

OFFICIAL STATEMENT

NEW ISSUE

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

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

TOWN OF WINDSOR, CONNECTICUT

\$4,285,000

GENERAL OBLIGATION BONDS, ISSUE OF 2016 (BANK QUALIFIED) BOOK-ENTRY-ONLY

Dated: Date of Delivery

Due: June 15, 2017-2028

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

Interest on the Bonds will be payable on June 15 and December 15 in each year until maturity, commencing December 15, 2016. 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)

\$450,000

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

Dated: June 23, 2016

Due: June 22, 2017

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

The Notes will be issuable only as fully-registered notes and will bear interest at such rate or rates per annum as specified by the successful bidder in accordance with the Notice of Sale dated May 27, 2016. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for The Depository Trust Company ("DTC"), New York, New York. (See "Book-Entry Transfer System" herein).

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

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

The Bonds and Notes are offered for delivery when, as, and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and Notes in definitive form will be made on or about June 23, 2016.

Dated: June 9, 2016

TOWN OF WINDSOR, CONNECTICUT

\$4,285,000

**GENERAL OBLIGATION BONDS, ISSUE OF 2016
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

Dated: Date of Delivery

Due: Serially, June 15, as shown below

MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
2017	\$ 360,000	2.000%	0.650%	9735682R8	2023	\$ 355,000	2.000%	1.250%*	9735682X5
2018	360,000	2.000	0.750	9735682S6	2024	355,000	2.000	1.350*	9735682Y3
2019	360,000	2.000	0.850	9735682T4	2025	355,000	2.000	1.450*	9735682Z0
2020	360,000	2.000	0.950	9735682U1	2026	355,000	2.000	1.500*	9735683A4
2021	360,000	2.000	1.050	9735682V9	2027	355,000	2.000	1.600*	9735683B2
2022	355,000	2.000	1.150	9735682W7	2028	355,000	2.000	1.700*	9735683C0

* - Priced assuming redemption on June 15, 2022; however any such redemption is at the election of the Town. (See "Optional Redemption" herein).

BAIRD

TOWN OF WINDSOR, CONNECTICUT

\$450,000

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

Dated: June 23, 2016

Due: June 22, 2017

<u>Coupon</u>	<u>Yield</u>	<u>CUSIP (1)</u>
2.000%	0.700%	9735683D8

ROOSEVELT & CROSS, INC.

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

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

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

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

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

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

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

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

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

BOND COUNSEL
DAY PITNEY LLP

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

INDEPENDENT FINANCIAL ADVISOR
INDEPENDENT BOND AND
INVESTMENT CONSULTANTS LLC

Madison, Connecticut
(203) 245-9603

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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:	Thursday, June 9, 2016, at 11:30 A.M. (E.D.T).
Location of Sale:	Office of Day Pitney LLP, Goodwin Conference Room, 242 Trumbull Street, 6 th Floor, Hartford, Connecticut, 06103.
Issuer:	Town of Windsor, Connecticut (the "Town").
Issue:	\$4,285,000 General Obligation Bonds, Issue of 2016 (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	June 15 and December 15 in each year, commencing December 15, 2016.
Principal Due:	Serially, June 15, 2017 – 2028.
Purpose and Authority:	The Bonds are being issued to finance various Town capital improvement projects undertaken by the Town and authorized pursuant to Titles 7 and 10 of the General Statutes of Connecticut, as amended, the Charter of the Town of Windsor, and bond resolutions approved by the Town Council.
Redemption:	The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).
Security:	The Bonds will be general obligations of the Town of Windsor, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
Credit Rating:	The Bonds are rated "AAA" by Standard and Poor's ("S&P"). The rating on the Town's outstanding general obligation bonds has recently been affirmed as "AAA" by S&P. (See "Ratings" herein).
Basis of Award:	Lowest True Interest Cost ("TIC"), as of the dated date.
Tax Exemption:	See Appendix B herein.
Continuing Disclosure Agreement:	See Appendix C herein.
Bank Qualification:	The Bonds SHALL BE designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Certifying Bank, Registrar, Transfer and Paying Agent:	U.S. Bank National Association, of Hartford, Connecticut.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry form will be made on or about June 23, 2016, 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:	Thursday, June 9, 2016, at 11:00 A.M. (E.D.T).
Location of Sale:	Office of Day Pitney LLP, Goodwin Conference Room, 242 Trumbull Street, 6 th Floor, Hartford, Connecticut, 06103.
Issuer:	Town of Windsor, Connecticut
Issue:	\$450,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	June 23, 2016.
Principal and Interest Due:	At maturity – June 22, 2017.
Purpose and Authority:	The Notes are being issued to finance various Town capital improvement projects undertaken by the Town and authorized pursuant to Title 7 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 rating on the Town's outstanding general obligation bonds has recently been affirmed as "AAA" by S&P. (See "Ratings" herein).
Basis for Award:	Lowest Net Interest Cost ("NIC") as of the dated date.
Tax Exemption:	See Appendix B herein.
Continuing Disclosure Agreement:	See Appendix D herein.
Bank Qualification:	The Notes SHALL BE designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
Certifying Bank Registrar, Transfer and Paying Agent:	U.S. Bank National Association, of Hartford, Connecticut.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry form will be made on or about June 23, 2016, against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Robert Metcalf, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1890.

SECTION I - SECURITIES OFFERED

Introduction

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Windsor, Connecticut (the "Town") in connection with the issuance and sale of \$4,285,000 General Obligation Bonds, Issue of 2016 (the "Bonds") and \$450,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

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

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

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

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in annual installments on June 15 in each of the years and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds will be payable on June 15 and December 15 in each year until maturity, commencing December 15, 2016. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of May and November in each year. The Bonds will be issued in fully-registered form in denominations of \$5,000 or any integral multiple thereof for any single maturity. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Registrar, Certifying Agent, Transfer Agent and Paying Agent will be U.S. Bank National Association of Hartford, Connecticut. **The Bonds are subject to redemption prior to maturity.** (See "Optional Redemption" herein.)

Optional Redemption

The Bonds maturing on or before June 15, 2022 are not subject to redemption prior to maturity. The Bonds maturing on June 15, 2023 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2022, at any time, either in whole or in part in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, at the redemption price (expressed as a percentage of the par amount of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
June 15, 2022 and thereafter	100.0%

Notice of Redemption

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

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

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

Description of the Notes

The Notes will be dated June 23, 2016. Principal and interest on the Notes will be due at maturity on June 22, 2017. 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:

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

Pigeon Hill Rd. Rehabilitation: An appropriation and bond authorization in the amount of \$730,000 was adopted by the Town Council on August 3, 2015 for costs in connection with rehabilitation of a portion of Pigeon Hill Road from the vicinity of Poquonock Avenue (State Route 75) to the vicinity of Amolia Farms Road, including milling, cold in-place recycling or removal of existing pavement, pavement overlay, installation of storm drainage and other miscellaneous related work.

Stone Road Rehabilitation: An appropriation and bond authorization in the amount of \$340,000 was adopted by the Town Council on August 3, 2015 for costs in connection with rehabilitation of a portion of Stone Road, from the vicinity of Winterwood to the East Granby town line, including milling, cold in-place recycling, or removal of existing pavement, pavement overlay, installation of storm drainage, and other miscellaneous related work.

Prospect Hill Road Reconstruction Design: An appropriation and bond authorization in the amount of \$210,000 was adopted by the Town Council on December 21, 2015 for costs in connection with the design of the reconstruction of Prospect Hill Road, from the vicinity of West Street to Bent Road, including pavement reconstruction, additional drainage, curbing, new sidewalk, utility relocations, and other miscellaneous improvements.

Stormwater Management Program: An appropriation and bond authorization in the amount of \$370,000 was adopted by the Town Council on January 19, 2016 for costs in connection with the Stormwater Management Program, which consists of engineering evaluations, including an analysis of the Meadow Brook Watershed, video inspection of drainage system design, permitting of repairs to Decker's Brook, the purchase of stormwater construction materials, minor and major repairs of the stormwater system including outfall improvements at historic areas of concern, and activities required for compliance with the town's MS4 General Permit.

Windsor High School Fire Alarm System and Stairwell Door Replacement: An appropriation and bond authorization in the amount of \$340,000 was adopted by the Town Council on February 16, 2016 for costs in connection with replacement of the existing fire alarm panel at Windsor High School, replacement of stairwell doors to meet fire code, and related improvements.

L.P. Wilson Athletic Field Improvements: An appropriation and bond authorization in the amount of \$990,000 was adopted by the Town Council on March 7, 2016 for costs in connection with improvements to the athletic fields at the L.P. Wilson Community Center, including re-orientation of the existing fields to better accommodate field usage, field regrading, turf establishment, drainage improvements and other miscellaneous improvements.

L.P. Wilson Community Center Public Restrooms and Emergency Shelter Shower Room Renovations: An appropriation and bond authorization in the amount of \$990,000 was adopted by the Town Council on April 4, 2016 for costs in connection with renovations of the locker rooms adjacent to the gym to allow for use as locker rooms and showering facilities during emergencies, as well as renovation of the men’s and women’s restrooms adjacent to the Senior Center and auditorium.

Town Hall Interior Improvements – Phase II: An appropriation and bond authorization in the amount of \$295,000 was adopted by the Town Council on April 4, 2016 for costs in connection with Town Hall Interior improvements, including renovation of the second floor of Town Hall to include replacing carpeting, removing old wallpaper and repainting, replacing ceiling tile and repainting ceiling grid and related improvements..

Clover St. Elementary School Partial Roof Replacement: An appropriation and bond authorization in the amount of \$360,000 was adopted by the Town Council on April 4, 2016 for costs in connection with replacement of approximately 11,000 square feet of roofing over the gymnasium and office area, and related improvements.

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

Projects	Amount of				
	Total Authorization	Notes Outstanding	Additions / (Reductions)	The Bonds (This Issue)	The Notes (This Issue)
Batchelder Rd. & Mechanic St. Pavement Rehabilitation	\$ 770,000	\$ 420,000	\$ (140,000)	\$ -	\$ 280,000
Stormwater Management Program	370,000	-	370,000	370,000	-
Pigeon Hill Rd. Rehabilitation	730,000	-	560,000	560,000	-
Stone Rd. Rehabilitation	340,000	-	340,000	340,000	-
Prospect Hill Rd. Reconstruction Design	210,000	-	210,000	210,000	-
L.P. Wilson Community Center Restrooms & Emergency Shelter Shower Room Renovations	990,000	-	990,000	990,000	-
Town Hall Interior Improvements - Phase II	295,000	-	295,000	295,000	-
L.P. Wilson Athletic Fields Improvements	990,000	-	990,000	990,000	-
Windsor High School Fire Alarm System & Stairwell Door Replacement	340,000	-	340,000	340,000	-
Clover St. Elementary School Partial Roof Replacement	360,000	-	360,000	190,000	170,000
Total	<u>\$ 5,395,000</u>	<u>\$ 420,000</u>	<u>\$ 4,315,000</u>	<u>\$ 4,285,000</u>	<u>\$ 450,000</u>

Ratings

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

Security and Remedies

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

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

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

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

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

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

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

Qualification for Financial Institutions

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

Book-Entry Transfer System

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

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

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

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

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

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

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

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

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

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

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

Replacement Bonds and Notes

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

DTC Practices

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

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SECTION II - THE ISSUER

Description of the Town

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

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

Planning was inaugurated in 1924. Comprehensive zoning regulations, which were first adopted in 1931, are periodically revised to reflect current development standards and practices. The Plan of Conservation and Development was revised and approved by the Town Planning & Zoning Commission in 2015. The Town has approximately 1,100 acres of undeveloped industrially zoned land and has approved a concept plan that will allow for the development of approximately 425 acres of former industrial land to add 4,000 dwelling units in a new mixed-use village called Great Pond. Full development of the remaining residential land, together with Great Pond would result in a population increase of approximately 12,950. The Town's estimated population as of July 1, 2014 according to the CT Department of Public Health was 29,069.

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

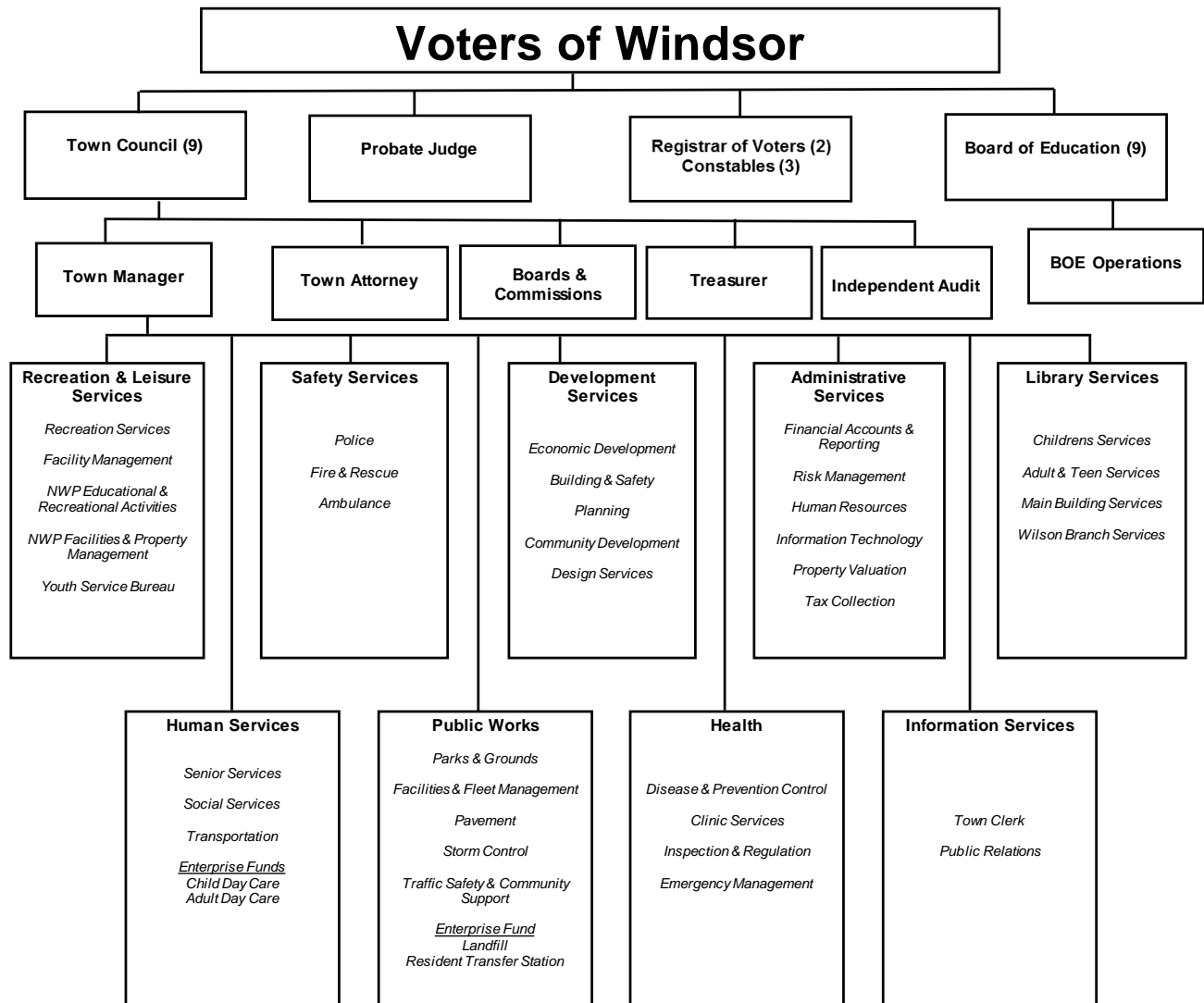
Form of Government

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

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

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

Table of Organization



Municipal Officials

Name	Position	Term of Office	Years of Service
Donald S. Trinks	Mayor	2 Years – Elected	21.0
Jody L. Terranova	Deputy Mayor	2 Years – Elected	5.0
Alan J. Simon	Town Council	2 Years – Elected	17.0
Donald A. Jepsen Jr.	Town Council	2 Years – Elected	15.0
Randy P. McKenney	Town Council	2 Years – Elected	9.0
Kenny M. Wilkos	Town Council	2 Years – Elected	3.0
Jim G. Govoni	Town Council	2 Years – Elected	3.0
Jill Jackson-Jenkins	Town Council	2 Years – Elected	1.0
Bernard S. Petkis	Town Council	2 Years – Elected	1.0
Peter P. Souza	Town Manager	Appointed	12.0
Dr. Craig A. Cooke	Superintendent of Schools	Appointed	3.0
Robert W. Metcalf	Finance Director	N/A	8.0
James R. Bourke	Assistant Finance Director	N/A	8.0

Biographies of Principal Officials

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

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

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

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

Finance Director: Robert Metcalf was hired in December of 2008. Mr. Metcalf received a Bachelor's degree in Finance from the University of Massachusetts in 1972 and a Master's degree in Business Administration in 1973, also from the University of Massachusetts. Mr. Metcalf has over 35 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. He has nineteen years of experience in the private sector in the areas of Banking Operations, Treasury and Cash Management and Securities and Investment Accounting. Mr. Bourke earned a Bachelor's degree in Accounting from Eastern Connecticut State University in 2004. Mr. Bourke is a member of the Government Finance Officers Association of America ("GFOA") as well as the Connecticut Government Finance Officers Association. He is certified as a Public Finance Officer by the GFOA.

Summary of Municipal Services

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

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

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

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

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

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

Public Works: The Public Works Department provides and maintains the Town's road network, pedestrian walkways, parks & playing fields and public buildings for the residents, businesses and visitors. This department also minimizes the disruption caused by inclement weather, especially winter storms. These services cover 149 centerline miles of roads, more than 1,500 acres of town-owned land, 43 athletic fields 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, on which waste has been deposited on 55 acres. The landfill serves the towns of Windsor and Bloomfield. The two towns are equally responsible for closure costs in accordance with an agreement dated November 19, 1993. The cost of solid waste disposal is not a tax-supported function. Town residents pay private haulers for curbside pickup. The landfill is currently operating under a stewardship permit issued by the State of Connecticut Department of Energy and Environmental Protection (DEEP). The landfill reached its permitted capacity in fiscal year 2015. The Town Council has approved an ordinance that requires all trash haulers operating in town as of the landfill's closure to acquire a license which demonstrates they are disposing of municipal solid waste at a properly permitted facility. It is projected that there will be adequate retained earnings available plus interest income over thirty years, under present assumptions, to provide sufficient funding for closure and post-closure activities.

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

Management has proposed that a majority of the closure work be performed by Town staff. Closure work began during FY 2011 with the construction of a stormwater basin along the southern side of the landfill. This work was carried out primarily by Town staff and performed at a savings to the Landfill Enterprise Fund compared to having the work carried out by a third party. The Town has installed a gas collection system on part of the landfill, and has expanded this system to include the remainder of the landfill in FY 2012 and FY 2014. Other open issues, such as how leachate will be managed are still to be determined by the DEEP as part of the landfill closure plan approval. In fiscal year 2016 and going forward, the Town will continue to operate a residential transfer station at the landfill site.

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

Municipal Employment

<u>Fiscal Year</u>	<u>2016</u>	<u>2015</u>	<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>
Board of Education	645	667	643	628	600
General Government	164	164	163	163	164
Grant and Enterprise Funded	46	48	56	23	23
Total	<u>855</u>	<u>879</u>	<u>862</u>	<u>814</u>	<u>787</u>

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

Source: Town Officials.

Municipal Employees by Category

<u>Department</u>	<u>Full-Time Employees</u>
<u>General Government</u>	
Administrative Services	17
Development Services	16
Community Development	2
Human Services	5
Recreation Services	7
Health Services	4
Information Services	3
Library Services	9
Public Works	32
Safety Services	66
Town Manager	3
General Government Subtotal	<u>164</u>
Enterprise Personnel	<u>20</u>
General Government Total	<u>184</u>
<u>Board of Education</u>	
Administration and Principals	24
Teachers	323
Pupil Personnel (Psychologists, Social Workers, Speech Clinicians)	32
Secretaries/ParaProfessionals	127
Nurses	8
Non-Bargaining Employees (1)	46
Custodial/Maintenance	37
Board of Education Subtotal	<u>597</u>
Food Service	48
Grant Funded	<u>26</u>
Board of Education Total	<u>671</u>
Grand Total	<u>855</u>

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

Source: Town Officials.

Municipal Employees Bargaining Organizations (1)

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<u>GENERAL GOVERNMENT</u>			
Police	Windsor Police Department Employees Association	50	6/30/16
Public Works/Clerical	International Brotherhood of Teamsters, Local 671	42	6/30/14 (2)
Dispatchers	United Public Service Employees Union (UPSUE Local 424, Unit 10)	8	6/30/16
<u>BOARD OF EDUCATION</u>			
Teachers	Windsor Education Association, CEA	376	6/30/19
Administrators	Windsor School Administrators and Supervisors Assoc.	24	6/30/17
Nurses	Windsor School Nurses Assoc., CSEA	8	6/30/16
Paraprofessionals	Windsor Paraprofessional Employees Assoc., NAGE	98	6/30/17
Secretaries	CSEA AFL-CIO Administrative Support Staff	34	6/30/17
School Employees	Windsor School Employees Union, NAGE (Custodial, Maintenance and Cafeteria Employees)	85	6/30/16

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

(2) Currently in negotiations /arbitration.

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, an important regional employment center in New England’s Knowledge Corridor, is strategically located between Hartford, CT and Springfield, MA on Interstate I-91 and adjoining Bradley International Airport. Key industries include financial services, precision manufacturing, regional distribution, data management and hospitality.

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

Between 2004 and 2014, Windsor experienced substantial growth. Some five million square feet of new commercial space was constructed during this period. In addition, more than 580 new hotel rooms were built to serve the growing business community.

The most significant projects during this period were:

- VOYA (formerly ING) - a 475,000 SF office center to house its largest employee base in North America. This \$90 million facility was completed in 2007 and employs approximately 1,800 persons.
- Emhart Glass - a 60,000 SF research center including a 40-metric ton glass furnace for development of container fabrication technologies and equipment. This \$20 million research center opened in 2008 and employs 60 engineers and scientists.
- Hartford Life - a 450,000 SF office center to consolidate existing operations and to provide space for planned growth. This \$110 million facility opened in 2008 and employs over 2,000 persons.
- Walgreens - an 800,000 SF high-tech distribution center serving drugstores in an eight-state region. This \$250 million facility was placed in operation in 2009 and employs some 500 persons.
- Dollar Tree - a 1,000,000 SF distribution facility to serve retail stores in the US and Canada. This \$70 million facility was placed in operation in 2013 and employs approximately 200 persons.
- Amazon.com - a 1.5 million SF fulfillment center for the leading online retailer. This \$100 million facility was completed in the second quarter of 2015 and employs 800 persons.

Between 2004 and 2014, the number of jobs in Windsor increased by 30.2% from 18,431 to 23,991.

The most significant changes came in the Professional, Scientific and Management sector, the Transportation sector and the Finance, Insurance and Real Estate sector. The Professional sector saw increased employment by 153% from 1,467 jobs in 2004 to 3,711 jobs in 2014. The Transportation sector increased employment by 174% from 677 jobs in 2004 to 1,857 jobs in 2014. The Finance sector increased employment from 2,028 jobs in 2004 to 5,079 jobs in 2014. This increased these sectors' portions of the local workforce from 8%, 3.7% and 16.7% respectively in 2004 to 15.5%, 7.7% and 21.2% in 2014.

Other sectors that increased significantly are Arts, Entertainment, Accommodation and Food with 465 new jobs, an 81.7% increase and Administrative with 828 new jobs, a 93% increase.

Average annual wages in Windsor have increased by 26.2% between 2004 and 2014 from \$58,553 to \$73,918. By comparison, over the same period, annual wages in Connecticut rose by only 20.2% (\$51,003 to \$63,909).

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. Detail plan approval has been granted to a 600-acre mixed-use project known as Great Pond Village in the Day Hill Road Corporate Area. This project will add value to existing space and provide opportunities for new workforce housing. The Redevelopment Agency is pursuing redevelopment of key properties in Windsor Center which will support and benefit from planned commuter rail service expansion. A 130 unit market rate apartment development is under construction in Winsor Center. This \$18 million investment will be completed in the first quarter of calendar year 2017. The CT DOT has initiated a project for enhanced commuter rail service between New Haven and Springfield, MA which will more than double the stops in Windsor by the beginning of 2018.

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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
2014	29,130	897,374	3,592,053

Source: U.S. Department of Commerce, Bureau of Census and 2010-2014 American Community Survey.

Age Characteristics of Population

Age	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5	1,742	6.0	49,447	5.5	194,338	5.4
5 - 9	1,570	5.4	55,631	6.2	217,491	6.1
10 - 14	1,926	6.6	57,038	6.4	234,666	6.5
15 - 19	1,672	5.7	61,419	6.8	255,499	7.1
20 - 24	1,767	6.1	56,867	6.3	234,482	6.5
25 - 34	3,225	11.1	114,250	12.7	433,145	12.1
35 - 44	3,671	12.6	113,809	12.7	459,130	12.8
45 - 54	4,376	15.0	137,549	15.3	563,772	15.7
55 - 59	2,612	9.0	63,786	7.1	253,952	7.1
60 - 64	2,001	6.9	52,498	5.9	214,499	6.0
65 - 74	2,501	8.6	69,552	7.8	280,541	7.8
75 - 84	1,250	4.3	41,816	4.7	162,971	4.5
85 and over	817	2.8	23,712	2.6	87,567	2.4
Total	29,130	100.0	897,374	100.0	3,592,053	100.0

Source: U.S. Department of Commerce, 2010-2014 American Community Survey.

Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(2000)	(2014)	(2000)	(2014)
Town of Windsor	\$73,064	\$91,912	\$27,633	\$36,048
Hartford County	62,144	82,740	26,047	35,307
Connecticut	65,521	88,217	28,766	38,480
United States	49,600	65,443	21,690	28,555

Source: U.S. Department of Commerce, Bureau of Census, Census 2000 and 2010-2014 American Community Survey.

Income Distribution

	Town of Windsor		Hartford County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	170	2.2	9,145	4.0	30,584	3.4
10,000 to 14,999	32	0.4	5,729	2.5	18,591	2.1
15,000 to 24,999	284	3.6	13,423	5.9	46,537	5.2
25,000 to 34,999	340	4.3	14,886	6.5	56,473	6.3
35,000 to 49,999	590	7.5	22,129	9.7	85,206	9.5
50,000 to 74,999	1,381	17.5	37,781	16.6	140,776	15.6
75,000 to 99,999	1,584	20.1	33,191	14.6	129,656	14.4
100,000 to 149,999	2,002	25.4	45,939	20.2	184,327	20.5
150,000 to 199,999	949	12.0	22,344	9.8	93,100	10.3
200,000 or more	552	7.0	23,086	10.1	114,307	12.7
TOTAL	7,884	100.0	227,653	100.0	899,557	100.0

Source: U.S. Department of Commerce, 2010-2014 American Community Survey.

Educational Attainment Years of School Completed, Age 25 and Over

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	616	3.0	29,265	4.7	106,784	4.3
9th to 12th grade	960	4.7	41,364	6.7	150,227	6.1
High School Graduate	5,074	24.8	169,470	27.5	677,887	27.6
Some College	3,845	18.8	109,691	17.8	431,807	17.6
Associate Degree	2,214	10.8	47,726	7.7	180,321	7.3
Bachelor Degree	4,183	20.5	124,696	20.2	506,662	20.6
Graduate or Professional Degree	3,561	17.4	94,760	15.4	401,889	16.4
TOTAL	20,453	100.0	616,972	100.0	2,455,577	100.0
Percent High School Graduate or Higher		92.3%		88.6%		89.5%
Percent Bachelor's Degree or Higher		37.9%		35.6%		37.0%

Source: U.S. Department of Commerce, 2010-2014 American Community Survey.

Employment by Industry

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries	8	0.1	1,064	0.2	7,413	0.4
Construction	772	5.1	20,160	4.6	97,974	5.5
Manufacturing	1,140	7.6	46,596	10.7	191,057	10.8
Wholesale trade	404	2.7	11,410	2.6	44,195	2.5
Retail trade	1,219	8.1	46,979	10.8	191,267	10.8
Transportation & warehousing & utilities	732	4.9	17,291	4.0	65,068	3.7
Information	365	2.4	10,502	2.4	41,905	2.4
Finance, insurance, real estate	2,275	15.1	49,546	11.3	161,926	9.2
Professional, scientific & management	1,616	10.7	46,055	10.5	197,880	11.2
Educational, health & social services	3,941	26.1	114,301	26.2	467,574	26.5
Arts, entertainment & recreation	1,083	7.2	34,395	7.9	154,005	8.7
Other professional services	526	3.5	18,384	4.2	80,179	4.5
Public Administration	990	6.6	19,925	4.6	66,491	3.8
TOTAL	15,071	100.0	436,608	100.0	1,766,934	100.0

Source: U.S. Department of Commerce, 2010-2014 American Community Survey.

Major Employers

Name of Employer	Nature of Entity	Estimated Number of Employees
Hartford Life	Financial Services	2,600
VOYA	Insurance and Financial Services	1,730
GE/Alstom Power	Power plant engineering and customer support	1,050
CIGNA	Insurance (Data center)	1,000
Town of Windsor	General Government and Board of Education	879
Amazon.com	Fulfillment center for online retailer	800
Walgreens	Distribution center for retail drug stores	660
Eversource	Utility	600
Konica Minolta	Business equipment sales and support	600
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 %
2006	4.1	4.4	4.3	4.6
2007	4.2	4.7	4.5	4.6
2008	5.4	5.9	5.7	5.8
2009	7.7	8.1	8.0	9.3
2010	8.5	9.1	9.0	9.6
2011	8.4	8.9	8.8	9.0
2012	8.2	8.4	8.3	8.1
2013	7.7	7.9	6.8	7.4
2014	6.4	6.6	6.6	6.2
2015	5.4	5.6	5.6	5.3

2016 Monthly				
Month	Town of Windsor %	Hartford Labor Market %	State of Connecticut %	United States %
January	5.6	6.0	6.0	5.3
February	5.4	6.0	6.0	5.2
March	5.7	6.2	6.2	5.1

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 (1)		Non-Residential		All Other (1)		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2016 (2)	11	\$ 2,234,350	353	\$ 31,630,165	1,303	\$ 9,782,923	1,667	\$ 43,647,438
2015	21	4,300,477	529	42,200,808	1,466	11,290,593	2,016	57,791,878
2014	20	4,184,575	406	112,575,131	1,455	9,480,348	1,881	126,240,054
2013	9	1,564,150	433	121,965,417	1,287	9,052,796	1,729	132,582,363
2012	8	1,641,325	422	22,128,336	1,473	10,652,096	1,903	34,421,757
2011	6	1,078,050	412	39,345,785	1,261	8,336,940	1,679	48,760,775
2010	95	13,799,191	403	52,647,142	1,325	9,815,096	1,823	76,261,429
2009	19	2,771,448	378	61,878,140	1,210	10,966,397	1,607	75,615,985
2008	60	9,964,140	477	121,593,104	1,132	8,652,111	1,669	140,209,355
2007	68	12,869,160	597	247,970,218	1,323	10,040,579	1,988	270,879,957

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

(2) As of March 31, 2016.

Source: Town of Windsor, Office of Building Inspections.

Number of Dwelling Units

2014	2010	2000	1990	1980	1970	% Increase 2000-2014	% Increase 1970-2014
11,671	11,767	10,900	10,279	8,793	6,658	7.07%	75.29%

Source: U.S. Department of Commerce, Bureau of Census and 2010-2014 American Community Survey.

Characteristics of Housing Units (Owner-occupied)

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
\$ 0 to \$ 50,000	203	2.3	6,418	2.8	24,122	2.6
50,000 to 99,999	178	2.0	7,107	3.1	26,438	2.9
100,000 to 149,999	817	9.2	22,356	9.9	72,756	8.0
150,000 to 199,999	2,007	22.7	44,468	19.6	137,797	15.1
200,000 to 299,999	4,200	47.5	77,022	34.0	257,364	28.2
300,000 to 499,999	1,345	15.2	53,555	23.6	243,882	26.7
500,000 to 999,999	85	1.0	13,885	6.1	109,918	12.0
1,000,000 and over	-	0.0	1,746	0.8	40,766	4.5
	<u>8,835</u>	<u>100.0</u>	<u>226,557</u>	<u>100.0</u>	<u>913,043</u>	<u>100.0</u>
Median Values	\$227,300		\$238,600		\$274,500	

Source: U.S. Department of Commerce, 2010-2014 American Community Survey.

Age Distribution of Housing

	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	1,707	14.6	72,945	19.5	334,290	22.4
1940 to 1949	868	7.4	32,106	8.6	104,523	7.0
1950 to 1959	2,249	19.3	68,185	18.2	232,682	15.6
1960 to 1969	1,204	10.3	53,745	14.4	199,413	13.4
1970 to 1979	2,270	19.4	48,951	13.1	200,288	13.4
1980 to 1989	1,941	16.6	49,366	13.2	193,794	13.0
1990 to 1999	596	5.1	25,214	6.7	113,875	7.6
2000 to 2009	831	7.1	22,873	6.1	104,093	7.0
2010 or later	5	0.0	1,090	0.3	7,423	0.5
	<u>11,671</u>	<u>100.0</u>	<u>374,475</u>	<u>100.0</u>	<u>1,490,381</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2010-2014 American Community Survey.

Breakdown of Land Use

Land Use Category	Total Acreage		Developed Acreage by Land Use		Undeveloped Acreage	
	By Zoning	Percent	Land Use	Percent	Acreage	Percent
Residential	7,361.29	44.6%	6,368.31	60.4%	992.98	16.7%
Commercial	1,765.57	10.7%	1,245.69	11.8%	519.88	8.7%
Industrial	1,892.61	11.5%	1,537.37	14.6%	355.24	6.0%
Other	5,479.52	33.2%	1,387.71	13.2%	4,091.81	68.7%
Total Area	<u>16,498.99</u>	<u>100.0%</u>	<u>10,539.08</u>	<u>100.0%</u>	<u>5,959.91</u>	<u>100.0%</u>

Source: Assessor's CAMA tax database as of October 2015.

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit

As of June 23, 2016 (Pro Forma)

Total Receipts for fiscal year ended June 30, 2015 (including interest and lien fees)	\$ 87,644,075
State Reimbursement for Revenue Loss on: Tax Relief for Elderly	-
Base for Establishing Debt Limit	\$ 87,644,075

Debt Limit (1)

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 197,199,169					
(4.50 times base)		\$ 394,398,338				
(3.75 times base)			\$ 328,665,281			
(3.25 times base)				\$ 284,843,244		
(3.00 times base)					\$ 262,932,225	
(7.00 times base)						\$ 613,508,525

Indebtedness (Including the Bonds)

Bonds Payable	\$ 22,591,000	\$ 11,644,000	\$ -	\$ -	\$ -	\$ 34,235,000
The Bonds (<i>This Issue</i>)	3,755,000	530,000	-	-	-	4,285,000
The Notes (<i>This Issue</i>)	280,000	170,000	-	-	-	450,000
Overlapping and Underlying Debt (2)	-	-	62,109,143	-	-	62,109,143
Authorized but Unissued Debt	170,000	220,000	-	-	-	390,000
Total Indebtedness	26,796,000	12,564,000	62,109,143	-	-	101,469,143
Less:						
School grants receivable	-	-	-	-	-	-
Total Net Indebtedness	26,796,000	12,564,000	62,109,143	-	-	101,469,143
Excess of Limit Over Outstanding and Authorized Debt	\$ 170,403,169	\$ 381,834,338	\$ 266,556,138	\$ 284,843,244	\$ 262,932,225	\$ 512,039,382

(1) Under Connecticut General Statutes, Town debt cannot exceed \$613,508,525 or seven times the debt limit base.

(2) Overlapping and underlying debt as of December 31, 2015. (See "Overlapping and Underlying Indebtedness" herein).

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Calculation of Net Direct Indebtedness

As of June 23, 2016 (Pro Forma)

Long-Term Indebtedness (1)	
The Bonds (<i>This Issue</i>)	\$ 4,285,000
General Purpose	22,591,000
Schools	<u>11,644,000</u>
Total Long-Term Indebtedness	38,520,000
Short-Term Indebtedness	
The Notes (<i>This Issue</i>)	<u>450,000</u>
Total Direct Indebtedness	38,970,000
Exclusions:	
(School building grants receivable)	<u>-</u>
Total Net Direct Indebtedness	38,970,000
Underlying Indebtedness	-
Net Overlapping Indebtedness (2)	<u>62,109,143</u>
Total Underlying and Net Overlapping Indebtedness	62,109,143
Total Net Direct and Net Overlapping Indebtedness	<u>\$ 101,079,143</u>

(1) Does not include authorized but unissued debt of \$390,000. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.

(2) Overlapping and underlying debt as of December 31, 2015. (See "Overlapping and Underlying Indebtedness" herein).

Current Debt Ratios

As of June 23, 2016 (Pro Forma)

Total Direct Indebtedness	\$38,970,000
Total Net Direct Indebtedness	\$38,970,000
Total Net Direct and Net Overlapping Indebtedness	\$101,079,143
Population (1)	29,130
Net Taxable Grand List (10/1/15)	\$2,924,298,305
Estimated Full Value	\$4,177,569,007
Equalized Net Taxable Grand List (2013) (2)	\$4,047,961,669
Per Capita Income (2014) (1)	\$36,048
Total Direct Indebtedness:	
Per Capita	\$1,337.80
To Net Taxable Grand List	1.33%
To Estimated Full Value	0.93%
To Equalized Net Taxable Grand List	0.96%
Per Capita to Per Capita Income	3.71%
Total Net Direct Indebtedness:	
Per Capita	\$1,337.80
To Net Taxable Grand List	1.33%
To Estimated Full Value	0.93%
To Equalized Net Taxable Grand List	0.96%
Per Capita to Per Capita Income	3.71%
Total Net Direct and Net Overlapping Indebtedness:	
Per Capita	\$3,469.93
To Net Taxable Grand List	3.46%
To Estimated Full Value	2.42%
To Equalized Net Taxable Grand List	2.50%
Per Capita to Per Capita Income	9.63%

(1) U.S. Department of Commerce, 2010-2014 American Community Survey.

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

Historical Debt Statement

	2014-15	2013-14	2012-13	2011-12	2010-11
Population (1)	29,130	29,130	29,130	29,130	29,130
Net taxable grand list	\$ 2,838,103,716	\$ 3,013,897,453	\$ 2,907,640,693	\$ 2,811,979,697	\$ 2,734,641,908
Estimated full value	\$ 4,054,433,880	\$ 4,305,567,790	\$ 4,153,772,419	\$ 4,017,113,853	\$ 3,906,631,297
Equalized net taxable grand list (2)	\$ 4,047,961,669	\$ 4,026,160,993	\$ 4,026,157,221	\$ 4,003,835,033	\$ 4,039,645,772
Per capita income (1)	\$ 36,048	\$ 36,048	\$ 36,048	\$ 36,048	\$ 36,048
Short-term debt	\$ 420,000	\$ -	\$ 1,670,000	\$ 800,000	\$ 1,010,000
Long-term debt	\$ 39,765,000	\$ 39,390,000	\$ 39,140,000	\$ 38,470,000	\$ 38,485,000
Total Direct Indebtedness	\$ 40,185,000	\$ 39,390,000	\$ 40,810,000	\$ 39,270,000	\$ 39,495,000
Net Direct Indebtedness	\$ 40,185,000	\$ 39,335,625	\$ 40,700,371	\$ 38,996,366	\$ 38,922,199
Net Direct and Net Overlapping Indebtedness	\$ 91,995,896	\$ 95,305,326	\$ 84,585,946	\$ 71,200,344	\$ 64,459,131

(1) U.S. Department of Commerce, 2010-2014 American Community Survey.

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

Historical Debt Ratios

	2014-15	2013-14	2012-13	2011-12	2010-11
Total Direct Indebtedness:					
Per capita	\$1,379.51	\$1,352.21	\$1,400.96	\$1,348.09	\$1,355.82
To net taxable grand list	1.42%	1.31%	1.40%	1.40%	1.44%
To estimated full value	0.99%	0.91%	0.98%	0.98%	1.01%
To equalized net taxable grand list	0.99%	0.98%	1.01%	0.98%	0.98%
Debt per capita to per capita income	3.83%	3.75%	3.89%	3.74%	3.76%
Net Direct Indebtedness:					
Per capita	\$1,379.51	\$1,350.35	\$1,397.20	\$1,338.70	\$1,336.16
To net taxable grand list	1.42%	1.31%	1.40%	1.39%	1.42%
To estimated full value	0.99%	0.91%	0.98%	0.97%	1.00%
To equalized net taxable grand list	0.99%	0.98%	1.01%	0.97%	0.96%
Debt per capita to per capita income	3.83%	3.75%	3.88%	3.71%	3.71%
Net Direct and Net Overlapping Indebtedness:					
Per capita	\$3,158.12	\$3,271.72	\$2,903.74	\$2,444.23	\$2,212.81
To net taxable grand list	3.24%	3.16%	2.91%	2.53%	2.36%
To estimated full value	2.27%	2.21%	2.04%	1.77%	1.65%
To equalized net taxable grand list	2.27%	2.37%	2.10%	1.78%	1.60%
Debt per capita to per capita income	8.76%	9.08%	8.06%	6.78%	6.14%

Outstanding Short-Term Indebtedness

With this issue, the Town will have \$450,000 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>of Net Debt Charged to Town</u>	<u>Town Net Overlapping Debt (2)</u>
\$ 1,211,099,818	\$ 489,739,270	\$ 721,360,548	8.61%	\$ 62,109,143

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

(2) As of December 31, 2014.

Each year the District adopts a Capital Improvement Program ("CIP") for its capital infrastructure and facility needs. The program requires a series of decisions about the amount, timing, purpose and structure of debt issuance. Annual capital project appropriations and the issuance of debt are approved in accordance with budgetary policies and procedures as presented under the Budget Procedure and Policy of Debt Administration. The Finance Department manages all District borrowings, paying particular attention to debt affordability and timing of borrowings to take advantage of favorable market conditions. The goal is to repay debt rapidly, maintain a conservative level of outstanding debt, and ensure the District's continued positive financing standing in the bond market. For 2016, 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. The Project combines the elimination of sanitary sewer overflows, the design and construction of a combined sewer overflow Long-Term Plan and the treatment and reduction of nitrogen from the water pollution control facilities. The Project was originally estimated to cost \$2.1 billion and have a 15 year implementation requirement. An appropriation of \$800 million was authorized by the Member Municipalities at a referendum in November 2006. Approval for an additional \$800 million was authorized by the Member Municipalities at a referendum on November 6, 2012. The Project will require submission of a further appropriation for approval by voters. A Special Sewer Service Surcharge, adopted in October 2007 and implemented in January 2008, will be used exclusively for the payment of debt service on bonds and loans issued to finance the Project. The District's goal is to fund project costs with State and Federal grants and State and Federal low-cost loans as they become available, and open market debt. Bonds and loans that are solely supported by the Special Sewer Service Surcharge will not be included in the calculation of overlapping debt of the Member Municipalities.

Source: MDC

Fire Districts:

Windsor has two underlying special tax districts, Wilson Fire District and Windsor Fire District. As of June 30, 2015 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 2017-2022 Plan includes projects totaling \$163,551,920. 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.

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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	Notes Outstanding	Paydowns/ Grants	The Bonds (This Issue)	The Notes (This Issue)	Authorized But Unissued
Batchelder Rd. & Mechanic St. Pavement Rehabilitation	\$ 770,000	\$ 350,000	\$ 420,000	\$ 140,000	\$ -	\$ 280,000	\$ -
Clover St. Elementary School HVAC Equipment Replacement	2,425,000	2,205,000	-	-	-	-	220,000
Stormwater Management Program	370,000	-	-	-	370,000	-	-
Pigeon Hill Rd. Rehabilitation	730,000	-	-	-	560,000	-	170,000
Stone Rd. Rehabilitation	340,000	-	-	-	340,000	-	-
Prospect Hill Rd. Reconstruction Design	210,000	-	-	-	210,000	-	-
L.P. Wilson Community Center Restrooms & Emergency Shelter Shower Room Renovations	990,000	-	-	-	990,000	-	-
Town Hall Interior Improvements - Phase II	295,000	-	-	-	295,000	-	-
L.P. Wilson Athletic Fields Improvements	990,000	-	-	-	990,000	-	-
Windsor High School Fire Alarm System & Stairwell Door Replacement	340,000	-	-	-	340,000	-	-
Clover St. Elementary School Partial Roof Replacement	360,000	-	-	-	190,000	170,000	-
Total	\$ 7,820,000	\$ 2,555,000	\$ 420,000	\$ 140,000	\$ 4,285,000	\$ 450,000	\$ 390,000

Combined Schedule of Long Term Debt through Maturity

As of June 23, 2016 (Pro Forma)

Fiscal Year	Principal Payments (1)	Interest Payments	Total Debt Service (1)	The Bonds Principal Payments	All Issues Principal (1)
2016 (1)	\$ 5,530,000	\$ 1,139,294	\$ 6,669,294	\$ -	\$ 5,530,000
2017	5,490,000	950,200	6,440,200	360,000	5,850,000
2018	5,330,000	763,056	6,093,056	360,000	5,690,000
2019	4,990,000	588,013	5,578,013	360,000	5,350,000
2020	4,985,000	429,025	5,414,025	360,000	5,345,000
2021	4,020,000	299,663	4,319,663	360,000	4,380,000
2022	2,920,000	216,693	3,136,693	355,000	3,275,000
2023	2,870,000	138,518	3,008,518	355,000	3,225,000
2024	1,885,000	79,988	1,964,988	355,000	2,240,000
2025	875,000	40,438	915,438	355,000	1,230,000
2026	450,000	21,750	471,750	355,000	805,000
2027	420,000	10,500	430,500	355,000	775,000
2028	-	-	-	355,000	355,000
	\$ 39,765,000	\$ 4,677,138	\$ 44,442,138	\$ 4,285,000	\$ 44,050,000

(1) Does not reflect principal payments of \$5,530,000 made as of June 23, 2016.

Source: Annual audit financial statements.

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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, RMS US 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, 2015, 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 RSM US 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 2015 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Financial Officers Association of the United States and Canada ("GFOA"). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

Budgetary Procedure

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

<u>On or About</u>	<u>Day of Week</u>	<u>Action</u>
February 1, 2016	Monday	Public Hearing by Town Council to hear budget requests from citizens.
March 25, 2016	Friday	Estimated receipts and expenditures submitted to Council by Town Manager and Board of Education. (Proposed Budget)
April 4, 2016	Monday	Public Hearing by Council to hear expression of public opinion regarding budget submitted to Council by Town Manager and Board of Education.
May 10, 2016 (1)	Tuesday	Annual Town Budget Referendum held; budget adopted.
May 16, 2016	Monday	Regular Town Council Meeting; Council sets tax rate.
June 21, 2016	Tuesday	Tax bill mailing completed.
June 30, 2016	Monday	End of Fiscal Year.
July 1, 2016 (2)	Tuesday	Taxes for fiscal year 2017 due and payable; fiscal year 2017 budget becomes effective.

(1) The budget for the fiscal year commencing July 1, 2016 was defeated at referendum on May 10, 2016. The budget was approved at the second budget referendum which was held on June 7, 2016.

(2) Pursuant to Windsor Town Charter Sec. 9.3(c), if the voters disapprove the budget appropriation recommended by the Town Council, the annual budget appropriation for the existing fiscal year shall be continued until the new budget appropriation is adopted.

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

Supplemental Appropriations

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

Employee Pension Systems

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

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30, 2015 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2014. The date of the Town's most recent actuarial valuation was July 1, 2015.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town as of June 30, 2015 were as follows:

Total pension liability	\$ 72,603,024
Plan fiduciary net position	<u>64,485,105</u>
Net pension liability	<u>\$ 8,117,919</u>
Plan fiduciary net position as a % of total pension liability	88.8%

The following represents the net pension liability of the Town, calculated using the discount rate of 7.5%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	<u>1% Decrease</u> <u>6.50%</u>	<u>Current</u> <u>Discount Rate</u> <u>7.50%</u>	<u>1% Increase</u> <u>8.50%</u>
Net Pension Liability	\$ 16,945,015	\$ 8,117,919	\$ 1,109,354

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Based upon a July 1, 2015 actuarial valuation, the actuarial value of assets and actuarial liabilities for the PERS plan were as follows:

Schedule of Funding Progress

Actuarial Valuation July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Percentage Funded Ratio (a) / (b)
2011	\$ 56,804,114	\$ 55,428,256	\$ (1,375,858)	102.5
2012	59,251,864	58,623,672	(628,192)	101.1
2013 (1)	62,034,394	66,628,676	4,594,282	93.1
2014	65,167,454	69,668,604	4,501,150	93.5
2015	67,591,835	73,630,924	6,039,089	91.8

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 1,367,561	\$ 1,367,561	100.0
2014	1,311,760	1,311,760	100.0
2015 (1)	998,378	998,378	100.0
2016 (1,2)	1,026,539	1,026,539	100.0
2017 (1,2)	1,054,742	1,054,742	100.0

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

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

All uniformed police officers are covered under the State administered Municipal Employee Retirement Fund B ("MERF"), a defined benefit cost-sharing multi-employer cost sharing public employee retirement system ("PERS") established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to employees and beneficiaries of participating municipalities. The Town's General Fund expenditure for its share of the PERS cost was \$831,547 for the fiscal year ending June 30, 2015. The Town is projecting \$827,530 for its share of the PERS cost for fiscal year ending June 30, 2016, and is proposing \$832,340 for the fiscal year 2017 budget commencing on July 1, 2016.

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

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

As of FY 2016 the contribution rate for the defined benefit plan for the General Government Non-Affiliated and Public Safety Dispatchers was increased to 4.50%. Board of Education Non-Affiliated and bargaining unit members' contribution rate is currently 3.25% and will increase to 4.0% on July 1, 2016.

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

Other Post-Employment Benefits

The Town provides limited post-employment health care benefits for retired employees. Substantially all of the Town's employees are eligible for these benefits when they become eligible for retirement while working for the Town. The Town currently finances the cost of these benefits on a pay-as-you-go basis. The cost for the 2015 fiscal year was \$768,776. The cost for the 2016 fiscal year is estimated to be \$729,220 and proposed at \$844,500 for the 2017 fiscal year. An actuarial consultant has performed an actuarial valuation of this liability in accordance with GASB Statement No. 45 requirements effective for the fiscal year beginning July 1, 2015. The unfunded accrued liability as calculated by the actuary for the valuation report dated July 1, 2015 is \$52,268,477. A trust fund was established on July 1, 2015 and a strategic plan was developed for the purpose of accumulating assets with which to pay such benefits in future years. The town deposited \$390,000 into the trust for fiscal year 2015, \$280,000 for fiscal year 2016, and another deposit of \$450,000 is proposed for FY 2017.

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

Since fiscal year 2013, the allocation rate towards health insurance for members of the Teamsters bargaining unit has increased from 15% to 17% of the full premium cost, and the Town's contribution has decreased from 85% to 83%. For Teamsters bargaining unit retirees hired after July 1, 2008 and before November 1, 2011, the Town will pay 50% of the cost for health insurance premiums for the retiree's spouse at the time of retirement. Prior to this, retirees contributed the same percentage they were paying at the time of retirement. For Teamsters retirees hired after November 1, 2011, the retiree's spouse may choose to continue health coverage at their own expense. Retiree spouses are not eligible for Town of Windsor health benefits if they have other coverage available to them.

Effective January 1, 2015, the allocation rate towards health insurance for members of the Public Safety Dispatchers bargaining unit was increased from 18% to 19% of the full premium cost, and the Town's contribution was decreased from 82% to 81%.

Effective July 1, 2015, the allocation rate for non-affiliated employees increased from 18% to 19%, and the Town's allocation decreased from 82% to 81%.

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

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

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

Based upon the July 1, 2015 actuarial valuation, the actuarial value of assets and actuarial liabilities for the OPEB plan were as follows:

Schedule of Funding Progress

Actuarial Valuation July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Percentage Funded Ratio (a) / (b)
2007	\$ -	\$ 66,013,000	\$ 66,013,000	0.0
2009	-	72,896,000	72,896,000	0.0
2011	-	74,028,000	74,028,000	0.0
2013 (1)	-	67,718,900	67,718,900	0.0
2015	407,210	52,675,687	52,268,477	0.8

(1) Amount revised due to creation of OPEB trust.

Schedule of Employer Contributions

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 7,258,000	\$ 2,047,000	28.2
2014	7,831,000	2,240,000	28.6
2015	6,300,000	2,595,904	41.2
2016 (1)	6,762,000	2,313,000	34.2
2017	4,884,000	N/A	

(1) As projected for fiscal year 2015-16.

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

Investment Policies and Procedures

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

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

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

Assessment Practices

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

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

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

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

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

Tax Collection Procedure

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

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Real Property Tax Levies and Collections

FY Ending 6/30	Net Taxable Grand List	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2015
2017	\$ 2,924,298,305	31.52	\$ 90,561,620	In Process	In Process	In Process
2016	2,849,933,303	30.92	88,803,839	In Process	In Process	In Process
2015 (1)	2,838,103,716	30.47	86,548,952	98.8	\$ 1,029,436	\$ 1,029,436
2014	3,013,897,453	27.33	82,919,994	98.6	1,192,548	323,613
2013	2,907,640,693	27.95	81,403,784	98.7	1,062,846	25,952
2012	2,811,979,697	28.03	79,201,381	98.8	979,265	6,425
2011	2,734,641,908	28.38	77,747,083	98.6	1,091,108	2,002
2010	2,653,336,173	28.34	74,984,463	98.6	1,037,133	2,225
2009	2,590,683,323	29.30	76,374,720	98.8	898,815	1,934
2008	2,401,788,440	29.30	70,937,721	98.8	864,604	1,589

(1) The Town's last revaluation is effective as of 10/01/2013. The revaluation was implemented in full in FY 2014-15 budget year (will not be phased-in). (See "Assessments Practices" herein).

Source: Town Officials.

Taxable Grand List (1)

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List (1)
10/01/15	\$ 2,555,128,169	\$ 524,882,407	\$ 203,017,855	\$ 3,283,028,431	\$ 358,730,126	\$ 2,924,298,305
10/01/14	2,317,358,059	496,016,198	202,210,460	3,015,584,717	165,651,414	2,849,933,303
10/01/13	2,287,068,998	531,939,149	202,876,570	3,021,884,717	183,781,001	2,838,103,716
10/01/12	2,537,512,418	196,798,900	496,943,459	3,231,254,777	217,357,324	3,013,897,453
10/01/11	2,524,291,833	512,131,547	202,124,650	3,238,548,030	330,907,337	2,907,640,693
10/01/10	2,532,178,040	471,342,141	186,248,492	3,189,768,673	377,788,976	2,811,979,697
10/01/09	2,521,616,780	482,561,434	179,816,305	3,183,994,519	449,352,611	2,734,641,908
10/01/08	2,232,341,208	488,125,018	185,708,117	2,906,174,343	252,838,170	2,653,336,173
10/01/07	2,077,747,360	425,093,172	190,257,671	2,693,098,203	102,414,880	2,590,683,323
10/01/06	1,909,387,140	366,616,914	186,060,915	2,462,064,969	60,276,529	2,401,788,440

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

Source: Town Officials

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Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town per the Grand List dated October 1, 2015:

Name of Taxpayer	Nature of Business	Grand List Amount
Prologis Inc. (Amazon)	Distribution Center	\$ 77,532,445
Walgreens	Distribution Center	76,550,840
Griffin Land & Affiliates	Real Estate Development	75,746,720
CIGNA	Insurance and Financial Services	60,692,576
Voya Financial	Insurance and Financial Services	54,447,984
IBM & Affiliates	Information Technology	51,788,339
Cellco/Verizon Wireless	Telecommunications	48,375,941
Hartford Financial Corp	Insurance and Financial Services	47,669,652
Dollar Tree Distribution Inc.	Distribution Center	39,362,456
Northeast Utilities & Affiliates	Electric Utility	36,000,804
Total		<u>\$ 568,167,757</u> (1)

(1) Represents 19.43% of the net taxable grand list of \$2,924,298,305 dated October 1, 2015.

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 2011-2015, in "Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

Property Tax Revenues

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax as a % of General Fund Revenues
2017 (Adopted Budget) (1)	\$ 110,862,990	\$ 90,561,620	81.69
2016 (Estimated Actuals) (1)	106,174,000	88,862,670	83.70
2015	114,937,769	87,600,034	76.22
2014	110,221,210	82,937,213	75.25
2013	108,233,721	82,156,015	75.91
2012	104,442,171	79,806,333	76.41
2011	102,267,246	78,440,338	76.70
2010	97,207,998	75,182,401	77.34
2009	100,503,089	76,562,176	76.18
2008	96,039,401	71,336,266	74.28

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was approximately \$7,074,834 in fiscal year 2015-16.

Source: Annual audited financial statements for fiscal years 2008-2015, estimated actuals for fiscal 2015-16 and the adopted budget for the fiscal year commencing July 1, 2016 (See "Budgetary Procedures" herein).

Intergovernmental Revenues

Fiscal Year	General Fund Revenues	Intergovernmental	Aid As a % of General Fund Revenue
2017 (Adopted Budget) (1)	\$ 110,862,990	\$ 15,551,850	14.03
2016 (Estimated Actuals) (1)	106,174,000	14,523,720	13.68
2015	114,937,769	22,366,478	19.46
2014	110,221,210	22,298,413	20.23
2013	108,233,721	21,410,871	19.78
2012	104,442,171	21,115,541	20.22
2011	102,267,246	19,819,257	19.38
2010	97,207,998	19,483,098	20.04
2009	100,503,089	21,033,244	20.93
2008	96,039,401	19,912,200	20.73

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was approximately \$7,074,834 in fiscal year 2015-16.

Source: Annual audited financial statements for fiscal years 2008-2015, estimated actuals for fiscal 2015-16 and the adopted budget for the fiscal year commencing July 1, 2016. (See "Budgetary Procedures" herein).

Expenditures

Fiscal Year	Education %	General		
		Government %	Public Safety %	Public Works %
2017 (Adopted Budget) (1)	60.86	16.97	8.99	4.82
2016 (Estimated Actuals) (1)	62.40	15.14	9.21	4.84
2015	68.76	11.00	9.69	5.64
2014	68.20	11.32	10.03	5.52
2013	68.38	11.39	9.50	5.56
2012	68.83	11.05	9.44	5.56
2011	68.06	11.06	9.67	6.05
2010	69.86	10.90	9.05	6.15
2009	69.68	10.93	9.20	6.16
2008	69.92	11.22	9.00	5.97

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was approximately \$7,074,834 in fiscal year 2015-16.

Source: Annual audited financial statements for fiscal years 2008-2015, estimated actuals for fiscal 2015-16 and the adopted budget for the fiscal year commencing July 1, 2016. (See "Budgetary Procedures" herein).

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

	Fiscal Year 2014-15			2015-16 Estimated Actuals	2016-17 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)		
REVENUES					
Property taxes	\$ 86,535,450	\$ 87,600,034	\$ 1,064,584	\$ 88,862,670	\$ 92,250,720
Licenses, permits and fees	631,210	802,439	171,229	869,900	628,560
Fines, forfeitures and penalties	39,000	43,590	4,590	34,900	38,000
Other agencies	111,460	154,012	42,552	178,870	159,030
Intergovernmental	15,032,550	15,169,111	136,561	14,523,720	15,551,850
Revenues from use of assets	503,830	488,165	(15,665)	488,830	548,830
Charges for services	784,660	1,246,584	461,924	1,215,110	786,000
TOTAL REVENUES	103,638,160	105,503,935	1,865,775	106,174,000	109,962,990
EXPENDITURES					
Current:					
General government	949,610	842,611	106,999	1,003,640	991,110
Safety services	9,575,720	9,314,528	261,192	9,749,910	9,965,720
Public works	5,202,060	5,197,693	4,367	5,122,890	5,346,700
Health services	473,630	461,119	12,511	456,930	471,410
Human services	899,650	850,978	48,672	747,790	810,580
Recreation and leisure services	1,045,670	1,045,368	302	1,420,270	1,450,120
Education	65,097,100	65,096,482	618	66,025,950	67,471,330
Town support for education	1,931,880	1,900,502	31,378	4,609,450	4,825,360
Library services	1,559,100	1,501,838	57,262	1,572,750	1,612,660
Development services	1,793,820	1,677,798	116,022	1,703,220	1,800,720
Information services	428,040	419,671	8,369	429,840	447,510
Administrative services	2,078,410	1,953,066	125,344	2,132,220	2,224,840
Community development	92,500	92,500	-	92,500	93,860
General services	5,526,170	5,431,902	94,268	10,749,150	13,351,070
TOTAL EXPENDITURES	96,653,360	95,786,056	867,304	105,816,510	110,862,990
Revenues over expenditures	6,984,800	9,717,879	2,733,079	357,490	(900,000)
Other financing sources (uses)					
Operating transfers in	108,410	99,540	(8,870)	-	-
Operating transfers out	(7,993,210)	(7,993,210)	-	(147,574)	-
Use of fund balance	(487,500)	(487,500)	-	(30,000)	900,000
Total other financing sources (uses)	(8,372,300)	(8,381,170)	(8,870)	(177,574)	900,000
Net change in budgetary fund balance	<u>\$ (1,387,500)</u>	1,336,709	<u>\$ 2,724,209</u>	<u>\$ 179,916</u>	<u>\$ -</u>
Budgetary Fund Balance, beginning		18,599,141			
Budgetary Fund Balance, ending		<u>\$ 19,935,850</u>			

Source: Annual audited financial statements for fiscal year 2015, estimated actuals for fiscal 2015-16 and the adopted budget for the fiscal year commencing July 1, 2016. (See "Budgetary Procedures" herein).

Comparative Balance Sheets - General Fund

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
ASSETS					
Cash and cash equivalents	\$ 28,232,878	\$ 24,864,249	\$ 24,410,473	\$ 28,166,050	\$ 26,801,775
Receivables:					
Property taxes	1,452,058	1,494,656	1,206,348	1,626,595	1,090,958
Accounts receivable	300,707	710,376	809,580	387,213	564,352
Intergovernmental and other	572,802	273,634	109,629	54,375	-
Due from other funds	289,220	1,583,568	168,395	168,782	789,819
Inventory	35,544	48,934	42,682	46,154	31,213
TOTAL ASSETS	<u>\$ 30,883,209</u>	<u>\$ 28,975,417</u>	<u>\$ 26,747,107</u>	<u>\$ 30,449,169</u>	<u>\$ 29,278,117</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 3,333,527	\$ 3,529,352	\$ 3,078,560	\$ 4,228,868	\$ 2,476,321
Due to other funds	53,326	767,425	1,127,456	146,304	-
Advanced tax collections	7,209,589	4,426,446	-	-	-
Deferred revenue	1,917,809	1,648,057	1,277,060	-	-
Unearned Revenue	-	-	352,681	-	-
TOTAL LIABILITIES	<u>12,514,251</u>	<u>10,371,280</u>	<u>5,835,757</u>	<u>4,375,172</u>	<u>2,476,321</u>
DEFERRED INFLOW OF RESOURCES					
Advance tax collections	-	-	-	3,352,487	2,248,521
Unavailable resources	-	-	-	1,531,680	926,393
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,884,167</u>	<u>3,174,914</u>
FUND BALANCES					
Nonspendable	35,544	48,934	42,679	46,154	31,213
Assigned	3,395,259	3,238,973	3,939,957	3,795,689	4,621,032
Unassigned	14,938,155	15,316,230	16,928,714	17,347,987	18,974,637
TOTAL FUND BALANCES	<u>18,368,958</u>	<u>18,604,137</u>	<u>20,911,350</u>	<u>21,189,830</u>	<u>23,626,882</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 30,883,209</u>	<u>\$ 28,975,417</u>	<u>\$ 26,747,107</u>	<u>\$ 30,449,169</u>	<u>\$ 29,278,117</u>

Source: Annual audited financial statements.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
REVENUES					
Property taxes	\$ 78,440,338	\$ 79,806,333	\$ 82,159,015	\$ 82,937,213	\$ 87,600,034
Charges for services	3,764,362	3,361,671	4,531,261	4,865,078	4,847,452
State and Federal governments	19,819,257	21,115,541	21,410,871	22,298,413	22,366,478
Investment income	243,289	158,626	132,574	120,506	123,805
TOTAL REVENUES	<u>102,267,246</u>	<u>104,442,171</u>	<u>108,233,721</u>	<u>110,221,210</u>	<u>114,937,769</u>
EXPENDITURES					
Education	64,675,805	67,390,801	68,251,357	70,387,913	72,051,878
Public safety	9,191,543	9,246,685	9,482,675	10,347,278	10,149,394
Human services	1,339,342	1,293,713	1,409,128	1,333,534	1,359,207
Cultural and recreation	3,562,735	3,714,831	3,748,207	3,765,963	3,782,540
Public works	5,745,378	5,444,107	5,553,231	5,697,653	5,911,934
General government	10,508,186	10,823,683	11,367,560	11,681,899	11,528,544
TOTAL EXPENDITURES	<u>95,022,989</u>	<u>97,913,820</u>	<u>99,812,158</u>	<u>103,214,240</u>	<u>104,783,497</u>
Revenues over expenditures	7,244,257	6,528,351	8,421,563	7,006,970	10,154,272
Net transfers out	<u>(6,110,730)</u>	<u>(6,293,172)</u>	<u>(6,114,350)</u>	<u>(6,728,490)</u>	<u>(7,717,220)</u>
Net change in fund balances	1,133,527	235,179	2,307,213	278,480	2,437,052
Fund Balance - July 1	17,235,431	(1) 18,368,958	18,604,137	20,911,350	21,189,830
Fund Balance - June 30	<u>\$ 18,368,958</u>	<u>\$ 18,604,137</u>	<u>\$ 20,911,350</u>	<u>\$ 21,189,830</u>	<u>\$ 23,626,882</u>

(1) As restated.

Source: Annual audited financial statements; Town Officials.

SECTION VI - ADDITIONAL INFORMATION

Litigation

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

Availability of Continuing Disclosure Information

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

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

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

Financial Advisor

The Town has retained Independent Bond and Investment Consultants LLC ("IBIC LLC") of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds and 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 Notes

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

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

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

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

Concluding Statement

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

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

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

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

TOWN OF WINDSOR, CONNECTICUT

/ s / Peter P. Souza

BY: PETER P. SOUZA
Town Manager

/ s / Robert Metcalf

BY: ROBERT METCALF
Finance Director

Dated: June 9, 2016

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, 2015 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the office of the Finance Director, Town of Windsor, Connecticut.

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Emphasis of Matter—Adoption of Standards

As explained in the Summary of Significant Accounting Policies in the Note 1 to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – and amendment of GASB 68*, which resulted in the Town restating net position for recognition of the Town's pension related activity incurred prior to July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 30, 2015

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**Town of Windsor, Connecticut
Management's Discussion and Analysis- unaudited
June 30, 2015**

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, 2015. 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

- As of July 1, 2014, the Town was required to implement GASB Statement No. 68 related to pensions. This Statement required that the unrestricted net position of the government-wide financial statements as of July 1, 2014 be restated and decreased in the amount of \$5,968,306. The decrease did not result from a change in benefits offered to employees, only the presentation of the liability on the balance sheet of the government-wide financial statements. Additional information on GASB Statement No. 68 can be found in Note 1 on page 25 under 'Accounting standards adopted in the current year.'
- On a government-wide basis, the assets and deferred outflows of resources of the Town of Windsor exceeded its liabilities and deferred inflows of resources resulting in total net position at the close of the fiscal year of \$60.7 million. Total net position for Governmental Activities at fiscal year-end were \$68.4 million, which was an increase of \$202 thousand from the restated FY 14 net position. Total net position (deficits) for Business-Type Activities were (\$7.7 million), which was a decrease of \$1.3 million from FY 14. The net deficit for Business-Type Activities is due to post-closure costs for the landfill.
- Government-wide expenses were \$126.0 million, which is an increase of \$474 thousand from FY 14. Government-wide revenues were \$124.9 million, which is an increase of \$2.4 million from FY 14.
- At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$39.1 million, an increase of \$3.4 million from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$23.6 million, an increase of \$2.4 million from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2015, \$19.0 million represents unassigned fund balance. Unassigned fund balance at year-end represents 16.9% of total FY 15 General Fund expenditures and transfers, and 17.8% of FY 16 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 position presents information on all of the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. One can think of the Town's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating. It speaks to the question of whether or not the Town, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town of Windsor.

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

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

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

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

Fund Financial Statements

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

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

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

The Town maintains ten (10) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and

changes in fund balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as other governmental funds. Non-major governmental funds for the Town of Windsor include the Community Development Block Grant, Cafeteria Fund, Educational Grant Programs, J. Bartash Trust Fund, Treehouse Fund, Debt Service Fund, Other Special Revenue Funds and Open Space Fund. The report provides individual fund data for each of these non-major governmental funds in the combining balance sheets on pages 78-79 and in the combining statement of revenues, expenditures and changes in fund balance on pages 80-81.

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 74.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 17-18 of this report.

Proprietary funds. The Town of Windsor maintains two different types of proprietary funds, four 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 closing, Resident Transfer Station, 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 and Transfer Station 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 20-22 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, one Other Post-Employment Benefits trust fund, and five agency funds. The accounting used for fiduciary funds is similar to the accounting for proprietary funds. The basic fiduciary fund financial statements are in pages 23-24 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 25 to 65 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town's governmental activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$68.4 million on June 30, 2015, which was an increase of \$202 thousand from the restated beginning net position of \$68.2 million.

TOWN OF WINDSOR CONNECTICUT SUMMARY STATEMENT OF NET POSITION (DEFICIT) (\$000's) June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2014-15
Current and Other Assets	\$ 56,544	\$ 53,703	\$ 29,787	\$ 30,852	\$ 86,331	\$ 84,555	2.1%
Capital assets, net of accumulated depreciation	102,144	102,623	147	169	102,291	102,792	-0.5%
Total Assets	158,688	156,326	29,934	31,021	188,622	187,347	0.7%
Deferred outflows of resources	4,414	1,582	-	-	4,414	1,582	179.0%
Current liabilities	6,523	7,799	371	158	6,894	7,957	-13.4%
Long-term liabilities outstanding	84,676	78,586	37,246	37,241	121,922	115,827	5.3%
Total Liabilities	91,199	86,385	37,617	37,399	128,816	123,784	4.1%
Deferred Inflows of resources	3,110	3,352	-	-	3,110	3,352	-7.2%
Net Position (Deficits):							
Net investment in capital assets	65,411	66,130	147	169	65,558	66,299	-1.1%
Restricted	3,744	3,569	-	-	3,744	3,569	4.9%
Unrestricted	(782)	(1,528)	(7,830)	(6,547)	(8,612)	(8,075)	6.7%
Total Net Position (Deficits)	\$ 68,373	\$ 68,171	\$ (7,683)	\$ (6,378)	\$ 60,690	\$ 61,793	-1.8%

At the end of the current fiscal year, the Town of Windsor is able to report positive balances of \$60.7 million in net position for the government as a whole, but negative net position for its business type activities. The negative value is solely attributable to the cost of accruing a pro rata portion of the closure and post-closure costs for the town's landfill.

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

TOWN OF WINDSOR CONNECTICUT
SUMMARY STATEMENT OF ACTIVITIES (\$000's)
For the Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2014-15
Revenues							
Program revenues							
Charges for services	\$ 5,913	\$ 5,999	\$ 1,816	\$ 3,109	\$ 7,729	\$ 9,108	-15.1%
Operating grants and contributions	26,489	26,076	161	-	26,650	26,076	2.2%
Capital grants and contributions	1,153	1,692	-	-	1,153	1,692	-31.9%
General Revenues							
Property taxes	87,108	83,295	-	-	87,108	83,295	4.6%
Grants not restricted to specific programs	1,804	1,771	-	-	1,804	1,771	1.9%
Miscellaneous	221	253	-	-	221	253	-12.6%
Unrestricted investment earnings	155	159	94	113	249	272	-8.5%
Total revenues	122,843	119,245	2,071	3,222	124,914	122,467	2.0%
Expenses							
General government	13,782	12,405	-	-	13,782	12,405	11.1%
Culture & recreation	4,362	4,242	-	-	4,362	4,242	2.8%
Human services	1,767	1,540	-	-	1,767	1,540	14.7%
Public works	7,452	7,181	-	-	7,452	7,181	3.8%
Education	82,801	83,700	-	-	82,801	83,700	-1.1%
Public safety	11,300	11,443	-	-	11,300	11,443	-1.2%
Interest expense	1,150	1,082	-	-	1,150	1,082	6.3%
Landfill	-	-	1,603	2,203	1,603	2,203	-27.2%
Child development	-	-	1,188	1,241	1,188	1,241	-4.3%
Adult caring connection	-	-	494	506	494	506	-2.4%
Resident Transfer Station	-	-	118	-	118	-	
Total expenses	122,614	121,593	3,403	3,950	126,017	125,543	0.4%
Excess (deficit) of revenues over (under) expenses before transfers	229	(2,348)	(1,332)	(728)	(1,103)	(3,076)	-64.1%
Transfers	(27)	106	27	(106)	-	-	0.0%
Change in net position (deficit)	202	(2,242)	(1,305)	(834)	(1,103)	(3,076)	-64.1%
Net Position (deficits)-							
Beginning	68,171	76,381	(6,378)	(5,544)	61,793	70,837	-12.8%
Restatement for GASB No. 68*	-	(5,968)	-	-	-	(5,968)	
Net position (deficits) Ending	\$ 68,373	\$ 68,171	\$ (7,683)	\$ (6,378)	\$ 60,690	\$ 61,793	-1.8%

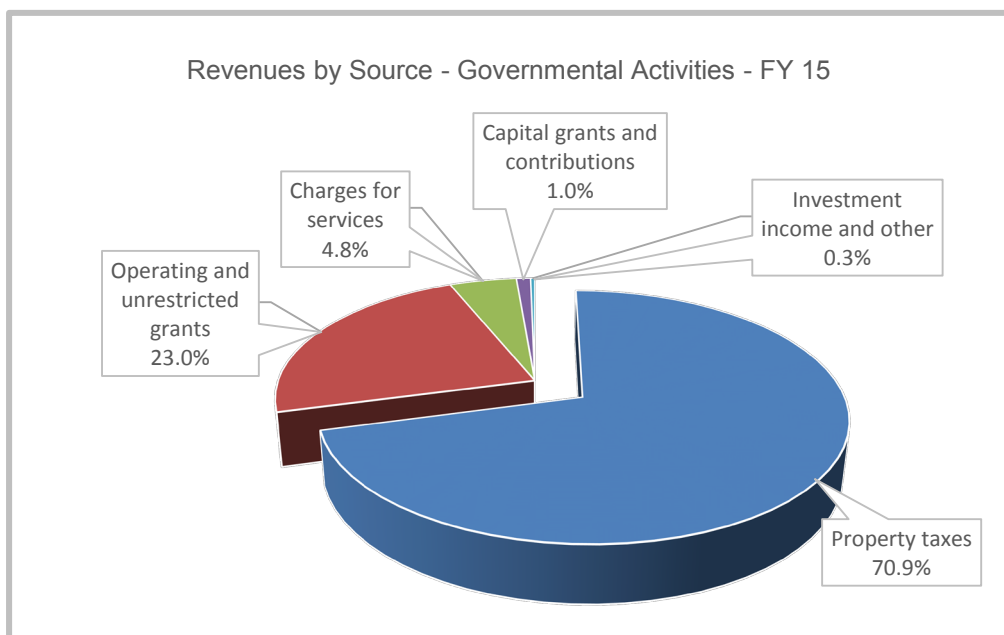
* 2014 restated for GASB No. 68. Additional information on GASB Statement No. 68 can be found in Note 1 under 'Accounting standards adopted in current year.'

Governmental Activities

Approximately 70.9% of revenues and transfers in were derived from property taxes, followed by 23.0% from operating and unrestricted grants, 4.8% from charges for services, 1.0% from capital grants and contributions, and 0.3% from investment earnings and other miscellaneous revenue sources.

Revenues by Sources - Governmental Activities - FY 15 (\$000's)

Property taxes	\$ 87,108
Operating and unrestricted grants	28,293
Charges for services	5,913
Capital grants and contributions	1,253
Investment income and other	376
	\$ 122,943



Major revenue factors included:

- Property tax revenues collected in FY 15 totaled \$87.1 million, which represents an increase of \$3.8 million or 4.6% over FY 14 tax revenues. The FY 15 Town's mill rate of 30.47 reflected an increase of 3.14 from FY 14 as a result of revaluation. The Town's collection rate on the current adjusted levy, including the interim motor vehicle tax, was 98.81%, which is an increase from the prior year's rate of 98.56%.
- Operating and Unrestricted Grants remained consistent with the prior year.
- Charges for Services remained consistent with the prior year. Although revenues from building permits decreased by \$642 thousand over FY 14, Conveyance Fees saw an increase of \$363 thousand.
- Capital Grants decreased \$539 or 31.9% over FY 14 due to no school construction projects eligible for state reimbursement.
- Investment Income continues to reflect a very low interest rate environment. Investment strategies remain to increase investment earnings by locking in higher interest rates utilizing longer term commitments.

For Governmental Activities in FY 15, approximately 67.6% of the Town's expenses relate to education (vs. 68.8% in FY 14), 11.2% (vs. 10.2% in FY 14) to general government, 9.2% (9.4% in FY 14) relate to public safety, 6.1% (vs. 5.9% in FY 14) relate to public works, 3.6% (3.5% in FY 14) to culture and recreation, 1.4% (vs. 1.3% in FY 14) to human services, and 0.9% (vs. 0.9% in FY 14) to interest on long-term debt. It is important to remember that these expenses include non-budgetary items such as depreciation and disposal of capital assets, the change in compensated absence accruals, as well as pension and OPEB (other post-employment benefits) costs.

Major expense factors included:

- Non-affiliated administrative employee's salaries increased up to 2.50% based on merit. Public safety dispatchers' salaries increased 2.25%. Police increased as follows: Police Officer 3.00%; Detective 2.00%; Sergeant 1.50%; Shift Commander 1.50%; and, Animal Control 3.00%. Public works/clerical worker collective bargaining group contract for July 1, 2014 through June 30, 2015 was not settled as of the time this document was published.
- FY 15 reflected the third year of the BOE self-insured health program. The town side had implemented this same program in FY 12.

Business-Type Activities

- There was a \$1.3 million increase to the Business Type Activities deficit. This was due primarily to expenditures for closure costs for the landfill. The Landfill discontinued accepting municipal solid waste (MSW) on June 30, 2014 and has since then converted to a transfer station facility for residents.

Financial Analysis of the Fund Financial Statements

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

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

As of June 30, 2015 the Town of Windsor's governmental funds reported combined ending fund balances of \$39.1 million, an increase of \$3.4 million from \$35.7 million the previous year. This is primarily due to favorable operations in General Government. Approximately 48.6% of the total fund balance constitutes unassigned fund balance. The remainder of the fund balance is considered either nonspendable, restricted, committed, or assigned as defined by GASB 54 fund balance definitions. These fund balance definitions can be found in note 1 in the notes to the financial statements.

The General Fund is the chief operating fund of the Town of Windsor. As of June 30, 2015, unassigned fund balance of the General Fund was \$19.0 million, while total fund balance was \$23.6 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 18.1% of total General Fund expenditures of \$104.8 million, while total fund balance represents 22.5% of that same amount.

The Capital Projects Fund had a total fund balance of \$10.0 million (\$785 thousand in assigned fund balance), which is an increase from a balance of \$9.3 million in the prior year. The increase is due to the timing of capital project expenditures relative to fiscal year end.

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

The net position (deficits) of the Landfill Enterprise Fund at the end of the year was approximately \$(8.3) million with unrestricted net position (deficits) of approximately \$(8.4) million compared to \$(6.9) million and \$(7.1) million in the prior year. The Landfill Enterprise Fund had a net loss during the year of approximately \$1.4 million compared with a net loss of \$577 thousand in the prior year. As noted before, the Landfill discontinued accepting municipal solid waste (MSW) on June 30, 2014 and has since then converted to a transfer station facility for residents. Net loss is related to initiation of the planned closure and capping construction activity.

General Fund Budgetary Highlights

Actual revenues on a budgetary basis were approximately \$105.5 million. This amount exceeded budgetary estimates by approximately \$1.9 million. The major revenue variances were:

- General property tax collections in excess of estimates by \$1.1 million mostly due to additional amounts received from prior year levies and interest, mostly as a result of a Delinquent Property Tax Sale held in April 2015. \$828 thousand was generated by the sale.
- Building permits exceeded budget by \$171 thousand and is attributable to a few unanticipated construction projects such as construction for 69 Mechanic Street, a generator for 9 Griffin Road North and electrical work at 758 Rainbow Road.
- Education Costs Sharing exceeded budget by \$115 thousand.
- Conveyance Fees exceeded budget by \$418 thousand.

Actual expenditures, including transfers but not use of fund balance, were \$103.7 million and kept under budget in all functional areas by \$867 thousand. This was primarily due to vacant positions, worker compensation and disability claims.

The difference between the original budget and the final amended budget was for an additional appropriation of \$487,500 from fund balance. Uses were as follows:

Heating System Conversion Phase III	\$ 305,000
Technology Infrastructure Upgrade	56,000
Child Development Center	33,000
Caring Connection Adult Day Care	93,500
	\$ 487,500

These items combined (additional revenues, expenditure savings and use of fund balance) produced an increase of \$1.3 million to the General Fund budgetary fund balance. This takes into consideration that the \$900 thousand opening cash appropriation was not needed to balance the budget as actual revenues exceeded actual expenditures during the year.

Capital Asset and Debt Administration

Capital Assets

The Town of Windsor's investment in capital assets for its governmental and business type activities as of June 30, 2015, amounted to \$102.3 million (net of accumulated depreciation) compared to \$102.8 million in the prior fiscal year. This decrease from the prior year is due to capital spending less depreciation of existing assets. This investment in capital assets includes land, building and mechanical improvements, machinery and equipment, park facilities, roads, sewers and bridges.

**TOWN OF WINDSOR CONNECTICUT
CAPITAL ASSETS (net of depreciation)
June 30, 2015**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 4,945	\$ -	\$ 4,945
Construction in Progress	3,523	-	3,523
Buildings and improvements	64,757	115	64,872
Infrastructure	20,032	-	20,032
Machinery and equipment	8,887	32	8,919
Total	\$ 102,144	\$ 147	\$ 102,291

Major additions during the year included the following:

L.P. Wilson Community Center Asbestos Abatement
Wilson Community Center Roof Restoration
Town Hall Elevator Renovation
Basketball & Tennis Court Improvements
O'Brien Stadium Improvements
School Security Cameras Upgrade
Oliver Ellsworth Athletic Fields
Kennedy and Clover Street School Gymnasium Floor Upgrades

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

Debt Administration

At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$39.8 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, 2015**

	Governmental Activities
General obligation bonds	<u>\$ 39,765,000</u>

The Town of Windsor's total bonded debt increased by \$375 thousand or 0.95% during the current fiscal year compared to a 0.63% increase in the prior year.

The Town of Windsor general obligation bond ratings are AAA from Standard & Poor's and Aa1 from Moody's Investors Services. The AAA rating from Standard and Poor's was reaffirmed in June of 2015 when the Town issued \$5.4 million of general obligation bonds and \$420 thousand in bond anticipation notes.

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 \$613.5 million, up from \$580.1 million in FY 14. As of June 30, 2015, the Town recorded long-term debt of \$39.8 million related to Governmental Activities, well below its statutory debt limits. The following is a summary as of June 30, 2015, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal	Interest	Total
2016	\$ 5,530,000	\$ 1,139,294	\$ 6,669,294
2017	5,490,000	950,200	6,440,200
2018	5,330,000	763,056	6,093,056
2019	4,990,000	588,013	5,578,013
2020	4,985,000	429,025	5,414,025
2021	4,020,000	299,663	4,319,663
2022	2,920,000	216,693	3,136,693
2023	2,870,000	138,518	3,008,518
2024	1,885,000	79,988	1,964,988
2025	875,000	40,438	915,438
2026	450,000	21,750	471,750
2027	420,000	10,500	430,500
Total	<u>\$ 39,765,000</u>	<u>\$ 4,677,138</u>	<u>\$ 44,442,138</u>

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

Economic Factors

As of October 2015, the unemployment rate for Windsor was 4.7%. The unemployment rate for the Hartford labor market area was 4.8% and for the State of Connecticut it stood at 4.8%. The overall national average was 4.8% for this same time period.

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

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

Requests for Information

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

Basic Financial Statements

Town of Windsor, Connecticut

Statement of Net Position (Deficits)
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 36,660,699	\$ 22,266,826	\$ 58,927,525
Investments	11,958,885	7,416,406	19,375,291
Receivables:			
Property taxes, net of allowance for collection losses	1,090,958	-	1,090,958
Accounts receivable	789,181	-	789,181
Customer receivables	34,321	103,644	137,965
Community rehabilitation loans, net	2,099,311	-	2,099,311
Inventories	40,428	-	40,428
Restricted cash and cash equivalents - capital outlay	3,865,097	-	3,865,097
Prepays	5,686	-	5,686
Capital assets, not being depreciated	8,468,051	-	8,468,051
Capital assets, being depreciated, net of depreciation	93,675,714	147,456	93,823,170
Total assets	158,688,331	29,934,332	188,622,663
Deferred Outflows of Resources			
Deferred charge on refunding	392,276	-	392,276
Deferred pension expense	4,021,535	-	4,021,535
Total deferred outflows of resources	4,413,811	-	4,413,811
Liabilities			
Accounts payable and accruals	5,783,531	349,639	6,133,170
Accrued interest payable	397,670	-	397,670
Bond anticipation notes	420,000	-	420,000
Unearned revenues	341,880	21,374	363,254
Long-term liabilities:			
Due within one year	5,736,113	1,505,770	7,241,883
Due in more than one year	78,939,410	35,740,109	114,679,519
Total liabilities	91,618,604	37,616,892	129,235,496
Deferred Inflows of Resources			
Advance property tax collections	2,248,521	-	2,248,521
Deferred pension credit	861,502	-	861,502
Total deferred inflows of resources	3,110,023	-	3,110,023
Net Position (Deficits)			
Net investment in capital assets	65,410,891	147,456	65,558,347
Restricted			
Community rehabilitation program	2,099,311	-	2,099,311
Public works	1,144,834	-	1,144,834
Other	500,285	-	500,285
Unrestricted (deficit)	(781,806)	(7,830,016)	(8,611,822)
Total net position (deficits)	\$ 68,373,515	\$ (7,682,560)	\$ 60,690,955

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental activities:							
General government	\$ (13,781,510)	\$ 1,492,815	\$ 122,252	\$ -	\$ (12,166,443)	\$ -	\$ (12,166,443)
Culture & recreation	(4,361,987)	1,353,217	35,524	-	(2,973,246)	-	(2,973,246)
Human services	(1,766,951)	122,366	217,837	-	(1,426,748)	-	(1,426,748)
Public works	(7,451,758)	774,638	407,134	1,153,113	(5,116,873)	-	(5,116,873)
Education	(82,801,054)	1,324,733	25,687,542	-	(55,788,779)	-	(55,788,779)
Public safety	(11,300,247)	845,582	18,875	-	(10,435,790)	-	(10,435,790)
Interest expense	(1,150,460)	-	-	-	(1,150,460)	-	(1,150,460)
Total governmental activities	(122,613,967)	5,913,351	26,489,164	1,153,113	(89,058,339)	-	(89,058,339)
Business-type activities:							
Landfill	(1,602,390)	4,021	160,704	-	-	(1,437,665)	(1,437,665)
Child development	(1,188,261)	1,160,654	-	-	-	(27,607)	(27,607)
Adult caring connection	(494,255)	389,514	-	-	-	(104,741)	(104,741)
Resident Transfer Station	(117,647)	262,247	-	-	-	144,600	144,600
Total business-type activities	(3,402,553)	1,816,436	160,704	-	-	(1,425,413)	(1,425,413)
Total primary government	\$ (126,016,520)	\$ 7,729,787	\$ 26,649,868	\$ 1,153,113	(89,058,339)	(1,425,413)	(90,483,752)
General Revenues:							
Property taxes					87,108,437	-	87,108,437
Miscellaneous					220,812	-	220,812
Grants and contributions not restricted to specific programs					1,803,815	-	1,803,815
Unrestricted investment earnings					154,803	93,732	248,535
Internal Transfers					(26,960)	26,960	-
Total general revenues and internal transfers					89,260,907	120,692	89,381,599
Change in net position					202,568	(1,304,721)	(1,102,153)
Net Position (Deficits) - Beginning (as restated), Note 1					68,170,947	(6,377,839)	61,793,108
Net position (deficits) - ending					\$ 68,373,515	\$ (7,682,560)	\$ 60,690,955

See Notes to Financial Statements.

Town of Windsor, Connecticut

Balance Sheet - Governmental Funds
June 30, 2015

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 20,104,989	\$ 4,445,320	\$ 3,675,446	\$ 28,225,755
Investments	6,696,786	2,767,949	844,648	10,309,383
Restricted cash and cash equivalents	-	3,865,097	-	3,865,097
Receivables (net of allowances for collection losses):				
Property taxes	1,090,958	-	-	1,090,958
Accounts receivable	564,352	-	224,829	789,181
Community rehabilitation loans, net	-	-	2,099,311	2,099,311
Due from other funds	789,819	-	-	789,819
Prepays	-	-	5,686	5,686
Inventories	31,213	-	9,215	40,428
Total assets	\$ 29,278,117	\$ 11,078,366	\$ 6,859,135	\$ 47,215,618
Liabilities				
Accounts payable and accrued liabilities	\$ 2,476,321	\$ 687,837	\$ 240,428	\$ 3,404,586
Bond anticipation notes	-	420,000	-	420,000
Unearned revenues	-	-	341,880	341,880
Due to other funds	-	-	789,819	789,819
Total liabilities	2,476,321	1,107,837	1,372,127	4,956,285
Deferred Inflow of Resources				
Advance tax collections	\$ 2,248,521	\$ -	\$ -	\$ 2,248,521
Unavailable resources	926,393	-	2,812	929,205
Total deferred inflows of resources	3,174,914	-	2,812	3,177,726
Fund Balances				
Nonspendable	31,213	-	22,215	53,428
Restricted	-	3,865,097	3,744,430	7,609,527
Committed	-	5,320,717	1,514,036	6,834,753
Assigned	4,621,032	784,715	203,515	5,609,262
Unassigned	18,974,637	-	-	18,974,637
Total fund balances	23,626,882	9,970,529	5,484,196	39,081,607
Total liabilities, deferred inflows of resources and fund balances	\$ 29,278,117	\$ 11,078,366	\$ 6,859,135	

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

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	102,143,765
Other long-term assets are not available and therefore not recognized in the funds.	929,205
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(84,675,523)
Deferred charge on refunding	392,276
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	7,739,822
Deferred pension expense	4,021,535
Deferred pension credit	(861,502)
Accrued interest payable	(397,670)

Net position of governmental activities

\$ 68,373,515

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2015

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Revenues				
Property taxes	\$ 87,600,034	\$ -	\$ -	\$ 87,600,034
State and Federal governments	22,366,478	1,193,113	5,940,876	29,500,467
Charges for services	4,847,452	-	1,065,899	5,913,351
Investment income	123,805	21,080	9,918	154,803
Other	-	53,471	229,749	283,220
Total revenues	114,937,769	1,267,664	7,246,442	123,451,875
Expenditures				
Current:				
Education	72,051,878	-	6,170,402	78,222,280
General government	11,528,544	-	410,249	11,938,793
Culture and recreation	3,782,540	-	63,743	3,846,283
Human services	1,359,207	-	176,785	1,535,992
Public safety	10,149,394	-	103,797	10,253,191
Public works	5,911,934	-	239,761	6,151,695
Debt service:				
Principal retirements	-	-	4,995,000	4,995,000
Interest and other charges	-	-	1,206,403	1,206,403
Capital outlay	-	7,307,067	-	7,307,067
Total expenditures	104,783,497	7,307,067	13,366,140	125,456,704
 Excess (deficiency) revenues over (under) expenditures	 10,154,272	 (6,039,403)	 (6,119,698)	 (2,004,829)
Other Financing Sources (Uses)				
Transfers in	99,540	1,344,800	6,482,460	7,926,800
Transfers out	(7,816,760)	-	(137,000)	(7,953,760)
Issuance of bonds	-	5,370,000	-	5,370,000
Premium on bonds issued	-	-	64,863	64,863
Total other financing sources (uses)	(7,717,220)	6,714,800	6,410,323	5,407,903
 Change in fund balances	 2,437,052	 675,397	 290,625	 3,403,074
 Fund Balances, Beginning	 21,189,830	 9,295,132	 5,193,571	 35,678,533
 Fund balances, ending	 \$ 23,626,882	 \$ 9,970,529	 \$ 5,484,196	 \$ 39,081,607

See Notes to Financial Statements.

Town of Windsor, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities**

Year Ended June 30, 2015

Net change in fund balances – total governmental funds	\$ 3,403,074
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(478,871)
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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.	(608,380)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net positions. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,588,570)
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Net MERS pension expense	(904,595)
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Net pension expense	2,973,743
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Changes in some liabilities that impact expenses reported in the statement of do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(3,631,445)
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The net income of certain activities of internal service funds is reported with governmental activities	<u>2,037,612</u>
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Change in net position of governmental activities	<u><u>\$ 202,568</u></u>
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See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Net Position (Deficits) - Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets				
Current assets				
Cash and cash equivalents	\$ 21,799,565	\$ 467,261	\$ 22,266,826	\$ 8,434,944
Receivables				
Customer receivables, net	10,869	92,775	103,644	34,321
Investments	7,260,776	155,630	7,416,406	1,649,502
Total current assets	29,071,210	715,666	29,786,876	10,118,767
Noncurrent assets				
Capital assets (net of accumulated depreciation)	125,734	21,722	147,456	-
Total noncurrent assets	125,734	21,722	147,456	-
Total assets	29,196,944	737,388	29,934,332	10,118,767
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	296,695	71,914	368,609	80,005
Unearned revenue	-	21,374	21,374	-
Accrued claims payable	-	-	-	1,698,940
Accrued post closure costs	1,486,800	-	1,486,800	-
Total current liabilities	1,783,495	93,288	1,876,783	1,778,945
Noncurrent liabilities				
Accrued post closure costs	35,683,200	-	35,683,200	-
Compensated absences	16,523	40,386	56,909	-
Accrued claims payable	-	-	-	600,000
Total noncurrent liabilities	35,699,723	40,386	35,740,109	600,000
Total liabilities	37,483,218	133,674	37,616,892	2,378,945
Net Position (Deficits)				
Net investment in capital assets	125,734	21,722	147,456	-
Unrestricted net position (deficits)	(8,412,008)	581,992	(7,830,016)	7,739,822
Total net position (deficits)	\$ (8,286,274)	\$ 603,714	\$ (7,682,560)	\$ 7,739,822

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits) - Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund Activities
Operating Revenues				
State Grant	\$ 160,704	\$ -	\$ 160,704	\$ -
User charges	4,021	1,812,415	1,816,436	17,876,816
Total operating revenues	164,725	1,812,415	1,977,140	17,876,816
Operating Expenses				
Operations and maintenance	1,584,463	1,796,964	3,381,427	-
Claims	-	-	-	15,853,802
Depreciation	17,927	3,199	21,126	-
Total operating expenses	1,602,390	1,800,163	3,402,553	15,853,802
Operating income (loss)	(1,437,665)	12,252	(1,425,413)	2,023,014
Nonoperating Revenues				
Interest income	92,880	852	93,732	14,598
Income (loss) before transfers	(1,344,785)	13,104	(1,331,681)	2,037,612
Transfers in	-	126,500	126,500	-
Transfers out	-	(99,540)	(99,540)	-
Change in net position (deficit)	(1,344,785)	40,064	(1,304,721)	2,037,612
Net Position (Deficits), Beginning	(6,941,489)	563,650	(6,377,839)	5,702,210
Net position (deficits), ending	\$ (8,286,274)	\$ 603,714	\$ (7,682,560)	\$ 7,739,822

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor		Total	Internal
	Landfill	Enterprise Funds		Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 284,166	\$ 1,785,138	\$ 2,069,304	\$ 17,869,860
Payments to suppliers	(773,081)	(453,658)	(1,226,739)	(15,799,577)
Payments to employees	(582,294)	(1,329,740)	(1,912,034)	-
Net cash (used in) provided by operating activities	(1,071,209)	1,740	(1,069,469)	2,070,283
Cash Flows From Noncapital Financing Activities				
Transfers in	-	126,500	126,500	-
Transfers out	-	(99,540)	(99,540)	-
Net cash provided by noncapital financing activities	-	26,960	26,960	-
Cash Flows From Investing Activities				
Interest received	92,880	852	93,732	14,598
(Purchase) / Sale of investments	119,663	(9,660)	110,003	(7,866)
Net cash provided by (used in) investing activities	212,543	(8,808)	203,735	6,732
Net increase (decrease) in cash and cash equivalents	(858,666)	19,892	(838,774)	2,077,015
Cash and Cash Equivalents				
Beginning	22,658,231	447,369	23,105,600	6,357,929
Ending	\$ 21,799,565	\$ 467,261	\$ 22,266,826	\$ 8,434,944
Reconciliation of Operating Income (Loss) to Net Cash (Used in) Provided by Operating Activities				
Operating income (loss)	\$ (1,437,665)	\$ 12,252	\$ (1,425,413)	\$ 2,023,014
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:				
Depreciation	17,927	3,199	21,126	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	140,787	(24,592)	116,195	(6,956)
Decrease in prepaid expenses	-	1,026	1,026	-
Increase (decrease) in accounts payable	219,534	12,539	232,073	(26,618)
Increase in unearned revenue	(21,344)	(2,684)	(24,028)	-
Increase in accrued liabilities	9,552	-	9,552	80,843
Net cash (used in) provided by operating activities	\$ (1,071,209)	\$ 1,740	\$ (1,069,469)	\$ 2,070,283

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2015

	Pension Trust Fund	OPEB Trust Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 2,203,455	\$ 2,501	\$ 1,325,807
Investments			
Common stock	9,442,999	-	-
Equity mutual funds	32,398,416	268,138	-
Fixed income mutual funds	17,922,276	136,571	-
Other Investments - Real Estate	1,964,501	-	-
Total investments	61,728,192	404,709	-
Contributions receivable	545,691	-	-
Other receivables	7,767	-	-
Total assets	64,485,105	407,210	1,325,807
Liabilities			
Accounts payable	-	-	1,325,807
Net position restricted for pensions	\$ 64,485,105	\$ 407,210	\$ -

See Notes to Financial Statements.

Town of Windsor, Connecticut

Statement of Changes in Fiduciary Net Position - Pension & OPEB Trust Funds
Year Ended June 30, 2015

	Pension Trust Fund	OPEB Trust Fund
Additions		
Contributions:		
Employer	\$ 998,377	\$ 390,000
Plan members	557,646	-
Total contributions	<u>1,556,023</u>	<u>390,000</u>
Investment Income:		
Net appreciation (depreciation) in fair value of investments	(144,738)	10,369
Interest and dividends	1,203,395	7,343
	<u>1,058,657</u>	<u>17,712</u>
Less investment expenses:		
Investment management fees	116,922	502
Net investment income	<u>941,735</u>	<u>17,210</u>
Total additions	<u>2,497,758</u>	<u>407,210</u>
Deductions		
Benefits	<u>3,211,083</u>	-
Change in plan net position	(713,325)	407,210
Net Position Restricted for Pensions		
Beginning of year	<u>65,198,430</u>	-
End of year	<u>\$ 64,485,105</u>	<u>\$ 407,210</u>

See Notes to Financial Statements.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

Accounting standards adopted in the current year and restatement of net position:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and its amendment, GASB Statement No. 71, was implemented on July 1, 2014. This statement revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expense than is currently required. The effects of the implementation of this statement are as follows: The beginning net position was decreased by \$5,968,306, a net pension liability of \$7,059,191 was increased and, a deferred pension expense of \$1,090,885 was increased. Details can be found in Note 8. The adoption of this GASB standard also provided additional disclosures for the State Teachers' Retirement System.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. The implementation of this statement had no impact on the Region's financial statements.

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

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

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

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

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

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

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

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

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

The Town reports the following major proprietary fund:

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

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

The *Milo Peck Child Development Center Fund* and the *Caring Connection Adult Day Care Center Fund* and the *Resident Transfer Station Fund*.

Additionally, the Town reports the following proprietary fund:

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

Fiduciary funds:

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

The *OPEB Trust Fund*, a fiduciary fund, accounts for the activities of the Town's other post employment benefit plan which accumulates resources for medical 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.

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

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

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

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental balance sheet. Advance tax collections represent taxes inherently associated with a future period. The amount is recognized in the period in which the revenue is associated.

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

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

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

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

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

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net pension liability: The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

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

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

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

Long-term obligations: In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond principal premiums and discount are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

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

Pension accounting:

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net other post-employment benefit obligations:

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

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

All other General Fund appropriations lapse at year-end.

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

Net investment in capital assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

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

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

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

Nonspendable Fund Balance: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed fund balance: This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Windsor Town Council) in the form of a Resolution. Once adopted, the limitation, imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assigned fund balance: Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town's adopted policy, the Town Manager or the Finance Director has the authority to assign amounts for a specific purpose as delegated by the Town Council.

Unassigned fund balance (deficit): The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

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

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

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

Bonds payable	\$ 39,765,000
Premiums, net of amortization	798,428
Compensated absences	824,452
Net pension liability	9,670,460
OPEB	33,617,183
Net adjustment to reduce fund balance – total governmental funds to arrive at net positions – governmental activities	\$ 84,675,523

Town of Windsor, Connecticut

Notes to Financial Statements

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

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

Capital outlay	\$ 6,050,804
Depreciation expense	<u>(6,529,675)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (478,871)</u>

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

Debt issued or incurred	
Issuance of general obligation bonds	\$ 5,370,000
Loss on refundings	99,159
Principal repayments	
General obligation debt	(4,995,000)
Amortization of premiums	
Bond premium	(496,858)
Net pension liability	<u>2,611,269</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 2,588,570</u>

Town of Windsor, Connecticut

Notes to Financial Statements

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

Another element of that reconciliation states that 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	\$ (32,013)
OPEB obligation	3,631,839
Accrued interest	<u>31,619</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,631,445</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 three rating categories of any nationally recognized rating service. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by laws applicable to fiduciaries and the provisions of the applicable plan.

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

Town of Windsor, Connecticut

Notes to Financial Statements

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

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

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

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

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

Custodial Credit Risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2015, approximately \$73,982,000 of the Town's bank balance of approximately \$84,297,000 was uninsured and uncollateralized.

Town of Windsor, Connecticut

Notes to Financial Statements

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

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

Cash, restricted cash and investments of the Town consist of the following at June 30, 2015:

Cash, restricted cash and equivalents	
Deposits with financial institutions	\$ 82,336,636
State Short-Term Investment Fund	<u>3,363,040</u>
Total cash, restricted cash and equivalents	85,699,676
Less certificates of deposits classified as investments	<u>(19,375,291)</u>
	<u><u>66,324,385</u></u>
Pension and OPEB trust funds	
Common stocks	9,442,999 *
Equity mutual funds	32,666,554
Fixed Income Mutual Funds	18,058,847
Other Investments - Real Estate	<u>1,964,501</u>
Total pension and OPEB investments	62,132,901
Total cash, cash equivalents and investments	<u><u>\$ 147,832,577</u></u>

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

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

Statement of net position	
Cash and cash equivalents	\$ 58,927,525
Restricted cash	3,865,097
Investments	<u>19,375,291</u>
	<u><u>82,167,913</u></u>
Fiduciary funds	
Cash and cash equivalents	3,531,763
Investments	<u>62,132,901</u>
	<u><u>65,664,664</u></u>
Total cash, cash equivalents and investments	<u><u>\$ 147,832,577</u></u>

Town of Windsor, Connecticut

Notes to Financial Statements

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

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Pooled fixed income	\$ 3,363,040	\$ 3,363,040	\$ -	\$ -	\$ -
Fixed income mutual funds	18,058,847	-	3,413,701	4,353,277	10,291,869
Total	\$ 21,421,887	\$ 3,363,040	\$ 3,413,701	\$ 4,353,277	\$ 10,291,869

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

<u>Average Rating</u>	<u>Pooled Fixed Income</u>
AAA	\$ 8,790,135
AAAm	3,363,040
AA	1,161,596
A	2,835,729
BBB	2,536,713
BB	1,531,864
B	305,846
Below B	416,824
Unrated	480,140
Total	\$ 21,421,887

Town of Windsor, Connecticut

Notes to Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases / Transfers	Decreases / Transfers	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 4,758,895	\$ 186,300	\$ -	\$ 4,945,195
Construction in progress	2,738,684	5,519,214	4,735,042	3,522,856
Total capital assets not being depreciated	7,497,579	5,705,514	4,735,042	8,468,051
Capital assets being depreciated				
Buildings and improvements	128,142,217	3,466,081	-	131,608,298
Machinery and equipment	26,507,746	1,614,251	258,577	27,863,420
Infrastructure	96,817,402	-	(12,151)	96,805,251
Total capital assets being depreciated	251,467,365	5,080,332	246,426	256,794,123
Less accumulated depreciation for:				
Buildings and improvements	63,481,529	3,370,016	-	66,851,545
Machinery and equipment	17,623,574	1,611,860	258,577	18,976,857
Infrastructure	75,237,205	1,547,799	(12,151)	76,772,853
Total accumulated depreciation	156,342,308	6,529,675	246,426	163,118,409
Total capital assets being depreciated, net	95,125,057	(1,449,343)	-	93,675,714
Governmental activities capital assets, net	\$ 102,622,636	\$ 4,256,171	\$ 4,735,042	\$ 102,143,765

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets being depreciated				
Buildings and improvements	\$ 410,406	\$ -	\$ -	\$ 410,406
Machinery and equipment	3,169,588	-	-	3,169,588
Total capital assets being depreciated	3,579,994	-	-	3,579,994
Less accumulated depreciation for:				
Buildings and improvements	289,421	6,012	-	295,433
Machinery and equipment	3,121,991	15,114	-	3,137,105
Total accumulated depreciation	3,411,412	21,126	-	3,432,538
Total business-type capital assets, net	\$ 168,582	\$ (21,126)	\$ -	\$ 147,456

Town of Windsor, Connecticut

Notes to Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental activities		
Education	\$	3,988,787
General Government		431,172
Culture and Recreation		446,559
Human Services		125,090
Public Works		628,159
Public Safety		897,757
Total depreciation expense – governmental activities	\$	6,517,524
Business-type activities		
Landfill	\$	17,927
Child Development		1,000
Adult Caring Connection		2,199
Total depreciation expense – business-type activities	\$	21,126

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, 2015 is presented below:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 789,819	\$ -
Non-Major Governmental Funds	-	789,819
	\$ 789,819	\$ 789,819

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, 2015, were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 99,540	\$ 7,816,760
Capital projects	1,344,800	-
Nonmajor governmental funds	6,482,460	137,000
Other nonmajor enterprise funds	126,500	99,540
	\$ 8,053,300	\$ 8,053,300

Town of Windsor, Connecticut

Notes to Financial Statements

Note 5. Interfund Receivables, Payables and Transfers (Continued)

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.

Note 6. Unearned Revenue/Deferred Inflows of Resources

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

	Unavailable Resources	Unearned Revenues
General Fund		
Property taxes	\$ 912,687	\$ -
Advance tax collections	2,248,521	-
Other receivables	13,706	-
	<u>3,174,914</u>	<u>-</u>
Other nonmajor governmental funds		
Other receivables	2,812	-
Prepaid program fees	-	341,880
	<u>2,812</u>	<u>341,880</u>
Total	<u><u>\$ 3,177,726</u></u>	<u><u>\$ 341,880</u></u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities

A summary of changes in outstanding long-term obligations during the year ended June 30, 2015 is as follows:

	Beginning Balance, as Restated*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 39,390,000	\$ 5,370,000	\$ 4,995,000	\$ 39,765,000	\$ 5,530,000
Unamortized premiums	1,295,286	64,863	561,721	798,428	-
	<u>40,685,286</u>	<u>5,434,863</u>	<u>5,556,721</u>	<u>40,563,428</u>	<u>5,530,000</u>
Other long-term liabilities					
Compensated absences	856,465	820,515	852,528	824,452	206,113
Net pension liability	7,059,191	3,630,284	1,019,015	9,670,460	-
Other post-employment benefits	29,985,344	3,631,839	-	33,617,183	-
	<u>37,901,000</u>	<u>8,082,638</u>	<u>1,871,543</u>	<u>44,112,095</u>	<u>206,113</u>
Governmental activity long-term liabilities	<u>\$ 78,586,286</u>	<u>\$ 13,517,501</u>	<u>\$ 7,428,264</u>	<u>\$ 84,675,523</u>	<u>\$ 5,736,113</u>
Business-type activities					
Other long-term liabilities					
Compensated absences	\$ 80,479	\$ 76,210	\$ 80,810	\$ 75,879	\$ 18,970
Landfill post closure costs	37,160,000	10,000	-	37,170,000	1,486,800
Total other long-term liabilities	<u>37,240,479</u>	<u>86,210</u>	<u>80,810</u>	<u>37,245,879</u>	<u>1,505,770</u>
Business-type activity long-term liabilities	<u>\$ 37,240,479</u>	<u>\$ 86,210</u>	<u>\$ 80,810</u>	<u>\$ 37,245,879</u>	<u>\$ 1,505,770</u>

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

* Restated for GASB No. 68.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

General obligation bonds: As of June 30, 2015, the outstanding general obligation bonds of the Town were as follows:

Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance 6/30/2015
General Purpose					
Public Improvements Refunding	\$190,000-\$1,330,000	2009	2.0-4.0	\$ 8,806,000	\$ 3,884,000
Public Improvements	\$225,000-\$425,000	2010	3.0-4.0	3,980,000	510,000
Public Improvements Refunding	\$130,000-\$1,580,000	2010	3.0-5.0	6,096,000	4,037,000
Public Improvements	\$232,000-\$350,000	2011	2.5-3.5	3,450,000	1,043,000
Public Improvements	\$365,000-\$375,000	2012	2.0	4,490,000	3,365,000
Public Improvements	\$410,000-\$425,000	2013	1.25 - 2.0	4,085,000	3,413,000
Public Improvements	\$500,000-\$520,000	2014	2.0-3.0	3,690,000	3,320,000
Public Improvements Refunding	\$45,000-\$1,415,000	2014	2.0-4.0	3,355,000	3,320,000
Public Improvements Refunding	\$235,000-\$270,000	2015	0.75-2.5	3,165,000	3,165,000
Total General Purpose				41,117,000	26,057,000
Schools					
School Refunding	\$190,000-\$1,330,000	2009	2.0-4.0	9,819,000	4,206,000
School Gen. Obligation	\$225,000-\$425,000	2010	3.0-4.0	700,000	90,000
School Refunding	\$130,000-\$1,580,000	2010	3.0-5.0	6,209,000	3,953,000
School Gen. Obligation	\$232,000-\$350,000	2011	2.5-3.5	1,040,000	357,000
School Gen. Obligation	\$410,000-\$425,000	2013	1.25-2.0	950,000	792,000
School Gen. Obligation	\$500,000-\$520,000	2014	2.0-3.0	1,330,000	1,200,000
School Refunding	\$45,000-\$1,415,000	2014	2.0-4.0	915,000	905,000
School Refunding	\$180,000-\$190,000	2015	0.75-2.5	2,205,000	2,205,000
Total Schools				23,168,000	13,708,000
Grand Total				\$ 64,285,000	\$ 39,765,000

The following is a summary as of June 30, 2015, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 5,530,000	\$ 1,139,294	\$ 6,669,294
2017	5,490,000	950,200	6,440,200
2018	5,330,000	763,056	6,093,056
2019	4,990,000	588,013	5,578,013
2020	4,985,000	429,025	5,414,025
2021-2025	12,570,000	775,300	13,345,300
2026 - 2027	870,000	32,250	902,250
Total	\$ 39,765,000	\$ 4,677,138	\$ 44,442,138

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

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	\$ 197,199,169	\$ 26,477,000	\$ 170,722,169
Unfunded pension benefit obligation	262,932,225	-	262,932,225
Schools	394,398,338	13,928,000	380,470,338
Sewers	328,665,281	-	328,665,281
Urban renewal	284,843,244	-	284,843,244

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or approximately \$613,508,525

Bonds authorized but unissued: Total authorized but unissued debt at June 30, 2015 consists of the following:

Schools	<u>\$ 220,000</u>
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Bond anticipation notes: In June 2015, the Town issued \$420,000 in bond anticipation notes, which will be repaid in June 2016.

Bond anticipation note transactions for the year ended June 30, 2015 were as follows:

Outstanding, July 1, 2014	\$ -
New borrowings	420,000
Repayments	-
Outstanding, June 30, 2015	<u>\$ 420,000</u>

Note 8. Employee Retirement Plans

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

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

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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

The membership in the PERS at July 1, 2014, the date of the actuarial valuation, is comprised of the following:

Retirees and beneficiaries currently receiving benefits	183
Vested terminated employees	37
Active members	313
Total	<u>533</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. Non-affiliated administrative employees and public safety dispatchers are required to contribute 4.25% of their earnings. Public works / clerical employees collective bargaining group contribute 4%. 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 6.25% 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.

Investments

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Plan Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2015.

Asset Class	Index	Target Allocation*	Long-Term Expected Real Rate of Return
Core Fixed Income	Barclays Aggregate	36.00%	2.09%
Broad U.S. Equities	Wilshire 5000 / Russell 3000	31.00%	5.87%
Developed Foreign Equities	MSCI EAFE	28.00%	6.02%
Real Estate(Property)	NCREIF/TBI Property	5.00%	4.43%

The long-term expected rate of return on the Town Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Town Plan's target asset allocation as of June 30, 2015 are summarized in the table above.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Rate of return: For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Net pension liability of the Town: The components of the net pension liability of the Town at June 30, 2015 were as follows:

<u>Net Pension Liability</u>	<u>June 30, 2015</u>
Total pension liability	\$ 72,603,024
Fiduciary net position	64,485,105
Net pension liability	8,117,919
Fiduciary net position as a percentage of total pension liability	88.82%
Covered payroll	15,744,445
Net pension liability as a percentage of covered payroll	51.56%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2013, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2015. There have been no significant changes between the valuation date and the fiscal year end.

Discount rate:

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Net pension liability of the Town: The components of the net pension liability of the Town at June 30, 2015 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/14	\$ 69,655,089	\$ 65,167,454	\$ 4,487,635
Changes for the year:			
Service cost	1,145,075	-	1,145,075
Interest on total pension liability	5,192,787	-	5,192,787
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(178,845)	-	(178,845)
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(3,211,082)	(3,211,082)	-
Employer contributions	-	998,378	(998,378)
Member contributions	-	612,987	(612,987)
Net investment income	-	930,735	(930,735)
Administrative expense	-	(13,367)	13,367
Net changes	2,947,935	(682,349)	3,630,284
Balances at 6/30/15	\$ 72,603,024	\$ 64,485,105	\$ 8,117,919

The net position of the Town for June 30, 2014 was restated to reflect the net pension liability at June 30, 2014 due to the implementation of GASB Statement No. 68 see (note 1).

Other key actuarial assumptions:

Valuation date	July 1, 2014
Measurement date	June 30, 2015
Inflation	2.75%
Salary increases including inflation	3.50%
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale AA
Actuarial cost method	Entry Age Normal

Sensitivity analysis: The following table presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 16,945,015	\$ 8,117,919	\$ 1,109,354

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

For the year ended June 30, 2015, the Town recognized pension expense of \$1,654,919. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 132,987
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	3,106,730	-
Total	\$ 3,106,730	\$ 132,987

Amounts reported in deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,

2016	\$ 730,824
2017	730,824
2018	735,411
2019	776,684
2020	-
Thereafter	-

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

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

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

As of July 1, 2013, all new hires of the Board of Education (excluding teachers), regardless of affiliation, participate in a 401(a) defined contribution plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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

The assets for the Plan are held by ICMA Retirement Corporation. The balance of the Plan amounted to approximately \$463,782 at June 30, 2015 and is not reflected in the accompanying financial statements of the Town, as the Town's role in the administration of the Plan is limited.

Connecticut Municipal Employees' Retirement Fund B: All uniformed police officers of the Town of Windsor participate in the Connecticut Municipal Employees' Retirement Fund B (MERS), 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. MERS 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 at www.ct.gov.

Funding policy: Town of Windsor plan members are required by State statute to contribute 5% of earnings (based on earnings not being covered by Social Security). Each participating municipality is required to contribute at an actuarially determined rate. The rate for fiscal year 2015 is 16.01% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to MERS for the years ended June 30, 2015, 2014 and 2013 were \$914,805, \$1,090,885 and \$978,430, respectively, equal to the required contributions for each year.

Benefit provisions: Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

Average final compensation: Average of the three highest paid years of service.

Normal form of benefit: Life annuity.

Year's breakpoint: With respect to the calendar year in which a member terminates service, \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. For 2014, the breakpoint is \$69,200

Service retirement allowance:

Condition for allowance: Age 55 and 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Compulsory retirement at age 65 for police and fire members.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Amount of allowance: For members not covered by Social Security: 2% of average final compensation times years of service. For members covered by Social Security: 1-1/2% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include Workers Compensation and Social Security benefits. If any member covered by social Security retires before age 62, his/her benefit until he/she reaches age 62 or receives a Social Security disability award is computed as if he/she were not under Social Security.

Disability retirement allowance:

Condition for allowance: 10 years of service and permanently and totally disabled from engaging in any gainful employment in the service of the municipality.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability.

Service connected disability:

Condition for allowance: Totally and permanently disabled from engaging in any gainful employment in the service of the municipality provided such disability has arisen out of and in the course of his/her employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including Worker's Compensation benefits) of 50% of compensation at the time of the disability.

Vesting retirement allowance:

Condition for allowance: 5 years of continuous or 15 years of active aggregate service.

Amount of allowance: Calculated as a service retirement allowance on the basis of average final compensation and service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Death benefit:

Condition for benefit: Eligible for service, disability retirement, or vested allowance, and married for at least 12 months preceding death.

Amount of benefit: Computed on the basis of the member's average final compensation and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Return to deductions: Upon the withdrawal of a member, the amount of his accumulated deductions is payable to him/her on demand, with 5% interest from July 1, 1983.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Optional benefits: Prior to the retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the options forms described below: 1. A reduced retirement allowance payable during his life with the provision that after his death the beneficiary designed by him at the time of this retirement; or 2. A reduced retirement allowance payable during his life with the provision that after his death, an allowance of one-half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; 3. A reduced retirement allowance payable during his life with a guarantee of 120 or 240 monthly payments to the member or his designated beneficiary.

Cost-of-living-adjustment: For those retired prior to January 1, 2002: (i) The benefits of disabled retirees, service retirees who have reached age 65, and beneficiaries of deceased retirees who would have reached age 65 are adjusted each July 1. The difference between the actual annual yield of the actuarial value of assets on a calendar year basis to a 6% yield is calculated. This difference is the adjustment applied the following July 1. The minimum adjustment is 3% and the maximum is 5%. (ii) The benefits for all others on the roll are adjusted on January 1, 2002 and on each subsequent July 1. The amount of each adjustment is 2.5%. For those retiring in or after January 1, 2002, benefits are adjusted each July 1. The adjustment is 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

Assumptions: The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation date	7/1/2014
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market with 20% recognition of investment gains and losses
Investment rate return*	8.00%, net of investment related expense
Projected salary increases*	4.25-11.00%
Social Security wage base	3.50%
* includes inflation at 3.25%	
Mortality	The RP2000 Mortality Table for Annuitants and Non-Annuitants (set forward one year for males and set back one year for females).

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

The long-term expected rate of return: the long-term expected rate of return on pension plan investments was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Mutual Equity Fund	16.00%	5.80%
Developed Market International Stock Fund	14.00%	6.60%
Emerging Market International Stock Fund	7.00%	8.30%
Core Fixed Income Fund	8.00%	1.30%
Inflation Linked Bond Fund	5.00%	1.00%
Emerging Market Debt Fund	8.00%	3.70%
High Yield Bond Fund	14.00%	3.90%
Real Estate Fund	7.00%	5.10%
Private Equity	10.00%	7.60%
Alternative Investments	8.00%	4.10%
Liquidity Fund	3.00%	0.40%
	<u>100.00%</u>	

Discount rate: the discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the System, calculated using the discount rate of 8.00 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate (\$ thousands):

	1% Decrease 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
Town's proportionate share of net pension liability (asset)	\$ 5,126,415	\$ 1,552,541	\$ (1,413,225)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources: At June 30, 2015, the Town reported a liability of \$1,552,541 for its proportionate share of the net pension liability related to its participation in MERS. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on its share of contributions to the MERS for fiscal year 2014 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2014, the Town's proportion was 0.7%.

For the year ended June 30, 2015, the Town recognized pension expense of \$838,246. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

\$728,515 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 914,805	\$ -
Differences between expected and actual experience	-	728,515
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Total	\$ 914,805	\$ 728,515

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Amounts reported in deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,

2016	\$	732,676
2017		(182,129)
2018		(182,129)
2019		(182,128)
2020		-
Thereafter		-

Connecticut state teachers' retirement system: All certified personnel participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are serviced in the public schools of Connecticut.

Description of system: Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered 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 at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of Significant Accounting Policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$7,074,834 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability for teacher pensions.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary).

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$2,119,004 mandatory contributions were deducted from the salaries of eligible employees who were participants of the System during that school year. The estimated covered payroll for the town is \$29,228,000.

The Town has no obligation to contribute to the plan; as such, a schedule of contributions is not presented.

Actuarial assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – Jun 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00%
Salary increases, including inflation	3.75-7.00 percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP 2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Large Cap U.S. Equities	21%	7.3%
Developed Non-U.S. Equities	18%	7.5%
Emerging Markets (Non-U.S.)	9%	8.6%
Core Fixed Income Fund	7%	1.7%
Inflation Linked Bond Fund	3%	1.3%
Emerging Market Debt Fund	5%	4.8%
High Yield Bond Fund	5%	3.7%
Real Estate Fund	7%	5.9%
Private Equity	11%	10.9%
Alternative Investments	8%	0.7%
Liquidity Fund	6%	0.4%
	<u>100%</u>	

Discount rate: The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:

The following presents the State's proportionate share of the net pension liability associated with the Town, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's share of net pension liability associated with the Town	<u>\$ 96,529,392</u>	<u>\$ 75,641,625</u>	<u>\$ 57,886,404</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$75,641,625 and 100% of the collective net pension liability is allocated to the State. The Town has no proportionate share of net pension liability.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2015, the Town recognized \$5,675,284 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

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, 2013. 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, 2013, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	252
Active plan members	677
Total	<u>929</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual determined contribution of the employer (ADC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ADC 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. In FY2015 the Town established a trust fund for the purpose of prefunding Other Post-Employment Benefits.

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 7,016,211	\$ 2,047,000	29.18%	\$ 24,752,118
6/30/14	\$ 7,473,226	\$ 2,240,000	29.97%	\$ 29,985,344
6/30/15	\$ 6,227,743	\$ 2,595,904	41.68%	\$ 33,617,183

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
7/1/13	\$ -	\$ 67,718,910	\$ (67,718,910)	0.0%	\$ 44,515,553

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

OPEB obligation:

Annual required contribution	\$ 6,299,617
Interest on net pension obligation	1,499,267
Adjustment to annual required contribution	(1,571,141)
Annual OPEB cost	6,227,743
Contributions made	2,595,904
Increase in net OPEB liability	3,631,839
Net OPEB obligation, beginning of year	29,985,344
Net OPEB obligation, end of year	\$ 33,617,183

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Actuarial assumptions are as follows:

Valuation date	July 1, 2013
Actuarial cost method	Projected Unit Credit
Asset valuation method	N/A
Amortization method	Level Percent (closed)
Remaining amortization period	30 Years Decreasing (non-police), 20 years Decreasing(Police)
Valuation type	Closed Group
Actuarial assumptions	
Discount rate	5.00%
Inflation rate	2.75%
Amortization growth rate	3.00%
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:
	Initial inflation rate: 6.8%
	Ultimate inflation rate: 4.7%
	Years until ultimate inflation rate 69 years for pre-65; 84 years for post-65

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.

The Town performed an actuarial valuation as of July 1, 2013, which will be used to determine the June 30, 2015 and 2016 annual contribution. The July 1, 2013 valuation shows an actuarial accrued liability of \$67,718,910.

Note 10. Risk Management

The Town self-insures its liability for workers' compensation claims to a limit of \$600,000 per 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. USI/FutureComp, 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

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

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

The Town is self-insured for health benefits. Claim activity and service fees are accounted for in a self-insurance reserve fund. The Town has Individual Stop Loss (ISL) coverage that limits the Town's liability to \$150,000 annually. On an aggregate basis, the Town's liability is limited to 125% of expected claims (\$2,599,232). Claims exceeding the Town's maximum liability are fully insured through stop loss coverage (Aggregate and ISL). Anthem, the provider, administers the payment of claims and calculates and provides the accrued liability at year-end based on prior claims experience and the amount of unsettled claims outstanding on an actuarial basis. Arthur J. Gallagher & Co., the Town's consultant, analyzes claims and advises the Town on all health insurance related issues. Conservatively, through the budget process and available reserves, the Town will project to have at a minimum, the Town's maximum liability available to process expected claims.

The BOE records its liability for health benefits in a self-insurance reserve fund and accounts for claim activity and service fees on a self-insured basis. The BOE has Individual Stop Loss (ISL) coverage that limits the BOE's liability to \$150,000 annually. On an aggregate basis, the BOE's liability is limited to 110% of expected claims (\$10,849,874). Claims exceeding the BOE's maximum liability are fully insured through stop loss coverage (Aggregate and ISL). Anthem, the provider, administers the payment of claims. Lockton Companies, the BOE's consultant, analyzes claims and advises the BOE on all health insurance related issues as well as calculating and providing the accrued liability at year-end based on prior claims experience and the amount of unsettled claims outstanding on an actuarial basis. Conservatively, through the budget process and available reserves, the BOE will project to have at a minimum, the BOE's maximum liability available to process expected claims.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

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

Workers' Compensation / Heart and Hypertension / Liability	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2013-14	\$ 1,379,274	\$ 2,284,120	\$ 2,102,577	\$ 1,560,817
2014-15	1,560,817	2,491,960	2,407,309	1,645,468

Town - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2013-14	\$ 154,223	\$ 3,580,736	\$ 3,573,077	\$ 161,882
2014-15	161,882	4,199,493	4,160,651	200,724

BOE - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2013-14	\$ 443,300	\$ 9,993,161	\$ 9,941,063	\$ 495,398
2014-15	495,398	9,188,967	9,231,617	452,748

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

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

Note 11. Contingencies

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

As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewage collection and disposal facilities for members), the Town is contingently liable for \$51,810,896 or 8.61% of the debt of the District.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 11. Contingencies (Continued)

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

Note 12. Landfill Closure and Post-closure Care Costs

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

The \$37,170,000 reported as landfill closure and post-closure care liability at June 30, 2015, is \$10,000 more than the liability reported on June 30, 2014. This increase, or adjustment in estimated closure costs accrued to date, directly decreases the operating income for the Landfill Enterprise Fund in fiscal year 2015. These amounts are based on what it would cost to perform all closure and post-closure care at 2015 prices with a third party performing all closure work. Actual costs may also change based on inflation, compliance with the State of Connecticut stewardship permit, changes in technology, changes in the regulations, or if some or most of the work is performed by staff. The engineering analysis assumes that numerous engineering and construction procedures will be required.

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

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

Note 13. Fund Deficit

The following fund had a net fund deficit as of June 30, 2015:

Landfill Fund	<u>\$8,286,274</u>
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The fund deficit will be funded using the Landfill Fund cash and investments and if needed by the General Fund once the Landfill Fund cash and investments are exhausted.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 14. Fund Balances

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

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances			
Non-spendable:			
Inventories	\$ 31,213	\$ -	\$ 9,215
Scholarship fund principal	-	-	13,000
Total nonspendable	31,213	-	22,215
Restricted:			
Scholarship funding	-	-	2,696
Library operations & recreation	-	-	86,035
Human services programs	-	-	174,016
Public safety programs	-	-	178,824
Road construction and maintenance	-	-	1,144,834
Community Development Block Grant loans	-	-	2,099,311
Road and sidewalk construction and maintenance	-	1,760,494	-
School capital improvements	-	524,913	-
Other capital projects	-	1,579,690	-
Other programs	-	-	58,714
Total restricted	-	3,865,097	3,744,430
Committed:			
Open space program	-	-	483,033
School capital improvements	-	2,476,595	-
Road and sidewalk construction and maintenance	-	1,732,123	-
Other capital projects	-	1,111,999	-
Debt Service	-	-	1,031,003
Total committed	-	5,320,717	1,514,036
Assigned:			
Subsequent year expenditures	900,000	-	-
Capital outlay in subsequent year	30,000	-	-
Encumbrances	-	-	-
Education	625,446	-	124,078
General government activities	399,178	-	-
Recreation programs	929,058	-	-
Clinic services	78,656	-	-
Public safety and police private duty	930,052	-	-
Building maintenance	728,642	-	-
Community Development Block Grant	-	-	79,437
Other capital projects	-	784,715	-
Total assigned	4,621,032	784,715	203,515
Unassigned	18,974,637	-	-
Total fund balance	\$ 23,626,882	\$ 9,970,529	\$ 5,484,196

Encumbrances contained in the above table are as follows: \$650,803 in the General Fund, \$3,695,114 in the Capital Projects Fund, and \$23,096 in Nonmajor Governmental Funds.

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.

- ***GASB Statement No. 72, Fair Value Measurement and Application.*** This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- ***GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,*** completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- ***GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,*** addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.
- ***GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,*** addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
 - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
 - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
 - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Note 16. Governmental Accounting Standards Board (GASB) Statements

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

- ***GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*** The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

- ***GASB Statement No. 77, Tax Abatement Disclosures.*** Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
 - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
 - The gross dollar amount of taxes abated during the period
 - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

Management has not yet determined the effect that the above GASB statements will have on the financial statements, but GASB Statement No. 75 will have a material impact.

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**Required Supplementary
Information - Unaudited**

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of Investment Returns - Defined Benefit Plan
June 30, 2015**

	2015	2014
Annual money-weighted rate of return, net of investment income*	1.45%	16.25%

*As 2014 is the GASB Statement No. 67 implementation year, only 2014 and 2015 information is available.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Windsor, Connecticut

Required Supplementary Information - unaudited
 Schedule of Employer Contributions - Defined Benefit Plan
 June 30, 2015

	Schedule of Contributions - Pension									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 998,378	\$ 1,311,760	\$ 1,367,561	\$ 1,334,389	\$ 1,273,290	\$ 843,833	\$ 834,453	\$ 827,855	\$ 737,493	\$ 789,843
Contributions in relation to the actuarially determined contribution	998,378	1,311,760	1,367,561	1,334,389	1,273,290	843,833	834,453	827,855	737,493	789,843
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	15,744,000	15,947,000	15,895,000	15,782,000	15,875,000	15,672,000	15,265,000	14,776,000	14,101,000	13,274,000
Contributions as a percentage of covered-employee payroll	6.34%	8.23%	8.60%	8.46%	8.02%	5.38%	5.47%	5.60%	5.23%	5.95%

Town of Windsor, Connecticut

**Required Supplementary Information – unaudited
 Schedule of Changes in Net Pension Liability (NPL) and Related Ratios – Defined Benefit Plan
 Last Fiscal Year
 June 30, 2015
 (in 000s)**

Changes in Net Pension Liability	2015	2014
Total Pension Liability		
Service cost	\$ 1,145	\$ 1,206
Interest on total pension liability	5,193	4,973
Effect of economic/demographic gains or (losses)	(179)	(41)
Benefit payments	(3,211)	(3,112)
Net change in total pension liability	2,948	3,026
Total Pension Liability, Beginning	69,655	66,629
Total pension liability, Ending (a)	72,603	69,655
Fiduciary Net Position		
Employer contributions	\$ 998	\$ 1,312
Member contributions	613	618
Investment income net of investment expenses	931	9,135
Benefit payments	(3,211)	(3,112)
Administrative expenses	(13)	(58)
Net Change in Plan fiduciary Net Position	(682)	7,895
Fiduciary Net Position, Beginning	65,167	57,272
Fiduciary Net Position, Ending (b)	64,485	65,167
Net Pension Liability, Ending = (a) - (b)	\$ 8,118	\$ 4,488
Fiduciary Net Position as a % of Total Pension Liability	88.82%	93.56%
Covered Payroll	\$ 15,744	\$ 15,947
Net Pension Liability as a % of Covered Payroll	51.56%	28.14%

NOTE: As 2014 is the implementation year, only 2014 and 2015 information is available. Ten year information will be presented as each year becomes available

Town of Windsor, Connecticut

**Schedule of Contributions - Municipal Employees' Retirement System (MERS)
Required Supplementary Information - unaudited
For the Year Ended June 30, 2015**

<u>Measurement Period Ended June 30,</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 914,805	\$ 1,090,885
Contribution in Relation to the Actuarially Determined Contribution	<u>914,805</u>	<u>1,090,885</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	<u>\$ 5,528,217</u>	<u>\$ 5,528,217</u>
Contributions as a Percentage of Covered-employee Payroll	16.55%	19.73%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Windsor, Connecticut

**Schedule of the Town's Proportionate Share of the Net Pension Liability -
Municipal Employees' Retirement System (MERS)
Required Supplementary Information - unaudited
For the Year Ended June 30, 2015**

	2015
Town's proportion of the net pension liability	4.369888%
Town's proportionate share of the net pension liability	\$ 1,553,541
Town's covered-employee payroll	<u>\$ 5,528,217</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>28.10%</u>
System fiduciary net position as a percentage of the total pension liability	<u>90.48%</u>

Town of Windsor, Connecticut

**Schedule of the Town's Proportionate Share of the Net Pension Liability -
Teachers' Retirement System
Required Supplementary Information - unaudited
For the Year Ended June 30, 2015**

	2015
Town's proportion of the net pension liability	0.0%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>\$ 75,641,625</u>
Total	<u>\$ 75,641,625</u>
Town's covered-employee payroll	<u>\$ 29,228,000</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0%</u>
System fiduciary net position as a percentage of the total pension liability	<u>61.51%</u>

Notes to Schedule

Change in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
 Schedule of Funding Progress and Schedule of Employer Contributions –
 Other Post-Employment Benefits
 June 30, 2105**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)
July 1, 2007	\$ -	\$ 66,013,000	\$ (66,013,000)	0.0%
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%
July 1, 2011	\$ -	\$ 74,028,000	\$ (74,028,000)	0.0%
*July 1, 2013	\$ -	\$ 67,718,910	\$ (67,718,910)	0.0%

*Amount revised due to creation of OPEB trust

Schedule of Employer Contributions

Year ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 7,185,000	29.02%
2011	7,118,000	29.04%
2012	7,681,000	29.72%
2013	7,258,000	31.45%
2014	7,831,000	28.60%
2015	6,299,617	35.56%

Town of Windsor, Connecticut

Required Supplementary Information - Unaudited
 Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance - Budgetary Basis
 Budget and Actual - General Fund
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 86,535,450	\$ 86,535,450	\$ 87,600,034	\$ 1,064,584
Licenses and permits	631,210	631,210	802,439	171,229
Fines, forfeitures and penalties	39,000	39,000	43,590	4,590
Other agencies	111,460	111,460	154,012	42,552
Intergovernmental	15,032,550	15,032,550	15,169,111	136,561
Revenues from use of assets	503,830	503,830	488,165	(15,665)
Charges for services	784,660	784,660	1,246,584	461,924
Total revenues	103,638,160	103,638,160	105,503,935	1,865,775
Expenditures				
Current				
General government	949,610	949,610	842,611	106,999
Safety Service	9,674,270	9,575,720	9,314,528	261,192
Public works	5,170,270	5,202,060	5,197,693	4,367
Health Services	473,630	473,630	461,119	12,511
Human Services	899,650	899,650	850,978	48,672
Recreation and Leisure Services	1,387,630	1,045,670	1,045,368	302
Education	65,220,700	65,097,100	65,096,482	618
Town support for education	4,696,570	1,931,880	1,900,502	31,378
Library services	1,559,100	1,559,100	1,501,838	57,262
Development services	1,793,820	1,793,820	1,677,798	116,022
Information services	428,040	428,040	419,671	8,369
Administrative services	2,078,410	2,078,410	1,953,066	125,344
Community development	92,500	92,500	92,500	-
General services	10,222,370	5,526,170	5,431,902	94,268
Total expenditures	104,646,570	96,653,360	95,786,056	867,304
Revenues over (under) expenditures	(1,008,410)	6,984,800	9,717,879	2,733,079
Other Financing Sources (Uses)				
Transfers in	108,410	108,410	99,540	(8,870)
Transfers out	-	(7,993,210)	(7,993,210)	-
Use of Fund Balance	-	(487,500)	(487,500)	-
Total other financing sources (uses)	108,410	(8,372,300)	(8,381,170)	(8,870)
Net change in budgetary fund balance	\$ (900,000)	\$ (1,387,500)	1,336,709	\$ 2,724,209
Budgetary Fund Balance, Beginning			<u>18,599,141</u>	
Budgetary Fund Balance, Ending			19,935,850	
Less:				
Inventory			(31,213)	
FY 16 Appropriation of Fund Balance			(900,000)	
FY 16 Town Council Appropriation			(30,000)	
Unassigned fund balance, ending			<u>18,974,637</u>	
Unassigned, beginning			<u>17,347,987</u>	
Net change in unassigned fund balance			<u>\$ 1,626,650</u>	

See Notes to Required Supplementary Information.

Town of Windsor, Connecticut

Note to Required Supplementary Information (Unaudited)

Note 1. Budgets and Budgetary Accounting

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

- A. Prior to April 1, the Town Manager submits the proposed budget for the General Fund to the Town Council.
- B. After various public hearings, the Town Council recommends the budget, as revised, for adoption at the annual Town Meeting on the first Tuesday in May.
- C. The Town Meeting appropriates the budget as one balance for revenues and separate expenditure amounts per individual service unit. Additional appropriations and transfers between functions and activities may be made by the Town Council in accordance with Town Charter provisions, thereby lowering the legal level of control to the function and activity levels. The level at which expenditures may not legally exceed appropriations is at the service unit level, i.e., safety services, public works, etc.
- D. The original budget for expenditures, encumbrances and other financing uses was increased by approximately \$487,500 as a result of fund balance and revenue appropriations during the year ended June 30, 2015. 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	\$ 115,037,309	\$ 112,600,257
State Teachers Retirement Payments Made by State Department of Education on Behalf of the Town, Not Recognized for Budgetary Purposes	(7,074,834)	(7,074,834)
Reclassified to General Fund, as Funds Were Previously Reported as Special Revenue Funds, and No Longer Meet the Definition in Accordance With GASB 54.	(2,359,000)	(1,532,529)
Encumbrances		
June 30, 2014	-	(376,931)
June 30, 2015	-	650,803
	\$ 105,603,475	\$ 104,266,766

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

Town of Windsor, Connecticut

Note to Required Supplementary Information (Unaudited)

Note 1. Budgets and Budgetary Accounting (Continued)

Special Revenue Funds: The town includes special revenue funds within the adopted annual operating budget. 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 \$4,285,000 General Obligation Bonds, Issue of 2016, dated as of June 23, 2016 and \$450,000 Bond Anticipation Notes, dated as of June 23, 2016.

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

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

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

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

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

Very truly yours,
Day Pitney LLP

FEDERAL INCOME TAX.

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

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

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

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

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

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

STATE OF CONNECTICUT TAX ON INTEREST.

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

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

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

ORIGINAL ISSUE DISCOUNT.

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

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

ORIGINAL ISSUE PREMIUM.

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

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

GENERAL.

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

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

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE BONDS

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

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of June 23, 2016 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$4,285,000 General Obligation Bonds, Issue of 2016, dated as of June 23, 2016 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Issuer dated June 9, 2016 prepared in connection with the Bonds.

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

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

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

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

Section 2. Annual Financial Information.

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

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

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

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

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

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

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

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

Section 3. Notice of Certain Events.

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

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

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

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

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

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

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

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Enforcement.

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

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

Section 8. Miscellaneous.

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

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

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

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

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

TOWN OF WINDSOR

By: _____
Peter P. Souza
Town Manager

By: _____
Robert W. Metcalf
Finance Director

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE NOTES

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

Continuing Disclosure Agreement For Notes

This Continuing Disclosure Agreement for Notes ("Agreement") is made as of June 23, 2016 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$450,000 Bond Anticipation Notes, dated as of June 23, 2016 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

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

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

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

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

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

Section 2. Notice of Certain Events.

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

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

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

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

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

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

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

Section 3. Use of Agents.

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

Section 4. Termination.

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

Section 5. Enforcement.

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

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

Section 6. Miscellaneous.

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

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

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

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

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

TOWN OF WINDSOR

By: _____
Peter P. Souza
Town Manager

By: _____
Robert W. Metcalf
Finance Director

APPENDIX E - NOTICE OF SALE – THE BONDS

**NOTICE OF SALE
\$4,285,000
Town of Windsor, Connecticut
General Obligation Bonds
(BOOK-ENTRY)**

ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor, Connecticut at Day Pitney LLP, Goodwin Conference Room, 242 Trumbull Street, 6th Floor, Hartford, Connecticut, until **11:30 A.M. Eastern Time on THURSDAY,**

JUNE 9, 2016

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

**\$4,285,000 General Obligation Bonds, Issue of 2016
Payable annually on June 15 as follows:**

**\$360,000 in 2017 through 2021
\$355,000 in 2022 through 2028**

The Bonds will be dated June 23, 2016, with interest payable on December 15, 2016 and thereafter semiannually on each June 15th and December 15th.

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

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

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

Redemption. Bonds maturing on June 15, 2023 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2022, 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:

Period During Which Redeemed

Redemption Price

June 15, 2022 and thereafter

100%

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

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

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

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

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

Basis of Award. As between proposals which comply with this Notice, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to June 23, 2016, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

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

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

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

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

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

Official Statement. The Town of Windsor has prepared a preliminary Official Statement for the Bond issue which is dated May 27, 2016. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser 50 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's financial advisor, Independent Bond and Investment Consultants LLC, Madison, Connecticut, by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

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

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

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

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about June 23, 2016 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

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

PETER P. SOUZA,
Town Manager

ROBERT W. METCALF,
Finance Director

May 27, 2016

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

**NOTICE OF SALE
\$450,000
Town of Windsor, Connecticut
Bond Anticipation Notes
(BOOK-ENTRY)**

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

JUNE 9, 2016

for the purchase of \$450,000 Bond Anticipation Notes of the Town of Windsor, dated June 23, 2016, maturing on June 22, 2017 (the "Notes").

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Official Statement. The Town of Windsor has prepared a preliminary Official Statement for the Note issue which is dated May 27, 2016. 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 events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for Notes.

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

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

Delivery Date and Payment. The Notes will be delivered against payment in immediately available Federal funds through the facilities of The Depository Trust Company, New York, New York on June 23, 2016.

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

PETER P. SOUZA,
Town Manager

ROBERT W. METCALF,
Finance Director

May 27, 2016

PROPOSAL FOR NOTES

June 9, 2016

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

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated May 27, 2016 which is hereby made a part of this proposal, we hereby offer to purchase the principal amount of the Notes specified below at the interest rate per annum plus the premium, if any, specified below, and to pay therefor said principal amount, premium, if any, (not to exceed false months interest on the principal amount bid for), and interest accrued on said Notes to the date of their delivery, if any. The following is our computation of the net interest rate, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

Of the \$450,000 Bond Anticipation Notes of the Town of Windsor, dated June 23, 2016, maturing June 22, 2017, we bid the following:

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

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

Name of Bidder: _____

Address of Bidder: _____

Signature of Officer or
 Authorized Agent of Bidder: _____

Telephone Number: _____

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

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

Only if submitting request that Notes not be issued in book-entry form: We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.