

OFFICIAL STATEMENT

NEW ISSUE

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

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

TOWN OF WINDSOR, CONNECTICUT

\$5,035,000

GENERAL OBLIGATION BONDS, ISSUE OF 2013 (BANK QUALIFIED) BOOK-ENTRY-ONLY

Dated: Date of Delivery

Due: May 1, 2014-2025

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

Interest on the Bonds will be payable on May 1 and November 1 in each year until maturity, commencing November 1, 2013. The Bonds are issuable only as fully-registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the beneficial owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein).

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

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

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

\$1,670,000

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

Dated: May 1, 2013

Due: April 29, 2014

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

The Notes will be issuable only as fully-registered notes and will bear interest at such rate or rates per annum as specified by the successful bidder in accordance with the Notice of Sale dated April 1, 2013. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for The Depository Trust Company ("DTC"), New York, New York. (See "Book-Entry Transfer System" herein).

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

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

The Bonds are offered for delivery when, as, and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about May 1, 2013.

Dated: April 10, 2013

TOWN OF WINDSOR, CONNECTICUT

\$5,035,000

**GENERAL OBLIGATION BONDS, ISSUE OF 2013
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

Dated: Date of Delivery

Due: Serially, May 1, as shown below

MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
2014	\$ 410,000	2.000%	0.200%	973568W79	2020	\$ 420,000	1.250%	1.000%*	973568X52
2015	420,000	2.000	0.300	973568W87	2021	420,000	1.350	1.150*	973568X60
2016	420,000	2.000	0.450	973568W95	2022	420,000	1.500	1.350*	973568X78
2017	420,000	2.000	0.600	973568X29	2023	420,000	1.650	1.500*	973568X86
2018	420,000	2.000	0.700	973568X37	2024	420,000	1.750	1.600*	973568X94
2019	420,000	2.000	0.900*	973568X45	2025	425,000	1.750	1.750	973568Y28

* Priced assuming redemption on May 1, 2018; however any such redemption is at the election of the Town. (See "Optional Redemption" herein).

BOSC, Inc.

A subsidiary of BOK Financial Corp.

TOWN OF WINDSOR, CONNECTICUT

\$1,670,000

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

Dated: May 1, 2013

Due: April 29, 2014

<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
1.000%	0.270%	973568W61

TD Securities (USA) LLC

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

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

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

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and the Notes and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

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

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

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

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

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

BOND COUNSEL
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INDEPENDENT FINANCIAL ADVISOR
INDEPENDENT BOND AND
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BOND SALE SUMMARY

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

- Date of Sale:** Wednesday, April 10, 2013, at 11:30 o'clock A.M. (E.D.T).
- Location of Sale:** Office of Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6th Floor, Hartford, Connecticut, 06103.
- Issuer:** Town of Windsor, Connecticut (the "Town").
- Issue:** \$5,035,000 General Obligation Bonds, Issue of 2013 (the "Bonds").
- Dated Date:** Date of Delivery.
- Interest Due:** May 1 and November 1 in each year, commencing November 1, 2013.
- Principal Due:** Serially, May 1, 2014-2025.
- Purpose and Authority:** The Bonds are being issued to finance various Town capital improvement projects undertaken by the Town and authorized pursuant to Titles 7 and 10 of the General Statutes of Connecticut, as amended, the Charter of the Town of Windsor, and bond resolutions approved by the Town Council.
- Redemption:** The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).
- Security:** The Bonds will be general obligations of the Town of Windsor, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
- Credit Rating:** The Bonds are rated "AAA" by Standard and Poor's ("S&P"). The Town's other outstanding bonds are rated "AAA" by S&P and "Aa1" by Moody's Investors Service, Inc. ("Moody's"). However, the Town has NOT applied for a rating from Moody's for this issue. (See "Ratings" herein).
- Basis of Award:** Lowest True Interest Cost ("TIC"), as of the dated date.
- Tax Exemption:** See Appendix B herein.
- Continuing Disclosure Agreement:** See Appendix C herein.
- Bank Qualification:** The Bonds SHALL BE designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
- Certifying Bank, Registrar, Transfer and Paying Agent:** U.S. Bank National Association, of Hartford, Connecticut.
- Legal Opinion:** Day Pitney LLP, of Hartford, Connecticut will act as Bond Counsel.
- Delivery and Payment:** It is expected that delivery of the Bonds in book-entry form will be made on or about May 1, 2013, against payment in Federal Funds.
- Issuer Official:** Questions regarding the Town and this Official Statement should be directed to Robert Metcalf, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1890.

NOTE SALE SUMMARY

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

Date of Sale:	Wednesday, April 10, 2013, at 11:00 o'clock A.M. (E.D.T).
Location of Sale:	Office of Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6 th Floor, Hartford, Connecticut, 06103.
Issuer:	Town of Windsor, Connecticut
Issue:	\$1,670,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	May 1, 2013.
Principal and Interest Due:	At maturity – April 29, 2014.
Purpose and Authority:	The Notes are being issued to finance various Town capital improvement projects undertaken by the Town and authorized pursuant to Titles 7 and 10 of the General Statutes of Connecticut, as amended, the Charter of the Town of Windsor, and bond resolutions approved by the Town Council.
Redemption:	The Notes are not subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town of Windsor, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Notes when due.
Credit ratings:	The Notes have been rated "SP-1+" by Standard and Poor's ("S&P"). The Town's current bond ratings are "AAA" by S&P and "Aa1" by Moody's Investors Service, Inc. ("Moody's"). However, the Town has NOT applied for a rating from Moody's for this issue. (See "Ratings" herein).
Basis for Award:	Lowest Net Interest Cost ("NIC") as of the dated date.
Tax Exemption:	See Appendix B herein.
Continuing Disclosure Agreement:	See Appendix D herein.
Bank Qualification:	The Notes SHALL BE designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
Certifying Bank Registrar, Transfer and Paying Agent:	U.S. Bank National Association, of Hartford, Connecticut.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry form will be made on or about May 1, 2013, against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Robert Metcalf, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1890.

SECTION I - SECURITIES OFFERED

Introduction

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Windsor, Connecticut (the "Town") in connection with the issuance and sale of \$5,035,000 General Obligation Bonds, Issue of 2013 (the "Bonds") and \$1,670,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

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

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

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

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in annual installments on May 1 in each of the years and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds will be payable on May 1 and November 1 in each year until maturity, commencing November 1, 2013. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the close of business on the fifteenth day of April and October in each year, or the preceding business day if the fifteenth day is not a business day. The Bonds will be issued in fully-registered form in denominations of \$5,000 or any integral multiple thereof for any single maturity. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Registrar, Certifying Agent, Transfer Agent and Paying Agent will be U.S. Bank National Association of Hartford, Connecticut. **The Bonds are subject to redemption prior to maturity.** (See "Optional Redemption" herein.)

Optional Redemption

The Bonds maturing on or before May 1, 2018 are not subject to redemption prior to maturity. The Bonds maturing on May 1, 2019 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after May 1, 2018, at any time, either in whole or in part in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, at the redemption price (expressed as a percentage of the par amount of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
May 1, 2018 and thereafter	100.0%

Notice of Redemption

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

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

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

Description of the Notes

The Notes will be dated May 1, 2013. Principal and interest on the Notes will be due at maturity on April 29, 2014. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months at the rate or rates per annum specified by the successful bidder or bidders. The Notes will be issued in fully-registered form in denominations of \$25,000 or any integral multiple thereof, except for any odd amount, for any single maturity. A book-entry system will be employed evidencing ownership of the Notes with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Registrar, Certifying, Transfer and Paying Agent will be U.S. Bank National Association of Hartford, Connecticut. **The Notes are NOT subject to redemption prior to maturity.**

Authorization and Use of Proceeds

Authorizations:

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

Public Works Equipment Replacement: An appropriation and bond authorization in the amount of \$160,000 was approved by the Town Council on February 4, 2013 for costs in connection with the purchase of large trucks and equipment, such as payloaders and dump trucks/snow plows to carry out the programs of the Department of Public Works, including snow plowing, stormwater system construction and pavement repair.

Stormwater Management Improvements: An appropriation and bond authorization in the amount of \$200,000 was approved by the Town Council on February 4, 2013 for costs in connection with the improvement of stormwater operations throughout Town.

Day Hill Road Pavement Rehabilitation Project: An appropriation in the amount of \$1,100,000 and bond authorization in the amount of \$680,000 was approved by the Town Council on February 4, 2013 for costs, or the Town's share thereof, in connection with pavement rehabilitation and related improvements of various sections of Day Hill Road including the rehabilitation of the section of Day Hill Road from the vicinity of the Alstom west driveway to approximately 400 feet west of Prospect Hill Road.

Deerfield Park and Sharshon Park Project: An appropriation and bond authorization in the amount of \$250,000 was approved by the Town Council on February 4, 2013 for costs in connection with repairs, replacements and improvements to playground equipment, fencing, structures and material at Deerfield Park and Sharshon Park.

Day Hill Road Pedestrian Circulation Enhancements Project: An appropriation and bond authorization in the amount of \$110,000 was approved by the Town Council on February 19, 2013 for costs in connection with the construction of walkway segments, bus shelters and related improvements throughout the Day Hill Road Corridor. It is contemplated that the project will involve the construction of a new 10-foot wide bituminous concrete path along the frontage of Day Hill Road from Marshall Phelps Road to the west end of Old Day Hill Road, construction of a new path or sidewalk “switchback” ramp from Northfield Drive to the end of Old Day Hill Road, and the construction of a bus shelter with concrete pad on the south side of Day Hill Road (in the vicinity of 995 Day Hill Road) with a new walk connection extending from the new bus shelter to the driveway located to the west.

Prospect Hill Road Reconstruction Project: An appropriation and bond authorization in the amount of \$450,000 was approved by the Town Council on February 19, 2013 for costs in connection with the reconstruction of Prospect Hill Road from its intersection with Poquonock Avenue (State Route 75) to west of its intersection with West Street, including full-depth pavement reconstruction with new curbing, improvements to roadway geometry, drainage improvements, the addition of sidewalks and pedestrian lighting on the north side of Prospect Hill Road, installation of crosswalks and other traffic calming elements, installation of a roundabout at the intersection of Prospect Hill Road with West Street, reconfiguration of the intersection with Poquonock Avenue with the installation of a traffic signal, relocation of the existing bus shelter, and expansion of a portion of the pavement cross-section on Poquonock Avenue to accommodate new turn lanes, and other related incidental items.

Oliver Ellsworth Elementary School Roof Replacement Project: An appropriation and bond authorization in the amount of \$1,790,000 was approved by the Town Council on February 19, 2013 and adopted at a special Town Meeting on March 4, 2013 for costs in connection with the replacement of the roof at the Oliver Ellsworth Elementary School at 730 Kennedy Road in Windsor, improvement of drainage on and from the roof, installation of additional insulation, related amenities, code compliance improvements, and other related work and improvements.

L.P. Wilson Community Center Roof Replacement Project: An appropriation and bond authorization in the amount of \$1,815,000 was approved by the Town Council on February 19, 2013 and adopted at a special Town Meeting on March 4, 2013 for costs in connection with the replacement of the roof at the south side of the L.P. Wilson Community Center at 601 Matianuck Avenue in Windsor, improvement of drainage on and from the roof, installation of additional insulation, related amenities, code compliance improvements, and other related work and improvements.

Town Facility Pavement Improvements Project: An appropriation and bond authorization in the amount of \$100,000 was approved by the Town Council on March 4, 2013 for costs in connection with pavement improvements at various Town and School facilities as determined by the Director of Public Works, such improvements contemplated to include: (a) the removal of the asphalt pavement followed by the modification of the base material, and then paving, or (b) milling of the asphalt surface followed by paving, or (c) resurfacing of the existing asphalt surface; and related work including but not limited to installation of curbing, replacement or improvements to drainage structures, and line striping of the finished pavement.

Town Pavement Rehabilitation Program: An appropriation and bond authorization in the amount of \$1,000,000 was approved by the Town Council on March 18, 2013 for costs in connection with pavement rehabilitation work on publicly owned roads throughout town as determined by the Director of Public Works, such improvements contemplated to include: (a) the removal of the asphalt pavement followed by the modification of the base material, and then paving, or (b) milling of the asphalt surface followed by paving, or (c) resurfacing of the existing asphalt surface; and related work including but not limited to line striping of the finished pavement and maintenance or repairs to existing curbing and drainage structures.

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

Projects	Amount of Total Authorization	Notes Maturing	Additions / (Reductions)	The Bonds (This Issue)	The Notes (This Issue)
Day Hill Rd. Pavement Rehabilitation Project	\$ 680,000 (1)	\$ -	\$ 680,000	\$ -	\$ 680,000
Day Hill Rd. Pedestrian Circulation Enhancements	110,000	-	110,000	110,000	-
Deerfield Park and Sharshon Park Improvements	250,000	-	250,000	250,000	-
L.P. Wilson Community Center Roof Replacement	1,815,000	-	1,815,000	1,815,000	-
Oliver Ellsworth School Roof Replacement	1,790,000	-	1,790,000	950,000	840,000
Prospect Hill Rd. Reconstruction	450,000	-	450,000	450,000	-
Public Works Equipment Replacement	160,000	-	160,000	160,000	-
Stormwater Management Program	200,000	-	200,000	200,000	-
Town Facility Pavement Improvement Projects	100,000	-	100,000	100,000	-
Town Pavement Rehabilitation Program	1,000,000	-	1,000,000	1,000,000	-
Windsor High School Roof Replacement and Auditorium Repair Project	2,525,000	800,000	(650,000)	-	150,000
Total	<u>\$ 9,080,000</u>	<u>\$ 800,000</u>	<u>\$ 5,905,000</u>	<u>\$ 5,035,000</u>	<u>\$ 1,670,000</u>

(1) The balance of the \$1,100,000 project appropriation has been funded through the reappropriation of unexpended proceeds of prior Town bonds.

Ratings

The Bonds are rated "AAA" by Standard and Poor's ("S&P"). The ratings on the Town's other outstanding bonds are "AAA" by S&P and "Aa1" by Moody's Investors Service, Inc. ("Moody's"). The Notes have been rated by "SP-1+" by S&P. The Town did NOT apply for ratings from Moody's on the Bonds or Notes. Such ratings reflect only the views of such rating agencies and an explanation of the significance of such ratings may be obtained from S&P and Moody's at the following addresses: Standard and Poor's Corporation: 55 Water Street, New York, New York 10041 and Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Town's bonds and notes.

Security and Remedies

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

Unless paid from other sources, the Bonds and the Notes are payable from the general property tax revenue of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay to the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

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

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

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

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

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

Qualification for Financial Institutions

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

Book-Entry Transfer System

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

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

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

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

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

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

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

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Replacement Bonds and Notes

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

DTC Practices

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

SECTION II - THE ISSUER

Description of the Town

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

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

Planning was inaugurated in 1924. Comprehensive zoning regulations, which were first adopted in 1931, are periodically revised to reflect current development standards and practices. The Plan of Conservation and Development was revised and approved by the Town Planning & Zoning Commission in 2004 and amended in 2007 for the Open Space Plan and Agricultural Preservation Plan. It was amended again in 2008 for the Day Hill Corporate Area Plan, and updates are currently underway for the Residential Development, Economic Development, and Village Development chapters. The Town has approximately 1,500 acres of undeveloped industrially zoned land and has approved a concept plan that will allow for the development of approximately 600 acres of industrial land and add 4,000 dwelling units. Full development of the remaining residential land would result in a population increase of approximately 5,100. The Town's estimated population as of July 1, 2011 according to the U.S. Census Bureau was 29,067.

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

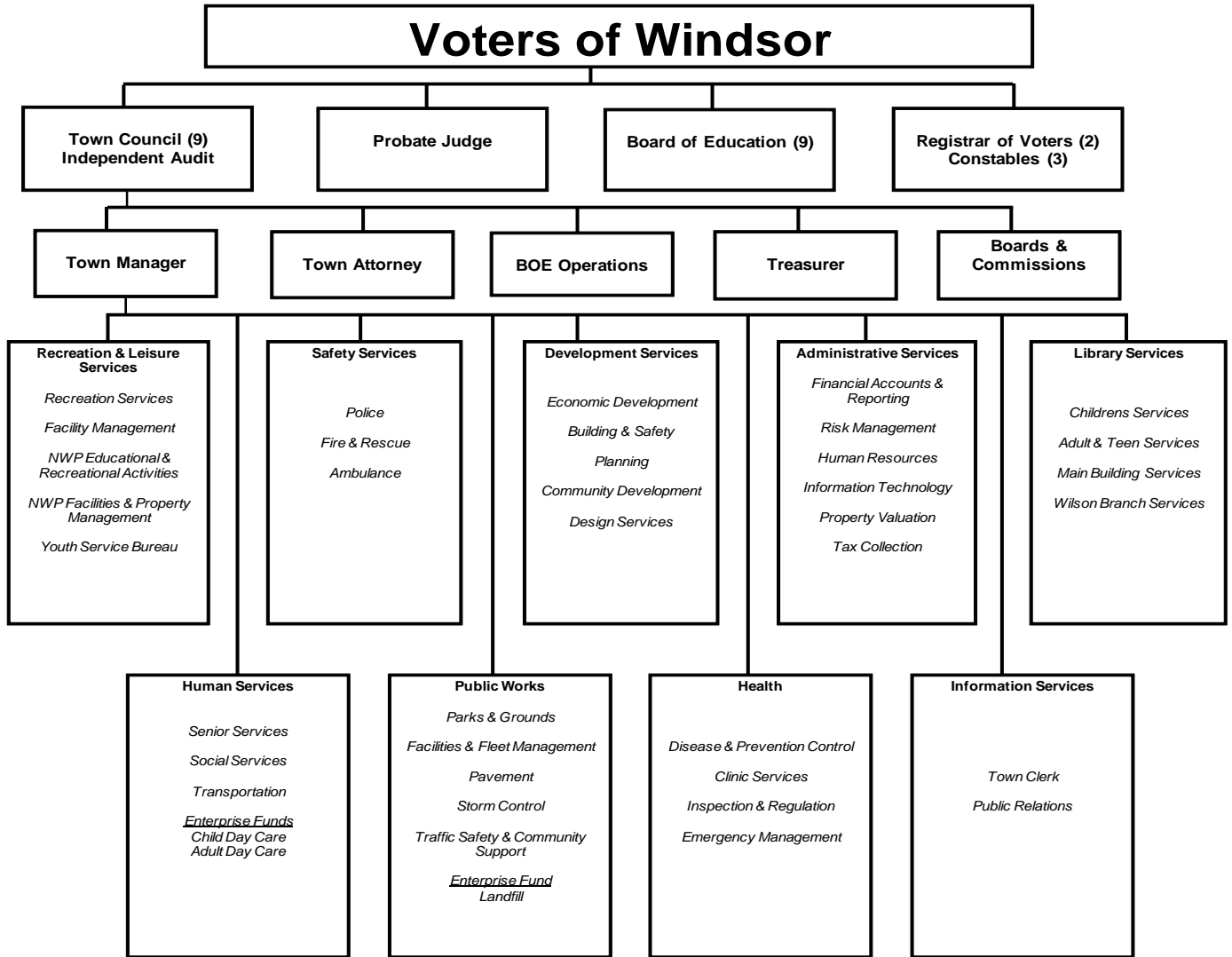
Form of Government

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

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

Name	Position	Term of Office	Years of Service
Donald S. Trinks	Mayor	2 Years – Elected	18.0
Alan J. Simon	Deputy Mayor	2 Years – Elected	14.0
Donald A. Jepsen Jr.	Town Council	2 Years – Elected	12.0
William H. Herzfeld	Town Council	2 Years – Elected	8.0
Randy P. McKenney	Town Council	2 Years – Elected	6.0
Aaron Jubrey	Town Council	2 Years – Elected	3.0
Michael McDonald	Town Council	2 Years – Elected	3.0
Jody L. Terranova	Town Council	2 Years – Elected	1.5
Lisa Marie Boccia	Town Council	2 Years – Elected	1.5
Peter P. Souza	Town Manager	Appointed	9.0
Jeffrey A. Villar	Superintendent of Schools	Appointed March	1.0
Robert Metcalf	Finance Director	N/A	4.5
James R. Bourke	Assistant Finance Director	N/A	4.5

Biographies of Principal Officials

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

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

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

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

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

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

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

Prior to his employment with the Town of Windsor, Mr. Bourke was the Assistant Finance Director for the City of Neosho, Missouri from November 2006 to August of 2008. He also has nineteen years 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. He was recently certified as a Public Finance Officer by the Government Finance Officers Association of America after passing a series of 5 examinations

Summary of Municipal Services

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

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

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

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

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

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

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

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

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

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

Solid Waste: Windsor maintains a town-owned landfill consisting of 173 acres. The landfill serves the towns of Windsor and Bloomfield. The two towns are equally responsible for closure costs in accordance with an agreement dated November 19, 1993. Town residents pay private haulers for curbside pickup. The landfill is currently operating under a stewardship permit issued by the State of Connecticut Department of Energy and Environmental Protection (DEEP). It is anticipated that the landfill will reach its capacity in 2014. An alternative plan for the disposal of municipal solid waste once the landfill has been closed is being developed. The cost of solid waste disposal is not a tax-supported function. In March 2006, the Windsor Town Council determined that the last receipt of waste at the landfill will be when it reaches current permitted elevations as provided by the designed landform. By remaining open until the permitted elevations are reached, it is projected that there will be adequate retained earnings available plus interest income over thirty years, under present assumptions, to provide sufficient funding for closure and post-closure activities.

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

Management is proposing that a portion of the closure work be performed by Town staff. Closure work began during FY 2011 with the construction of a stormwater basin along the southern side of the landfill. This work was carried out primarily by town staff and performed at a savings to the Landfill Enterprise Fund compared to having the work carried out by a third party.

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

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

Educational System

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

Educational Facilities

<u>Schools</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Additions/ Renovations</u>	<u>Classrooms</u>	<u>Enrollment 10/01/12</u>	<u>Capacity</u>
Oliver Ellsworth Elementary	Pre-K-2	1971		31	445	660
Poquonock Elementary School	K-2	1947	1958, 1980, 1988	27	255	546
Clover St. Elementary School	3-5	1957	1988	27	299	517
J.F.Kennedy Elementary School	3-5	1965	1988	28	439	546
Sage Park Middle School	6-8	1969	1993	50	750	1,250
Windsor High School	9-12	1952	1977, 2000	86	1,203	1,500
Total					<u>3,391</u>	<u>5,019</u>

Source: Superintendent of Schools

School Enrollments

<u>As of October 1</u>	Actual				<u>Special Education (1)</u>	<u>Total</u>
	<u>Pre-K-5</u>	<u>6 - 8</u>	<u>9 - 12</u>			
2003	1,779	1,098	1,495	40	4,412	
2004	1,825	1,023	1,486	40	4,374	
2005	1,775	993	1,472	40	4,280	
2006	1,702	967	1,481	-	4,150	
2007	1,683	923	1,492	-	4,098	
2008	1,648	912	1,406	-	3,966	
2009	1,544	842	1,373	-	3,759	
2010	1,498	814	1,312	-	3,624	
2011	1,473	785	1,227	-	3,485	
2012	1,438	750	1,203	-	3,391	
	Projected					
2013	1,431	779	1,182	-	3,392	
2014	1,381	753	1,170	-	3,304	
2015	1,377	687	1,136	-	3,200	
2016	1,386	666	1,085	-	3,137	
2017	1,448	617	925	-	2,990	

(1) Special education students included in grade totals.

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

Municipal Employment

<u>Fiscal Year</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Board of Education	628	600	622	631	673	668	675	684	666	689
General Government	163	164	164	165	168	165	165	170	174	168
Grant and Enterprise Funded	23	23	23	24	24	27	27	27	33	28
Total	<u>814</u>	<u>787</u>	<u>809</u>	<u>820</u>	<u>865</u>	<u>860</u>	<u>867</u>	<u>881</u>	<u>873</u>	<u>885</u>

Source: Town Officials.

Municipal Employees by Category

<u>Department</u>	<u>Employees</u>
<u>General Government</u>	
Administrative Services	18
Development Services	16
Community Development	2
Human Services	6
Recreation Services	7
Health Services	4
Information Services	3
Library Services	9
Public Works	32
Safety Services	63
Town Manager	<u>3</u>
General Government Subtotal	163
Enterprise Personnel	<u>23</u>
General Government Total	186
<u>Board of Education</u>	
Administration and Principals	26
Teachers	334
Pupil Personnel (Psychologists, Social Workers, Speech Clinicians)	28
Secretaries/ParaProfessionals	111
Nurses	9
Non-Bargaining Employees	35
Custodial/Maintenance	<u>35</u>
Board of Education Subtotal	578
Food Service	50
Grant Funded	<u>-</u>
Board of Education Total	628
Grand Total	<u>814</u>

Source: Town Officials.

Municipal Employees Bargaining Organizations (1)

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<u>GENERAL GOVERNMENT</u>			
Police	Windsor Police Department Employees Association	47	6/30/12 (2)
Public Works/Clerical	International Brotherhood of Teamsters, Local 671	44	6/30/14
Dispatchers	United Public Service Employees Union (UPSUE Local 424, Unit 10)	8	6/30/14
<u>BOARD OF EDUCATION</u>			
Teachers	Windsor Education Association, CEA	362	6/30/16
Administrators	Windsor School Administrators and Supervisors Assoc.	25	6/30/14
Nurses	Windsor School Nurses Assoc., CSEA	8	6/30/13
Paraprofessionals	Windsor Paraprofessional Employees Assoc., NAGE	78	6/30/13
Secretaries	CSEA AFL-CIO Administrative Support Staff	33	6/30/13
School Employees	Windsor School Employees Union, NAGE (Custodial, Maintenance and Cafeteria Employees)	63	6/30/13

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

(2) Currently in negotiations.

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

Economic Development

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

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

Between 2000 and 2009, Windsor experienced substantial growth. More than four million square feet of new commercial space was constructed during this period including 300,000 SF of retail, 1.2 million SF of office, and 2.5 million SF of industrial/distribution space. In addition, more than 580 new hotel rooms and conference space were built to serve the growing business community.

Among the most significant projects during this period were:

- Walgreens Northeast Distribution Center, an 800,000 SF high-tech distribution facility to serve drugstores in an eight-state region. This \$250 million facility was placed in operation in January 2009 and currently employs approximately 500 persons.
- ING Corporate Office Campus, a 475,000 SF office center to house its largest employee base in North America. This \$90 million facility was completed in the fall of 2007 and employs approximately 2,000 persons.
- Emhart Glass Research and Development Center, a 60,000 SF facility including a 40-metric ton glass furnace for the development of glass container fabrication technologies and equipment. This \$20 million research center opened in the spring of 2008 and employs 60 engineers and scientists.
- Hartford Life Campus, a 450,000 SF office center to consolidate existing operations in the area and to provide space for planned growth. This \$110 million facility opened in the fall of 2008 and employs approximately 2,000 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 trains more than 8,500 claims agents each year at this site.

Between 2000 and 2011, the number of jobs in Windsor increased by 24% from 18,910 to 23,479. The most significant change came in the Finance, Insurance, and Real Estate industry which increased employment by 142% from 2,210 jobs in 2000 to 5,352 jobs in 2011. This increased the Finance sector's portion of the local workforce from 11.9% in 2000 to 22.7% in 2011. Other sectors that increased significantly are Professional, Scientific, and Management with 1,983 new jobs, a 147% increase, and Transportation and Warehousing with 396 new jobs, a 50% increase. While it has declined over the decade, manufacturing employment at nearly 18% of Windsor-based jobs remains a significant component of the local economy.

Average annual wages in Windsor have increased by 51% between 2000 and 2011 from \$46,221 to \$69,929. By comparison, over the same period, annual wages in the State of Connecticut rose by only 34% (\$45,485 to \$61,110) and in Hartford County by only 37% (\$43,656 to \$59,690).

The most significant projects currently under construction are:

- Dollar Tree Distribution Center – 1 million SF facility to serve Dollar Tree stores in northeast US and eastern Canada. This \$60 million facility will be placed in operation in June, 2013 and will employ approximately 200 persons.
- ISO New England Back-up Control Center – 70,000 SF office/data and control center for the region's electric grid operator. This \$39 million facility will accommodate 25 employees when completed.
- Villages at Poquonock – a new housing development containing 297 units in a mix of single, attached and multi-unit structures on a 60-acre site adjoining the Farmington River.

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

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

Year	Town of Windsor	Hartford County	State of Connecticut
1980	25,204	807,766	3,107,576
1990	27,817	851,783	3,287,116
2000	28,237	857,183	3,405,565
2010	29,044	894,014	3,574,097
2011	29,067	894,705	2,580,709

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

Age Characteristics of Population

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

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

Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(2000)	(2011)	(2000)	(2011)
Town of Windsor	\$73,064	\$89,876	\$27,633	\$34,899
Hartford County	62,144	79,024	26,047	33,389
Connecticut	65,521	84,558	28,766	36,613
United States	49,600	62,735	21,690	27,158

Source: U.S. Department of Commerce, Bureau of Census, Census 2000 and 2009-2011 American Community Survey.

Income Distribution

	Town of Windsor		Hartford County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	137	1.8	8,560	3.8	30,321	3.4
10,000 to 14,999	36	0.5	6,458	2.8	20,207	2.2
15,000 to 24,999	233	3.0	13,324	5.9	48,201	5.3
25,000 to 34,999	358	4.6	15,398	6.8	58,835	6.5
35,000 to 49,999	640	8.2	24,918	11.0	90,972	10.1
50,000 to 74,999	1,414	18.2	39,174	17.2	147,948	16.4
75,000 to 99,999	1,396	18.0	34,216	15.1	134,851	14.9
100,000 to 149,999	2,178	28.0	45,083	19.8	185,568	20.5
150,000 to 199,999	988	12.7	20,343	9.0	86,104	9.5
200,000 or more	394	5.1	19,778	8.7	100,939	11.2
TOTAL	7,774	100.0	227,252	100.0	903,946	100.0

Source: U.S. Department of Commerce, 2009-2011 American Community Survey.

Educational Attainment

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	603	3.0	31,353	5.1	111,347	4.6
9th to 12th grade	799	4.0	44,196	7.2	162,645	6.7
High School Graduate	5,587	28.2	170,054	27.8	680,397	28.0
Some College	4,286	21.7	110,184	18.0	429,810	17.7
Associate Degree	1,927	9.7	47,023	7.7	177,238	7.3
Bachelor Degree	3,706	18.7	119,375	19.5	491,234	20.2
Graduate or Professional Degree	2,879	14.5	88,682	14.5	378,761	15.6
TOTAL	19,787	100.0	610,867	100.0	2,431,432	100.0
Percent High School Graduate or Higher		92.9%		87.6%		88.7%
Percent Bachelor's Degree or Higher		33.3%		34.1%		35.8%

Source: U.S. Department of Commerce, 2009-2011 American Community Survey.

Employment by Industry

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing, hunting and mining	62	0.4	1,203	0.3	6,539	0.4
Construction	782	5.1	20,461	4.7	101,094	5.8
Manufacturing	883	5.7	46,836	10.8	193,152	11.1
Wholesale trade	169	1.1	10,534	2.4	43,227	2.5
Retail trade	1,499	9.7	47,167	10.9	189,948	10.9
Transportation, warehousing, and utilities	1,016	6.6	18,354	4.2	66,665	3.8
Information	326	2.1	10,491	2.4	42,113	2.4
Finance, insurance, real estate and rental & leasing	2,601	16.9	50,891	11.7	162,400	9.3
Professional, scientific, management, administrative, and waste management services	1,649	10.7	43,582	10.0	189,609	10.9
Educational, health and social services	3,914	25.4	111,221	25.6	459,714	26.3
Arts, entertainment, recreation, accommodation and food services	1,074	7.0	34,693	8.0	144,326	8.3
Other services (except public administration)	537	3.5	18,902	4.4	80,265	4.6
Public Administration	880	5.7	19,411	4.5	67,741	3.9
TOTAL	15,392	100.0	433,746	100.0	1,746,793	100.0

Source: U.S. Department of Commerce, 2009-2011 American Community Survey.

Major Employers

Name of Employer	Nature of Entity	Estimated Number of Employees
Hartford Life	Financial Services	2,200
ING	Insurance and Financial Services	1,800
Alstom Power Systems	North America HQ - engineering and customer service	1,350
CIGNA	Insurance (Data center)	1,000
Town of Windsor	Government/education	814
Westinghouse Electric Co.	Nuclear power engineering	700
Northeast Utilities	Utility	600
Walgreens	Distribution center for retail drug stores	500
Konica Minolta	Business equipment sales and support	450
Permasteelisa NA	Curtain wall design and manufacturer	400

Source: Town of Windsor Economic Development Staff

Unemployment Rate Statistics

Yearly Average	Town of Windsor %	Hartford Labor Market %	State of Connecticut %	United States %
2003	6.0	5.4	5.5	5.8
2004	4.9	5.2	4.7	5.5
2005	4.8	5.1	4.9	5.1
2006	4.1	4.4	4.3	4.6
2007	4.2	4.7	4.5	4.6
2008	5.4	5.9	5.7	5.8
2009	7.7	8.1	8.0	9.3
2010	8.5	9.1	9.0	9.6
2011	8.4	8.9	8.8	9.0
2012	8.2	8.4	8.3	8.1

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

Number and Value of Building Permits

Fiscal Year	Residential		Non-Residential		All Other		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2013 (1)	8	\$ 1,339,150	254	\$ 107,302,582	747	\$ 6,690,929	1,009	\$ 115,332,661
2012	8	1,641,325	422	22,128,336	1,473	10,652,096	1,903	34,421,757
2011	6	1,078,050	412	39,345,785	1,261	8,336,940	1,679	48,760,775
2010	95	13,799,191	403	52,647,142	1,325	9,815,096	1,823	76,261,429
2009	19	2,771,448	378	61,878,140	1,210	10,966,397	1,607	75,615,985
2008	60	9,964,140	477	121,593,104	1,132	8,652,111	1,669	140,209,355
2007	68	12,869,160	597	247,970,218	1,323	10,040,579	1,988	270,879,957
2006	132	19,825,867	441	48,233,581	1,319	8,268,182	1,892	76,327,630
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

(1) As of January 31, 2013.

Source: Town of Windsor, Office of Building Inspections.

Number of Dwelling Units

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

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

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

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
\$ 0 to \$ 50,000	181	2.1	4,642	2.0	17,014	1.8
50,000 to 99,999	153	1.8	5,208	2.3	21,317	2.3
100,000 to 149,999	558	6.4	18,017	7.8	58,439	6.3
150,000 to 199,999	1,501	17.2	45,601	19.8	129,744	14.0
200,000 to 299,999	4,480	51.3	83,880	36.4	274,604	29.6
300,000 to 499,999	1,660	19.0	56,337	24.5	262,712	28.3
500,000 to 999,999	101	1.2	14,610	6.3	120,493	13.0
1,000,000 and over	106	1.2	2,054	0.9	43,470	4.7
	<u>8,740</u>	<u>100.0</u>	<u>230,349</u>	<u>100.0</u>	<u>927,793</u>	<u>100.0</u>
Median Values	\$240,300		\$245,800		\$285,800	

Source: U.S. Department of Commerce, 2009-2011 American Community Survey.

Age Distribution of Housing

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	1,694	14.7	76,503	20.4	342,759	23.0
1940 to 1949	777	6.7	32,697	8.7	104,220	7.0
1950 to 1959	2,227	19.3	67,207	17.9	229,476	15.4
1960 to 1969	1,213	10.5	53,820	14.4	201,661	13.5
1970 to 1979	2,237	19.4	48,568	13.0	201,264	13.5
1980 to 1989	1,919	16.6	49,246	13.1	195,577	13.1
1990 to 1999	510	4.4	23,060	6.2	108,904	7.3
2000 to 2004	467	4.0	13,433	3.6	61,616	4.1
2005 or later	492	4.3	9,984	2.7	43,798	2.9
	<u>11,536</u>	<u>100.0</u>	<u>374,518</u>	<u>100.0</u>	<u>1,489,275</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2009-2011 American Community Survey.

Breakdown of Land Use

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

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

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

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit

As of May 1, 2013 (Pro Forma)

Total Receipts for fiscal year ended June 30, 2012 (including interest and lien fees)	\$ 79,802,897
State Reimbursement for Revenue Loss on: Tax Relief for Elderly	-
Base for Establishing Debt Limit	\$ 79,802,897

Debt Limit (1)

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 179,556,518					
(4.50 times base)		\$ 359,113,037				
(3.75 times base)			\$ 299,260,864			
(3.25 times base)				\$ 259,359,415		
(3.00 times base)					\$ 239,408,691	
(7.00 times base)						\$ 558,620,279

Indebtedness (Including the Bonds and the Notes)

Bonds Payable	\$ 21,603,000	\$ 12,827,000	\$ -	\$ -	\$ -	\$ 34,430,000
The Bonds (<i>This Issue</i>)	4,085,000	950,000	-	-	-	5,035,000
The Notes (<i>This Issue</i>)	680,000	990,000	-	-	-	1,670,000
Overlapping and Underlying Debt (2)	-	-	43,885,575	-	-	43,885,575
Authorized but Unissued Debt	715,000	1,575,000	-	-	-	2,290,000
Total Indebtedness	27,083,000	16,342,000	43,885,575	-	-	87,310,575
Less:						
School grants receivable (3)	-	(109,629)	-	-	-	(109,629)
Total Net Indebtedness	27,083,000	16,232,371	43,885,575	-	-	87,200,946
Excess of Limit Over Outstanding and Authorized Debt	\$ 152,473,518	\$ 342,880,666	\$ 255,375,289	\$ 259,359,415	\$ 239,408,691	\$ 471,419,333

(1) Under Connecticut General Statutes, Town debt cannot exceed \$558,620,279 or seven times the debt limit base.

(2) Overlapping and underlying debt as of December 31, 2012. (See "Overlapping and Underlying Indebtedness" herein).

(3) The Town anticipates receiving State of Connecticut principal subsidy grants in the amount of \$109,629 over the remaining life of outstanding school bonds approved prior to July 1, 1996. (See "School Projects" herein).

Calculation of Net Direct Indebtedness

As of May 1, 2013 (Pro Forma)

Long-Term Indebtedness (1)	
Long Term Indebtedness	
The Bonds (<i>This Issue</i>)	\$ 5,035,000
General Purpose	21,603,000
Schools	<u>12,827,000</u>
Total Long-Term Indebtedness	39,465,000
Short-Term Indebtedness	
The Notes (<i>This Issue</i>)	<u>1,670,000</u>
Total Direct Indebtedness	41,135,000
Exclusions:	
(School building grants receivable) (2)	<u>(109,629)</u>
Total Net Direct Indebtedness	41,025,371
Underlying Indebtedness	-
Net Overlapping Indebtedness (3)	<u>43,885,575</u>
Total Underlying and Net Overlapping Indebtedness	43,885,575
Total Net Direct and Net Overlapping Indebtedness	\$ <u>84,910,946</u>

- (1) Does not include authorized but unissued debt of \$2,290,000. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.
- (2) Includes \$109,629 for principal subsidy school building construction grants receivable to be received over the life of outstanding bonds for projects approved prior to July 1, 1996. (See "School Projects" herein).
- (3) Overlapping and underlying debt as of December 31, 2012. (See "Overlapping and Underlying Indebtedness" herein).

Current Debt Ratios

As of May 1, 2013 (Pro Forma)

Total Direct Indebtedness	\$41,135,000
Total Net Direct Indebtedness	\$41,025,371
Total Net Direct and Net Overlapping Indebtedness	\$84,910,946
Population (1)	29,067
Net Taxable Grand List (10/1/11)	\$2,907,640,693
Estimated Full Value	\$4,153,772,419
Equalized Net Taxable Grand List (2010) (2)	\$4,003,835,033
Per Capita Income (2010) (3)	\$34,899
Total Direct Indebtedness:	
Per Capita	\$1,415.18
To Net Taxable Grand List	1.41%
To Estimated Full Value	0.99%
To Equalized Net Taxable Grand List	1.03%
Per Capita to Per Capita Income	4.06%
Total Net Direct Indebtedness:	
Per Capita	\$1,411.41
To Net Taxable Grand List	1.41%
To Estimated Full Value	0.99%
To Equalized Net Taxable Grand List	1.02%
Per Capita to Per Capita Income	4.04%
Total Net Direct and Net Overlapping Indebtedness:	
Per Capita	\$2,921.21
To Net Taxable Grand List	2.92%
To Estimated Full Value	2.04%
To Equalized Net Taxable Grand List	2.12%
Per Capita to Per Capita Income	8.37%

- (1) U.S. Department of Commerce, Bureau of Census July 1, 2011 estimates.
- (2) Office of Policy and Management, State of Connecticut.
- (3) U.S. Department of Commerce, 2007-2011 American Community Survey.

Historical Debt Statement

	2011-12	2010-11	2009-10	2008-09	2007-08
Population (1)	29,067	29,067	29,044	28,883	28,787
Net taxable grand list	\$ 2,811,979,697	\$ 2,734,641,908	\$ 2,653,336,173	\$ 2,590,683,323	\$ 2,401,788,440
Estimated full value	\$ 4,017,113,853	\$ 3,906,631,297	\$ 3,790,480,247	\$ 4,991,682,703	\$ 3,431,126,343
Equalized net taxable grand list (2)	\$ 4,003,835,033	\$ 4,039,645,772	\$ 4,295,760,010	\$ 4,533,063,159	\$ 4,553,843,709
Per capita income (3)	\$ 34,899	\$ 34,899	\$ 34,899	\$ 34,899	\$ 35,780
Short-term debt	\$ 800,000	\$ 1,010,000	\$ -	\$ 3,535,000	\$ 2,345,000
Long-term debt	\$ 38,470,000	\$ 38,485,000	\$ 38,730,000	\$ 39,265,000	\$ 43,743,000
Total Direct Indebtedness	\$ 39,270,000	\$ 39,495,000	\$ 38,730,000	\$ 42,800,000	\$ 46,088,000
Net Direct Indebtedness	\$ 38,996,366	\$ 38,922,199	\$ 37,818,952	\$ 41,546,696	\$ 44,494,963
Net Direct and Net Overlapping Indebtedness	\$ 75,996,366	\$ 64,459,131	\$ 56,255,933	\$ 53,733,445	\$ 55,591,631

(1) U.S. Department of Commerce, Bureau of Census July 1, 2011 estimates.

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

(3) U.S. Department of Commerce, 2007-2011 American Community Survey.

Historical Debt Ratios

	2011-12	2010-11	2009-10	2008-09	2007-08
Total Direct Indebtedness:					
Per capita	\$1,351.02	\$1,358.76	\$1,333.49	\$1,481.84	\$1,601.00
To net taxable grand list	1.40%	1.44%	1.46%	1.65%	1.92%
To estimated full value	0.98%	1.01%	1.02%	0.86%	1.34%
To equalized net taxable grand list	0.98%	0.98%	0.90%	0.94%	1.01%
Debt per capita to per capita income	3.87%	3.89%	3.82%	4.25%	4.59%
Net Direct Indebtedness:					
Per capita	\$1,341.60	\$1,339.05	\$1,302.13	\$1,438.45	\$1,545.66
To net taxable grand list	1.39%	1.42%	1.43%	1.60%	1.85%
To estimated full value	0.97%	1.00%	1.00%	0.83%	1.30%
To equalized net taxable grand list	0.97%	0.96%	0.88%	0.92%	0.98%
Debt per capita to per capita income	3.84%	3.84%	3.73%	4.12%	4.43%
Net Direct and Net Overlapping Indebtedness:					
Per capita	\$2,614.52	\$2,217.61	\$1,936.92	\$1,860.38	\$1,931.14
To net taxable grand list	2.70%	2.36%	2.12%	2.07%	2.31%
To estimated full value	1.89%	1.65%	1.48%	1.08%	1.62%
To equalized net taxable grand list	1.90%	1.60%	1.31%	1.19%	1.22%
Debt per capita to per capita income	7.49%	6.35%	5.55%	5.33%	5.53%

Outstanding Short-Term Indebtedness

With this issue, the Town will have \$1,670,000 in short-term indebtedness outstanding. (See "Authorized but Unissued Debt" herein).

Overlapping and Underlying Indebtedness

Metropolitan District Commission:

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

<u>Amount of Outstanding Debt</u>	<u>Less Exclusions (1)</u>	<u>Total Net Overlapping Debt</u>	<u>Applicable % of Net Debt Charged to Town</u>	<u>Town Net Overlapping Debt (2)</u>
\$ 645,754,510	\$ 148,749,126	\$ 497,005,384	8.83%	\$ 43,885,575

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

(2) As of December 31, 2012.

Each year the District adopts a Capital Improvement Program ("CIP") for its capital infrastructure and facility needs. The program requires a series of decisions about the amount, timing, purpose and structure of debt issuance. Annual capital project appropriations and the issuance of debt are approved in accordance with budgetary policies and procedures as presented under the Budget Procedure and Policy of Debt Administration. The Finance Department manages all District borrowings, paying particular attention to debt affordability and timing of borrowings to take advantage of favorable market conditions. The goal is to repay debt rapidly, maintain a conservative level of outstanding debt, and ensure the District's continued positive financing standing in the bond market. For 2012, the CIP continues to focus on implementing a comprehensive asset management program for wastewater, water and combined programs.

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

In 2011, the Clean Water Project received \$60 million, representing pass-through funding under the American Recovery and Reinvestment Act ("ARRA") or stimulus funds. These funds were awarded as 50% grant and 50% loan at 2% under the State's Clean Water Fund program. An additional \$19 million in ARRA funds for a "green infrastructure" will be awarded as 20% grant and 80% loan at 2% also under the State's Clean Water Fund Program. To date, the District has received commitments for \$303,188,403 under this program and the Drinking Water State Revolving Fund Program.

Source: MDC

Fire Districts:

Windsor has two underlying special tax districts, Wilson Fire District and Windsor Fire District. As of June 30, 2012 the Windsor Fire District and the Wilson Fire District have no outstanding debt.

Legal Requirements for Approval of Borrowing

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

Temporary Financing

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

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

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

Capital Improvement Program

Under Town Charter, the Town Manager annually submits an updated six-year capital improvement program. The plan is a systematic program to add or replace capital items for each department within the General Government and Board of Education. The 2013-2018 Plan projects a total of \$121,919,155 in projects. A copy of the most recent capital improvement program is available from the Town Manager's Office.

School Projects

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

Under the old program, the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund school projects. The Town has no projects currently under construction that qualify under this method of reimbursement.

Authorized but Unissued Debt

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

Projects	Amount Authorized	Prior Bonds	Paydowns/ Grants	The Bonds (This Issue)	The Notes (This Issue)	Authorized But Unissued
Batchelder Road Causeway Improvements Project (1)	\$ 1,215,000	\$ 875,000	\$ -	\$ -	\$ -	\$ 340,000
Day Hill Road Improvement Project	2,225,000	245,000	1,755,000	-	-	225,000
Hayden Station Firehouse Project	2,800,000	2,650,000	-	-	-	150,000
Day Hill Rd. Pavement Rehabilitation (2)	680,000	-	-	-	680,000	-
Day Hill Rd. Pedestrian Circulation Enhancements	110,000	-	-	110,000	-	-
Deerfield Park & Sharshon Park Improvements	250,000	-	-	250,000	-	-
L.P. Wilson Community Center Roof Replacement	1,815,000	-	-	1,815,000	-	-
Oliver Ellsworth School Roof Replacement	1,790,000	-	-	950,000	840,000	-
Prospect Hill Rd. Reconstruction	450,000	-	-	450,000	-	-
Public Works Equipment Replacement	160,000	-	-	160,000	-	-
Stormwater Management Improvements	200,000	-	-	200,000	-	-
Town Facility Pavement Improvements	100,000	-	-	100,000	-	-
Town Pavement Rehabilitation Program	1,000,000	-	-	1,000,000	-	-
Windsor High School Roof Replacement and Auditorium Repair Project	2,525,000	-	800,000	-	150,000	1,575,000
Total	\$ 15,320,000	\$ 3,770,000	\$ 2,555,000	\$ 5,035,000	\$ 1,670,000	\$ 2,290,000

- (1) The balance of this authorization will be provided by available cash funding and the Town does not anticipate any future borrowing against this authorization.
- (2) The balance of the \$1,100,000 project appropriation has been funded through the reappropriation of unexpended proceeds of prior Town bonds.

Combined Schedule of Long Term Debt through Maturity

As of May 1, 2013 (Pro Forma)

Fiscal Year	Principal Payments (1)	Interest Payments	Total Debt Service (1)	The Bonds Principal Payments	All Issues Principal (1)
2013 (1)	\$ 4,365,000	\$ 1,264,469	\$ 5,629,469	\$ -	\$ 4,365,000
2014	4,340,000	1,127,300	5,467,300	410,000	4,750,000
2015	4,030,000	999,250	5,029,250	420,000	4,450,000
2016	4,160,000	861,663	5,021,663	420,000	4,580,000
2017	4,120,000	702,063	4,822,063	420,000	4,540,000
2018	3,950,000	553,519	4,503,519	420,000	4,370,000
2019	3,600,000	418,475	4,018,475	420,000	4,020,000
2020	3,595,000	289,338	3,884,338	420,000	4,015,000
2021	1,935,000	190,500	2,125,500	420,000	2,355,000
2022	1,520,000	134,625	1,654,625	420,000	1,940,000
2023	1,520,000	87,050	1,607,050	420,000	1,940,000
2024	1,110,000	41,675	1,151,675	420,000	1,530,000
2025	225,000	9,000	234,000	425,000	650,000
	\$ 38,470,000	\$ 6,678,927	\$ 45,148,927	\$ 5,035,000	\$ 43,505,000

- (1) Does not reflect principal payments of \$4,116,000 made as of May 1, 2013.

Source: Annual audit financial statements.

SECTION V - FINANCIAL DATA

Accounting Policies

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

Basis of Accounting

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

Audit

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

The most recent annual audit covers the fiscal year ended June 30, 2012, 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 2011 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Financial Officers Association of the United States and Canada ("GFOA"). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

Budgetary Procedure

The Town follows the following procedure in establishing the budgetary data included in the General Fund. No later than April 1st the Town Manager shall present to the Council a budget and recommendations. The Council shall hold one or more public hearings no later than April 15th, at which time any elector or taxpayer may be heard regarding appropriations for the ensuing fiscal year. On the second Monday in May, the Town Council submits to an adjourned Town meeting (referendum) and approves proposed expenditures and the means of financing them. Per the Connecticut General Statutes the annual Town meeting may be adjourned to a referendum vote within 14 days of the town meeting date.

<u>On or About</u>	<u>Day of Week</u>	<u>Action</u>
February 4, 2013	Monday	Public Hearing by Town Council to hear budget requests from citizens.
March 27, 2013	Wednesday	Estimated receipts and expenditures submitted to Council by Town Manager and Board of Education. (Proposed Budget)
April 1, 2013	Monday	Public Hearing by Council to hear expression of public opinion regarding budget submitted to Council by Town Manager and Board of Education.
May 14, 2013	Tuesday	Annual Town Budget Referendum held; budget adopted.
May 20, 2013	Monday	Regular Town Council Meeting; Council sets tax rate.
June 21, 2013	Friday	Tax bill mailing completed.
June 30, 2013	Sunday	End of Fiscal Year.
July 1, 2013	Monday	Taxes for 2013-14 fiscal year due and payable; fiscal year 2013-14 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, 2012 actuarial valuation, the actuarial value of assets and actuarial liabilities for the PERS plan were as follows:

Schedule of Funding Progress

Actuarial Valuation July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded AAL (UAAL) (b) - (a)	Percentage Funded Ratio (a) / (b)
2007	\$ 48,961,596	\$ 43,855,272	\$ 5,106,324	111.6
2008	51,029,433	45,790,887	5,238,546	111.4
2009	52,671,376	50,355,944	2,315,432	104.6
2010	54,245,354	53,427,746	817,608	101.5
2011	56,804,114	55,428,256	1,375,858	102.5
2012	59,251,864	58,623,672	628,192	101.1

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2008	\$ 827,855	\$ 827,855	100.0
2009	834,453	834,453	100.0
2010	843,833	843,833	100.0
2011	1,273,290	1,273,290	100.0
2012 (1)	1,334,389	1,334,389	100.0
2013 (1,2)	1,367,561	1,367,561	100.0
2014 (1,2)	1,311,760	1,311,760	100.0

- (1) Fiscal years 2011-12, 2012-13 and 2013-14 ARCs are inclusive of the following: Non-affiliated employee contributions increased from 2.25% to 3.25% as of July 1, 2011. The Teamsters bargaining unit employee contribution increased from 2.25% to 3.25% as of January 1, 2012. Public Safety Dispatchers bargaining unit employee contribution increased from 2.25% to 3.25% as of November 1, 2012. On July 1, 2013, the pension contribution for employees of the Teamsters and Public Safety Dispatchers bargaining units, as well as non-affiliated employees, will increase to 4%
- (2) The actuarial required contribution ("ARC") as provided by the Town's actuary. The Town intends to contribute 100% of the fiscal years 2012-13 and 2013-14 ARCs which they have done historically.

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

All uniformed police officers are covered under the State administered Municipal Employee Retirement Fund B ("MERF"), a defined benefit cost-sharing multi-employer cost sharing public employee retirement system ("PERS") established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to employees and beneficiaries of participating municipalities. The Town's General Fund expenditure for its share of the PERS cost was \$903,309 for the fiscal year ending June 30, 2012. The Town is projecting \$915,720 for its share of the PERS cost for fiscal year ending June 30, 2013, and is proposing \$962,380 for the fiscal year 2014 budget commencing on July 1, 2014.

On June 20, 2011, the Windsor Town Council approved the establishment of a 401(a) defined contribution plan for all unaffiliated employees hired after July 1, 2011. The Town's contribution is 5%, and new hires are required to contribute 5%. The collective bargaining agreement between the Town of Windsor and the Teamsters Local 671, for the period July 1, 2011 to June 30, 2013, which was ratified on October 17th and approved by both parties on October 25th, 2011, states that Teamsters bargaining unit employees hired on or after November 1, 2011 shall participate in the Town of Windsor 401(a) defined contribution plan, and that the Town and the employee are each required to contribute 5% of the employee's total earnings to the plan. The collective bargaining agreement between the Town of Windsor and the United Public Service Employees Union Local #424 Unit 10 (UPSEU-Public Safety Dispatchers Bargaining Unit) for the period July 1, 2011 and June 30, 2014, which was ratified on October 15, 2012 and approved by both parties on October 25, 2012, states that Dispatchers bargaining unit employees hired on or after November 1, 2012 shall participate in the Town of Windsor 401(a) defined contribution plan, and that the Town and the employee are each required to contribute 5% of the employee's total earnings to the plan.

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

Other Post Employment Benefits

The Town provides limited post employment health care benefits for retired employees. Substantially all of the Town's employees are eligible for these benefits when they become eligible for retirement while working for the Town. The Town currently finances the cost of these benefits on a pay-as-you-go basis, and has not established any fund for the accumulation of assets with which to pay such benefits in future years. The cost for the fiscal year ending June 30, 2012 was \$760,780. The cost for the fiscal years ending June 30, 2013 and June 30, 2014 are projected to be \$740,340 and \$770,760, respectively. An actuarial consultant has performed an actuarial valuation of this liability in accordance with GASB Statement No. 45 requirements effective for fiscal year beginning July 1, 2008. The unfunded accrued liability per the actuarial consultant's actuary report dated July 1, 2011 is \$74,028,000. The Town attempts to mitigate employee health care costs when negotiating with collective bargaining units.

The collective bargaining agreement between the Town of Windsor and the Teamsters Local 671, for the period July 1, 2011 to June 30, 2013, which was ratified on October 17, 2011 and approved by both parties on October 25, 2011, states that Teamsters bargaining unit employees will pay an additional 1% towards their health insurance in each of years two and three of the agreement. This will bring the total percentage contributed to health insurance up from 15% to 17% for this employee group and will reduce the Town's contribution to employee health from 85% to 83%. For Teamsters bargaining unit retirees hired after July 1, 2008 and before November 1, 2011, the Town will pay 50% of the cost for health insurance premiums for the retiree's spouse at the time of retirement. Prior to this, retirees contributed the same percentage they were paying at the time of retirement. For Teamsters retirees hired after November 1, 2011, the retiree's spouse may choose to continue health coverage at their own expense. Retiree spouses are not eligible for Town of Windsor health benefits if they have other coverage available to them. The Town implemented a self-funded insurance program that began on July 1, 2011 for bargaining unit employees as well as for non-affiliated employees and is seeing substantial cost savings from this initiative.

The collective bargaining agreement between the Town of Windsor and the United Public Service Employees Union Local #424 Unit 10 (UPSEU-Public Safety Dispatchers Bargaining Unit) for the period July 1, 2011 and June 30, 2014, which was ratified on October 15th, 2012 and approved by both parties on October 25, 2012, states that retroactive to July 1, 2012, the allocation rate applicable to all full-time members of the bargaining unit toward the full premium cost of the PPO insurance plan with prescription coverage or the HMO insurance plan with prescription coverage for the subscribing employee and his/her eligible dependants, shall increase from 15% to 16%, and the Town's allocation will decrease from 85% to 84%. Effective July 1, 2013, the allocation rate applicable to all full-time members of the bargaining unit toward the full premium cost of the PPO insurance plan with prescription coverage or the HMO insurance plan with prescription coverage for the subscribing employee and his/her eligible dependants, shall increase from 16% to 17%, and Town's allocation will decrease from 85% to 83%.

Effective July 1, 2013, the allocation rate for non-affiliated employees toward the full premium cost of the PPO insurance plan with prescription coverage or the HMO insurance plan with prescription coverage for the subscribing employee and his/her eligible dependants, shall increase from 16% to 17%, and the Town's allocation will decrease from 84% to 83%.

Based upon the July 1, 2011 actuarial valuation, the actuarial value of assets and actuarial liabilities for the OPEB plan were as follows:

Schedule of Funding Progress

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

(1) The actuarial accrued liability is based on the actuarial valuation dated July 1, 2011 and is subject to change.

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2009	\$ 6,389,000	\$ 1,898,000	29.7
2010	7,185,000	2,085,000	29.0
2011	7,118,000	2,067,000	29.0
2012	7,681,000	2,283,000	29.7
2013 (1)	7,258,000	2,047,000	28.2

(1) As projected for fiscal year 2012-13.

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

Investment Policies and Procedures

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

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

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

Assessment Practices

The Town of Windsor last revalued its real property to be effective on its October 1, 2008 Grand List which has been implemented in fiscal year 2009-10. The revaluation is being phased-in over a five-year period at 20% per annum beginning fiscal year 2009-10 and ending fiscal year 2013-14. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods. Prior to the completion of each revaluation, the Assessor shall conduct a field review. The Assessor must fully inspect each parcel of improved real property once in every ten assessment years, provided that the Assessor is not required to fully inspect all of a town's improved real property parcels in the same assessment year or to fully inspect any such parcel more than once during every ten assessment years. Section 12-62 provides that the full inspection requirement shall not apply to any parcel of improved real property for which the Assessor obtains satisfactory verification of data listed on the Assessor's property record by means of a questionnaire sent by the Assessor, at any time during the period in which a full inspection of an improved parcel of real property is required, to the owner of such parcel to (A) obtain information concerning the property's acquisition, and (B) obtain verification of the accuracy of data listed on the Assessor's property record for such parcel. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property and motor vehicles located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last general revaluation.

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

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

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

Tax Collection Procedure

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

Real Property Tax Levies and Collections

FY Ending 6/30	Net Taxable Grand List (1)	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2012
2013 (2)	\$ 2,907,640,693	27.95	\$ 81,404,843	In Process	In Process	In Process
2012	2,811,979,697	28.03	79,201,381	98.8	\$ 979,265	\$ 975,265
2011	2,734,641,908	28.38	77,747,083	98.6	1,091,108	417,493
2010	2,653,336,173	28.34	74,984,463	98.6	1,037,133	106,407
2009	2,590,683,323	29.30	76,374,720	98.8	898,815	26,088
2008	2,401,788,440	29.30	70,937,721	98.8	864,604	19,949
2007	2,303,286,906	29.30	68,003,214	98.7	905,941	7,649
2006	2,284,745,107	28.73	66,125,430	98.8	767,326	7,363
2005	2,243,767,090	28.83	65,073,579	98.9	716,790	4,567
2004	1,836,550,760	33.57	62,034,181	98.8	770,071	860

- (1) The Town's last revaluation was effective 10/01/2008. The revaluation has been phased-in over a 5 year period at 20% per annum beginning fiscal year 2009-10 and ending fiscal year 2013-14. (See "Assessments Practices" herein).
- (2) Adopted budget for the fiscal year commencing July 1, 2011. (See "Budgetary Procedures" herein).

Source: Town Officials.

Taxable Grand List (1)

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List (1)
10/01/11	\$ 2,524,291,833	\$ 512,131,547	\$ 202,124,650	\$ 3,238,548,030	\$ 330,907,337	\$ 2,907,640,693
10/01/10	2,532,178,040	471,342,141	186,248,492	3,189,768,673	377,788,976	2,811,979,697
10/01/09	2,521,616,780	482,561,434	179,816,305	3,183,994,519	449,352,611	2,734,641,908
10/01/08	2,232,341,208	488,125,018	185,708,117	2,906,174,343	252,838,170	2,653,336,173
10/01/07	2,077,747,360	425,093,172	190,257,671	2,693,098,203	102,414,880	2,590,683,323
10/01/06	1,909,387,140	366,616,914	186,060,915	2,462,064,969	60,276,529	2,401,788,440
10/01/05	1,850,533,380	332,285,896	181,808,230	2,364,627,506	61,340,600	2,303,286,906
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

- (1) The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Tax Review determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation (Grand List of 10/01/2008). The revaluation has been phased-in over a 5 year period at 20% per annum beginning fiscal year 2009-10 and ending fiscal year 2013-14. The prior revaluation 10/01/2003 grand list was implemented in full effective 10/01/2003. (See "Assessments Practices" herein).

Source: Town Officials

Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town per the Grand List dated October 1, 2011:

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List Amount</u>	<u>Estimated Taxes</u>
Griffin Land & Affiliates	Real Estate Development	\$ 77,202,020	\$ 2,157,796
Walgreens	Distribution Center	61,826,055	1,728,038
CIGNA	Insurance and Financial Services	58,730,777	1,641,525
IBM & Affiliates	Information Technology	46,807,524	1,308,270
Northeast Utilities & Affiliates	Electric Utility	42,768,024	1,195,366
Cellco/Verizon Wireless	Telecommunications	41,722,615	1,166,147
Hartford Financial Corp	Insurance and Financial Services	30,411,782	850,009
ING	Insurance and Financial Services	26,456,015	739,445
Ferraina & Affilites	Real Estate Development	25,987,304	726,345
GPT Windsor LLC/Rivers Bend Condominiums	Property Management	25,689,650	718,025
Total		<u>\$ 437,601,766</u> ⁽¹⁾	<u>\$12,230,966</u> ⁽²⁾

(1) Represents 15.05% of the net taxable grand list of \$2,907,640,693 dated October 1, 2011.

(2) Represents 15.02% of the total adjusted tax levy of \$81,425,210 adopted budget for fiscal year 2012-13.

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 2008-2012, in "Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

Property Tax Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Property Tax Revenues</u>	<u>Property Tax as a % of General Fund Revenues</u>
2013 (Adopted Budget)	\$ 97,984,600	\$ 81,425,210	83.10
2012	104,442,171	79,806,333	76.41
2011	102,267,246	78,440,338	76.70
2010	97,207,998	75,182,401	77.34
2009	100,503,089	76,562,176	76.18
2008	96,039,401	71,336,266	74.28
2007	92,447,469	68,138,291	73.70
2006	87,510,520	66,518,496	76.01
2005	83,411,561	65,305,954	78.29
2004	80,076,489	62,484,349	78.03

Source: Annual audited financial statements for fiscal years 2004-2012, and the adopted budget for fiscal year 2012-13.

Intergovernmental Revenues

Fiscal Year	General Fund Revenues	Intergovernmental	Aid As a % of General Fund Revenue
2013 (Adopted Budget)	\$ 97,984,600	\$ 14,629,230	14.93
2012	104,442,171	21,115,541	20.22
2011	102,267,246	19,819,257	19.38
2010	97,207,998	19,483,098	20.04
2009	100,503,089	21,033,244	20.93
2008	96,039,401	19,912,200	20.73
2007	92,447,469	17,014,499	18.40
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

Source: Annual audited financial statements for fiscal years 2004-2012, and the adopted budget for fiscal year 2012-13.

Expenditures

Fiscal Year	Education	General Government	Public Safety	Public Works
	%	%	%	%
2013 (Adopted Budget)	67.17	14.49	9.05	5.05
2012	68.83	11.05	9.44	5.56
2011	68.06	11.06	9.67	6.05
2010	69.86	10.90	9.05	6.15
2009	69.68	10.93	9.20	6.16
2008	69.92	11.22	9.00	5.97
2007	69.43	11.52	9.01	6.18
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

Source: Annual audited financial statements for fiscal years 2004-2012, and the adopted budget for fiscal year 2012-13.

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

	Fiscal Year 2011-12			2012-13 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	
REVENUES				
Property taxes	\$ 79,215,030	\$ 79,806,333	\$ 591,303	\$ 81,425,210
Licenses, permits and fees	591,430	508,570	(82,860)	483,000
Fines, forfeitures and penalties	35,000	49,114	14,114	37,000
Other agencies	122,773	167,147	44,374	143,500
Intergovernmental	15,040,687	15,253,153	212,466	14,629,230
Revenues from use of assets	617,950	512,393	(105,557)	493,830
Charges for services	817,020	863,254	46,234	772,830
TOTAL REVENUES	<u>96,439,890</u>	<u>97,159,964</u>	<u>720,074</u>	<u>97,984,600</u>
EXPENDITURES				
Current:				
General government	883,330	843,390	39,940	937,440
Safety services	8,678,100	8,673,791	4,309	8,946,890
Public works	4,950,460	4,717,595	232,865	4,989,440
Health services	489,700	408,402	81,298	494,880
Human services	866,860	793,056	73,804	768,340
Recreation and leisure services	984,210	961,792	22,418	1,331,770
Education	61,705,430	61,553,483	151,947	62,443,130
Town support for education	1,768,600	1,761,874	6,726	3,974,710
Library services	1,494,380	1,485,377	9,003	1,529,160
Development services	1,697,180	1,636,049	61,131	1,730,830
Information services	423,140	411,239	11,901	425,420
Administrative services	1,837,610	1,773,588	64,022	1,970,330
Community development	25,000	25,000	-	74,020
General services	5,166,930	5,156,141	10,789	9,268,240
TOTAL EXPENDITURES	<u>90,970,930</u>	<u>90,200,777</u>	<u>770,153</u>	<u>98,884,600</u>
Revenues over expenditures	<u>5,468,960</u>	<u>6,959,187</u>	<u>1,490,227</u>	<u>(900,000)</u>
Other financing sources (uses)				
Operating transfers in	120,240	903,038	782,798	-
Operating transfers out	(7,620,760)	(7,620,760)	-	-
Use of fund balance	-	-	-	900,000
Total other financing sources (uses)	<u>(7,500,520)</u>	<u>(6,717,722)</u>	<u>782,798</u>	<u>900,000</u>
Net change in budgetary fund balance	<u>\$ (2,031,560)</u>	241,465	<u>\$ 2,273,025</u>	<u>\$ -</u>
Budgetary Fund Balance, beginning		<u>16,023,699</u>		
Budgetary Fund Balance, ending		<u>\$ 16,265,164</u>		

Source: Annual audited financial statements for fiscal year 2011-12 and adopted budget for fiscal year 2012-13.

Comparative Balance Sheets - General Fund

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012 (1)</u>
ASSETS					
Cash and cash equivalents	\$ 19,229,173	\$ 20,390,702	\$ 21,430,689	\$ 28,232,878	\$ 24,864,249
Receivables:					
Property taxes	1,068,109	1,087,303	1,305,709	1,452,058	1,494,656
Accounts receivable	68,770	417,305	766,162	300,707	710,376
Intergovernmental and other	1,593,038	1,253,304	916,683	572,802	273,634
Due from other funds	413,997	498,874	284,308	289,220	1,583,568
Prepays	-	19,731	-	-	-
Inventory	40,758	35,989	44,044	35,544	48,934
TOTAL ASSETS	<u>\$ 22,413,845</u>	<u>\$ 23,703,208</u>	<u>\$ 24,747,595</u>	<u>\$ 30,883,209</u>	<u>\$ 28,975,417</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts and accrued liabilities	\$ 2,299,268	\$ 2,267,129	\$ 2,485,275	\$ 3,333,527	\$ 3,529,352
Due to other funds	675,973	32,757	51,890	53,326	767,425
Advanced tax collections	3,089,965	3,930,897	4,559,537	7,209,589	4,426,446
Deferred revenue	2,477,869	2,203,768	2,092,970	1,917,809	1,648,057
TOTAL LIABILITIES	<u>8,543,075</u>	<u>8,434,551</u>	<u>9,189,672</u>	<u>12,514,251</u>	<u>10,371,280</u>
FUND BALANCES					
Nonspendable	-	-	-	35,544	48,934
Assigned	-	-	-	3,395,259	3,238,973
Unassigned	-	-	-	14,938,155	15,316,230
Reserved for:					
Encumbrances	160,497	522,844	334,036	-	-
Inventory	40,758	35,989	44,044	-	-
Prepays	-	19,731	-	-	-
Loan gurantee	-	-	-	-	-
Unreserved:					
Designated for other purposes	500,000	1,149,905	900,000	-	-
Unreserved and undesignated	13,169,515	13,540,188	14,279,843	-	-
TOTAL FUND BALANCES	<u>13,870,770</u>	<u>15,268,657</u>	<u>15,557,923</u>	<u>18,368,958</u>	<u>18,604,137</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,413,845</u>	<u>\$ 23,703,208</u>	<u>\$ 24,747,595</u>	<u>\$ 30,883,209</u>	<u>\$ 28,975,417</u>

(1) The June 30, 2011 and 2012 fund balances are reported as per the Governmental Accounting Standards Board ("GASB") Rule 54.

Source: Annual audited financial statements.

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

REVENUES	2008	2009	2010	2011	2012
Property taxes	\$ 71,336,266	\$ 76,562,176	\$ 75,182,401	\$ 78,440,338	\$ 79,806,333
Charges for services	3,037,786	2,105,689	2,327,254	3,764,362	3,361,671
State and Federal governments	19,912,200	21,033,244	19,483,098	19,819,257	21,115,541
Investment income	1,753,149	801,980	215,245	243,289	158,626
TOTAL REVENUES	96,039,401	100,503,089	97,207,998	102,267,246	104,442,171
EXPENDITURES					
Education	61,406,479	63,321,537	63,097,716	64,675,805	67,390,801
Public safety	7,900,906	8,361,647	8,173,386	9,191,543	9,246,685
Human services	1,182,827	1,210,215	1,223,405	1,339,342	1,293,713
Cultural and recreation	2,243,064	2,448,050	2,423,677	3,562,735	3,714,831
Public works	5,245,661	5,600,080	5,551,103	5,745,378	5,444,107
General government	9,850,885	9,932,944	9,845,335	10,508,186	10,823,683
TOTAL EXPENDITURES	87,829,822	90,874,473	90,314,622	95,022,989	97,913,820
Revenues over expenditures	8,209,579	9,628,616	6,893,376	7,244,257	6,528,351
Net transfers out	(7,949,387)	(8,230,729)	(6,604,110)	(6,110,730)	(6,293,172)
State teachers on-behalf payments	-	(16,336,000)	-	-	-
State teachers on-behalf payments		16,336,000			
Net change in fund balances	260,192	1,397,887	289,266	1,133,527	235,179
Fund Balance - July 1	13,610,578	13,870,770	15,268,657	17,235,431 (1)	18,368,958
Fund Balance - June 30	<u>\$ 13,870,770</u>	<u>\$ 15,268,657</u>	<u>\$ 15,557,923</u>	<u>\$ 18,368,958</u>	<u>\$ 18,604,137</u>

(1) As restated.

Source: Annual audited financial statements; Town Officials.

SECTION VI - ADDITIONAL INFORMATION

Litigation

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

Availability of Continuing Disclosure Information

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

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

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

Financial Advisor

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

Documents Accompanying Delivery of the Bonds and the Notes

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

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

4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut;
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the forms attached to the Official Statement as Appendices C and D; and
6. Within seven business days of the bid opening, the Town will furnish the purchaser of the Bonds 100 copies of the Official Statement, and each purchaser of the Notes 15 copies of the Official Statement, as prepared by the Town. Additional copies and/or printing of underwriting information may be obtained by the original purchaser at its own expense by arrangement with the printer.

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

Concluding Statement

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

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

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

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

TOWN OF WINDSOR, CONNECTICUT

/ s / Peter P. Souza

BY: PETER P. SOUZA
Town Manager

/ s / Robert Metcalf

BY: ROBERT METCALF
Finance Director

Dated: April 10, 2013

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, 2012 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the office of the Finance Director, Town of Windsor, Connecticut.



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Connecticut (the "Town") as of and for the year ended June 30, 2012, 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 of Windsor'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 "Governmental 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; 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 previously 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof 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 7, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Windsor, Connecticut's basic financial statements. The introductory section, supplemental and combining nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental and combining nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental and combining nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them or provide any assurance on them.

McGladrey LLP

New Haven, Connecticut
December 7, 2012

Town of Windsor, Connecticut Management's Discussion and Analysis June 30, 2012

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, 2012. 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 \$71.9 million. Total net assets for Governmental Activities at fiscal year-end were \$77.9 million, which was a decrease of \$6.2 million from FY 11. Total net assets (deficits) for Business-Type Activities were (\$6.0 million), which was a decrease of \$743 thousand from FY 11. 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 \$122.3 million, which is an increase of \$5.5 million from FY 11. Government-wide revenues were \$116.9 million, which is an increase of \$735 thousand from FY 11.
- At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$30.0 million, an increase of \$625 thousand from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$18.6 million, an increase of \$235 thousand from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2012, \$15.3 million represents unassigned fund balance. Unassigned fund balance at year-end represents 14.6% of total FY 12 General Fund expenditures and transfers, and 15.5% of FY 13 budgeted expenditures and transfers.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information as well as the basic financial statements.

Government-Wide Financial Statements

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

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

considered, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town of Windsor.

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

Both of the government-wide financial statements distinguish functions of the Town of Windsor that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

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

The government-wide financial statements (statement of net assets and statement of activities) can be found on pages 13-14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three kinds of funds:

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten (10) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as other governmental funds. Non-major governmental funds for the Town of Windsor include the Community Development Block Grant, Cafeteria Fund, Educational Grant Programs, J. Bartash Trust Fund, Treehouse Fund, Debt Service Fund, Other Special Revenue Funds and Open Space Fund. The report provides individual fund data for each of these non-major governmental funds in the combining balance sheets on pages 62-63 and in the combining statement of revenues, expenditures and changes in fund balance on pages 64-65.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statements of General Fund revenues on a budgetary basis and General Fund expenditures, encumbrances and transfers out on a budgetary basis can be found on page 57.

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the Town's constituency. The Town has one pension trust fund and three agency funds. The accounting used for fiduciary funds is similar to the accounting for proprietary funds. The basic fiduciary fund financial statements are in pages 21-22 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are in pages 23 to 54 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other post employment benefits to its employees. This information can be found on pages 55 and 56 of this report. Also included in the required supplementary information is the budgetary-basis revenue and expenditure financial report and notes. This information can be found on pages 57-59.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town's government-wide assets exceeded liabilities by \$77.9 million on June 30, 2012, which was a decrease of \$6.2 million.

TOWN OF WINDSOR CONNECTICUT NET ASSETS (\$000's) June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2011-12</u>
Current and other assets	\$ 48,367	\$ 51,973	\$ 30,698	\$ 30,478	\$ 79,065	\$ 82,451	-4.1%
Capital assets, net of accumulated depreciation	101,315	102,643	211	186	101,526	102,829	-1.3%
Total Assets	149,682	154,616	30,909	30,664	180,591	185,280	-2.5%
Current liabilities	16,253	20,200	1,643	1,753	17,896	21,953	-18.5%
Long-term liabilities outstanding	55,488	50,302	35,262	35,649	90,750	85,951	5.6%
Total Liabilities	71,741	70,502	36,905	37,402	108,646	107,904	0.7%
Net Assets (Deficits):							
Invested in capital assets, net of related debt	64,625	64,665	211	186	64,836	64,851	0.0%
Restricted	3,089	3,131	-	-	3,089	3,131	-1.3%
Unrestricted	10,227	16,318	(6,207)	(6,925)	4,020	9,393	-57.2%
Total Net Assets (Deficits)	\$ 77,941	\$ 84,114	\$ (5,996)	\$ (6,739)	\$ 71,945	\$ 77,375	-7.0%

At the end of the current fiscal year, the Town of Windsor is able to report positive balances of \$71.9 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 of accruing a pro rata portion of the closure and post-closure costs for the town's landfill.

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

TOWN OF WINDSOR CONNECTICUT
CHANGES IN NET ASSETS (DEFICITS) (\$000's)
For the Years Ended June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2011-12
Revenues:							
Program Revenues:							
Charges for services	\$ 4,623	\$ 4,314	\$ 4,401	\$ 4,555	\$ 9,024	\$ 8,869	1.7%
Operating grants and contributions	24,960	23,280	-	-	24,960	23,280	7.2%
Capital grants and contributions	396	476	-	-	396	476	-16.8%
General Revenues:							
Property taxes	79,945	78,392	-	-	79,945	78,392	2.0%
Grants not restricted to specific programs	1,887	1,997	-	-	1,887	1,997	-5.5%
Miscellaneous	331	2,278	-	-	331	2,278	-85.5%
Unrestricted investment earnings	195	290	120	128	315	418	-24.6%
Insurance recovery	-	413	-	-	-	413	-100.0%
Total revenues	112,337	111,440	4,521	4,683	116,858	116,123	0.6%
Expenses:							
General Government	14,012	11,525	-	-	14,012	11,525	21.6%
Culture & Recreation	4,275	4,109	-	-	4,275	4,109	4.0%
Human Services	2,430	1,509	-	-	2,430	1,509	61.0%
Public Works	6,807	7,057	-	-	6,807	7,057	-3.5%
Education	79,447	77,131	-	-	79,447	77,131	3.0%
Public Safety	10,604	10,150	-	-	10,604	10,150	4.5%
Interest expense	1,075	1,146	-	-	1,075	1,146	-6.2%
Landfill	-	-	1,821	2,323	1,821	2,323	-21.6%
Child Development	-	-	1,303	1,295	1,303	1,295	0.6%
Adult Caring Connection	-	-	514	543	514	543	-5.3%
Total expenses	118,650	112,627	3,638	4,161	122,288	116,788	4.7%
Excess of revenues over expenses before transfers	(6,313)	(1,187)	883	522	(5,430)	(665)	716.5%
Transfers	140	143	(140)	(143)	-	-	0.0%
Change in net assets	(6,173)	(1,044)	743	379	(5,430)	(665)	716.5%
Net assets (deficits)-beginning	84,114	85,158	(6,739)	(7,118)	77,375	78,040	-0.9%
Net assets (deficits)-ending	\$ 77,941	\$ 84,114	\$ (5,996)	\$ (6,739)	\$ 71,945	\$ 77,375	-7.0%

Governmental Activities

Approximately 71.2% of revenues were derived from property taxes, followed by 24.3% from operating, capital and unrestricted grants, and 4.5% from other miscellaneous revenue sources.

Major revenue factors included:

- Property tax revenues collected in FY 12 were based on the Town's mill rate decreasing to 28.03. This was due primarily to the third year of a five year property revaluation phase-in. Other factors contributing to this were a 1.1% budgetary expenditure increase as compared to the FY 11 adopted budget and a decrease in miscellaneous non-property tax revenues.
- The Town's collection rate on the current adjusted levy, including the interim motor vehicle tax, was 98.76%, which is an increase from the prior year's rate of 98.60%.
- State Teachers Retirement payments made by the State Department of Education on behalf of the Town increased \$1.3 million, which was due to increased Other Post-Employment Benefit costs. (The retirement system is funded by the state and reported by the town as a GAAP requirement. The town does not have any liability for teacher's pension).
- State grants in lieu of taxes increased \$290 thousand due to an additional revenue sharing payment from the State of Connecticut.
- Grant revenues were received from the Federal Emergency Management Agency (FEMA) in the amount of \$803 thousand. This represented 75% of the town's eligible cost for the October 2011 Storm Alfred.
- Revenue from building permits declined by \$217 thousand and investment earnings declined by \$82 thousand due to the on-going weak economic environment.

For Governmental Activities in FY 12, approximately 67.0% of the Town's expenses relate to education (vs. 68.5% in FY 11), 8.9% (9.0% in FY 11) relate to public safety, 11.8% (vs. 10.2% in FY 11) to general government, 5.7% (vs. 6.3% in FY 11) relate to public works, 3.6% (3.6% in FY 11) to culture and recreation, 2.1% (vs. 1.3% in FY 11) to human services, and 0.9% (vs. 1.0% in FY 11) to interest on long-term debt. It is important to remember that these expenses include non-budgetary items such as depreciation and disposal of capital assets, the change in compensated absence accruals, as well as pension and OPEB (other post employment benefits) costs.

Major expense factors included:

- Non-affiliated administrative employees salaries increased 1.5% and public works/clerical workers collective bargaining group salaries increased 1.75%. Public safety dispatchers' salaries increased 2.0% and Police increased 3.8%.
- Approximately \$439 thousand was saved in health insurance premiums as compared to FY 11 due to the implementation of the town's self-insured health insurance program.
- Costs related to Emergency Management activities in Human services went up due to the October 2011 Storm Alfred. These costs were reimbursed by the Federal Emergency Management Agency (FEMA) in the amount of \$803 thousand.
- Education costs increased as compared to FY 11 mostly due to State Teachers Retirement payments made by the State Department of Education on behalf of the Town, which was a result of increased OPEB costs as mentioned above. (The retirement system is funded by the state and reported by the town as a GAAP requirement. The town does not have any liability for teacher's pension).

Business-Type Activities

- There was a \$743 thousand reduction in the Business Type Activities deficit. This was due primarily to decreased accrual costs in FY 12 as compared to FY 11 for closure and post-closure costs for the landfill.

Financial Analysis of the Fund Financial Statements

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

Governmental funds. The focus of the Town of Windsor's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Windsor's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2012 the Town of Windsor's governmental funds reported combined ending fund balances of \$30.0 million, an increase of \$625 thousand from \$29.4 million the previous year. Approximately 51.0% of the total fund balance constitutes unassigned fund balance. The remainder of the fund balance is considered either nonspendable, restricted, committed, or assigned as defined by GASB 54 fund balance definitions. These fund balance definitions can be found in note 1 in the notes to the financial statements.

The General Fund is the chief operating fund of the Town of Windsor. As of June 30, 2012, unassigned fund balance of the General Fund was \$15.3 million, while total fund balance was \$18.6 million. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.7% of total General Fund expenditures of \$97.9 million, while total fund balance represents 19.0% of that same amount.

As stated earlier, the fund balance of the Town of Windsor's General Fund increased by approximately \$235 thousand during the current fiscal year. Key factors in this increase are as follows:

- Property tax receipts were \$591 thousand above budgeted estimates, due to prior year collections and interest.
- Intergovernmental revenues were \$212 thousand above budgeted estimates. Revenues from charges for services were \$46 thousand above budgeted estimates; revenues from other agencies were \$44 thousand above budgeted estimates; revenues from licenses and permits were \$83 thousand below budgeted estimates; and total departmental expenditures were \$770 thousand under budget.

The Capital Projects Fund had a total fund balance of \$7.2 million (\$0.9 million in assigned fund balance), which is an increase from a balance of \$6.9 million in the prior year. The increase is due primarily to the receipt of state reimbursement grants for prior year projects.

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

The net assets (deficits) of the Landfill Enterprise Fund at the end of the year were approximately \$(6.9) million with unrestricted net assets (deficits) of approximately \$(7.1) million compared to \$(7.7) million and \$(7.9) million in the prior year. The Landfill Enterprise Fund had a net gain during the year of approximately \$818 thousand compared with a net gain of \$397 thousand in the prior year.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was approximately \$1,131,560. The additional appropriations approved during the year are summarized below:

- An additional appropriation of \$75,050 to the Capital Projects fund for emergency management resources to enhance the town's ability to respond to emergency situations.
- An additional appropriation of \$150,000 to the Capital Projects fund to purchase a dump truck for the Public Works department.
- An additional appropriation of \$906,510 to the Special Revenue fund to cover costs related to the October 2011 Storm Alfred, which was partially offset by FEMA grants totaling \$803,000 for a net impact of \$103,510.

Actual revenues on a budgetary basis were approximately \$97.2 million. This amount exceeded budgetary estimates by approximately \$720 thousand. The major revenue variances were:

- General property tax collections in excess of estimates by \$591,000 due to additional amounts received from prior year levies and interest.
- Additional revenue received from the State of Connecticut Office of Policy and Management Municipal Revenue Sharing Program in the amount of \$284,000.
- Increased revenue from Special Education Tuition Reimbursement from other Towns in the amount of \$97,000 and the Telecommunications Property Tax in the amount of \$57,000.
- Less revenue received from Building Permits in the amount of \$107,000 as compared to the FY 12 budget, and \$102,000 less from Interest Income.
- General operating expenditures were kept under budget in all functional areas by \$770,000. This was primarily due to education savings, staff vacancies and storm control savings that were the result of a mild winter.

These items combined produced an increase of approximately \$241,000 to the General Fund budgetary fund balance.

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, 2012, amounted to \$101.5 million (net of accumulated depreciation) compared to \$102.8 million in the prior fiscal year. This 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 mechanical improvements, machinery and equipment, park facilities, roads, sewers and bridges.

**TOWN OF WINDSOR CONNECTICUT
CAPITAL ASSETS (net of depreciation)
June 30, 2012**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 4,775	\$ -	\$ 4,775
Construction in Progress	3,191	-	3,191
Buildings and improvements	64,260	133	64,393
Infrastructure	21,815	-	21,815
Machinery and equipment	7,274	78	7,352
Total	\$ 101,315	\$ 211	\$ 101,526

Major additions during the year included the following:

- Poquonock School Heating System
- Stone Road Improvements
- John F. Kennedy School Roof
- Senior Center Renovations
- HVAC Replacement at the Town Hall
- HVAC Replacement at the Main Library
- River Trail Multi-Use Path
- Fire Department Rescue-Pumper
- Public Works Dump Truck and Wheel Loader
- Four new Police vehicles

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

Debt Administration

At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$38.5 million. 100% of this debt is backed by the full faith and credit of the Town government.

**TOWN OF WINDSOR CONNECTICUT
OUTSTANDING DEBT
June 30, 2012**

	Governmental Activities
General obligation bonds	\$ 38,470,000

The Town of Windsor's total bonded debt decreased by \$15 thousand or 0.04% during the current fiscal year compared to a 0.64% decrease in the prior year.

The Town of Windsor general obligation bond ratings are AAA from Standard & Poor's and Aa1 from Moody's Investors Services. The AAA rating from Standard and Poor's was reaffirmed in May of 2012 when the Town issued \$4.5 million of general obligation bonds and a one year bond anticipation note in the amount of \$800 thousand.

The State of Connecticut limits the amount of general obligation debt that towns and cities can issue based on a formula determined under State Statutes and according to type of debt and the tax base. The Town's overall statutory debt limit is equal to seven times annual receipts from taxation or \$559 million, up from \$548 million in FY 11. As of June 30, 2012, the Town recorded long-term debt of \$38.5 million related to Governmental Activities, well below its statutory debt limits.

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

Economic Factors

As of September 2012, the unemployment rate for the Windsor labor market area was 8.5%. The unemployment rate for the greater Hartford area as well as the State of Connecticut stood at 8.2%, and the overall national average was 7.8% for this same time period.

Although unemployment rates remain relatively high, the economy is showing some signs of relief, and The Town of Windsor is well-positioned to deal with the present economic situation. The Town relies heavily on property taxes, but this income stream has proved to be stable. State revenues make up a smaller portion of the Town's total revenue, but fortunately this revenue has seen only minor fluctuations in the current period. Even with an over-reliance on property taxes and no significant increases in state aid, the Town has been able to adjust expenditures accordingly and continue to provide high levels of service during the recovery from the economic recession.

The Town has a high quality tax base consisting of a diverse mix of commercial and business enterprises, and this lends even more stability to the Town's revenue. The Town has maintained an active economic development program that for many decades has attracted and retained firms, and prides itself on a fast development approval process. Windsor has positioned itself as a destination address for office and commercial development, and this increased development will lend itself to an increase in the tax base in coming years. Most recently, Dollar Tree Inc. has selected Windsor for a one million square foot distribution center. Statistics on growth for the last ten years are available in the statistical section of this report.

Requests for Information

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

Basic Financial Statements

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICITS)

June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total*
Assets			
Cash and cash equivalents	\$ 31,552,104	\$ 22,414,810	\$ 53,966,914
Investments	10,989,613	8,014,081	19,003,694
Receivables:			
Property taxes, net of allowance for collection losses	1,494,656	-	1,494,656
Accounts receivable	1,849,606	-	1,849,606
Customer receivables	68,758	295,597	364,355
Federal and state governments	273,634	-	273,634
Community rehabilitation loans, net	2,051,976	-	2,051,976
Inventories	57,177	-	57,177
Internal balances	30,000	(30,000)	-
Prepays	-	3,919	3,919
Capital assets, not being depreciated	7,966,296	-	7,966,296
Capital assets, being depreciated, net of depreciation	93,348,585	210,947	93,559,532
Total assets	149,682,405	30,909,354	180,591,759
Liabilities			
Accounts payable and accruals	5,975,909	158,661	6,134,570
BANS Payable	800,000	-	800,000
Accrued interest payable	484,514	-	484,514
Advance tax collections	4,426,446	-	4,426,446
Unearned revenues	4,676	18,043	22,719
Long-term liabilities:			
Due within one year	4,561,808	1,466,837	6,028,645
Due in more than one year	55,488,196	35,262,044	90,750,240
Total liabilities	71,741,549	36,905,585	108,647,134
Net Assets (Deficits)			
Investment in capital assets, net of related debt	64,624,458	210,947	64,835,405
Restricted			
Community rehabilitation program	2,051,976	-	2,051,976
Public works	615,025	-	615,025
Other	422,245	-	422,245
Unrestricted (deficit)	10,227,152	(6,207,178)	4,019,974
Total net assets (deficits)	\$ 77,940,856	\$ (5,996,231)	\$ 71,944,625

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

* After internal receivables and payables have been eliminated.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

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	\$ (14,012,409)	\$ 1,322,126	\$ 506,112	\$ 66,299	\$ (12,117,872)	\$ -	\$ (12,117,872)
Culture & recreation	(4,274,494)	836,456	36,281	-	(3,401,757)	-	(3,401,757)
Human services	(2,430,368)	114,084	948,437	-	(1,367,847)	-	(1,367,847)
Public works	(6,807,050)	146,472	206,719	329,573	(6,124,286)	-	(6,124,286)
Education	(79,446,961)	1,509,314	23,131,847	-	(54,805,800)	-	(54,805,800)
Public safety	(10,603,500)	694,937	130,439	-	(9,778,124)	-	(9,778,124)
Interest expense	(1,075,256)	-	-	-	(1,075,256)	-	(1,075,256)
Total governmental activities	(118,650,038)	4,623,389	24,959,835	395,872	(88,670,942)	-	(88,670,942)
Business-type activities:							
Landfill	(1,821,531)	2,521,914	-	-	-	700,383	700,383
Child development	(1,303,193)	1,254,844	-	-	-	(48,349)	(48,349)
Adult caring connection	(513,605)	623,817	-	-	-	110,212	110,212
Total business-type activities	(3,638,329)	4,400,575	-	-	-	762,246	762,246
Total primary government	\$ (122,288,367)	\$ 9,023,964	\$ 24,959,835	\$ 395,872	(88,670,942)	762,246	(87,908,696)
General revenues:							
Property taxes					79,945,496	-	79,945,496
Grants and contributions not restricted to specific programs					1,886,647	-	1,886,647
Other					331,148	-	331,148
Unrestricted investment earnings					194,859	120,180	315,039
Internal transfers					139,985	(139,985)	-
Total general revenues and internal transfers					82,498,135	(19,805)	82,478,330
Change in net assets					(6,172,807)	742,441	(5,430,366)
Net assets (deficits) - beginning					84,113,663	(6,738,672)	77,374,991
Net assets (deficits) - ending					\$ 77,940,856	\$ (5,996,231)	\$ 71,944,625

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

TOWN OF WINDSOR, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 18,549,992	\$ 5,533,343	\$ 2,290,316	\$ 26,373,651
Investments	6,314,257	1,978,364	898,175	9,190,796
Receivables (net of allowances for collection losses):				
Property taxes	1,494,656	-	-	1,494,656
Accounts receivable	710,376	31,155	1,108,075	1,849,606
State and Federal governments	273,634	-	-	273,634
Community rehabilitation loans, net	-	-	2,051,976	2,051,976
Due from other funds	1,583,568	30,000	-	1,613,568
Inventories	48,934	-	8,243	57,177
Total assets	\$ 28,975,417	\$ 7,572,862	\$ 6,356,785	\$ 42,905,064
Liabilities				
Accounts payable and accrued liabilities	\$ 3,529,352	\$ 333,026	\$ 229,593	\$ 4,091,971
Advance tax collections	4,426,446	-	-	4,426,446
Unearned revenues	-	-	4,676	4,676
Deferred revenues	1,648,057	-	350,610	1,998,667
Due to other funds	767,425	-	1,583,568	2,350,993
Total liabilities	10,371,280	333,026	2,168,447	12,872,753
Fund balances				
Nonspendable	48,934	-	21,243	70,177
Restricted	-	3,589,447	3,089,246	6,678,693
Committed	-	2,770,603	912,948	3,683,551
Assigned	3,238,973	879,786	164,901	4,283,660
Unassigned	15,316,230	-	-	15,316,230
Total fund balances	18,604,137	7,239,836	4,188,338	30,032,311
Total liabilities and fund balances	\$ 28,975,417	\$ 7,572,862	\$ 6,356,785	

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.	101,314,881
Deferred revenues are not available and therefore not recognized in the funds.	1,998,667
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(60,050,004)
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.	5,129,515
Accrued interest payable	(484,514)

Net assets of governmental activities

\$ 77,940,856

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, 2012

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
REVENUES				
Property taxes	\$ 79,806,333	\$ -	\$ -	\$ 79,806,333
State and Federal governments	21,115,541	1,474,737	6,096,409	28,686,687
Charges for services	3,361,671	-	1,261,717	4,623,388
Investment income	158,626	24,235	11,999	194,860
Other	-	156,182	50,260	206,442
Total revenues	104,442,171	1,655,154	7,420,385	113,517,710
EXPENDITURES				
Current:				
Education	67,390,801	-	5,762,438	73,153,239
General government	10,823,683	-	372,068	11,195,751
Culture and recreation	3,714,831	-	91,720	3,806,551
Human services	1,293,713	-	1,008,398	2,302,111
Public safety	9,246,685	-	158,098	9,404,783
Public works	5,444,107	-	143,665	5,587,772
Debt service:				
Principal retirements	-	-	4,505,000	4,505,000
Interest and other charges	-	-	1,420,093	1,420,093
Capital outlay	-	6,244,402	-	6,244,402
Total expenditures	97,913,820	6,244,402	13,461,480	117,619,702
Revenues over (under) expenditures	6,528,351	(4,589,248)	(6,041,095)	(4,101,992)
OTHER FINANCING SOURCES (USES)				
Transfers in	903,038	441,550	6,796,560	8,141,148
Transfers out	(7,196,210)	-	(804,953)	(8,001,163)
Issuance of bonds	-	4,490,000	-	4,490,000
Premium on bonds issued	-	-	97,219	97,219
Total other financing sources (uses)	(6,293,172)	4,931,550	6,088,826	4,727,204
Change in fund balances	235,179	342,302	47,731	625,212
FUND BALANCES, beginning	18,368,958	6,897,534	4,140,607	29,407,099
FUND BALANCES, ending	\$ 18,604,137	\$ 7,239,836	\$ 4,188,338	\$ 30,032,311

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, 2012**

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

Net change in fund balances – total governmental funds	\$ 625,212
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 depreciation exceeded capital outlays in the current period.	(1,328,063)
Changes in receivables that impact revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,180,465)
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.	228,060
Changes in some liabilities that impact expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(5,248,314)
The net income of certain activities of internal service funds is reported with governmental activities.	<u>730,763</u>
Change in net assets of governmental activities	<u><u>\$ (6,172,807)</u></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, 2012

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 21,714,504	\$ 700,306	\$ 22,414,810	\$ 5,178,453
Receivables:				
Customer receivables, net	208,242	87,355	295,597	68,758
Due from other funds	-	-	-	767,425
Prepaid expenses	-	3,919	3,919	-
Investments	7,763,698	250,383	8,014,081	1,798,817
Total current assets	29,686,444	1,041,963	30,728,407	7,813,453
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	173,907	37,040	210,947	-
Total noncurrent assets	173,907	37,040	210,947	-
Total assets	29,860,351	1,079,003	30,939,354	7,813,453
LIABILITIES				
Current liabilities:				
Accounts payable	90,940	67,721	158,661	661,329
BANS Payable	-	-	-	800,000
Accrued claims payable	-	-	-	622,609
Accrued post closure costs	1,466,837	-	1,466,837	-
Unearned revenue	6,112	11,931	18,043	-
Due to other funds	-	30,000	30,000	-
Total current liabilities	1,563,889	109,652	1,673,541	2,083,938
Noncurrent liabilities:				
Accrued post closure costs	35,204,093	-	35,204,093	-
Compensated absences	11,282	46,669	57,951	-
Accrued claims payable	-	-	-	600,000
Total noncurrent liabilities	35,215,375	46,669	35,262,044	600,000
Total liabilities	36,779,264	156,321	36,935,585	2,683,938
NET ASSETS (DEFICITS)				
Invested in capital assets	173,907	37,040	210,947	-
Unrestricted assets (deficits)	(7,092,820)	885,642	(6,207,178)	5,129,515
Total net assets (deficits)	\$ (6,918,913)	\$ 922,682	\$ (5,996,231)	\$ 5,129,515

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, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES				
User charges	\$ 2,521,914	\$ 1,878,661	\$ 4,400,575	\$ 9,006,038
Total operating revenues	2,521,914	1,878,661	4,400,575	9,006,038
OPERATING EXPENSES				
Operations and maintenance	1,803,188	1,808,666	3,611,854	-
Claims	-	-	-	8,290,036
Depreciation	18,343	8,132	26,475	-
Total operating expenses	1,821,531	1,816,798	3,638,329	8,290,036
Operating income	700,383	61,863	762,246	716,002
NONOPERATING REVENUES				
Interest income	117,874	2,306	120,180	14,761
Income before transfers	818,257	64,169	882,426	730,763
Transfers out	-	(139,985)	(139,985)	-
Change in net assets	818,257	(75,816)	742,441	730,763
NET ASSETS (DEFICITS), beginning	(7,737,170)	998,498	(6,738,672)	4,398,752
NET ASSETS (DEFICITS), ending	\$ (6,918,913)	\$ 922,682	\$ (5,996,231)	\$ 5,129,515

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, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor			Activities
	Landfill	Enterprise Funds	Total	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 2,574,981	\$ 1,875,947	\$ 4,450,928	\$ 10,305,034
Payments to suppliers	(1,748,662)	(436,942)	(2,185,604)	(8,118,132)
Payments to employees	(569,883)	(1,354,167)	(1,924,050)	-
Net cash provided by operating activities	256,436	84,838	341,274	2,186,902
Cash Flows From Noncapital Financing Activities				
Proceeds from bond anticipation notes	-	-	-	800,000
Payments to other funds	-	(30,000)	(30,000)	(714,132)
Transfers out	-	(139,985)	(139,985)	-
Net cash used in noncapital financing activities	-	(169,985)	(169,985)	85,868
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	(34,925)	(16,885)	(51,810)	-
Net cash used in capital and related financing activities	(34,925)	(16,885)	(51,810)	-
Cash Flows From Investing Activities				
Interest received	117,874	2,306	120,180	14,761
(Purchase) sale of investments	643,123	52,672	695,795	(826,560)
Net cash provided by (used in) investing activities	760,997	54,978	815,975	(811,799)
Net increase (decrease) in cash and cash equivalents	982,508	(47,054)	935,454	1,460,971
Cash and Cash Equivalents				
Beginning	20,731,996	747,360	21,479,356	3,717,482
Ending	<u>\$ 21,714,504</u>	<u>\$ 700,306</u>	<u>\$ 22,414,810</u>	<u>\$ 5,178,453</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 700,383	\$ 61,863	\$ 762,246	\$ 716,002
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	18,343	8,132	26,475	-
Changes in assets and liabilities:				
Decrease in receivable accounts	47,510	2,444	49,954	1,298,996
Decrease (increase) in prepaid expenses	-	(1,082)	(1,082)	19,333
Increase (decrease) in accounts payable	(116,979)	17,555	(99,424)	627,746
Increase (decrease) in accrued liabilities	(392,821)	(4,074)	(396,895)	(475,175)
Net cash provided by operating activities	<u>\$ 256,436</u>	<u>\$ 84,838</u>	<u>\$ 341,274</u>	<u>\$ 2,186,902</u>

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, 2012

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 734,555	\$ 744,397
Investments		
Common and preferred stock	11,640,672	-
Debt securities	13,998,434	-
Equity mutual funds	20,116,087	-
Corporate debt	3,253,077	-
Foreign debt	537,230	-
Total investments	49,545,500	-
Contributions receivable	696,343	-
Other receivables	254,259	-
Total assets	51,230,657	744,397
LIABILITIES		
Accounts payable	-	744,397
Net Assets Held in Trust for Pension Benefits	\$ 51,230,657	\$ -

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, 2012

	<u>Pension Trust Fund</u>
Additions	
Contributions	
Employer	\$ 1,334,389
Plan members	435,163
Total contributions	<u>1,769,552</u>
Investment Income	
Net depreciation in fair value of investments	(233,546)
Interest and dividends	1,006,773
	<u>773,227</u>
Less investment expenses:	
Investment management fees	246,836
Total investment income	<u>526,391</u>
Deductions	
Benefits	<u>2,757,820</u>
Change in net assets	(461,877)
Net Assets	
Beginning of year	<u>51,692,534</u>
End of year	<u>\$ 51,230,657</u>

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies

Reporting entity

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

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

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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

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

Governmental Funds

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

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

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

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

The *Special Revenue Funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

Proprietary Funds

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

The Town reports the following major proprietary fund:

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

Additionally, the Town reports the following proprietary fund:

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

Fiduciary Funds

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

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

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

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

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

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

Accounting estimates

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

Property taxes

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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

Cash and cash equivalents

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

Allowance for doubtful accounts

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

Investments

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

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

Inventories

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

Capital Assets

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

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

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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

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

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

Loans receivable

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

Compensated absences

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

Sick leave and vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they are paid or due (matured). If an employee is retiring, limited accumulated unused sick leave is not paid but added to the credited service used to calculate pension benefits. The liability for the remainder of the accrued vacation earned and not due is reported in the government-wide and proprietary fund financial statements.

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

Long-term obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond principal premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred gains/losses on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Bond principal payments are recorded as expenditures. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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

Landfill closure and post-closure

The Town accounts for the cost and estimated costs for closure and post-closure care costs in its Landfill Fund. The Landfill Fund is an enterprise fund. Enterprise funds account for the estimated total current costs of landfill closure and post-closure and are recognized as an expense and liability in each period in which the landfill accepts solid waste. Estimated total current costs are based on use.

Pension accounting

Pension Trust Fund

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

Government-Wide Funds/Activities

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

Funding Policy

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

Net other post-employment benefit obligations

Government-Wide Funds/Activities:

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

Encumbrances

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

All other General Fund appropriations lapse at year-end.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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 net of unspent bond proceeds that are attributable to the acquisition, construction or improvement of these assets reduce this category.

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

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

Fund Balance

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

- *Nonspendable Fund Balance* – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- *Committed Fund Balance* – This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Windsor Town Council). Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Town Council as per the Town Charter.
- *Assigned Fund Balance* – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town's adopted policy, the Town Manager or the Finance Director have the authority to assign amounts for a specific purpose.
- *Unassigned Fund Balance* – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 38,470,000
Compensated absences	787,230
Deferred amounts on refunding, net	(412,513)
OPEB	19,782,907
Deferred premiums, net of amortization	<u>1,422,380</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 60,050,004</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 4,330,576
Depreciation expense	<u>(5,658,639)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,328,063)</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 4,490,000
Bond premium	(328,766)
Deferred amounts on refundings	115,706
Principal repayments:	
General obligation debt	<u>(4,505,000)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (228,060)</u>

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

Change in:	
Compensated absences	\$ 32,885
OPEB obligation	5,249,987
Accrued interest	<u>(34,558)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,248,314</u>

Note 3. Cash, Cash Equivalents and Investments

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

Investments: Town policy for eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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

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

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

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

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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, 2012, approximately \$67,112,000 of the Town's bank balance of approximately \$76,734,000 was uninsured and uncollateralized.

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

Cash and investments of the Town consist of the following at June 30, 2012:

Cash and Cash Equivalents

Deposits with financial institutions	\$	74,219,045
Cutwater Asset Management		78,029
State Short-Term Investment Fund		152,486
Total cash and cash equivalents		<u>74,449,560</u>
Less: Certificates of deposits classified as investments		<u>(19,003,694)</u>
		<u>55,445,866</u>

Pension Trust Funds:

U.S. Government Securities	1,847,434	*
U.S. Government Agencies	7,070,123	*
Corporate Debt	3,253,077	*
Common and Preferred Stocks	11,640,672	*
Equity Mutual Funds	20,116,087	
Foreign Bonds	537,230	*
Municipal Bonds	5,080,877	*
Total pension investments	<u>49,545,500</u>	

Total cash, cash equivalents and investments \$ 123,995,060

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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

Statement of Net Assets

Cash and cash equivalents	\$ 53,966,914
Investments	19,003,694
	<u>72,970,608</u>

Fiduciary Funds:

Cash and cash equivalents	1,478,952
Investments	49,545,500
	<u>51,024,452</u>

Total cash and investments	<u><u>\$ 123,995,060</u></u>
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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	\$ 1,847,434	\$ -	\$ 1,847,434	\$ -
U.S. Government Agencies	7,070,123	-	7,070,123	-
Corporate Debt	3,253,077	1,421,254	1,831,823	-
Municipal Bonds	5,080,877	403,868	4,677,009	-
Foreign Bonds	537,230	-	537,230	-
Pooled Fixed Income	230,515	230,515	-	-
Total	<u>\$ 18,019,256</u>	<u>\$ 2,055,637</u>	<u>\$ 15,963,619</u>	<u>\$ -</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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

Average Rating	Pooled Fixed Income	U.S. Government Agencies	Corporate Debt	Foreign Bonds	Municipal Bonds
AAA	\$ -	\$ -	\$ -	\$ -	\$ -
AAA _m	230,515	-	-	-	-
AA ⁺	-	7,070,123	1,798,810	-	-
AA	-	-	-	-	1,543,764
AA ⁻	-	-	-	-	1,565,580
A	-	-	-	-	-
A ⁻	-	-	-	537,230	-
BBB ⁺	-	-	610,055	-	-
BBB	-	-	431,928	-	-
BBB ⁻	-	-	412,284	-	-
Unrated	-	-	-	-	1,971,533
Total	\$ 230,515	\$ 7,070,123	\$ 3,253,077	\$ 537,230	\$ 5,080,877

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,774,909	\$ -	\$ -	\$ 4,774,909
Construction in progress	8,427,621	2,668,708	7,904,942	3,191,387
Total capital assets, not being depreciated	13,202,530	2,668,708	7,904,942	7,966,296
Capital assets, being depreciated:				
Buildings and improvements	116,738,932	4,512,950	-	121,251,882
Machinery and equipment	19,219,881	3,868,383	106,885	22,981,379
Infrastructure	92,479,895	1,185,477	-	93,665,372
Total capital assets being depreciated	228,438,708	9,566,810	106,885	237,898,633
Less accumulated depreciation for:				
Buildings and improvements	54,042,322	2,949,581	-	56,991,903
Machinery and equipment	14,828,414	985,813	106,885	15,707,342
Infrastructure	70,127,558	1,723,245	-	71,850,803
Total accumulated depreciation	138,998,294	5,658,639	106,885	144,550,048
Total capital assets, being depreciated, net	89,440,414	3,908,171	-	93,348,585
Governmental activities capital assets, net	\$ 102,642,944	\$ 6,576,879	\$ 7,904,942	\$ 101,314,881

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 410,406	\$ -	\$ -	\$ 410,406
Machinery and equipment	3,109,424	51,810	-	3,161,234
Total capital assets, being depreciated	3,519,830	51,810	-	3,571,640
Less accumulated depreciation for:				
Buildings and improvements	271,385	6,012	-	277,397
Machinery and equipment	3,062,832	20,463	-	3,083,295
Total accumulated depreciation	3,334,217	26,475	-	3,360,692
 Total business-type capital assets, net	 \$ 185,613	 \$ 25,335	 \$ -	 \$ 210,948

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

Governmental activities:	
Board of Education	\$ 3,443,022
General Government	296,417
Culture and Recreation	442,706
Human Services	100,261
Public Works	716,900
Public Safety	659,333
Total depreciation expense – governmental activities	<u>\$ 5,658,639</u>
Business-type activities:	
Landfill	\$ 18,343
Child Development	1,000
Adult Caring Connection	7,132
Total depreciation expense – business-type activities	<u>\$ 26,475</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 5. Interfund Receivables, Payables and Transfers

During the course of operations, transactions are processed through a fund on behalf of another fund. A summary of interfund balances as of June 30, 2012 is presented below:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,583,568	\$ 767,425
Capital Projects	30,000	-
Non-Major Governmental Funds	-	1,583,568
Other Nonmajor Enterprise Funds	-	30,000
Internal Service Fund	767,425	-
	<u>\$ 2,380,993</u>	<u>\$ 2,380,993</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, 2012 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 903,038	\$ 7,196,210
Capital Projects	441,550	-
Non-Major Governmental Funds	6,796,560	804,953
Other Nonmajor Enterprise Funds	-	139,985
	<u>\$ 8,141,148</u>	<u>\$ 8,141,148</u>

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 6. Unearned Revenue/Deferred Revenue

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

	Deferred Revenues	Unearned Revenues
General Fund		
Property taxes	\$ 1,267,502	\$ -
School construction grant receivable	273,634	-
Other receivables	106,921	-
	<u>1,648,057</u>	<u>-</u>
Other Nonmajor Governmental Funds		
Other receivables	350,610	-
Prepaid program fees	-	4,676
	<u>350,610</u>	<u>4,676</u>
Total	<u>\$ 1,998,667</u>	<u>\$ 4,676</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 7. Long-Term Liabilities

A summary of changes in outstanding long-term obligations during the year ended June 30, 2012 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 38,485,000	\$ 4,490,000	\$ 4,505,000	\$ 38,470,000	\$ 4,365,000
Premiums on refunding	1,751,146	-	328,766	1,422,380	-
Less deferred amount on refunding	(528,219)	-	(115,706)	(412,513)	-
	<u>39,707,927</u>	<u>4,490,000</u>	<u>4,718,060</u>	<u>39,479,867</u>	<u>4,365,000</u>
Other long-term liabilities:					
Compensated absences	754,345	785,036	752,151	787,230	196,808
Other post-employment benefits	14,532,920	5,249,987	-	19,782,907	-
	<u>15,287,265</u>	<u>6,035,023</u>	<u>752,151</u>	<u>20,570,137</u>	<u>196,808</u>
Governmental activity long-term liabilities	<u>\$ 54,995,192</u>	<u>\$ 10,525,023</u>	<u>\$ 5,470,211</u>	<u>\$ 60,050,004</u>	<u>\$ 4,561,808</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	\$ 78,835	\$ 78,757	\$ 80,325	\$ 77,267	\$ 19,317
Landfill post closure costs	37,072,835	-	401,905	36,670,930	1,466,837
Total other long-term liabilities	<u>37,151,670</u>	<u>78,757</u>	<u>482,230</u>	<u>36,748,197</u>	<u>1,486,154</u>
Business-type activity long-term liabilities	<u>\$ 37,151,670</u>	<u>\$ 78,757</u>	<u>\$ 482,230</u>	<u>\$ 36,748,197</u>	<u>\$ 1,486,154</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

General obligation bonds

As of June 30, 2012, the outstanding general obligation bonds of the Town was as follows:

Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance 6/30/2012
GENERAL PURPOSE					
PUBLIC IMPROVEMENTS	\$202,000-\$1,505,000	2008	3.25-5.0	3,508,000	1,004,000
PUBLIC IMPROVEMENTS REFUNDING	\$190,000-\$1,330,000	2009	2.0-4.0	8,806,000	6,374,000
PUBLIC IMPROVEMENTS	\$225,000-\$425,000	2010	3.0-4.0	3,980,000	3,255,000
PUBLIC IMPROVEMENTS REFUNDING	\$130,000-\$1,580,000	2010	3.0-5.0	6,096,000	5,760,000
PUBLIC IMPROVEMENTS	\$232,000-\$350,000	2011	2.5-3.5	3,450,000	3,175,000
PUBLIC IMPROVEMENTS	\$365,000-\$375,000	2012	2.0	4,490,000	4,490,000
TOTAL GENERAL PURPOSE				<u>30,330,000</u>	<u>24,058,000</u>
SCHOOLS					
SCHOOL GEN. OBLIGATION	\$202,000-\$1,505,000	2008	3.25-5.0	235,000	46,000
SCHOOL REFUNDING	\$190,000-\$1,330,000	2009	2.0-4.0	9,819,000	7,046,000
SCHOOL GEN. OBLIGATION	\$225,000-\$425,000	2010	3.0-4.0	700,000	620,000
SCHOOL REFUNDING	\$130,000-\$1,580,000	2010	3.0-5.0	6,209,000	5,660,000
SCHOOL GEN. OBLIGATION	\$232,000-\$350,000	2011	2.5-3.5	1,040,000	1,040,000
TOTAL SCHOOLS				<u>18,003,000</u>	<u>14,412,000</u>
GRAND TOTAL				<u>\$ 48,333,000</u>	<u>\$ 38,470,000</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

The following is a summary as of June 30, 2012, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal	Interest	Total
2013	\$ 4,365,000	\$ 1,264,469	\$ 5,629,469
2014	4,340,000	1,127,300	5,467,300
2015	4,030,000	999,250	5,029,250
2016	4,160,000	861,663	5,021,663
2017	4,120,000	702,063	4,822,063
2018	3,950,000	553,519	4,503,519
2019	3,600,000	418,475	4,018,475
2020	3,595,000	289,338	3,884,338
2021	1,935,000	190,500	2,125,500
2022	1,520,000	134,625	1,654,625
2023	1,520,000	87,050	1,607,050
2024	1,110,000	41,675	1,151,675
2025	225,000	9,000	234,000
Total	<u>\$ 38,470,000</u>	<u>\$ 6,678,927</u>	<u>\$ 45,148,927</u>

School bond reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2012 was approximately \$299,000. Additional payments for principal and interest aggregating approximately \$293,000 are expected to be received through the bonds maturity.

Debt limitation

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

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 179,556,518	\$ 26,498,000	\$ 153,058,518
Unfunded Pension Benefit Obligation	239,408,691	-	239,408,691
Schools	359,113,037	14,938,366	344,174,671
Sewers	299,260,864	-	299,260,864
Urban renewal	259,359,415	-	259,359,415

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or approximately \$558,620,000.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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, 2012, the Town's portion of defeased bonds outstanding, but removed from the Town's government-wide financial statements was approximately \$1,400,000.

Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2012 consists of the following:

General purpose	<u>\$ 2,440,000</u>
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Bond anticipation notes

In May 2012, the Town issued \$800,000 in bond anticipation notes, which have an interest rate of 1.0% and will mature in May 2013.

Bond anticipation note transactions for the year ended June 30, 2012 were as follows:

Outstanding, July 1, 2011	\$ 1,010,000
New Borrowings	800,000
Repayments	<u>(1,010,000)</u>
Outstanding, June 30, 2012	<u><u>\$ 800,000</u></u>

Note 8. Employee Retirement Plans

Employee pension plans

The Town maintains the Town of Windsor Retirement Plan, a public employee retirement system (PERS), which covers all Town employees (except police officers) and all employees of the Board of Education not eligible for membership in the State of Connecticut Teacher's Retirement Plan.

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

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

Town of Windsor Retirement Plan

Defined Benefit Pension Plan

All Town employees hired prior to July 1, 2011 (except police officers and certified members of the Board of Education) participate in the 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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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.

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

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

The membership in the PERS at July 1, 2010 is comprised of the following:

Retirees and beneficiaries currently receiving benefits	160
Vested terminated employees	28
Active employees:	
Fully vested	249
Non-vested	99
Total	<u>536</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 3.25% of their earnings up to the social security wage base plus five percent of the excess, to the PERS. If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. As determined by the Town's actuaries, the current rate is 8.60% 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.

Defined Contribution Pension Plan

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

On October 17, 2011, the Town Council approved a new three year collective bargaining agreement with Teamsters Local 671 for the period July 1, 2011 to June 30, 2014. As part of this new agreement, all

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

members of the collective bargaining unit hired after November 1, 2011 are required to participate in a 401(a) defined contribution plan.

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

The assets for the Plan are held by ICMA Retirement Corporation. The balance of the Plan amounted to approximately \$142,000 at June 30, 2012 and is not reflected in the accompanying financial statements of the Town, as the Town's role in the administration of the Plan is limited.

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension asset to the PERS for the year ended June 30, 2012 were as follows:

Annual required contribution	\$ 1,334,389
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>1,334,389</u>
Contributions made	<u>(1,334,389)</u>
Decrease in net pension asset	-
Net pension asset, July 1, 2011	-
Net pension asset, June 30, 2012	<u><u>\$ -</u></u>

TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/10	\$ 843,833	100%	\$ -
6/30/11	\$ 1,273,290	100%	\$ -
6/30/12	\$ 1,334,389	100%	\$ -

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Overfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2010	\$ 54,245,354	\$ 53,427,746	\$ 817,608	101.5%	\$ 15,782,256	0.0%

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

Actuarial assumptions are as follows:

Valuation date	7/1/10
Actuarial cost method	Projected Unit
Amortization method	Level percent (closed)
Remaining amortization period	30 Years (decreasing)
Asset valuation method	10-Year Smoothed Market (closed)
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.0%
Cost of living adjustments	2.25%
Inflation rate	2.75%

Connecticut Municipal Employees' Retirement Fund B

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

Funding Policy – Plan members are required by State statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 15.3% 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, 2012, 2011 and 2010 were \$966,083, \$857,865 and \$664,302, 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.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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 \$5,759,000 for the year ended June 30, 2012.

Note 9. Other Post-Employment Benefits

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

Post retirement benefits

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

Plan description

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

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

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

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

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

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	\$ 7,155,367	\$ 2,085,000	29.14%	\$ 9,561,367
6/30/11	\$ 7,038,553	\$ 2,067,000	29.37%	\$ 14,532,920
6/30/12	\$ 7,532,987	\$ 2,283,000	29.70%	\$ 19,782,907

OPEB Obligation

Annual required contribution	\$ 7,681,000
Interest on net pension obligation	581,317
Adjustment to annual required contribution	(729,330)
Annual OPEB cost	<u>7,532,987</u>
Contributions made	<u>2,283,000</u>
Increase in net OPEB liability	5,249,987
Net OPEB obligation, beginning of year	<u>14,532,920</u>
Net OPEB obligation, end of year	<u><u>\$ 19,782,907</u></u>

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%	28,688,520	N/A

Actuarial assumptions are as follows:

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	N/A
Amortization Method:	Level Percent (closed)
Remaining Amortization Period:	30 Years (decreasing), 20 years (decreasing) (non-police)
Valuation Type:	Closed Group
Actuarial Assumptions:	
Discount rate	4.00%
Inflation rate	3.00%
Salary increase rate	3.00%

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Health cost trend rates

Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Initial inflation rate:	6.6%
Ultimate inflation rate:	4.7%
Years until ultimate inflation rate	82 years

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

Note 10. Risk Management

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

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

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2010-11	1,343,109	10,776,341	10,421,666	1,697,784
2011-12	1,697,784	7,814,861	8,290,036	1,222,609

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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

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

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

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

Note 11. Contingent Liabilities

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

As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewage collection and disposal facilities for members), the Town is contingently liable for \$37,000,000 or 8.83% of the debt of the District.

Lawsuits

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

Note 12. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require the Town to place a final cover on its 65 acre landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for at least thirty years after closure. Under these regulations, the landfill has established a horizontal footprint of 55 acres which is now the basis of maximum horizontal expansion without providing a liner system. Based on projected annual disposal rates and daily cover, the area has approximately 1.8 years of remaining life.

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 \$36,670,930 reported as landfill closure and post-closure care liability at June 30, 2012, is \$401,905 less than the liability reported on June 30, 2011. Due to revised engineer estimates (regarding settling of the landfill and a more efficient redesign of the final shape of the landfill), the proportion of the landfill used is now estimated at 97%. This increase or adjustment in estimated closure costs accrued to date

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

directly decreases the operating income for the Landfill Enterprise Fund in fiscal year 2012. The landfill will recognize the remaining estimated cost of closure and post-closure care of \$975,070 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care at 2012 prices with a third party performing all closure work. Actual costs may also change based on inflation, compliance with the standing consent order, changes in technology, or changes in the regulations. The engineering analysis assumes that numerous engineering and construction procedures will be required.

The landfill serves the Towns of Bloomfield and Windsor. An agreement (dated November 19, 1993) exists between the two communities. This agreement establishes the terms and conditions of operating the landfill. For closure costs, the agreement states "The two towns shall contribute equally, on an annual basis, for said purposes and shall be equally responsible for closure, post-closure, and monitoring expenses until all Federal and State requirements are met". It is anticipated that no additional amount will be required from the Towns upon closure of the landfill.

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

Note 13. Fund Deficit

The following fund had a net fund deficit as of June 30, 2012:

Landfill Fund	<u>\$6,918,913</u>
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The deficit will be funded by future operations.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2012

Note 14. Fund Balances

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

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances:			
Nonspendable:			
Inventory	\$ 48,934	\$ -	\$ 8,243
Permanent Fund Principal	-	-	13,000
Total nonspendable	48,934	-	21,243
Restricted:			
Education	-	-	3,509
General government	-	-	40,583
Culture & Recreation	-	-	72,975
Human Services	-	-	162,442
Public safety	-	-	142,736
Public works	-	-	615,025
Community Rehabilitation Program	-	-	2,051,976
Capital Outlay	-	3,589,447	-
Total restricted	-	3,589,447	3,089,246
Committed:			
Capital Outlay	-	2,770,603	359,822
Debt Service	-	-	553,126
Total committed	-	2,770,603	912,948
Assigned:			
Education	323,612	-	19,839
General government	232,134	-	-
Culture & Recreation	670,043	-	-
Human Services	48,542	-	-
Public safety	807,506	-	-
Public works	257,136	-	-
Community Rehabilitation Program	-	-	145,062
Capital Outlay	-	879,786	-
Debt Service	-	-	-
Future Appropriations	900,000	-	-
Total assigned	3,238,973	879,786	164,901
Unassigned:	15,316,230	-	-
Total fund balance	\$ 18,604,137	\$ 7,239,836	\$ 4,188,338

Note 15. Governmental Accounting Standards Board (GASB) Statements

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. 60, *Accounting and Financial Reporting for Service Concession Arrangements***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was issued March 2012.** This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2013.
- **GASB Statement No. 66, *Technical Corrections—2012*, was issued in March 2012.** *The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2013.
- **GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25*, was issued in June 2012.** The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2013.
- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, was issued in June 2012.** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2014.

**Required Supplementary
Information**

TOWN OF WINDSOR, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
PENSION TRUST FUND
June 30, 2012**

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)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2005	\$ 42,994,540	\$ 37,665,616	\$ 5,328,924	114.2%	\$ 14,101,531	0.0%
July 1, 2006	45,594,279	41,130,295	4,463,984	110.9%	14,776,977	0.0%
July 1, 2007	48,961,596	43,855,272	5,106,324	111.6%	15,265,451	0.0%
July 1, 2008	51,029,433	45,790,887	5,238,546	111.4%	15,671,874	0.0%
July 1, 2009	52,671,376	50,355,944	2,315,432	104.6%	15,875,106	0.0%
July 1, 2010	54,245,354	53,427,746	817,608	101.5%	15,782,256	0.0%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2007	\$ 737,493	100.0%
2008	827,855	100.0%
2009	834,453	100.0%
2010	843,833	100.0%
2011	1,273,290	100.0%
2012	1,334,389	100.0%

TOWN OF WINDSOR, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2012**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2007	\$ -	\$ 66,013,000	\$ (66,013,000)	0.0%	\$ -	N/A
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%	\$ 28,688,520	N/A

Schedule of Employer Contributions

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

TOWN OF WINDSOR, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BUDGETARY
 FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 79,215,030	\$ 79,215,030	\$ 79,806,333	\$ 591,303
Licenses and permits	591,430	591,430	508,570	(82,860)
Fines, forfeitures and penalties	35,000	35,000	49,114	14,114
Other agencies	122,773	122,773	167,147	44,374
Intergovernmental	15,040,687	15,040,687	15,253,153	212,466
Revenues from use of assets	617,950	617,950	512,393	(105,557)
Charges for services	817,020	817,020	863,254	46,234
Total revenues	96,439,890	96,439,890	97,159,964	720,074
EXPENDITURES				
Current:				
General government	883,330	883,330	843,390	39,940
Safety Service	8,678,100	8,678,100	8,673,791	4,309
Public works	4,950,460	4,950,460	4,717,595	232,865
Health Services	489,700	489,700	408,402	81,298
Human Services	866,860	866,860	793,056	73,804
Recreation and Leisure Services	1,310,160	984,210	961,792	22,418
Education	61,829,030	61,705,430	61,553,483	151,947
Town support for education	4,219,650	1,768,600	1,761,874	6,726
Library services	1,494,380	1,494,380	1,485,377	9,003
Development services	1,697,180	1,697,180	1,636,049	61,131
Information services	423,140	423,140	411,239	11,901
Administrative services	1,917,610	1,837,610	1,773,588	64,022
Community development	25,000	25,000	25,000	-
General services	8,675,530	5,166,930	5,156,141	10,789
Total expenditures	97,460,130	90,970,930	90,200,777	770,153
Revenues over (under) expenditures	(1,020,240)	5,468,960	6,959,187	1,490,227
OTHER FINANCING SOURCES (USES)				
Transfers in	120,240	120,240	903,038	782,798
Transfers out	-	(7,620,760)	(7,620,760)	-
Total other financing sources (uses)	120,240	(7,500,520)	(6,717,722)	782,798
Net change in budgetary fund balance	\$ (900,000)	\$ (2,031,560)	241,465	\$ 2,273,025
BUDGETARY FUND BALANCE, beginning			16,023,699	
BUDGETARY FUND BALANCE, ending			\$ 16,265,164	

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

TOWN OF WINDSOR, CONNECTICUT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2012

Note 1. Budgets and Budgetary Accounting

General Fund

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

- A. Prior to April 1, the Town Manager submits the proposed budget for the General Fund to the Town Council.
- B. After various public hearings, the Town Council recommends the budget, as revised, for adoption at the annual Town Meeting on the first Tuesday in May.
- C. The Town Meeting appropriates the budget as one balance for revenues and separate expenditure amounts per individual service unit. Additional appropriations and transfers between functions and activities may be made by the Town Council in accordance with Town Charter provisions, thereby lowering the legal level of control to the function and activity levels. The level at which expenditures may not legally exceed appropriations is at the department level, i.e., safety, service, public works, etc.
- D. The original budget for expenditures, encumbrances and other financing uses was increased by approximately \$1,131,560 as a result of fund balance and revenue appropriations during the year ended June 30, 2012. The additional appropriations were approved in accordance with the Town Charter.
- E. A reconciliation of General Fund operations presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") to the amounts presented on the budgetary basis is as follows:

	Revenues and Transfers	Expenditures and Transfers
Balance, GAAP basis	\$ 105,345,209	\$ 105,110,030
State Teachers Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(5,759,000)	(5,759,000)
Reclassified to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB 54.	(1,523,207)	(1,435,046)
Encumbrances:		
June 30, 2011	-	(425,523)
June 30, 2012	-	331,076
Balance, budgetary basis	<u>\$ 98,063,002</u>	<u>\$ 97,821,537</u>

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

TOWN OF WINDSOR, CONNECTICUT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, Continued
June 30, 2012

Special revenue funds

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

Capital projects funds

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

APPENDIX B – OPINION OF BOND COUNSEL AND TAX EXEMPTION

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

BOND COUNSEL OPINION

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

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

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Windsor
Windsor, Connecticut

We have represented the Town of Windsor, Connecticut as Bond Counsel in connection with the issuance by the Town of \$5,035,000 General Obligation Bonds, Issue of 2013, dated as of May 1, 2013 and \$1,670,000 Bond Anticipation Notes, dated as of May 1, 2013.

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

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

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

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

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

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

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

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

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

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

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

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

STATE OF CONNECTICUT TAX ON INTEREST.

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

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

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

ORIGINAL ISSUE DISCOUNT.

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

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

ORIGINAL ISSUE PREMIUM.

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

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

The discussion in this paragraph applies to those Notes having original issue premium. An owner who purchases a note with original issue premium must amortize such original issue premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the note for federal income tax purposes. Owners of notes having original issue premium, and especially any owner who is not an original owner of a note who bought the note at its initial public offering price, should consult their tax advisors with respect to the Federal and state income tax consequences of the disposition of such notes.

GENERAL.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds and the Notes may affect the tax status of interest on the Bonds and the Notes. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. For example, on September 13, 2011, S.B. 1549, the "American Jobs Act of 2011" (the "Jobs Act"), was introduced into the United States Senate, which legislation, if enacted as introduced, would have subjected to federal income taxation a portion of the interest on all tax-exempt bonds (including the Bonds and the Notes) received for taxable years beginning on or after January 1, 2013 by certain individuals with incomes above specified limits. The Jobs Act was not enacted; however, on February 13, 2012, President Obama released his fiscal 2013 Federal budget request, which includes a proposal to cap at 28% the value of tax preferences, including tax-exempt interest for municipal bonds. No assurance can be given that Federal legislation enacted or proposed after the date of issuance of the Bonds and the Notes will not have an adverse effect on the tax-exempt status or market price of the Bonds and the Notes or will not change the effect of other Federal tax law consequences discussed above of owning and disposing of the Bonds and the Notes and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation, or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds and the Notes or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds and the Notes are advised to consult their tax advisors regarding the potential tax consequences of proposed Federal or State of Connecticut tax legislation affecting municipal bonds.

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

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE BONDS

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

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of May 1, 2013 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$5,035,000 General Obligation Bonds, Issue of 2013, dated as of May 1, 2103 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Issuer dated April 10, 2013 prepared in connection with the Bonds.

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

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

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

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

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2013) as follows:

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

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

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

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

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided. The Issuer's fiscal year currently ends on June 30.

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

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

Section 3. Notice of Certain Events.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

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

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

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

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Enforcement.

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

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

Section 8. Miscellaneous.

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

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

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

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

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

TOWN OF WINDSOR

By _____
Peter P. Souza
Town Manager

By _____
Robert W. Metcalf
Finance Director

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE NOTES

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

Continuing Disclosure Agreement For Notes

This Continuing Disclosure Agreement for Notes ("Agreement") is made as of May 1, 2013 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$1,670,000 Bond Anticipation Notes, dated as of May 1, 2013 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

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

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

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

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

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

Section 2. Notice of Certain Events.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

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

Section 3. Use of Agents.

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

Section 4. Termination.

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

Section 5. Enforcement.

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

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

Section 6. Miscellaneous.

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

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

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

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

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

TOWN OF WINDSOR

By: _____
Peter P. Souza
Town Manager

By: _____
Robert W. Metcalf
Finance Director

APPENDIX E - NOTICE OF SALE AND BID PROPOSAL – THE BONDS

**NOTICE OF SALE
\$5,035,000
Town of Windsor, Connecticut
General Obligation Bonds
(BOOK-ENTRY)**

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

APRIL 10, 2013

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

**\$5,035,000 General Obligation Bonds, Issue of 2013
Payable annually on May 1 as follows:**

**\$410,000 in 2014
\$420,000 in 2015 through 2024
\$425,000 in 2025**

The Bonds will be dated May 1, 2013, with interest payable on November 1, 2013 and thereafter semiannually on each May 1st and November 1st.

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

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

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

Redemption. Bonds maturing after May 1, 2018 are subject to redemption prior to maturity, at the option of the Town, on or after May 1, 2018, at any time, either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
May 1, 2018 and thereafter	100.0%

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

Sealed Proposals Bidding Procedure. All proposals for the purchase of Bonds shall be submitted on forms furnished by the Town and submitted at the time and place indicated above. All proposals must be enclosed in sealed envelopes marked on the outside, in substance, "Proposal for Windsor Bonds." All proposals should be addressed to Mr. Peter P. Souza, Town Manager, Town of Windsor, c/o Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6th Floor, Hartford, Connecticut 06103.

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

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

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

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

Basis of Award. As between proposals which comply with this Notice, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to May 1, 2013, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

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

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

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

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

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

Official Statement. The Town of Windsor has prepared a preliminary Official Statement for the Bond issue which is dated April 1, 2013. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser 100 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's financial advisor, Independent Bond and Investment Consultants LLC, Madison, Connecticut, by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

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

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

Reoffering Prices. **IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE BONDS THE REOFFERING PRICES AT WHICH A SUBSTANTIAL PORTION OF EACH MATURITY OF THE BONDS WERE SOLD.**

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about May 1, 2013 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

More Information. For more information regarding this issue and the Town reference is made to the Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Mark N. Chapman, Independent Bond and Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 (telephone: (203) 745-7264) or from Mr. Robert W. Metcalf, Finance Director, Town of Windsor, Town Hall, P.O. Box 472, 275 Broad Street, Windsor, Connecticut 06095 (telephone: (860) 283-1890).

PETER P. SOUZA,
Town Manager

ROBERT W. METCALF,
Finance Director

April 1, 2013

PROPOSAL FOR BONDS

April 10, 2013

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

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated April 1, 2013 which is hereby made a part of this proposal, we hereby offer to purchase all of the aggregate principal amount of \$5,035,000 General Obligation Bonds, Issue of 2013, of the Town of Windsor described in said Notice of Sale, and to pay therefor the price of par plus a premium of \$_____ plus interest accrued on said Bonds to the date of their delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2014	\$410,000	_____%	2020	\$420,000	_____%
2015	\$420,000	_____%	2021	\$420,000	_____%
2016	\$420,000	_____%	2022	\$420,000	_____%
2017	\$420,000	_____%	2023	\$420,000	_____%
2018	\$420,000	_____%	2024	\$420,000	_____%
2019	\$420,000	_____%	2025	\$425,000	_____%

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

Name of Bidder: _____

Address of Bidder: _____

Signature of Officer or
 Authorized Agent of Bidder: _____

Telephone Number: _____

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

Percent of True Interest Cost _____%
 (four decimals)

Gross Interest \$ _____

Premium \$ _____

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

NOTICE OF SALE
\$1,670,000
Town of Windsor, Connecticut
Bond Anticipation Notes
(BOOK-ENTRY)

SEALED PROPOSALS and ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor, Connecticut at Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6th Floor, Hartford, Connecticut until **11:00 A.M. (Eastern Daylight Time) on WEDNESDAY,**

APRIL 10, 2013

for the purchase of \$1,670,000 Bond Anticipation Notes of the Town of Windsor, dated May 1, 2013, maturing on April 29, 2014 (the "Notes").

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

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

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

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

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

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

Sealed Proposals Bidding Procedure. All sealed proposals for the purchase of the Notes shall be submitted on forms furnished by the Town and submitted at the time and place indicated above. All proposals must be enclosed in sealed envelopes marked on the outside, in substance, "Proposal for Windsor Notes." All proposals should be addressed to Mr. Peter P. Souza, Town Manager, Town of Windsor, c/o Day Pitney LLP, Bushnell Conference Room, 242 Trumbull Street, 6th Floor, Hartford, Connecticut 06103.

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

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

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

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

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

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

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

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

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

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

Official Statement. The Town of Windsor has prepared a preliminary Official Statement for the Note issue which is dated April 1, 2013. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1) but it is subject to revision or amendment. The Town will make available to each winning purchaser 15 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser(s) at the office of the Town's financial advisor, Independent Bond and Investment Consultants LLC, Madison, Connecticut, by the delivery of the Notes or by the seventh business day after the day bids on the Notes are received if earlier. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

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

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

Reoffering Prices. IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE NOTES THE REOFFERING PRICES AT WHICH A SUBSTANTIAL PORTION OF THE NOTES WERE SOLD.

Delivery Date and Payment. The Notes will be delivered against payment in immediately available Federal funds through the facilities of The Depository Trust Company, New York, New York on May 1, 2013.

More Information. For more information regarding this issue and the Town reference is made to Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Mark N. Chapman, Independent Bond and Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 (telephone: (203) 745-7264) or from Mr. Robert W. Metcalf, Finance Director, Town of Windsor, Town Hall, P.O. Box 472, 275 Broad Street, Windsor, Connecticut 06095 (telephone: (860) 283-1890).

PETER P. SOUZA,
Town Manager

ROBERT W. METCALF,
Finance Director

April 1, 2013

PROPOSAL FOR NOTES

April 10, 2013

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

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated April 1, 2013 which is hereby made a part of this proposal, we hereby offer to purchase the principal amount of the Notes specified below at the interest rate per annum plus the premium, if any, specified below, and to pay therefor said principal amount, premium, if any, and interest accrued on said Notes to the date of their delivery, if any. The following is our computation of the net interest rate, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

Of the \$1,670,000 Bond Anticipation Notes of the Town of Windsor, dated May 1, 2013, maturing April 29, 2014, we bid the following:

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

Name of Bidder: _____

Address of Bidder: _____

Signature of Officer or
 Authorized Agent of Bidder: _____

Telephone Number: _____