developments in the Day Hill Road Corporate Area that will enhance the value of existing space and provide opportunities for new workforce housing. The Redevelopment Agency is actively pursuing redevelopment of key properties and planning for development to support and benefit from commuter rail service expansion in the town center.

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

<u>Year</u>	<u>Town of Windsor</u>	<u>Hartford County</u>	<u>State of Connecticut</u>
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
2007	28,754	876,824	3,502,309

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

Age Characteristics of Population

	<u>Town of Windsor</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5 years of age	1,692	6.0	223,344	6.6
5-19 years of age	5,838	20.7	702,358	20.6
20-64 years of age	16,617	58.8	2,009,680	59.0
Over 65 years of age	4,090	14.5	470,183	13.8
Total	<u>28,237</u>	<u>100.0</u>	<u>3,405,565</u>	<u>100.0</u>

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Selected Wealth and Income Indicators

	<u>Median Family Income</u>			<u>Per Capita Income</u>		
	<u>(1990)</u>	<u>(2000)</u>	<u>% Increase</u>	<u>(1990)</u>	<u>(2000)</u>	<u>% Increase</u>
Town of Windsor	\$55,400	\$73,064	31.9	\$19,592	\$27,633	41.0
Hartford County	48,008	62,144	29.5	18,983	26,047	37.2
Connecticut	49,199	65,521	33.2	20,189	28,766	42.5
United States	35,353	49,600	40.3	14,617	21,690	48.4

Source: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census.

Income Distribution

	<u>Town of Windsor</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ 0 to 9,999	125	1.6	33,423	3.8
10,000 to 14,999	80	1.0	23,593	2.7
15,000 to 24,999	343	4.5	63,262	7.1
25,000 to 34,999	488	6.4	75,413	8.5
35,000 to 49,999	1,063	13.9	120,134	13.6
50,000 to 74,999	1,901	24.8	198,924	22.5
75,000 to 99,999	1,580	20.7	141,981	16.0
100,000 to 149,999	1,438	18.8	132,177	14.9
150,000 to 199,999	373	4.9	42,472	4.8
200,000 or more	259	3.4	54,368	6.1
	<u>7,650</u>	<u>100.0</u>	<u>885,747</u>	<u>100.0</u>

Source: U.S. Department of Commerce, Bureau of the Census, 2000 Census.

Educational Attainment

	Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9 th grade	807	4.1	132,917	5.8
9 th to 12 th grade	1,597	8.2	234,739	10.2
High School graduate	5,804	29.7	653,300	28.4
Some college - no degree	3,904	20.0	402,741	17.5
Associate degree	1,377	7.0	150,926	6.6
Bachelor's degree	3,474	17.8	416,751	18.2
Graduate or professional degree	<u>2,569</u>	<u>13.2</u>	<u>304,243</u>	<u>13.3</u>
Totals	<u>19,532</u>	<u>100.0</u>	<u>2,295,617</u>	<u>100.0</u>
Total high school graduate or higher		87.7%		84.0%
Total bachelor's degree or higher		30.9%		31.4%

Source: U. S. Department of Commerce, Bureau of Census, 2000.

Employment by Industry

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries	34	0.2	1,398	0.3	7,445	0.5
Construction	620	4.2	20,863	5.1	99,913	6.0
Manufacturing:	1,895	12.8	58,973	14.3	246,607	14.8
Wholesale	558	3.8	13,839	3.4	53,231	3.2
Retail trade	1,312	8.8	43,795	10.7	185,633	11.2
Transportation, warehousing, utilities	997	6.7	16,816	4.1	64,662	3.9
Information	348	2.3	10,908	2.7	55,202	3.3
Finance, insurance, real estate	2,354	15.9	55,987	13.6	163,568	9.8
Professional, scientific, management, administrative	1,287	8.7	37,216	9.1	168,334	10.1
Educational, health, social services	3,066	20.6	88,992	21.6	366,568	22.0
Arts, entertainment, recreation accommodation, food	783	5.3	24,363	5.9	111,424	6.7
Other professional services	586	4.0	17,598	4.3	74,499	4.5
Public Administration	<u>994</u>	<u>6.7</u>	<u>20,023</u>	<u>4.9</u>	<u>67,354</u>	<u>4.0</u>
Total	<u>14,834</u>	<u>100.0</u>	<u>410,771</u>	<u>100.0</u>	<u>1,664,440</u>	<u>100.0</u>

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

Major Employers

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Estimated Number of Employees</u>
ING	Insurance and Financial Services	2,000
Hartford Life	Financial Services	1,450
Alstom Power Systems	North America HQ - engineering and customer service	1,250
Town of Windsor	Government/education	864
Northeast Utilities	Utility	600
Stanadyne, Inc.	Manufacturer of precision machine products	550
American Airlines	Air transport (East coast reservation office)	550
Westinghouse Electric Co.	Nuclear power engineering	520
Permasteelisa	Curtain wall design and manufacturer	400
Cigna	Insurance (Data center)	400

Source: Town of Windsor

Unemployment Rate Statistics

<u>Yearly Average</u>	<u>Town of Windsor</u>	<u>Hartford Labor Market</u>	<u>State of Connecticut</u>	<u>United States</u>
1999	3.0%	3.3%	3.2%	4.2%
2000	1.9	2.4	2.3	4.0
2001	3.0	3.3	3.3	4.8
2002	4.3	4.5	4.3	5.8
2003	6.0	5.9	5.5	5.8
2004	4.9	5.2	4.9	5.5
2005	4.8	5.3	5.1	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

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

Number and Value of Building Permits

<u>Fiscal Year Ending 6/30</u>	<u>Residential</u> (1)		<u>Non-Residential</u>		<u>All Other</u> (2)		<u>Total</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2009 (3)	16	\$ 2,123,248	251	\$ 40,090,017	760	\$ 7,594,363	1,027	\$ 49,807,628
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	2,002	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
2002	455	16,054,752	261	32,041,036	1,278	17,628,867	1,994	65,724,655
2001	526	11,027,527	277	55,969,237	1,157	40,195,652	1,960	107,192,416
2000	529	13,963,342	246	14,225,221	1,046	14,517,398	1,821	42,705,961

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

(2) "All Other" for fiscal years 1994-95 to 2001-02 represents the number of electrical, plumbing, heating and other permits which are paid for separately, and therefore are not included in the figures for "Residential" and "Non-Residential" construction permits.

(3) As of February 28, 2009.

Source: Town of Windsor, Office of Building Inspections.

Number of Dwelling Units

<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>	<u>% Increase 1990-2000</u>	<u>% Increase 1970-2000</u>
10,900	10,279	8,793	6,658	6.0%	63.7%

Source: 1970-1990 U.S. Department of Commerce, Bureau of Census; 2000, Capital Region Council of Governments.

Characteristics of Housing Units

<u>Value of Owner Occupied Units</u>	<u>Town of Windsor</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$ 0 to \$ 50,000	61	0.8	1,226	0.5	5,996	0.8
50,000 to 99,999	937	11.8	27,699	9.1	85,221	11.7
100,000 to 149,999	3,554	44.6	67,455	39.2	212,010	29.1
150,000 to 199,999	2,371	29.8	43,460	28.8	156,397	21.5
200,000 to 299,999	821	10.3	30,950	18.3	137,499	18.9
300,000 to 499,999	196	2.5	11,427	3.6	79,047	10.9
500,000 to 999,999	9	0.1	2,465	0.3	38,168	5.2
1,000,000 and over	<u>12</u>	<u>0.2</u>	<u>334</u>	<u>0.0</u>	<u>13,906</u>	<u>1.9</u>
Total	<u>7,951</u>	<u>100.0</u>	<u>185,016</u>	<u>100.0</u>	<u>728,244</u>	<u>100.0</u>
Median Value	\$142,200	-	\$147,300	-	\$166,900	-

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

Age Distribution of Housing

<u>Year Structure Built</u>	<u>Town of Windsor</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1939 or earlier	1,814	16.6	308,896	22.3
1940 to 1959	2,862	26.3	359,042	25.9
1960 to 1969	1,524	14.0	212,176	15.4
1970 to 1979	1,997	18.3	203,377	14.7
1980 to 1989	1,910	17.5	183,405	13.2
1990 to 1994	458	4.2	56,058	4.0
1995 to 1998	274	2.5	47,028	3.4
1999 to March 2000	<u>61</u>	<u>0.6</u>	<u>15,993</u>	<u>1.1</u>
Total housing units, 2000	<u>10,900</u>	<u>100.0</u>	<u>1,385,975</u>	<u>100.0</u>

Source: U.S. Department of Commerce, Bureau of Census, Census 2000.

Breakdown of Land Use

<u>Land Use Category</u>	<u>Total Acreage By Zoning</u> (1)		<u>Developed Acreage By Land Use</u>		<u>Undeveloped Acreage</u>	
	<u>Zoning</u> (1)	<u>Percent</u>	<u>Land Use</u>	<u>Percent</u>	<u>Acreage</u>	<u>Percent</u>
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)	<u>4,609.06</u>	<u>28.0</u>	<u>2,267.46</u>	<u>22.0</u>	<u>2,341.60</u>	<u>38.0</u>
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 April 17, 2009 (Pro Forma)

Total Fiscal Year 2008 tax collections (including interest and lien fees)	\$71,305,318
Wilson and Windsor Fire Districts	392,053
State Reimbursement for Revenue Loss on:	
Tax Relief for the Elderly	<u>2,000</u>
Base for Establishing Debt Limit	<u><u>\$71,699,371</u></u>

Debt Limit (1)

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit Funding</u>	<u>Total Debt</u>
(2.25 times base)	\$161,323,585					
(4.50 times base)		\$322,647,170				
(3.75 times base)			\$268,872,642			
(3.25 times base)				\$233,022,956		
(3.00 times base)					\$215,098,113	
(7.00 times base)						\$501,895,597

Indebtedness (Including the Bonds)

Bonds Payable	\$ 19,240,420	\$ 21,107,580	\$ -0-	\$ -0-	\$ -0-	\$ 40,348,000
The Refunded Bonds	(8,857,460)	(9,882,540)	-0-	-0-	-0-	(18,740,000)
The Bonds - Series A & B	8,806,000	9,819,000	-0-	-0-	-0-	18,625,000
Notes Payable	2,345,000	-0-	-0-	-0-	-0-	2,345,000
Authorized but Unissued Debt (2)	340,000	-0-	-0-	-0-	-0-	340,000
Overlapping and Underlying Debt (3)	<u>43,487</u>	<u>-0-</u>	<u>10,480,020</u>	<u>-0-</u>	<u>-0-</u>	<u>10,523,507</u>
Total Indebtedness	21,917,447	21,044,040	10,480,020	-0-	-0-	53,441,507
School grants receivable (4)	<u>-0-</u>	<u>(1,253,304)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,253,304)</u>
Total Net Indebtedness	<u>21,917,447</u>	<u>19,790,736</u>	<u>10,480,020</u>	<u>-0-</u>	<u>-0-</u>	<u>52,188,203</u>
Excess of Limit Over Outstanding and Authorized Debt	<u>\$139,406,138</u>	<u>\$302,856,434</u>	<u>\$258,392,622</u>	<u>\$233,022,956</u>	<u>\$215,098,113</u>	<u>\$449,707,394</u>

- (1) Under Connecticut General Statutes, Town debt cannot exceed \$501,895,597 or seven times the debt limit base.
- (2) Connecticut General Statutes provide for the exclusion from the debt limitation of any authorized projects for which no debt has been issued. Accordingly, certain authorized but unissued debt has been excluded in above calculations. Please see "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.
- (3) Overlapping debt as of April 17, 2009 and underlying debt as of June 30, 2008. (See "Overlapping and Underlying Indebtedness" herein).
- (4) The Town anticipates receiving State of Connecticut principal subsidy grants in the amount of \$1,253,304 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 April 17, 2009 (Pro Forma)

Bonded Indebtedness (1)	
The Refunding Bonds – <i>Series A & B</i>	\$18,625,000
The Refunded Bonds	(18,740,000)
General Purpose	19,240,420
School Purpose	<u>21,107,580</u>
Total Bonded Indebtedness	40,233,000
Bond Anticipation Notes	<u>2,345,000</u>
Total Direct Indebtedness	42,578,000
Exclusions (State School Building Grants Receivable) (2)	(1,253,304)
Total Net Direct Indebtedness	41,324,696
Underlying and Net Overlapping Indebtedness	
Underlying Debt (3)	43,487
Net Overlapping Debt (Metropolitan District Commission) (3)	<u>10,480,020</u>
Total Underlying and Net Overlapping Indebtedness	<u>10,523,507</u>
Total Net Direct and Net Overlapping Indebtedness	<u>\$51,848,203</u>

- (1) Does not include authorized but unissued debt of \$340,000. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.
- (2) Includes \$1,253,304 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 debt as of April 17, 2009 and underlying debt as of June 30, 2008. (See "Overlapping and Underlying Indebtedness" herein).

Current Debt Ratios

As of April 17, 2009 (Pro Forma)

Total Direct Indebtedness (1)	\$42,578,000
Net Direct Indebtedness (1)	\$41,324,696
Net Direct and Net Overlapping Indebtedness (1)	\$51,848,203
Population (2)	28,754
Net Taxable Grand List (10/1/07)	\$2,590,683,323
Estimated Full Value	\$4,804,679,753
Equalized Net Taxable Grand List (2006) (3)	\$4,553,843,709
Per Capita Income (1999) (4)	\$27,633
Total Direct Indebtedness:	
Per Capita	\$1,480.77
To Net Taxable Grand List	1.64%
To Estimated Full Value	0.89%
To Equalized Net Taxable Grand List	0.93%
Per Capita to Per Capita Income	5.36%
Net Direct Indebtedness:	
Per Capita	\$1,437.18
To Net Taxable Grand List	1.60%
To Estimated Full Value	0.86%
To Equalized Net Taxable Grand List	0.91%
Per Capita to Per Capita Income	5.20%
Net Direct and Net Overlapping Indebtedness:	
Per Capita	\$1,803.16
To Net Taxable Grand List	2.00%
To Estimated Full Value	1.08%
To Equalized Net Taxable Grand List	1.14%
Per Capita to Per Capita Income	6.53%

- (1) Excludes Refunded Bonds, includes the Bonds.
- (2) U. S. Bureau of Census.
- (3) Office of Policy and Management, State of Connecticut
- (4) U.S. Department of Commerce, Bureau of Census, Census 2000.

Historical Debt Statement

	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
Population (1)	28,754	28,658	28,658	28,634	28,597
Net taxable grand list	\$2,401,788,440	\$2,303,286,906	\$2,284,745,107	\$2,243,767,090	\$1,836,550,760
Estimated full value	\$4,627,723,391	\$4,059,370,649	\$3,800,307,896	\$3,205,381,557	\$3,559,206,899
Equalized net taxable grand list (2)	\$4,553,843,709	\$4,152,615,880	\$3,744,909,821	\$3,264,253,914	\$3,402,721,292
Per capita income (3)	\$27,633	\$27,633	\$27,633	\$27,633	\$27,633
Short-term debt	\$ 2,345,000	\$ 1,950,000	\$ 0	\$ 0	\$ 1,705,000
Long-term debt	<u>43,743,000</u>	<u>44,225,000</u>	<u>46,475,000</u>	<u>48,140,000</u>	<u>45,515,000</u>
Total Direct Indebtedness	\$46,088,000	\$46,175,000	\$46,475,000	\$48,140,000	\$47,220,000
Net Direct Indebtedness	\$44,494,963	\$44,068,454	\$43,857,578	\$44,760,171	\$43,386,236
Net Direct and Net Overlapping Indebtedness	\$55,591,631	\$50,961,238	\$51,603,137	\$52,998,992	\$51,074,390

(1) U. S. Bureau of Census.

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

(3) U.S. Department of Commerce, Bureau of Census, Census 2000.

Historical Debt Ratios

	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
Total Direct Indebtedness:					
Per capita	\$1,602.84	\$1,611.24	\$1,621.71	\$1,681.22	\$1,651.22
To net taxable grand list	1.92%	2.00%	2.03%	2.15%	2.57%
To estimated full value	1.00%	1.14%	1.22%	1.50%	1.33%
To equalized net taxable grand list	1.01%	1.11%	1.24%	1.47%	1.39%
Debt per capita to per capita income	5.80%	5.83%	5.87%	6.08%	5.98%
Net Direct Indebtedness:					
Per capita	\$1,547.44	\$1,537.74	\$1,530.38	\$1,563.18	\$1,517.16
To net taxable grand list	1.85%	1.91%	1.92%	1.99%	2.36%
To estimated full value	0.96%	1.09%	1.15%	1.40%	1.22%
To equalized net taxable grand list	0.98%	1.06%	1.17%	1.37%	1.28%
Debt per capita to per capita income	5.60%	5.56%	5.54%	5.66%	5.49%
Net Direct and Net Overlapping Indebtedness:					
Per capita	\$1,933.35	\$1,778.26	\$1,800.65	\$1,850.91	\$1,786.01
To net taxable grand list	2.31%	2.21%	2.26%	2.36%	2.78%
To estimated full value	1.20%	1.26%	1.36%	1.65%	1.43%
To equalized net taxable grand list	1.22%	1.23%	1.38%	1.62%	1.50%
Debt per capita to per capita income	7.00%	6.44%	6.52%	6.70%	6.46%

Outstanding Short-Term Indebtedness

The Town has \$2,345,000 in bond anticipation notes outstanding that mature on June 25, 2009. (See "Authorized but Unissued Debt" herein).

Overlapping and Underlying Indebtedness

Metropolitan District Commission:

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

<u>Amount of Outstanding Debt</u>	<u>Less Exclusions (1)</u>	<u>Total Net Overlapping Debt</u>	<u>Applicable % of Net Debt Charged to Town</u>	<u>Town Net Overlapping Debt (2)</u>
\$201,272,125	\$83,519,096	\$117,753,029	8.90%	\$10,480,020

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

(2) As of April 17, 2009.

On March 6, 2006, the Board of Commissioners of the MDC agreed to enter into an SSO abatement Consent Decree with the EPA, DOJ and CT DEP. Under the terms of the Consent Decree, the MDC is required to eliminate SSO's in the towns of Windsor, Wethersfield and Rocky Hill within seven years, and in the towns of West Hartford and Newington within twelve years. The Consent Decree carries a penalty of \$850,000 of which \$425,000 would be paid to the EPA and \$425,000 would be paid to the CT DEP.

The MDC currently estimates the total cost of the Long Term SSO Control Plan at \$1.6 billion. The MDC is pursuing more than 50% of the funding from state and federal sources, with the remainder expected from General Obligation Bonds. The Metropolitan District adopted a Special Sewer Service Surcharge, a dedicated user fee based on sewer flow, to finance the debt service related to the \$800 million referendum. The revenue from the special sewer service surcharge is in a dedicated reserve fund, established by the District Board, to specifically fund the debt service from the \$800 million referendum. In November 2006, the MDC received voter approval in each of the member towns for Phase 1 of the project in the amount of \$800 million to cover the first six years of the program.

Fire Districts:

Windsor has two underlying special tax districts, Wilson Fire District and Windsor Fire District. As of June 30, 2008 the Windsor Fire District had \$43,487 of outstanding debt and the Wilson Fire District had 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 eight 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 2009-2014 Plan projects a total of \$123,867,251 in projects. A copy of the most recent capital improvement program is available from the Town Manager's Office.

Authorized but Unissued Debt

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

<u>Project</u>	<u>Total Bond Authorization</u>	<u>Prior Bonds Issued</u>	<u>Paydowns / Grants</u>	<u>Notes Maturing June 25, 2009</u>	<u>Authorized But Unissued</u>
2006 International Drive Infrastructure Improvements	\$1,950,000	\$ -0-	\$(500,000)	\$1,450,000	\$ -0-
Day Hill Road Pavement Reconstruction Project	1,879,000	984,000	-0-	895,000	-0-
Batchelder Road Causeway Improvements Project	<u>1,215,000</u>	<u>875,000</u>	<u>-0-</u>	<u>-0-</u>	<u>340,000</u> (1)
Total All Projects	<u>\$5,044,000</u>	<u>\$1,759,000</u>	<u>\$(500,000)</u>	<u>\$2,345,000</u>	<u>\$ 340,000</u>

(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 April 17, 2009 (Pro Forma)

<u>Fiscal Year</u>	<u>Principal (1,2) Payments</u>	<u>Interest Payments</u>	<u>Total (1,2) Payments</u>	<u>Refunded Bonds Principal Payments</u>	<u>The Bonds Principal Payments</u>	<u>Total (1,3) Principal</u>
2009	\$ 4,363,000	\$ 1,694,235	\$ 6,057,235	\$ -0-	\$ -0-	\$ 4,363,000
2010	4,435,000	1,491,199	5,926,199	(315,000)	380,000	4,500,000
2011	4,460,000	1,309,573	5,769,573	(2,760,000)	2,655,000	4,355,000
2012	4,200,000	1,144,868	5,344,868	(2,505,000)	2,170,000	3,865,000
2013	3,695,000	992,758	4,687,758	(2,170,000)	1,915,000	3,440,000
2014	3,360,000	860,973	4,220,973	(1,795,000)	1,845,000	3,410,000
2015	3,125,000	745,516	3,870,516	(1,540,000)	1,570,000	3,155,000
2016	3,135,000	616,950	3,751,950	(1,535,000)	1,555,000	3,155,000
2017	2,645,000	505,346	3,150,346	(1,245,000)	1,700,000	3,100,000
2018	2,450,000	401,191	2,851,191	(1,240,000)	1,710,000	2,920,000
2019	2,090,000	307,399	2,397,399	(1,235,000)	1,720,000	2,575,000
2020	2,075,000	222,870	2,297,870	(905,000)	1,405,000	2,575,000
2021	1,305,000	152,813	1,457,813	(340,000)	-0-	965,000
2022	895,000	105,823	1,000,823	(340,000)	-0-	555,000
2023	675,000	67,579	742,579	(115,000)	-0-	560,000
2024	485,000	39,338	524,338	(350,000)	-0-	135,000
2025	<u>350,000</u>	<u>16,800</u>	<u>366,800</u>	<u>(350,000)</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$43,743,000</u>	<u>\$10,675,231</u>	<u>\$54,418,231</u>	<u>\$(18,740,000)</u>	<u>\$18,625,000</u>	<u>\$43,628,000</u>

(1) Does not reflect principal payments of \$3,395,000 made as of April 17, 2009.

(2) Includes Refunded Bonds, excludes the Bonds.

(3) Includes the Bonds, excludes Refunded Bonds.

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 Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" 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, 2008, 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 2007 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 principals 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 2, 2009	Monday	Public Hearing by Town Council to hear budget requests from citizens.
March 31, 2009	Tuesday	Estimated receipts and expenditures submitted to Council by Town Manager and Board of Education. (Proposed Budget)
April 2, 2009	Thursday	Public Hearing by Council to hear expression of public opinion regarding budget submitted to Council by Town Manager and Board of Education.
May 12, 2009	Tuesday	Annual Town Budget Referendum held; budget adopted.
May 18, 2009	Monday	Regular Town Council Meeting; Council sets tax rate.

June 19, 2009	Friday	Tax bill mailing completed.
June 30, 2009	Tuesday	End of Fiscal Year.
July 1, 2009	Wednesday	Taxes for 2009-10 fiscal year due and payable; fiscal year 2009-10 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, 2007 actual valuation, the actuarial value of assets and actuarial liabilities for the PERS plan were as follows:

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)
7/1/2003	\$37,973,828	\$32,146,951	\$5,826,877	118.1%
7/1/2004	40,520,462	34,163,256	6,357,206	118.6
7/1/2005	42,994,540	37,665,616	5,328,924	114.2
7/1/2006	45,594,279	41,130,295	4,463,984	110.9
7/1/2007	48,961,596	43,855,272	5,106,324	111.7

Schedule of Employer Contributions

Year Ended June 30	Actuarial Required Contribution	Percentage Contributed
2005	\$763,468	100
2006	789,843	100
2007	737,493	100
2008	827,855	100
2009 (1)	834,453	

(1) As budgeted for fiscal year commencing July 1, 2008.

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 has budgeted \$557,680 for its share of the PERS cost for the fiscal year ending June 30, 2009.

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 11 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, 2008 was \$770,766. The cost for the fiscal year ending June 30, 2009 is projected to be \$834,560. 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 is \$66,013,000.

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 will be implemented in fiscal year 2009-10. Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review. 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 assessor's clerk and 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 (1) Grand List	Tax Rate (In Mills)	Total Adjusted Tax Levy	Collected	Uncollected Taxes	
				End of Each FY	End of Each FY	As of 6/30/08
2009 (2)	\$2,590,683,323	29.3 (2)	\$75,856,433 (2)	In Process	In Process	N/A
2008	2,401,788,440	29.3	70,937,721	98.8%	\$864,604	\$ 864,604
2007	2,303,286,906	29.3	68,003,214	98.7	905,941	327,561
2006	2,284,745,107	28.7	66,125,430	98.8	767,326	24,647
2005	2,243,767,090	28.8	65,083,579	98.9	716,790	12,905
2004	1,836,550,760	33.6	62,034,181	98.8	770,071	6,902
2003	1,768,511,335	32.6	58,464,014	98.5	875,797	7,657
2002	1,712,678,000	31.2	53,896,626	98.7	713,609	4,628
2001	1,650,906,160	29.7	49,308,632	98.7	627,301	4,355
2000	2,044,129,510	22.7	46,572,130	98.9	465,978	5,967

(1) The Town's last revaluation was effective 10/01/2008. (See "Assessments Practices" herein).

(2) Adopted budget for the fiscal year commencing July 1, 2008. (See "Budgetary Procedures" herein).

Source: Town Officials.

Taxable Grand List (1)

Grand List Dated	Real Estate Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List (1)
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
10/01/00	1,323,220,360	277,806,160	159,544,150	1,760,570,670	47,892,670	1,712,678,000
10/01/99	1,299,027,870	244,392,210	155,774,410	1,699,194,490	48,288,330	1,650,906,160
10/01/98	1,671,442,280	280,677,090	142,034,580	2,094,153,950	50,024,440	2,044,129,510

(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 10/01/2003). The prior revaluation 10/01/99 grand list was implemented in full effective 10/01/1999. (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, 2007:

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	Total Assessment As of 10/1/07	Estimated Taxes Payable
Walgreens	Distribution Center	\$113,459,740	\$ 3,324,370
Griffin Land & Affiliates	Real Estate Development	50,310,970	1,474,111
IBM & Affiliates	Information Technology	41,733,079	1,222,779
Cigna	Insurance Data Processing	38,418,037	1,125,648
Northeast Utilities	Power Distributor	38,021,937	1,114,043
Ferraina & Affiliates	Real Estate Development	32,481,104	951,696
Advo, Inc	Print Advertising	24,714,933	724,148
ABB Combustion	Nuclear & Fossil Fuel Boilers	20,750,086	607,978
Aetna Life Insurance	Insurance Company	20,479,767	600,057
Windsor Marriot	Hotel & Conference Center	19,903,213	583,164
Total		<u>\$400,272,866</u> (1)	<u>\$11,727,994</u> (2)

(1) Represents 15.5% of the net taxable grand list of \$2,590,683,323 dated October 1, 2007.

(2) Represents 15.5% of the total adjusted tax levy of \$75,856,433 adopted budget for fiscal year 2008-09.

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 2004-2008, 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>	Tax Revenues as a <u>% Total Revenues</u>
2009 (Adopted Budget)	\$95,806,940	\$76,456,028	79.80%
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	66.08
2004	80,076,489	62,484,349	64.50
2003	75,416,324	58,684,319	63.33
2002	71,999,736	54,072,438	60.16
2001	66,627,331	49,514,476	58.77
2000	62,513,178	46,723,633	58.67

Source: Annual audited financial statements for fiscal years 2000-2008 and adopted budget for fiscal year 2008-09.

Intergovernmental Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Federal and State Aid</u>	<u>Aid As a Percentage of General Fund Revenue</u>
2009 (Adopted Budget)	\$95,806,940	\$14,968,922	15.62%
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
2002	71,999,736	13,048,202	18.12
2001	66,627,331	12,461,117	18.70
2000	62,513,178	11,784,270	18.85

Source: Annual audited financial statements for fiscal years 2000-2008 and adopted budget for fiscal year 2008-09.

Expenditures (1)

<u>Fiscal Year</u>	<u>Education</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>
2009 (Adopted Budget)	66.70%	14.85%	8.58%	5.47%
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
2002	71.83	9.45	8.74	5.63
2001	71.00	9.60	8.87	6.13
2000	71.15	8.65	8.97	6.99

(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 2000-2008 and adopted budget for fiscal year 2008-09.

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

	Fiscal Year 2007-08			Fiscal Year
	Final Budget	Actual	Variance Favorable (Unfavorable)	2008-09 Adopted Budget
REVENUES				
Property Taxes	\$70,920,742	\$71,336,266	\$ 415,524	\$76,456,028
Licenses and permits	800,220	1,266,000	465,780	720,460
Fines, forfeitures and penalties	13,150	45,308	32,158	22,000
Other agencies	657,021	725,868	68,847	632,348
Intergovernmental	13,896,437	15,241,567	1,345,130	14,968,922
Revenue from use of assets	2,274,389	2,176,306	(98,083)	2,222,512
Charges for services	<u>1,093,656</u>	<u>1,201,086</u>	<u>107,430</u>	<u>784,670</u>
TOTAL REVENUES	<u>89,655,615</u>	<u>91,992,401</u>	<u>2,336,786</u>	<u>\$95,806,940</u>
EXPENDITURES				
General government	916,448	874,292	42,156	\$ 896,820
Safety services	7,749,789	7,736,317	13,472	8,224,460
Public works	5,043,977	4,819,264	224,713	5,238,220
Health services	433,960	411,765	22,195	456,460
Human services	862,300	838,625	23,675	926,540
Recreation & Leisure services	852,908	852,766	142	1,310,810
Board of Education	56,759,748	56,751,886	7,862	59,546,260
Town support for education	1,492,760	1,444,920	47,840	4,361,720
Library services	1,408,147	1,400,557	7,590	1,488,030
Development services	1,618,875	1,542,524	76,351	1,717,585
Information services	402,445	398,178	4,267	419,000
Administrative services	1,846,890	1,740,616	106,274	1,930,920
Community development	25,000	25,000	-0-	25,000
General services	<u>4,453,525</u>	<u>4,418,440</u>	<u>35,085</u>	<u>9,265,115</u>
TOTAL EXPENDITURES	<u>83,866,772</u>	<u>83,255,150</u>	<u>611,622</u>	<u>\$95,806,940</u>
Revenues over expenditures	<u>5,788,843</u>	<u>8,737,251</u>	<u>2,948,408</u>	
OTHER FINANCING SOURCES (USES):				
Transfers in	-0-	-0-	-0-	
Transfers out	<u>(7,949,387)</u>	<u>(7,949,387)</u>	<u>-0-</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,949,387)</u>	<u>(7,949,387)</u>	<u>-0-</u>	
Net change in budgetary fund balance	<u>\$(2,160,544)</u>	787,864	<u>\$2,948,408</u>	
Budgetary Fund Balance – Beginning		<u>12,922,409</u>		
Budgetary Fund Balance - Ending		<u>\$13,710,273</u>		

Source: Annual audited financial statements for fiscal year 2007-08 and adopted budget for fiscal year 2008-09.

Comparative Balance Sheets - General Fund

ASSETS	2004	2005	2006	2007	2008
Cash and cash equivalents	\$11,612,467	\$13,936,179	\$15,250,380	\$16,913,748	\$19,229,173
Receivables:					
Property taxes	841,470	834,880	908,562	1,087,489	1,068,109
Accounts receivable	780	130,000	85,863	231,940	68,770
Intergovernmental and other	-0-	-0-	2,617,422	2,106,546	1,593,038
Due from other funds	-0-	73,159	648,502	-0-	413,997
Inventory	13,423	18,931	29,913	40,713	40,758
TOTAL ASSETS	<u>\$12,468,140</u>	<u>\$14,993,149</u>	<u>\$19,540,642</u>	<u>\$20,380,436</u>	<u>\$22,413,845</u>
LIABILITIES					
Accounts payable and accruals	\$ 3,908,250	\$ 2,329,964	\$ 1,780,097	\$ 1,393,510	\$ 2,299,268
Due to other funds	-0-	517,137	512,365	369,460	675,973
Advance tax collections	-0-	-0-	2,873,100	1,993,914	3,089,965
Deferred revenue	838,950	2,621,277	3,351,482	3,012,974	2,477,869
TOTAL LIABILITIES	<u>4,747,200</u>	<u>5,468,378</u>	<u>8,517,044</u>	<u>6,769,858</u>	<u>8,543,075</u>
FUND BALANCES					
Reserved for:					
Encumbrances	284,233	503,304	726,819	688,169	160,497
Inventory	13,423	18,931	29,913	40,713	40,758
Loan guarantee	196,983	150,000	150,000	-0-	-0-
Unreserved:					
Designated for other purposes	-0-	-0-	-0-	612,700	500,000
Unreserved and undesignated	7,226,301	8,852,536	10,116,866	12,268,996	13,169,515
TOTAL FUND BALANCES	<u>7,720,940</u>	<u>9,524,771</u>	<u>11,023,598</u>	<u>13,610,578</u>	<u>13,870,770</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$12,468,140</u>	<u>\$14,993,149</u>	<u>\$19,540,642</u>	<u>\$20,380,436</u>	<u>\$22,413,845</u>

Source: Annual audited financial statements.

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

REVENUES	2004	2005	2006	2007	2008
Property Taxes	\$62,484,349	\$65,305,954	\$66,518,496	\$68,138,291	\$71,336,266
Charges for Services	3,146,693	3,079,993	3,162,515	4,914,403	3,037,786
State and Federal governments	13,957,572	14,183,961	15,976,226	17,014,499	19,912,200
Investment income	417,409	841,653	1,853,283	2,380,276	1,753,149
Other	70,466	-0-	-0-	-0-	-0-
TOTAL REVENUES	<u>80,076,489</u>	<u>83,411,561</u>	<u>87,510,520</u>	<u>92,447,469</u>	<u>96,039,401</u>
EXPENDITURES					
Education	50,267,028	52,661,871	55,393,395	57,431,966	61,406,479
Public safety	6,107,630	6,593,190	7,366,144	7,453,284	7,900,906
Human services	683,705	1,308,975	1,253,026	1,114,448	1,182,827
Culture and recreation	2,104,715	1,863,880	1,879,482	2,075,378	2,243,064
Public works	3,954,048	4,582,396	4,726,344	5,115,106	5,245,661
General Government	6,518,188	8,410,570	9,067,545	9,527,818	9,850,885
TOTAL EXPENDITURES	<u>69,635,314</u>	<u>75,420,882</u>	<u>79,685,936</u>	<u>82,718,000</u>	<u>87,829,822</u>
Revenues over expenditures	10,441,175	7,990,679	7,824,584	9,729,469	8,209,579
Net Transfers out	(9,603,560)	(6,186,848)	(6,325,757)	(7,142,489)	(7,949,387)
State teachers' on-behalf payments	-0-	-0-	-0-	-0-	(16,336,000)
State teachers' on-behalf payments	-0-	-0-	-0-	-0-	16,336,000
Change in fund balances	837,615	1,803,831	1,498,827	2,586,980	260,192
Fund Balance - Beginning	6,883,325	7,720,940	9,524,771	11,023,598	13,610,578
Fund Balance - Ending	<u>\$ 7,720,940</u>	<u>\$ 9,524,771</u>	<u>\$11,023,598</u>	<u>\$13,610,578</u>	<u>\$13,870,770</u>

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, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, financial information, operating data, and notices of material events with respect to the Bonds. The Underwriter'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.

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. 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

Upon delivery of the Bonds, the Underwriter will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened effecting the validity of the Bonds 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 Interim 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 the Bond Purchase Agreement was signed, 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. Receipts for the purchase price of the Bonds;
4. The approving opinions of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut;
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached to the Official Statement as Appendix C; and
6. Within seven business days of the execution of the Bond Purchase Agreement, the Town will furnish the Underwriter a reasonable number of copies of the Official Statement, as prepared by the Town.

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 Interim 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.

This Official Statement is submitted only in connection with the sale of the Bonds 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
Interim Finance Director

Dated: March 26, 2009

APPENDIX A – FINANCIAL STATEMENTS

TOWN OF WINDSOR, CONNECTICUT

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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, 2008 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.

McGladrey & Pullen

Certified Public Accountants

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 as of and for the year ended June 30, 2008, 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, 2008, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary information for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 30, 2008 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 on pages 3 through 11 is not a required part of the basic financial statements, but is 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 introductory section, budgetary detail, combining and individual nonmajor fund statements, capital assets schedule, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements and schedules, capital asset schedule and other schedules have 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 sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has 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 30, 2008

**Town of Windsor, Connecticut
Management's Discussion and Analysis
June 30, 2008**

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, 2008. 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 \$81.1 million. Total net assets for Governmental Activities at fiscal year-end were \$89.1 million, which was an increase of \$.8 million. Total net (deficits) for Business-Type Activities were (\$7.9 million), which was a decrease of \$2.7 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 \$109.0 million (an increase of \$6.1 million), while revenues were \$112.5 million, an increase of \$4.4 million.
- ◆ At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$26.4 million, an increase of \$1.7 million from the prior fiscal year. Of the total fund balance as of June 30, 2008, \$23.2 million is the combined unreserved and undesignated fund balance in the general fund, special revenue funds, capital projects funds and debt service fund.
- ◆ At the end of the current fiscal year, the total fund balance for the general fund alone was \$13.9 million, an increase of \$.2 million from the prior fiscal year. Of the total General Fund balance as of June 30, 2008, \$13.2 million represents unreserved, undesignated General Fund fund balance. Unreserved, undesignated General Fund fund balance at year-end represents 13.7% of total FY08 General Fund expenditures and transfers, and 13.6% of FY09 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, Child Development operation, and the Adult Caring Connection operation. 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 nine (9) 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 both of 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, Other Special Revenue Funds, J. Bartash Trust Fund, Treehouse Funds, and Debt Service. The report provides individual fund data for each of these non-major governmental funds in the combining balance sheets on pages 58-59 and in the combining statement of revenues, expenditures and changes in fund balance on pages 60-61.

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 18.

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, Child Development, and Adult Caring Connection operations.

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 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 Adult Caring Connection and Child Development operation 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 19-21 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 22-23 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 24 to 56 of this report.

The notes to this report also contain certain supplementary information concerning the Town of Windsor's funding its obligation to provide pension benefits to its employees.

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 \$89.1 million on June 30, 2008, which was an increase of \$797 thousand.

TOWN OF WINDSOR CONNECTICUT
NET ASSETS (\$000's)
June 30, 2008 and 2007

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2007-08</u>
Current and other assets	\$ 41,650	\$ 40,688	\$ 26,306	\$ 22,834	\$ 67,956	\$ 63,522	7.0%
Capital assets, net of accumulated depreciation	101,744	102,320	221	325	101,965	102,645	-0.7%
Total Assets	143,394	143,008	26,527	23,159	169,921	166,167	2.3%
Current liabilities	14,820	14,225	1,715	1,972	16,535	16,197	2.1%
Long-term liabilities outstanding	39,510	40,516	32,739	31,801	72,249	72,317	-0.1%
Total Liabilities	54,330	54,741	34,454	33,773	88,784	88,514	0.3%
Net Assets (Deficits):							
Invested in capital assets, net of related debt	59,635	58,558	221	325	59,856	58,883	1.7%
Unrestricted	29,429	29,709	(8,148)	(10,939)	21,281	18,770	13.4%
Total Net Assets (Deficits)	\$ 89,064	\$ 88,267	\$ (7,927)	\$ (10,614)	\$ 81,137	\$ 77,653	4.5%

At the end of the current fiscal year, the Town of Windsor is able to report positive balances of \$81.1 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 used to acquire those assets that is still outstanding. 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, 2008 and 2007

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2007-08
Revenues:							
Program Revenues:							
Charges for services	\$ 6,371	\$ 8,385	\$ 5,459	\$ 5,767	\$ 11,830	\$ 14,152	-16.4%
Operating grants and contributions	23,485	17,512	-	-	23,485	17,512	34.1%
Capital grants and contributions	54	1,159	-	-	54	1,159	-95.3%
General Revenues:							
Property taxes	71,319	69,017	-	-	71,319	69,017	3.3%
Grants not restricted to specific programs	2,588	2,627	-	-	2,588	2,627	-1.5%
Unrestricted investment earnings	2,142	2,681	1,084	778	3,226	3,459	-6.7%
Total revenues	105,959	101,381	6,543	6,545	112,502	107,926	4.2%
Expenses:							
General Government	12,369	11,124	-	-	12,369	11,124	11.2%
Culture & Recreation	3,933	3,579	-	-	3,933	3,579	9.9%
Human Services	1,476	1,394	-	-	1,476	1,394	5.9%
Public Works	7,901	7,830	-	-	7,901	7,830	0.9%
Education	68,567	64,184	-	-	68,567	64,184	6.8%
Public Safety	9,157	8,896	-	-	9,157	8,896	2.9%
Interest expense	1,759	1,566	-	-	1,759	1,566	12.3%
Landfill	-	-	2,049	2,636	2,049	2,636	-22.3%
Child Development	-	-	1,197	1,112	1,197	1,112	7.6%
Adult Caring Connection	-	-	610	567	610	567	7.6%
Total expenses	105,162	98,573	3,856	4,315	109,018	102,888	6.0%
Excess of revenues over expenses before transfers	797	2,808	2,687	2,230	3,484	5,038	-30.8%
Extraordinary Item:							
State teachers' on-behalf payments	(16,336)	-	-	-	(16,336)	-	100.0%
State teachers' on-behalf revenues	16,336	-	-	-	16,336	-	100.0%
Total extraordinary item	-	-	-	-	-	-	-
Change in net assets	797	2,808	2,687	2,230	3,484	5,038	-30.8%
Net assets (deficits)-beginning	88,267	85,459	(10,614)	(12,844)	77,653	72,615	6.9%
Net assets (deficits)-ending	\$ 89,064	\$ 88,267	\$ (7,927)	\$ (10,614)	\$ 81,137	\$ 77,653	4.5%

Governmental Activities

Approximately 67.8% of the revenues came from property taxes, followed by 24.7% from State and Federal Government program revenues, then 7.5% from other revenue sources.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2008 were based on Town's tax rate remaining the same at 29.30 mills and an increase in the total assessed value of all taxable property of \$98,501,540 or 4.3% from the previous year.
- ◆ Increase in State School Aid of \$1,254,516 and Telecommunications tax of \$62,209.
- ◆ Increase in building permit revenue of \$450,250.

For Governmental Activities, approximately 65.2% for 2008 of the Town's expenses relate to education (versus 65.1% in FY07), 8.7% (versus 9.0% in FY07) relate to public safety, 11.8% (vs. 11.3% in FY07) to general government, 7.5% (vs. 8.0% in FY07) relate to public works, 3.7% (vs. 3.7% in FY07) to culture and recreation, 1.4% to human services (vs. 1.4% in FY07), and 1.7% (vs. 1.6% in FY07) to interest on long-term debt.

Major expense factors include:

- ◆ Increases in Town employee wages ranged from approximately 3.00 – 4.17%, resulting from negotiated step and general wage increases.
- ◆ Employee health insurance costs for town employees rose approximately 5.9%, dental costs dropped approximately 36%, and prescription costs dropped approximately 4.2%.
- ◆ The cost of education services increased, due to wage settlements, employee health insurance cost increases, special education cost increases, and program enhancements.

Business-Type Activities

- ◆ There was a net gain in Business Type Activities of \$2.69 million. This was due primarily to an increase in charges for services, an increase in investment earnings and the landfill activity.

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

As of the end of the current fiscal year, the Town of Windsor's governmental funds reported combined ending fund balances of \$26.4 million, an increase from \$24.8 million the previous year. Approximately 87.5% of the total fund balance constitutes unreserved, undesignated fund balance. The remainder of the

fund balance is reserved or designated, which indicates that it is not available for new spending because it has already been committed for other items such as encumbrances.

The General Fund is the chief operating fund of the Town of Windsor. At the end of the current fiscal year, unreserved undesignated fund balance of the General Fund was \$13.1 million, while total fund balance reached \$13.9 million (compared to \$12.3 million and \$13.6 million in FY07). As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 13.7% of total General Fund expenditures, while total fund balance represents 14.5% of that same amount.

As stated earlier, the fund balance of the Town of Windsor's General Fund increased by approximately \$260 thousand during the current fiscal year. Key factors in this increase are as follows:

- ◆ Property tax receipts were \$415 thousand above budgeted estimates.
- ◆ Revenue from unrestricted interest earnings were \$72 thousand above budgeted estimates; building permits were \$465 thousand above budgeted estimates; and special education tuition charges were \$110 thousand above budgeted estimates.

The Capital Projects Fund has a total fund balance of \$6.9 million (\$5.9 million is unreserved, undesignated) up from a balance of \$6.3 million in the prior year (\$5.0 million in unreserved). The increase is explained by \$.4 million of new bond anticipation note proceeds and transfers in versus \$2.6 million in the prior 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 (deficit) of the Landfill Fund at the end of the year were approximately \$(8.9) million with unrestricted net (deficit) of approximately \$(9.1) million compared to \$(11.5) million and \$(11.8) million in the prior year. The Landfill Fund had a net gain during the year of approximately \$2.6 million compared with a net gain of \$2.1 million in the prior year. This is due primarily to the capacity change and the accrual of landfill closure cost.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was approximately \$1.56 million. The additional appropriations approved during the year are summarized below:

- ◆ An additional appropriation of \$500,000 to the debt service fund; \$487,700 to fund a road infrastructure project; \$29,294 for a CL&P claim, \$125,000 for a culvert replacement; and \$400,000 for an open space fund project.

During the year, actual revenues, on a budgetary basis were approximately \$92.0 million, which was more than budgetary estimates by approximately \$2.3 million. The major variances in revenues were increases in unrestricted interest earnings over estimates of \$72 thousand; increases in building permit revenue over estimates of \$450 thousand; increases in State education aid grants over estimates of \$1.3 million.

Actual expenditures and transfers out on a budgetary basis and other financing uses totaled \$91.2 million, below actual revenues on a budgetary basis by approximately \$788 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, 2008, amounted to \$102.1 million (net of accumulated depreciation) compared to \$102.6 million in the prior fiscal year. This slight decrease 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, 2008**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 4,388	\$ -	\$ 4,388
Construction in Progress	3,975	-	3,975
Buildings and improvements	69,578	134	69,712
Infrastructure	20,864	-	20,864
Machinery and equipment	2,938	87	3,025
Total	\$ 101,743	\$ 221	\$ 101,964

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

- ◆ 2006 International Drive Infrastructure improvements
- ◆ Day Hill Road Reconstruction

Additional information on the Town of Windsor's capital assets can be found in Note 5 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$43.7 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, 2008**

	Governmental Activities
General obligation bonds	\$ 43,743,000

The Town of Windsor's total debt decreased by \$482 thousand or 1.1% during the current fiscal year compared to a 4.8% decrease in the prior year. During FY08, the Town issued \$3.743 million of new bonds.

The Town of Windsor maintains an Aa2 rating from Moody's Investors Service, and was upgraded to a rating of AAA from Standard & Poor's.

The overall statutory debt limit for the Town of Windsor is equal to seven times annual receipts from taxation or \$499.2 million, up from \$477.0 million. As of June 30, 2008, the Town recorded long-term debt of \$43.7 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 8 of this report.

Economic Factors

The Town of Windsor has not been immune to the effects of the national economic downturn. As of October 2008, the unemployment rate for the Windsor Labor Market Area was 5.9%, up from 4.2% in the prior year.

The economy is showing continued declines and fiscal stress. Nevertheless, the Town of Windsor is has tried to position itself to deal with the present economic situation. The FY08 budget realized some increases in interest income mitigating the effect of some of the budget increases. With an overwhelming reliance on property taxes, Windsor's income stream may prove to be rather stable, even during a recession. This lack of diversity does represent a long-term problem for all Connecticut municipalities as those most vulnerable to a specific tax rebel against its increase. The Town's high quality tax base (a diverse mix of business, rather than reliance on a few large employers) lends even more stability to the Town's revenue. The Town has had an active 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. This increased development will lend itself to an increase in the valuation in coming years. Statistics on growth for the last ten years is available in the statistical section of this CAFR.

Requests for Information

The financial report is designed to provide a general overview of the Town of Windsor's finances for all those with an interest in the government's finances. 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, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 36,513,868	\$ 26,073,032	\$ 62,586,900
Receivables:			
Property taxes, net of allowance for collection losses	1,068,109	-	1,068,109
Accounts receivable	500,030	-	500,030
Customer receivables	8,178	382,490	390,668
Federal and state governments	1,712,442	-	1,712,442
Community rehabilitation loans, net	1,535,035	-	1,535,035
Inventories	48,724	-	48,724
Internal balances	150,000	(150,000)	-
Deferred charges	114,965	-	114,965
Capital assets, not being depreciated	8,363,713	-	8,363,713
Capital assets, being depreciated, net of depreciation	93,379,745	221,335	93,601,080
Total assets	143,394,809	26,526,857	169,921,666
Liabilities			
Accounts payable and accruals	4,029,033	322,119	4,351,152
BANS Payable	2,345,000	-	2,345,000
Accrued interest payable	553,640	-	553,640
Advance tax collections	3,089,965	-	3,089,965
Unearned revenues	239,586	28,596	268,182
Noncurrent liabilities:			
Due within one year	4,563,466	1,364,128	5,927,594
Due in more than one year	39,509,638	32,739,075	72,248,713
Total liabilities	54,330,328	34,453,918	88,784,246
Net Assets (Deficits)			
Investment in capital assets, net of related debt	59,634,623	221,335	59,855,958
Unrestricted (deficit)	29,429,858	(8,148,396)	21,281,462
Total net assets (deficits)	\$ 89,064,481	\$ (7,927,061)	\$ 81,137,420

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

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

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	\$ (12,368,532)	\$ 2,960,987	\$ 3,484,538	\$ -	\$ (5,923,007)	\$ -	\$ (5,923,007)
Culture & recreation	(3,932,257)	852,132	77,013	-	(3,003,112)	-	(3,003,112)
Human services	(1,475,799)	106,330	174,974	-	(1,194,495)	-	(1,194,495)
Public works	(7,900,922)	66,075	205,717	-	(7,629,130)	-	(7,629,130)
Education	(68,566,869)	1,797,684	19,477,942	54,135	(47,237,108)	-	(47,237,108)
Public safety	(9,157,357)	588,112	65,236	-	(8,504,009)	-	(8,504,009)
Interest expense	(1,759,337)	-	-	-	(1,759,337)	-	(1,759,337)
Total governmental activities	(105,161,073)	6,371,320	23,485,420	54,135	(75,250,198)	-	(75,250,198)
Business-type activities:							
Landfill	(2,048,943)	3,645,534	-	-	-	1,596,591	1,596,591
Child development	(1,197,174)	1,168,468	-	-	-	(28,706)	(28,706)
Adult caring connection	(610,401)	645,399	-	-	-	34,998	34,998
Total business-type activities	(3,856,518)	5,459,401	-	-	-	1,602,883	1,602,883
Total primary government	\$ (109,017,591)	\$ 11,830,721	\$ 23,485,420	\$ 54,135	(75,250,198)	1,602,883	(73,647,315)
General revenues:							
Property taxes					71,318,509	-	71,318,509
Grants and contributions not restricted to specific programs					2,587,585	-	2,587,585
Unrestricted investment earnings					2,141,587	1,084,475	3,226,062
Total general revenues					76,047,681	1,084,475	77,132,156
Extraordinary:							
State teachers' on-behalf payments					(16,336,000)	-	(16,336,000)
State teacher's on-behalf revenue					16,336,000	-	16,336,000
					-	-	-
Change in net assets					797,483	2,687,358	3,484,841
Net assets (deficits) - beginning					88,266,998	(10,614,419)	77,652,579
Net assets (deficits) - ending					\$ 89,064,481	\$ (7,927,061)	\$ 81,137,420

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

TOWN OF WINDSOR, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2008

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 19,229,173	\$ 9,379,347	\$ 4,023,219	\$ 32,631,739
Receivables (net of allowances for collection losses):				
Property taxes	1,068,109	-	-	1,068,109
Accounts receivable	68,770	200,000	231,260	500,030
State and Federal governments	1,593,038	-	119,404	1,712,442
Community rehabilitation loans, net	-	-	1,535,035	1,535,035
Due from other funds	413,997	150,000	600,858	1,164,855
Inventories	40,758	-	7,966	48,724
Total assets	\$ 22,413,845	\$ 9,729,347	\$ 6,517,742	\$ 38,660,934
Liabilities				
Accounts payable and accrued liabilities	\$ 2,299,268	\$ 440,537	\$ 230,969	\$ 2,970,774
BANS Payable	-	2,345,000	-	2,345,000
Advanced tax collection	3,089,965	-	-	3,089,965
Unearned revenues	-	-	239,586	239,586
Deferred revenues	2,477,869	-	-	2,477,869
Due to other funds	675,973	-	413,997	1,089,970
Total liabilities	8,543,075	2,785,537	884,552	12,213,164
Fund balances				
Reserved for:				
Encumbrances	160,497	1,046,673	-	1,207,170
Inventories	40,758	-	7,966	48,724
Loans	-	-	1,535,035	1,535,035
Unreserved/designated for:				
Future appropriations	500,000	-	-	500,000
Unreserved/undesignated, reported in:				
General Fund	13,169,515	-	-	13,169,515
Special revenue funds	-	-	3,773,977	3,773,977
Capital projects funds	-	5,897,137	-	5,897,137
Debt service fund	-	-	316,212	316,212
Total fund balances	13,870,770	6,943,810	5,633,190	26,447,770
Total liabilities and fund balances	\$ 22,413,845	\$ 9,729,347	\$ 6,517,742	

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.	101,743,458
Deferred charges	114,965
Deferred revenues are not available and therefore not recognized in the funds.	2,477,869
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(44,073,104)
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.	2,907,163
Accrued interest payable	(553,640)
Net assets of governmental activities	\$ 89,064,481

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, 2008

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
REVENUES				
Property taxes	\$ 71,336,266	\$ -	\$ -	\$ 71,336,266
State and Federal governments	19,912,200	2,263,665	4,468,623	26,644,488
Charges for services	3,037,786	-	2,992,118	6,029,904
Investment income	1,753,149	239,159	149,279	2,141,587
Other	-	289,950	590,922	880,872
Total revenues	96,039,401	2,792,774	8,200,942	107,033,117
EXPENDITURES				
Current:				
Education	61,406,479	-	5,166,024	66,572,503
General government	9,850,885	-	618,319	10,469,204
Culture and recreation	2,243,064	-	1,275,816	3,518,880
Human services	1,182,827	-	273,469	1,456,296
Public safety	7,900,906	-	680,036	8,580,942
Public works	5,245,661	-	254,670	5,500,331
Debt service:				
Principal retirements	-	-	4,225,000	4,225,000
Interest and other charges	-	-	1,823,015	1,823,015
Capital outlay	-	6,974,255	-	6,974,255
Total expenditures	87,829,822	6,974,255	14,316,349	109,120,426
Revenues over (under) expenditures	8,209,579	(4,181,481)	(6,115,407)	(2,087,309)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,112,700	6,836,687	7,949,387
Transfers out	(7,949,387)	-	-	(7,949,387)
Issuance of debt	-	3,743,000	-	3,743,000
Total other financing sources (uses)	(7,949,387)	4,855,700	6,836,687	3,743,000
EXTRAORDINARY ITEM				
State teachers' on-behalf payments (Note 15)	(16,336,000)	-	-	(16,336,000)
State teachers' on-behalf revenue (Note 15)	16,336,000	-	-	16,336,000
Total Extraordinary Item	-	-	-	-
Change in fund balances	260,192	674,219	721,280	1,655,691
FUND BALANCES, beginning	13,610,578	6,269,591	4,911,910	24,792,079
FUND BALANCES, ending	\$ 13,870,770	\$ 6,943,810	\$ 5,633,190	\$ 26,447,770

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, 2008**

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

Net change in fund balances – total governmental funds	\$ 1,655,691
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.	(576,453)
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(535,105)
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.	481,688
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.	241,432
The net loss of certain activities of internal service funds is reported with governmental activities.	<u>(469,770)</u>
Change in net assets of governmental activities	<u>\$ 797,483</u>

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

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BUDGETARY
 FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 70,920,742	\$ 70,920,742	\$ 71,336,266	\$ 415,524
Licenses and permits	800,220	800,220	1,266,000	465,780
Fines, forfeitures and penalties	13,150	13,150	45,308	32,158
Other agencies	657,021	657,021	725,868	68,847
Intergovernmental	13,896,437	13,896,437	15,241,567	1,345,130
Revenues from use of assets	2,274,389	2,274,389	2,176,306	(98,083)
Charges for services	1,093,656	1,093,656	1,201,086	107,430
Total revenues	89,655,615	89,655,615	91,992,401	2,336,786
EXPENDITURES				
Current:				
General government	873,655	916,448	874,292	42,156
Safety Service	7,734,650	7,749,789	7,736,317	13,472
Public works	5,018,205	5,043,977	4,819,264	224,713
Health Services	433,960	433,960	411,765	22,195
Human Services	862,300	862,300	838,625	23,675
Recreation and Leisure Services	1,168,825	852,908	852,766	142
Education	56,874,840	56,759,748	56,751,886	7,862
Town support for education	4,637,610	1,492,760	1,444,920	47,840
Library services	1,407,500	1,408,147	1,400,557	7,590
Development services	1,618,875	1,618,875	1,542,524	76,351
Information services	402,445	402,445	398,178	4,267
Administrative services	1,850,890	1,846,890	1,740,616	106,274
Community development	25,000	25,000	25,000	-
General services	7,346,860	4,453,525	4,418,440	35,085
Total expenditures	90,255,615	83,866,772	83,255,150	611,622
Revenues over (under) expenditures	(600,000)	5,788,843	8,737,251	2,948,408
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(7,949,387)	(7,949,387)	-
Total other financing sources (uses)	-	(7,949,387)	(7,949,387)	-
Net change in budgetary fund balance	\$ (600,000)	\$ (2,160,544)	787,864	\$ 2,948,408
BUDGETARY FUND BALANCE, beginning			<u>12,922,409</u>	
BUDGETARY FUND BALANCE, ending			<u>\$ 13,710,273</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, 2008

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 24,968,172	\$ 1,104,860	\$ 26,073,032	\$ 3,882,129
Receivables:				
Customer receivables, net	274,072	108,418	382,490	8,178
Due from other funds	-	-	-	75,115
Total current assets	25,242,244	1,213,278	26,455,522	3,965,422
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	181,842	39,493	221,335	-
Total noncurrent assets	181,842	39,493	221,335	-
Total assets	25,424,086	1,252,771	26,676,857	3,965,422
LIABILITIES				
Current liabilities:				
Accounts payable	207,735	114,384	322,119	47,255
Accrued claims payable	-	-	-	1,011,004
Accrued post closure costs	1,364,128	-	1,364,128	-
Unearned revenue	-	28,596	28,596	-
Due to other funds	-	150,000	150,000	-
Total current liabilities	1,571,863	292,980	1,864,843	1,058,259
Noncurrent liabilities:				
Accrued post closure costs	32,739,075	-	32,739,075	-
Total noncurrent liabilities	32,739,075	-	32,739,075	-
Total liabilities	34,310,938	292,980	34,603,918	1,058,259
NET ASSETS (DEFICITS)				
Invested in capital assets	181,842	39,493	221,335	-
Unrestricted	(9,068,694)	920,298	(8,148,396)	2,907,163
Total net assets (deficits)	\$ (8,886,852)	\$ 959,791	\$ (7,927,061)	\$ 2,907,163

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, 2008

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES				
User charges	\$ 3,645,534	\$ 1,813,867	\$ 5,459,401	\$ 5,919,655
Total operating revenues	<u>3,645,534</u>	<u>1,813,867</u>	<u>5,459,401</u>	<u>5,919,655</u>
OPERATING EXPENSES				
Operations and maintenance	1,972,220	1,780,770	3,752,990	6,495,629
Depreciation	76,723	26,805	103,528	-
Total operating expenses	<u>2,048,943</u>	<u>1,807,575</u>	<u>3,856,518</u>	<u>6,495,629</u>
Operating income (loss)	<u>1,596,591</u>	<u>6,292</u>	<u>1,602,883</u>	<u>(575,974)</u>
NONOPERATING REVENUES				
Interest income	1,022,912	61,563	1,084,475	106,204
Net income (loss)	<u>2,619,503</u>	<u>67,855</u>	<u>2,687,358</u>	<u>(469,770)</u>
NET ASSETS (DEFICITS), beginning	<u>(11,506,355)</u>	<u>891,936</u>	<u>(10,614,419)</u>	<u>3,376,933</u>
NET ASSETS (DEFICITS), ending	<u>\$ (8,886,852)</u>	<u>\$ 959,791</u>	<u>\$ (7,927,061)</u>	<u>\$ 2,907,163</u>

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, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor		Total Fund	Activities
	Landfill	Enterprise Funds		Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 3,602,164	\$ 1,821,578	\$ 5,423,742	\$ 5,914,312
Payments to suppliers	(737,947)	(640,295)	(1,378,242)	(6,428,186)
Payments to employees	(595,371)	(1,101,727)	(1,697,098)	-
Net cash provided by (used in) operating activities	2,268,846	79,556	2,348,402	(513,874)
Cash Flows From Noncapital Financing Activities				
Payment of due to other funds	-	(30,000)	(30,000)	8,853
Cash Flows From Investing Activities				
Interest received	1,022,912	61,563	1,084,475	106,204
Net cash provided by investing activities	1,022,912	61,563	1,084,475	106,204
Net increase (decrease) in cash and cash equivalents	3,291,758	111,119	3,402,877	(398,817)
Cash and Cash Equivalents				
Beginning	21,676,414	993,741	22,670,155	4,280,946
Ending	<u>\$ 24,968,172</u>	<u>\$ 1,104,860</u>	<u>\$ 26,073,032</u>	<u>\$ 3,882,129</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ 1,596,591	\$ 6,292	\$ 1,602,883	\$ (575,974)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	76,723	26,805	103,528	-
Changes in assets and liabilities:				
(Increase) decrease in receivable accounts	(43,370)	4,687	(38,683)	(5,343)
(Decrease) increase in accounts payable	(338,391)	38,748	(299,643)	(166,995)
Increase in accrued liabilities	977,293	-	977,293	234,438
Increase in unearned revenue	-	3,024	3,024	-
Net cash provided by (used in) operating activities	\$ 2,268,846	\$ 79,556	\$ 2,348,402	\$ (513,874)

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, 2008

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,308,403	\$ 1,120,989
Investments, at fair value		
Common and preferred stock	10,378,154	-
Bonds and notes	15,236,124	-
Equity mutual funds	18,873,035	-
Corporate debt	1,562,760	-
Total investments	<u>46,050,073</u>	<u>-</u>
Other receivables	350,768	-
Total assets	<u>47,709,244</u>	<u>1,120,989</u>
LIABILITIES		
Accounts payable	-	1,120,989
Net Assets Held in Trust for Pension Benefits and Other Purposes	<u>\$ 47,709,244</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, 2008

	Pension Trust Fund
Additions	
Contributions	
Employer	\$ 827,855
Plan members	362,849
Total contributions	<u>1,190,704</u>
Investment Income	
Net depreciation in fair value of investments	(4,444,144)
Interest and dividends	1,709,942
	<u>(2,734,202)</u>
Less investment expenses:	
Investment management fees	171,600
	<u>171,600</u>
Net investment income (loss)	<u>(2,905,802)</u>
Total additions (losses)	<u>(1,715,098)</u>
Deductions	
Benefits	1,986,141
	<u>1,986,141</u>
Change in net assets	<u>(3,701,239)</u>
Net Assets	
Beginning of year	51,410,483
	<u>51,410,483</u>
End of year	<u>\$ 47,709,244</u>

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (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.

The Town reports the following major governmental funds.

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

The *Capital Project Fund* accounts for the proceeds of specific general obligation bonds for various projects to further develop the Town.

The Town reports the following major proprietary fund:

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Additionally, the Town reports the following fund types:

Internal Service Funds account for all general health, auto, fire and workers' compensation insurance activity, including premiums and claims.

The *Pension Trust Funds*, fiduciary funds, account for the activities of the Town's deferred pension benefit plan which accumulate 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, scholarships and escrows.

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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Property taxes

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

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

Cash and cash equivalents

The Town classifies money market funds, 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 CDBG for the primary government 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 using the lower of cost or market 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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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 ranging from \$5,000 to \$75,000 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.

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 in the Special Revenue Funds as the loan proceeds are advanced, net of an allowance for collectible accounts.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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 reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Risks and uncertainties

The Town invests in various securities, including commercial paper and government-sponsored enterprises. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and activities.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Landfill closure and postclosure

The Town accounts for the cost and estimated costs for closure and postclosure care costs in its Landfill Fund. The Landfill Fund is an enterprise fund. Enterprise funds account for a portion of the estimated total current costs of landfill closure and postclosure 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.

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 a reservation of fund balance as they do not constitute either expenditures or liabilities.

All other General Fund appropriations lapse at year-end.

Fund equity and 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).

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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.

In the governmental fund financial statements, fund balances are classified in three separate categories. The categories, and their general meanings, are as follows:

Reserved fund balance – indicates that portion of fund equity which has been legally segregated for specific purposes or not available for appropriation.

Unreserved/Designated fund balance – indicates that portion of fund equity for which the Town has made tentative plans.

Unreserved/Undesignated fund balance – indicates that portion of fund equity which is available for appropriation and expenditure in future periods, or if a deficit for which future funding will be required.

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 \$44,073,104 difference are as follows:

Bonds payable	\$ 43,743,000
Compensated absences	801,866
Deferred loss on refunding, net of amortization	(744,762)
Deferred premiums on refunding, net of amortization	273,000
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	\$ 44,073,104
	<hr/> <hr/>

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(576,453) difference are as follows:

Capital outlay	\$	5,163,481
Depreciation expense		<u>(5,739,934)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>(576,453)</u></u>

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 \$481,688 difference are as follows:

Debt issued or incurred:		
Issuance of general obligation bonds	\$	(3,743,000)
Deferred charges related to refunding		(8,844)
Principal repayments:		
General obligation debt		4,225,000
Premiums and deferred loss on refunding		<u>8,532</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>481,688</u></u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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 \$241,432 difference are as follows:

Compensated absences	\$	177,440
Accrued interest		63,992
		<hr/>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$	241,432
		<hr/> <hr/>

Note 3. 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.
- D. The original budget for expenditures, encumbrances and other financing uses was increased by approximately \$1,600,000 as a result of fund balance and revenue appropriations during the year ended June 30, 2008. The additional appropriations were approved in accordance with the Town Charter.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

- 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	\$ 96,039,401	\$ 95,779,209
State Teachers Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(4,047,000)	(4,047,000)
Encumbrances:		
June 30, 2007	-	(688,169)
June 30, 2008	-	160,497
Balance, budgetary basis	<u>\$ 91,992,401</u>	<u>\$ 91,204,537</u>

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

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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Note 4. Cash, Cash Equivalents and Investments

Deposits: The Town has a policy that deposits can include demand and 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 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).

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

- 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, 2008, approximately \$26,556,000 of the Town's bank balance of approximately \$30,007,000 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and the pension trust funds do not have custodial credit risk policies for investments.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Cash and investments of the Town consist of the following at June 30, 2008:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 26,981,780
State of Connecticut Short-Term Investment fund	37,655,502
Tax Exempt Proceeds Fund	379,010
Total cash and cash equivalents	<u>65,016,292</u>
Pension Trust Funds:	
U.S. Government Securities	7,338,537 *
U.S. Government Agencies	7,897,587 *
Corporate Debt	1,562,760 *
Common and Preferred Stocks	10,378,154 *
Equity Mutual Funds	18,873,035
Total pension investments	<u>46,050,073</u>
Total cash, cash equivalents and investments	<u>\$ 111,066,365</u>

* These investments are uninsured and unregistered, with securities held by the counterparty, but not 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	<u>\$ 62,586,900</u>
Fiduciary Funds:	
Cash and cash equivalents	2,429,392
Investments	46,050,073
	<u>48,479,465</u>
Total cash and investments	<u>\$ 111,066,365</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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	\$ 7,338,537	\$ -	\$ 6,185,565	\$ 1,152,972
U.S. Government Agencies	7,897,587	-	5,803,524	2,094,063
Corporate Debt	1,562,760	1,562,760	-	-
Pooled Fixed Income	38,034,512	38,034,512	-	-
Total	\$ 54,833,396	\$ 39,597,272	\$ 11,989,089	\$ 3,247,035

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. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Pooled Fixed Income	U.S. Government Agencies	Corporate Debt
AAA	\$ -	\$ 7,897,587	\$ 754,853
AAAm	37,655,502	-	-
AA-	-	-	807,907
Unrated	379,010	-	-
Total	\$ 38,034,512	\$ 7,897,587	\$ 1,562,760

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,388,005	\$ -	\$ -	\$ 4,388,005
Construction in progress	251,021	3,724,687	-	3,975,708
Total capital assets, not being depreciated	<u>4,639,026</u>	<u>3,724,687</u>	<u>-</u>	<u>8,363,713</u>
Capital assets, being depreciated:				
Buildings and improvements	115,585,057	114,652	-	115,699,709
Machinery and equipment	16,694,950	536,374	-	17,231,324
Infrastructure	84,801,852	787,768	-	85,589,620
Total capital assets being depreciated	<u>217,081,859</u>	<u>1,438,794</u>	<u>-</u>	<u>218,520,653</u>
Less accumulated depreciation for:				
Buildings and improvements	42,874,664	3,247,074	-	46,121,738
Machinery and equipment	13,695,731	597,445	-	14,293,176
Infrastructure	62,830,579	1,895,415	-	64,725,994
Total accumulated depreciation	<u>119,400,974</u>	<u>5,739,934</u>	<u>-</u>	<u>125,140,908</u>
Total capital assets, being depreciated, net	<u>97,680,885</u>	<u>(4,301,140)</u>	<u>-</u>	<u>93,379,745</u>
Governmental activities				
capital assets, net	<u>\$ 102,319,911</u>	<u>\$ (576,453)</u>	<u>\$ -</u>	<u>\$ 101,743,458</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 388,711	\$ -	\$ -	\$ 388,711
Machinery and equipment	3,089,310			3,089,310
Total capital assets, being depreciated	<u>3,478,021</u>	-	-	<u>3,478,021</u>
Less accumulated depreciation for:				
Buildings and improvements	248,480	5,478	-	253,958
Machinery and equipment	2,904,678	98,050	-	3,002,728
Total accumulated depreciation	<u>3,153,158</u>	103,528	-	<u>3,256,686</u>
Total business-type capital assets, net	<u>\$ 324,863</u>	<u>\$ (103,528)</u>	<u>\$ -</u>	<u>\$ 221,335</u>

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

Board of Education	\$ 2,320,615
General Government	41,371
Culture and Recreation	419,634
Human Services	8,237
Public Works	2,394,317
Public Safety	<u>555,760</u>
Total depreciation expense – governmental activities	<u>\$ 5,739,934</u>
Business-type activities:	
Landfill	\$ 76,723
Adult Caring Connection	<u>26,805</u>
Total depreciation expense – business-type activities	<u>\$ 103,528</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 6. 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, 2008 is presented below:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 413,997	\$ 675,973
Capital Projects	150,000	-
Non-Major Governmental Funds	600,858	413,997
Non-Major Enterprise Funds	-	150,000
Internal Service Fund	75,115	-
	<u>\$ 1,239,970</u>	<u>\$ 1,239,970</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, 2008 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ -	\$ 7,949,387
Capital Projects	1,112,700	-
Non-Major Governmental Funds	6,836,687	-
	<u>\$ 7,949,387</u>	<u>\$ 7,949,387</u>

Transfers are used to account for financing by the General Fund of programs accounted for in other funds in accordance with budgetary amortizations.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 7. 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
Property taxes	\$ 884,831	\$ -
School construction grant receivable	1,593,038	-
Grant drawdowns prior to meeting all eligibility requirements	-	239,586
Total	\$ 2,477,869	\$ 239,586

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 8. Long-Term Liabilities

A summary of changes in outstanding long-term obligations during the year ended June 30, 2008 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 44,225,000	\$ 3,743,000	\$ 4,225,000	\$ 43,743,000	\$ 4,363,000
Premiums on refunding	351,000	-	78,000	273,000	-
Less deferred loss on refunding	(814,230)	-	(69,468)	(744,762)	-
	<u>43,761,770</u>	<u>3,743,000</u>	<u>4,233,532</u>	<u>43,271,238</u>	<u>4,363,000</u>
Other long-term liabilities:					
Compensated absences	979,306	85,174	262,614	801,866	200,466
	<u>979,306</u>	<u>85,174</u>	<u>262,614</u>	<u>801,866</u>	<u>200,466</u>
Governmental activity long-term liabilities	<u>\$ 44,741,076</u>	<u>\$ 3,828,174</u>	<u>\$ 4,496,146</u>	<u>\$ 44,073,104</u>	<u>\$ 4,563,466</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	\$ 72,310	\$ 3,192	\$ 682	\$ 74,820	\$ 18,705
Landfill postclosure costs	33,125,910	977,293	-	34,103,203	1,364,128
Total other long-term liabilities	<u>33,198,220</u>	<u>980,485</u>	<u>682</u>	<u>34,178,023</u>	<u>1,382,833</u>
Business-type activity long-term liabilities	<u>\$ 33,198,220</u>	<u>\$ 980,485</u>	<u>\$ 682</u>	<u>\$ 34,178,023</u>	<u>\$ 1,382,833</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

General obligation bonds

As of June 30, 2008, the outstanding general obligation bonds of the Town was as follows:

Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance 6/30/2008
GENERAL PURPOSE					
PUBLIC IMPROVEMENTS	\$227,000-\$234,000	1991	6.4-6.6	\$ 4,165,000	\$ 916,000
PUBLIC IMPROVEMENTS	\$30,000-\$75,000	2000	5.0-6.5	2,037,000	105,000
ECONOMIC DEVELOPMENT	\$30,000-\$35,000	2001	4.0-5.0	250,000	35,000
PUBLIC IMPROVEMENTS	\$70,000-\$80,000	2001	4.0-5.0	1,300,000	70,000
PUBLIC IMPROVEMENTS REFUND	\$119,060-\$242,920	2001	4.0-5.0	3,882,820	2,219,270
PUBLIC IMPROVEMENTS	\$20,000-\$25,000	2002	3.0-5.0	245,000	100,000
PUBLIC IMPROVEMENTS	\$27,500-\$35,000	2002	3.0-5.0	335,000	140,000
PUBLIC IMPROVEMENTS	\$27,500-\$40,000	2002	3.0-5.0	375,000	160,000
PUBLIC IMPROVEMENTS	\$10,000-\$45,000	2003	3.0-4.75	1,810,000	1,340,000
PUBLIC IMPROVEMENTS	\$10,000-\$230,000	2004	2.5-5.00	4,725,000	3,405,000
PUBLIC IMPROVEMENTS	\$63,000-\$112,000	2004	2.0-5.0	1,726,000	1,711,000
PUBLIC IMPROVEMENTS	\$320,000-\$350,000	2005	3.0-4.8	5,745,000	5,425,000
PUBLIC IMPROVEMENTS	\$20,000-\$80,000	2006	4.0-5.0	2,000,000	2,000,000
PUBLIC IMPROVEMENTS	\$125,000-\$180,000	2007	4.0-5.5	1,555,000	1,430,000
PUBLIC IMPROVEMENTS	\$202,000-\$1,505,000	2008	3.25-5.0	3,743,000	3,743,000
TOTAL GENERAL PURPOSE				\$ 33,893,820	\$ 22,799,270
SCHOOLS					
SCHOOL GEN. OBLIGATION	\$46,000-\$53,000	1991	6.4-6.6	\$ 835,000	\$ 184,000
SCHOOL GEN. OBLIGATION	\$20,000-\$175,000	2000	5.0-6.5	3,528,000	170,000
SCHOOL GEN. OBLIGATION	\$200,000-\$245,000	2001	4.0-5.0	4,000,000	195,000
SCHOOL GEN. OBLIGATION	\$260,000-\$390,000	2001	4.0-5.0	5,800,000	5,110,730
SCHOOL GEN. OBLIGATION	\$150,000-\$225,000	2002	3.0-5.0	4,000,000	3,000,000
SCHOOL GEN. OBLIGATION	\$10,000-\$20,000	2003	3.0-4.75	550,000	425,000
SCHOOL GEN. OBLIGATION	\$15,000-\$230,000	2004	2.5-5.00	5,195,000	4,690,000
SCHOOL GEN. OBLIGATION	\$12,000-\$415,000	2004	2.0-5.0	7,274,000	7,169,000
TOTAL SCHOOLS				31,182,000	20,943,730
GRAND TOTAL				\$ 65,075,820	\$ 43,743,000

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

The following is a summary as of June 30, 2008, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal	Interest	Total
2009	\$ 4,363,000	\$ 1,694,235	6,057,235
2010	4,435,000	1,491,199	5,926,199
2011	4,460,000	1,309,573	5,769,573
2012	4,200,000	1,144,868	5,344,868
2013	3,695,000	992,758	4,687,758
2014	3,360,000	860,973	4,220,973
2015	3,125,000	745,516	3,870,516
2016	3,135,000	616,950	3,751,950
2017	2,645,000	505,346	3,150,346
2018	2,450,000	401,191	2,851,191
2019	2,090,000	307,399	2,397,399
2020	2,075,000	222,870	2,297,870
2021	1,305,000	152,813	1,457,813
2022	895,000	105,823	1,000,823
2023	675,000	67,579	742,579
2024	485,000	39,338	524,338
2025	350,000	16,800	366,800
Total	\$ 43,743,000	\$ 10,675,231	\$ 54,418,231

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, 2008 was approximately \$600,000. Additional payments for principal and interest aggregating approximately \$1,782,000 are expected to be received through the bonds maturity.

Legal debt limit

\$18,800,000 of the School's portion relates to the High School Project. The bond counsel has opined that every dollar of grants received reduces the authority to issue by one dollar. The original High School bonding authorization was \$35,000,000 less any grants received. The remaining effective authorization for the High School bonding is therefore \$16,200,000 less reimbursements received to date.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

The Town's indebtedness (including authorized but unissued bonds and overlapping debt), 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:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 160,441,466	\$ 25,144,270	\$ 135,297,196
Unfunded Pension Benefit Obligation	213,921,954	-	213,921,954
Schools	320,882,931	19,690,692	301,192,239
Sewers	267,402,443	-	267,402,443
Urban renewal	231,748,784	-	231,748,784

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or approximately \$499,151,226.

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, 2008, the Town's portion of defeased bonds outstanding, but removed from the Town's government-wide financial statements was approximately \$7,740,000.

Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2008 consists of the following:

General purpose	<u><u>\$ 340,000</u></u>
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Bond anticipation notes

In June 2008, the Town issued \$2,345,000 in bond anticipation notes, which have an interest rate of 3.0% and mature in June 2009.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Bond anticipation note transactions for the year ended June 30, 2008 were as follows:

Outstanding, July 1, 2007	\$	1,950,000
New borrowings		2,345,000
Repayments		(1,950,000)
Outstanding, June 30, 2008	\$	<u>2,345,000</u>

Note 9. 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 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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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, 2007 is comprised of the following:

Retirees and beneficiaries currently receiving benefits	136
Vested terminated employees	25
Active employees:	
Fully vested	245
Non-vested	125
Total	<u>531</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 2¼ percent 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 5.60% 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, 2008

Annual Pension Cost and Net Pension Asset

The Town's annual pension cost and net pension asset to the PERS for the year ended June 30, 2008 were as follows:

Annual required contribution	\$ 827,855
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>827,855</u>
Contributions made	<u>827,855</u>
Decrease in net pension asset	-
Net pension asset, July 1, 2007	-
Net pension asset, June 30, 2008	<u><u>\$ -</u></u>

The following is a summary of certain significant actuarial assumptions and other PERS information:

Actuarial valuation date	July 1, 2007
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level Dollar Open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases*	4%
Cost-of-living adjustments for payments to retirees	2.75%
* <i>Amount of wage base included</i>	
Inflation	3.0 – 3.5%

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/06	\$ 789,843	100%	\$ -
6/30/07	\$ 737,493	100%	\$ -
6/30/08	\$ 827,855	100%	\$ -

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 ((a-b)/c)
July 1, 2002	\$ 35,716,064	\$ 31,041,467	\$ 4,674,597	115.1%	\$ 12,536,129	0%
July 1, 2003	37,973,828	32,146,951	5,826,877	118.1%	13,131,981	0%
July 1, 2004	40,520,462	34,163,256	6,357,206	118.6%	13,274,916	0%
July 1, 2005	42,994,540	37,665,616	5,328,924	114.2%	14,101,531	0%
July 1, 2006	45,594,279	41,130,295	4,463,984	110.9%	14,776,977	0%
July 1, 2007	48,961,596	43,855,272	5,106,324	111.6%	15,265,451	0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
6/30/03	\$ 771,451	100%
6/30/04	637,615	100%
6/30/05	763,468	100%
6/30/06	572,985	100%
6/30/07	737,493	100%
6/30/08	827,855	100%

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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 2-1/4% 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 5.25% 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, 2008, 2007 and 2006 were \$559,082, \$548,385, and \$511,512, equal to the required contributions for each year.

Connecticut State Teachers' Retirement System

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

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

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

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$4,047,000 for the year ended June 30, 2008.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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. Connecticut Healthcare Workers' Compensation Trust, a fully qualified, third party administrator, is the current administrator of the program and calculates 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,
2006-07	\$ 886,770	\$ 5,728,861	\$ 5,839,065	\$ 776,566
2007-08	\$ 776,566	\$ 6,730,067	\$ 6,495,629	\$ 1,011,004

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. There has 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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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 \$11,053,181 or 8.89% of the debt of the District Fund Deficits.

In fiscal year 2002, the Town approved the guarantee of a \$250,000 loan to Celebrate Windsor, Inc., a local 501(c) 3 corporation that manages an outdoor amphitheater that opened at the end of fiscal year 2002. Under the terms of the loan and the guarantee by the Town, the Town guarantees up to \$250,000 of a \$600,000 loan. The guarantee is activated when the loss by the bank on the loan exceeds \$250,000. The loan has a ten year term with level amortization (term expiring in August 2012). If the guarantee is exercised, the Town is likely to be required to make future appropriations. The Town subsequently received a \$100,000 grant from the State to cover part of the guarantee. Under the resolutions adopted by the Town, any payments under the guarantee in excess of the \$100,000 State grant must be separately appropriated by the Council.

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 Postclosure 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 thirty years after closure. Under these regulations, the landfill has established a horizontal footprint of 50 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 \$34,103,208 reported as landfill closure and post-closure care liability at June 30, 2008, is \$977,293 more than the liability reported on June 30, 2007. Due to revised engineer estimates (regarding settling of

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

the landfill and a more efficient redesign of the final shape of the landfill), the proportion of the landfill used is now estimated at 91.8%. This decrease or adjustment in estimated closure costs accrued to date directly increases the operating income for the Landfill Enterprise Fund in fiscal year 2008. The landfill will recognize the remaining estimated cost of closure and post-closure care of \$3,056,797 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care at 2008 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 Town Council has set a deadline to close the landfill as of December 2009.

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 will 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, 2008:

Landfill Fund	\$	8,886,852
Cafeteria Fund		122,795
Treehouse		90,377

The deficit in the Landfill Fund will be funded by future operations.

Note 14. Extraordinary Item

The State of Connecticut issued approximately \$2.3 billion in taxable general obligation bonds to be used for deposit into the State of Connecticut Teachers' Retirement Fund. As contributions to the fund represent on-behalf payment to the Town, an amount of \$16,336,000 has been recorded as an extraordinary item in the Town's financial statements.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Note 15. Subsequent Events

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the Town of Windsor, Connecticut's investments have likely incurred a significant decline in fair value since June 30, 2008.

Note 16. Pronouncements Issued, Not Yet Effective

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 No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, issued June 2004, will be effective for the Town beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.
- ◆ GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," issued December 31, 2006, will be effective for the Town beginning with its fiscal year June 30, 2009, but the liability should be measured at July 1, 2008 so that beginning net assets can be restated. This Statement identifies the circumstances under which a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted, if the pollution poses an imminent danger to the public or the environment, if the government has violated a pollution prevention permit or license, if the government has been named as a responsible party for cleaning up the pollution, if the government began to clean up the pollution, and if the government is named in a lawsuit. In addition, it provides disclosure information about their pollution obligations associated with clean-up efforts.
- ◆ GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," issued June, 2007. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. Intangible assets, and more specifically easements, are referred to in the description of capital assets in Statement No. 34, "Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments." This reference has created questions as to whether and when intangible assets should be considered capital assets for financial reporting purposes. An absence of sufficiently specific authoritative guidance that addresses these questions has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

measurement, and amortization. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

- ◆ GASB Statement No. 52, "Land and Other Real Estate Held as Investment by Endowments". This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2008.
- ◆ GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009, with earlier application encouraged.

APPENDIX B-1 - OPINION OF BOND COUNSEL AND TAX EXEMPTION (2009 SERIES A BONDS)

The following information has been prepared by Bond Counsel in connection with this bond 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 initial purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the initial purchaser.

The opinion of Day Pitney LLP with respect to the Bonds 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 \$8,930,000 General Obligation Refunding Bonds, 2009 Series A, dated as of April 17, 2009.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the Town of Windsor is authorized to issue the Bonds; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds 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 against all the taxable property in the Town without limit as to rate or amount except certified forest land taxable at a limited rate pursuant to Section 12-97 of the General Statutes of Connecticut, Revision of 1958, as amended, and dwelling houses of qualified elderly people of low income taxable at limited amounts pursuant to Section 12-129b of said General Statutes or Public Act No. 06-176.

It is to be understood that the rights of the holders of the Bonds 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 is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds 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 will be excluded from gross income for Federal income tax purposes. The representations and agreements also provide that the Bonds 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 assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; (2) 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 (3) the Bonds 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, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) 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.

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 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. Failure to comply with any of these requirements may cause the interest on the Bonds 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 will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, 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 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 Code also provides 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. The interest on certain tax-exempt bonds issued in calendar years 2009 and 2010 is excluded from treatment as a preference item for purposes of the Federal alternative tax and from being taken into account in the calculation of adjusted current earnings for purposes of the Federal alternative minimum tax imposed on corporations. Interest on the Bonds does *not* qualify for this exclusion, and a portion of the interest on the Bonds may be included in alternative minimum taxable income for purposes of computing such Federal alternative minimum tax on corporations.

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 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 should be aware that the ownership of tax-exempt obligations, such as the Bonds, 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 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, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) 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.

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

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds 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 may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds 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 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 taxpayers yield to maturity on such bond using the taxpayers 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 owners 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.

GENERAL.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that future Federal legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds or will not change the effect of other Federal tax law consequences discussed above of owning and disposing of the Bonds. No assurance can be given that future legislation, or amendments to the State income tax law, if enacted into law, will not contain provisions which could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds 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.

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. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal, state and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

APPENDIX B-2 - OPINION OF BOND COUNSEL AND TAX EXEMPTION (2009 SERIES B BONDS)

The following information has been prepared by Bond Counsel in connection with this bond 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 initial purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the initial purchaser.

The opinion of Day Pitney LLP with respect to the Bonds 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 \$9,695,000 General Obligation Refunding Bonds, 2009 Series B, dated as of April 17, 2009.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the Town of Windsor is authorized to issue the Bonds; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds 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 against all the taxable property in the Town without limit as to rate or amount except certified forest land taxable at a limited rate pursuant to Section 12-97 of the General Statutes of Connecticut, Revision of 1958, as amended, and dwelling houses of qualified elderly people of low income taxable at limited amounts pursuant to Section 12-129b of said General Statutes or Public Act No. 06-176.

It is to be understood that the rights of the holders of the Bonds 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 is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds 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 will be excluded from gross income for Federal income tax purposes. The representations and agreements also provide that the Bonds 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 assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes Section 103 of the Code; (2) interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax and is not taken into account in the calculation of adjusted current earnings for purposes of the Federal alternative minimum tax imposed on corporations; and (3) the Bonds 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, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) 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.

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 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. Failure to comply with any of these requirements may cause the interest on the Bonds 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 will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, 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 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 Code also provides 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. The interest on certain tax-exempt bonds issued in calendar years 2009 and 2010 is excluded from treatment as a preference item for purposes of the Federal alternative tax and from being taken into account in the calculation of adjusted current earnings for purposes of the Federal alternative minimum tax imposed on corporations. The Town's Tax Compliance Agreement will contain certain representations to ensure that interest on the Bonds is not treated as a preference item for individuals or corporations or included in the calculation of adjusted current earnings for corporations in calculating alternative minimum taxable income.

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 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 should be aware that the ownership of tax-exempt obligations, such as the Bonds, 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 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, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) 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.

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

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds 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 may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds 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 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 taxpayers yield to maturity on such bond using the taxpayers 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 owners 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.

GENERAL.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that future Federal legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds or will not change the effect of other Federal tax law consequences discussed above of owning and disposing of the Bonds. No assurance can be given that future legislation, or amendments to the State income tax law, if enacted into law, will not contain provisions which could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds 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.

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. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal, state and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

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) 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.

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of April 17, 2009 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$8,930,000 General Obligation Refunding Bonds, 2009 Series A, and \$9,695,000 General Obligation Refunding Bonds, 2009 Series B, both dated as of April 17, 2009 (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 March 26, 2009 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 any nationally recognized municipal securities information repository recognized by the SEC from time to time. As of the date of this Agreement the Repositories are:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962

<http://www.bloomberg.com/markets/rates/municontacts.html>

Email: Munis@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107

<http://www.MuniFILINGS.com>

Email: nrmsir@dpcdata.com

Interactive Data Pricing and Reference Data, Inc.

Attn: NRMSIR

100 William Street, 15th Floor
New York, NY 10038

Phone: (212) 771-6999; (800) 689-8466

Fax: (212) 771-7390

<http://www.interactivedata-prd.com>

Email: NRMSIR@interactivedata.com

Standard & Poor's Securities Evaluations, Inc.
55 Water Street - 45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
<http://www.disclosuredirectory.standardandpoors.com>
Email: nrmsir_repository@sandp.com

Effective July 1, 2009, Repository shall mean the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of compliance with the Rule.

"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.

"SID" means any state information depository established or designated by the State of Connecticut and recognized by the SEC from time to time. As of the date of this Agreement no SID has been established or designated by the State of Connecticut.

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository and any SID, 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, 2009) as follows:

(i) Financial statements of the Issuer's general fund, and any capital projects, land fill, 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 previously provided to each Repository and any SID, or filed with the SEC. If the document to be referenced is a final official statement, it must be available from the MSRB. 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. Material Events.

The Issuer agrees to provide or cause to be provided, in a timely manner, to (i) each Repository (or prior to July 1, 2009, each Repository or the MSRB) and (ii) any SID, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (e) principal and interest payment delinquencies;
- (f) non-payment related defaults;
- (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 or events affecting the tax-exempt status of the Bonds;
- (k) modifications to rights of holders of the Bonds;
- (l) Bond calls;
- (m) Bond defeasances;
- (n) release, substitution, or sale of property securing repayment of the Bonds; and
- (o) rating changes.

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 (i) each Repository (or prior to July 1, 2009, each Repository or the MSRB) and (ii) any SID, 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) 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.

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

(c) 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 Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rules as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with (i) each Repository (or prior to July 1, 2009, each Repository or the MSRB) and (ii) any SID. 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.

(d) 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.

(e) Prior to July 1, 2009, any filing under this Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the SEC has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004. Effective July 1, 2009, any filing under this Agreement shall be made through the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 for purposes of the Rule or any such other system designated by the MSRB or the SEC from time to time.

TOWN OF WINDSOR

By _____
Peter P. Souza
Town Manager

By _____
Robert W. Metcalf
Interim Finance Director