

Official Statement dated June 11, 2020

NEW ISSUE

S&P GLOBAL RATINGS: AAA
(See "Ratings" herein)

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

TOWN OF WINDSOR, CONNECTICUT

\$15,570,000 GENERAL OBLIGATION BONDS, ISSUE OF 2020 **BOOK-ENTRY-ONLY**

Dated: Date of Delivery

Due: June 15, 2021-2040, as shown herein

The Bonds will be general obligations of the Town of Windsor, Connecticut (the "Town") 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, 2020.

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

S&P GLOBAL RATINGS: SP-1+
(See "Ratings" herein)

\$12,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES **BOOK-ENTRY-ONLY**

Dated: June 25, 2020

Due: June 24, 2021

The Notes will be general obligations of the Town 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 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 the Notes will be issued by means of a book-entry transfer system and will be registered in the name of Cede & Co., as Bondowner or Noteowner, respectively, and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds and the Notes. Ownership of the Bonds will be in the denominations of \$5,000 or integral multiples thereof. Ownership of the Notes will be in the denominations of \$5,000 or integral multiples thereof plus any odd amount. The Beneficial Owners will not receive certificates representing their ownership interest in the Bonds or the Notes. Principal and interest on the Bonds and the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds or the Notes. So long as Cede & Co. is the Bondowner or Noteowner, respectively, as nominee for DTC, reference herein to the Bondowner or owners or Noteowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds or the Notes. (See "Book-Entry-Only Transfer System" herein).

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

The Bonds and the 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 the Notes in definitive form will be made on or about June 25, 2020.

TOWN OF WINDSOR, CONNECTICUT

\$15,570,000 GENERAL OBLIGATION BONDS, ISSUE OF 2020

BOOK-ENTRY-ONLY

Dated: Date of Delivery

MATURITY SCHEDULE

Due: June 15, 2021-2040

Maturity	Amount	Coupon	Yield	CUSIP (1)	Maturity	Amount	Coupon	Yield	CUSIP (1)
2021	\$ 780,000	5.000%	0.200%	9735685V6	2031	\$ 780,000	3.000%	1.120%*	9735686F0
2022	780,000	5.000	0.250	9735685W4	2032	780,000	2.000	1.650*	9735686G8
2023	780,000	5.000	0.280	9735685X2	2033	780,000	2.000	1.750*	9735686H6
2024	780,000	5.000	0.350	9735685Y0	2034	780,000	2.000	1.900*	9735686J2
2025	780,000	5.000	0.430	9735685Z7	2035	780,000	2.000	1.950*	9735686K9
2026	780,000	5.000	0.550	9735686A1	2036	780,000	2.000	2.000	9735686L7
2027	780,000	3.000	0.750*	9735686B9	2037	780,000	2.000	2.050	9735686M5
2028	780,000	3.000	0.850*	9735686C7	2038	780,000	2.100	2.100	9735686N3
2029	780,000	3.000	0.940*	9735686D5	2039	780,000	2.150	2.150	9735686P8
2030	780,000	3.000	1.030*	9735686E3	2040	750,000	2.200	2.200	9735686Q6

* Priced assuming redemption on June 15, 2026; however any such redemption is at the option of the Town. (See "Optional Redemption" herein).

JANNEY MONTGOMERY SCOTT LLC

\$12,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

BOOK-ENTRY-ONLY

Dated: June 25, 2020

Due: June 24, 2021

Amount	Coupon	Yield	CUSIP (1)
\$12,500,000	2.000%	0.440%	9735686R4

TD SECURITIES (USA) LLC

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

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

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

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

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

Other than matters expressly set forth in Appendix B "Opinion of Bond Counsel and Tax Status" 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.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

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.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Bond Issue Summary.....	i	V. Financial Information	
Note Issue Summary.....	ii	Fiscal Year	25
I. Securities Offered		Accounting Policies	25
Introduction	1	Basis of Accounting.....	25
Description of the Bonds.....	1	Annual Audit	25
Optional Redemption.....	1	Certificate of Achievement for Excellence in	
Notice of Redemption.....	2	Financial Reporting	25
Description of Notes.....	2	Budgetary Procedures	26
Authorization and Use of Proceeds	2	Supplemental Appropriations.....	26
Ratings.....	4	Employee Pension Systems.....	26
Security and Remedies	4	Other Post-Employment Benefits.....	28
Book-Entry-Only Transfer System.....	4	Investment Policies and Procedures	30
Replacement Bonds and Notes	6	Revenues	30
DTC Practices.....	6	Property Tax Revenues	30
Considerations for Bondholders	6	Intergovernmental Revenues.....	31
Qualification for Financial Institutions.....	8	Expenditures	31
Availability of Continuing Disclosure.....	8	Municipal Budget Expenditure Cap.....	31
II. The Issuer		Comparative General Fund Operating Statement..	32
Description of the Town.....	9	Comparative General Fund Balance Sheets	33
Form of Government	10	Analysis of General Fund Equity	33
Table of Organization.....	10	Comparative General Fund Revenues and	
Municipal Officials.....	11	Expenditures.....	34
Biographies of Principal Officials	11	VI. Debt Summary	
Summary of Municipal Services	12	Principal Amount of Indebtedness	35
Educational System	13	Combined Schedule of Long-term Debt.....	36
Educational Facilities	13	Overlapping/Underlying Debt.....	36
School Enrollments	13	Debt Statement.....	38
Municipal Employment	14	Current Debt Ratios	38
Municipal Employees by Category.....	14	Legal Requirements for Approval of Borrowing..	39
Municipal Employees Bargaining Units.....	15	Temporary Financing	39
Economic Development	15	Capital Improvement Program	39
III. Economic and Demographic Information		School Building Grant Reimbursements.....	39
Population Trends.....	17	Limitation of Indebtedness.....	39
Age Distribution of the Population.....	17	Statement of Statutory Debt Limitation	40
Income Distribution.....	17	Authorized But Unissued Debt	41
Selected Wealth and Income Levels.....	18	Historical Debt Statement	41
Educational Attainment	18	Historical Debt Ratios.....	42
Major Employers.....	18	Ratio of Annual Debt Service Expenditures	
Employment by Industry	19	To Total General Fund Expenditures and	
Unemployment Rate Statistics	19	Transfers out.....	42
Number of Dwelling Units	19	VII. Legal and Other Litigation	
Characteristics of Housing Units	20	Litigation.....	43
Age Distribution of Housing	20	Municipal Advisor	43
Number and Value of Building Permits.....	20	Documents Accompanying Delivery of the	
Breakdown of Land Use	21	Bonds and the Notes.....	43
IV. Tax Base Data		Concluding Statement	44
Assessment Practices.....	22	Appendix A – Audited Financial Statements	
Property Tax Collection Procedure.....	22	Appendix B – Form of Opinion of Bond Counsel and Tax Status	
Motor Vehicle Property Tax Rate.....	23	Appendix C – Form of Continuing Disclosure Agreement – The Bonds	
Property Tax Levies and Collections.....	23	Appendix D – Form of Continuing Disclosure Agreement – The Notes	
Taxable Grand List	23	Appendix E – Notice of Sale – The Bonds	
Largest Taxpayers	24	Appendix F – Notice of Sale – The Notes	
Equalized Net Grand List	24		

BOND ISSUE SUMMARY

The information in this Bond Issue Summary, the front cover page and inside cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	Town of Windsor, Connecticut (the "Town").
Issue:	\$15,570,000 General Obligation Bonds, Issue of 2020 (the "Bonds").
Dated Date:	Date of Delivery, June 25, 2020.
Interest Due:	December 15, 2020 and semiannually thereafter on June 15 and December 15 in each year until maturity.
Principal Due:	Serially, June 15, 2021 through 2040, as detailed in this Official Statement.
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 and, if required by Charter, voters at referendum.
Redemption:	The Bonds are subject to redemption prior to maturity. See "Optional Redemption" herein.
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated "AAA" by S&P Global Ratings ("S&P"). The rating on the Town's outstanding bonds is currently "AAA" by S&P. (See "Ratings" herein).
Basis of Award:	Lowest True Interest Cost (TIC), as of dated date.
Tax Status:	See Appendix B herein.
Bank Qualification:	The Bonds shall not be designated 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 incurred to carry the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notices of certain events within ten (10) business days of occurrence of such events and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Corporate Trust Services, 225 Asylum Street, 23 rd Floor, 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-only form will be made to The Depository Trust Company on or about June 25, 2020 against payment in Federal Funds .
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to James R. Bourke, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1936.
Municipal Advisor:	Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (860) 290-3001.

NOTE ISSUE SUMMARY

The information in this Note Issue Summary, the front cover page and inside cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	Town of Windsor, Connecticut (the "Town").
Issue:	\$12,500,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	Date of Delivery, June 25, 2020.
Interest Due:	At maturity, June 24, 2021.
Principal Due:	At maturity, June 24, 2021.
Purpose and Authority:	The Notes are being issued to finance a portion of the Public Safety Complex Renovation project undertaken by the Town and authorized pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Windsor, and a bond resolution approved by the Town Council and the voters of the Town.
Redemption:	The Notes are NOT subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The Notes have been rated "SP-1+" by S&P Global Ratings, ("S&P"). The rating on the Town's outstanding bonds is currently "AAA" by S&P. (See "Ratings" herein).
Basis of Award:	Lowest Net Interest Cost (NIC), as of dated date.
Tax Status:	See Appendix B herein.
Bank Qualification:	The Notes shall not be designated 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 incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided, notices of certain events within ten (10) business days of the occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix D to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Corporate Trust Services, 225 Asylum Street, 23 rd Floor, 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-only form will be made to The Depository Trust Company on or about June 25, 2020 against payment in Federal Funds .
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to James R. Bourke, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1936.
Municipal Advisor:	Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (860) 290-3001.

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 \$15,570,000 General Obligation Bonds, Issue of 2020 (the "Bonds") and \$12,500,000 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.

Hilltop Securities Inc. ("HilltopSecurities") is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds and Notes. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds and Notes is contingent upon the issuance and delivery of the Bonds and Notes. HilltopSecurities cannot submit a bid for the Bonds or Notes, either independently or as a member of a syndicate organized to submit a bid for the Bonds or Notes. HilltopSecurities, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal and state income tax status of the Bonds or Notes, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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, 2020. 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-Only Transfer System" herein). The Registrar, Certifying, Transfer and Paying Agent for the Bonds will be U.S. Bank National Association of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Day Pitney LLP in substantially the form set forth in Appendix B to this Official Statement. **The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein.)**

OPTIONAL REDEMPTION

The Bonds maturing on or before June 15, 2026 are not subject to redemption prior to maturity. The Bonds maturing on June 15, 2027 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2026, 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, 2026 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 the date of delivery and will bear interest at the rate or rates per annum shown on the inside cover page of this Official Statement. The Notes will be payable as to both principal and interest at maturity. The Notes will be issued as fully registered notes in denominations of \$5,000 or any integral multiple thereof. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein. Principal of and interest on the Notes will be payable by the Town or its agent to the successful purchaser, as registered owner of the Notes.

The Registrar, Certifying, Transfer and Paying Agent for the Notes will be U.S. Bank National Association. The legal opinion on the Notes will be rendered by Day Pitney LLP in substantially the form set forth in Appendix B to this Official Statement.

AUTHORIZATION AND USE OF PROCEEDS

Authorizations:

Public Safety Complex Project: An appropriation and bond ordinance in the amount of \$33,900,000 was adopted by the Town Council on September 4, 2018, and approved by the voters of the Town of Windsor on November 6, 2018, for costs in connection with Public Safety Complex improvements and renovations at 100 Addison Road and 340 Bloomfield Avenue, including renovation of approximately 30,000 square feet of space at 100 Addison Road and relocation of the police department from its current location at 340 Bloomfield Avenue to 100 Addison Road, partial replacement of the 100 Addison Road roof and various site improvements, and renovation of the current public safety building located at 340 Bloomfield Avenue, including the addition of fire apparatus bays, site improvements related to parking and vehicle circulation, the renovation of existing police department space for fire support areas including offices, restrooms, locker rooms, a kitchen area, renovation of existing fire department space to accommodate EMS offices, training areas, sleeping quarters and storage, the replacement of mechanical, electrical and plumbing systems including HVAC and improvements to the public lobby and restrooms.

Fire Pumper Engine Replacement: An appropriation in the amount of \$840,000 was adopted by the Town Council on September 3, 2019, and authorizing bonds and notes in the amount of \$340,000 and appropriating \$500,000 from the 2019-20 fiscal year general fund capital budget for costs in connection with the replacement of a fire pumper engine through the purchase of a custom-designed 2020 fire pumper truck, including fire suppression equipment, forcible entry tools, ventilation equipment and other miscellaneous tools and equipment.

Moorlands / Lennox Ave. Stair Replacement: An appropriation and bond ordinance in the amount of \$175,000 was adopted by the Town Council on March 2, 2020, for costs in connection with the replacement of the concrete stairway and asphalt pathway connecting the sidewalk on Lennox Avenue with the Moorlands development at the end of Crest Drive, as well as drainage and related improvements.

Stormwater Management Improvements: An appropriation and bond ordinance in the amount of \$325,000 was adopted by the Town Council on March 2, 2020, for costs in connection with various stormwater management improvements throughout town, including engineering evaluations, the purchase of stormwater construction materials, repairs to the stormwater system such as outfall improvements at historic areas of concern, watershed analyses, maintenance and repair to Decker’s Brook, detention basin improvements, video inspection of drainage systems and activities required for compliance with the Town’s MS4 general permit, and other related improvements.

Island Rd. Reconstruction and Batchelder Rd. Repaving: An appropriation in the amount of \$413,000 was adopted by the Town Council on March 2, 2020, and authorizing the issue of \$345,000 bonds and notes and \$68,000 from grants or donations for costs in connection with the rehabilitation of existing pavement, installation of new curbing and drainage improvements on Island Rd. and related improvements.

Poquonock School Parking Lot Improvements: An appropriation and bond ordinance in the amount of \$560,000 was adopted by the Town Council on March 2, 2020, for costs in connection with parking lot improvement at Poquonock Elementary School, including an increase in the number of parking spaces, redesign of the existing playground area into a parking area, modification of the existing parking area, code compliance improvements for parking and for buses to exit and enter, modification of the north parking area, and related improvements.

Public Works Facility Improvements: An appropriation and bond ordinance in the amount of \$690,000 was adopted by the Town Council on April 6, 2020, for costs in connection with interior improvements to the public works facility, including replacement of windows, flooring, interior ceilings, installation of LED lighting, renovation of rest rooms and locker rooms, painting, and other related improvements.

Northwest Park Facility Improvements: An appropriation and bond ordinance in the amount of \$295,000 was adopted by the Town Council on April 6, 2020, for costs in connection with renovation of the barns at Northwest Park, including replacement of asphalt shingles and rotted siding, installation of new skirt board, painting of exteriors, and related improvements.

Windsor High School Tennis Courts Restoration: An appropriation and bond ordinance in the amount of \$870,000 was adopted by the Town Council on April 6, 2020, for costs in connection with the restoration of the tennis courts at Windsor High School, including the reconstruction of six tennis courts including fencing and screening, and related improvements.

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

Projects	Amount of	Notes	Additions /	The Bonds	The Notes
	Total Authorization	Outstanding	(Reductions)	(This Issue)	(This Issue)
Public Safety Complex Renovation.....	\$ 33,900,000	\$11,970,000	\$12,500,000	\$ 11,970,000	\$ 12,500,000
Fire Pumper Engine Replacement.....	340,000	-	340,000	340,000	-
Moorland / Lennox Ave. Stair Replacement.....	175,000	-	175,000	175,000	-
Stormwater Management Improvements.....	325,000	-	325,000	325,000	-
Island Rd/ Reconstruction and Batchelder Rd. Repaving...	345,000	-	345,000	345,000	-
Poquonock School Parking Lot Improvements.....	560,000	-	560,000	560,000	-
Public Works Facility Improvements.....	690,000	-	690,000	690,000	-
Northwest Park Facility Improvements.....	295,000	-	295,000	295,000	-
Windsor High School Tennis Courts Restoration.....	870,000	-	870,000	870,000	-
Total.....	<u>\$ 37,500,000</u>	<u>\$11,970,000</u>	<u>\$16,100,000</u>	<u>\$ 15,570,000</u>	<u>\$ 12,500,000</u>

RATINGS

The Bonds have been rated "AAA" by S&P Global Ratings ("S&P"). The rating on the Town's outstanding general obligation bonds has been recently 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 addresses: S&P Global Ratings: 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, including the Bonds.

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.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company ("DTC") of New York, New York, will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and one fully-registered Note certificate will be issued for each interest rate of the Notes 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 issues, 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 has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

The Bonds are subject to optional redemption prior to maturity. Redemption notices shall be sent to DTC in accordance with the Notice of Redemption (see "Notice of Redemption" herein). If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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

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

The Town may decide to discontinue the use of the system of the book-entry-only transfers through DTC (or a successor securities depository). In that event, bond 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 obtained from sources that the Town believes to be reliable but the Town takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS AND NOTES

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

CONSIDERATION FOR BONDHOLDERS

The COVID-19 Outbreak

The outbreak of COVID-19, a respiratory virus caused by a new strain of coronavirus, has been declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency. The outbreak of the virus has affected travel, commerce and financial markets globally, nationally and locally and is widely expected to affect economic growth worldwide.

There can be no assurances that the ongoing impact of COVID-19 will not materially adversely affect local, State, national, and global activity; increase public health emergency response costs; and materially adversely impact the financial condition of the Town. Many states and municipalities have begun and continue to take measures that are having negative effects on global, national and local economies. In addition, businesses and people appear to have altered behaviors in manners that are negatively affecting the economy. The financial, stock and bond markets in the United States and globally have seen significant volatility attributed to COVID-19.

State and Local Efforts to Mitigate the Ongoing Impact of COVID-19

On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut as a result of the COVID-19 outbreak. State agencies have been directed to use all resources necessary to prepare for and respond to the outbreak. To date, the Governor has cancelled all public-school classes for all students through June 2020, restricted social and recreational gatherings to no more than 5 people, suspended activity at the State Capitol and legislative office building, suspended non-exigent operations of the judicial branch, limited restaurants to take-out and delivery only, required all businesses and not-for-profit entities in the State to employ, to the maximum extent possible, any telecommuting or work from home procedures that they can safely employ and required closure of all non-essential businesses and not-for-profit entities.

On April 30, 2020, Governor Lamont announced a four-stage plan to reopen the State's economy following a recent decline in hospitalizations related to the virus. If implemented, the plan's first stage allows for the reopening of retailers, offices, hair and nail salons, outdoor restaurants and outdoor recreation facilities by May 20, 2020. Additional reopening stages will be dependent on many factors including, but not limited to, the continuing decline of hospitalizations due the virus, increased testing, implementation of a contact tracing program and sufficient personal protective equipment for hospital workers.

The State's Office of Fiscal Analysis released its consensus revenue estimate as of April 30, 2020 for fiscal years ending 2020-2024, which estimate the impact of the COVID-19 outbreak on the State's finances. Pursuant to a State Office of Policy and Management ("OPM") Letter dated April 30, 2020, which revised its prior estimate of April 20, 2020, OPM now projects a year-end operating shortfall of \$934.0 million, which represents an increase of \$403.8 million from the level previously reported on April 20, 2020. OPM reported that the change was primarily driven by a timing shift in the receipt of federal grant revenue. The projected shortfall of revenues represents approximately 4.8% of the State's General Fund. Any year-end deficit will, by operation of existing state law, be addressed through a transfer from the Budget Reserve Fund when the Comptroller closes the books for fiscal year 2020. OPM estimated that the fiscal year ending 2020 deficit would be partially off-set by a \$318 million Volatility Cap deposit for fiscal year ending 2020. After application of the Volatility Cap deposit, the fiscal year 2020 deficit would reduce the State's Budget Reserve Fund from approximately \$2.5 billion to \$1.9 billion. Based on the consensus revenue estimate, the State currently estimates that revenues for fiscal years 2021-2024 will be reduced as a result of the COVID-19 outbreak. Pursuant to the Constitution of the State of Connecticut, the General Assembly is required to adopt a balanced biennial budget of the State (the next being the fiscal year 2022-2023 biennium budget), which generally is commenced during the regular session of the General Assembly prior to the beginning of the next biennium. For its Fiscal Year 2020, the Town budgeted to receive approximately 12.3% of its revenues from the State, of which it has received 11.6% as of March 2020. At this time, there can be no assurances that the Town will receive the same level of funding as it has in the past or whether a change in funding, if any, will have a material adverse effect on the finances of the Town.

While the potential long-term impact on the Town cannot be predicted at this time, the continued spread of the outbreak and any prolonged effects on the national and State economy could have a materially adverse effect on the Town's finances and economy. On March 14, 2020, the Town declared a local state of emergency. The Town has closed Town Hall to the public and will operate Town offices with limited staff performing essential services. In addition, the Town has taken multiple measures to limit the congregation of groups and enhance social distancing. While a potential risk, the Town does not anticipate the outbreak to have a materially adverse financial effect on the Town for Fiscal Year 2020. The Town's finances and financial plans remain stable. Over 93% of the Town's annual revenues have already been received as of May 1, 2020, including the collection of over 100% of budgeted property taxes to date.

COVID-19 Outbreak - Municipal Tax Relief Programs

On April 1, 2020, in response to the COVID-19 emergency, Governor Ned Lamont issued Executive Order No. 7S ("Order 7S") which creates two short-term tax relief programs and requires all towns, cities, and boroughs as well as their water pollution control authorities to adopt either or both of them by a vote of the legislative body, or, in any town in which the legislative body is a town meeting, by a vote of the board of selectmen. One program defers payments by 90 days for taxpayers based on a showing of need, while the other reduces the interest chargeable for all taxpayers in the municipality for 90 days.

The "Deferment Program" delays by 90 days payments due on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges if taxpayers, businesses, nonprofits and residents demonstrate significant economic impact caused by COVID-19 and/or demonstrate that they are assisting people who are experiencing significant economic impact caused by COVID-19. This program applies to charges which would otherwise be due from March 10 to July 1, 2020. Financial institutions and mortgage servicers that hold property tax payments in escrow are required to continue to remit property taxes to the Town according to the regular timetable, so long as the borrower remains current on its mortgage or is in a mortgage forbearance or deferment program. Municipalities have the option to expand eligibility for the program to other categories of taxpayers, businesses, nonprofits and residents. Landlords, or any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee, in order to be eligible for the "Deferment Program" must provide documentation to the Town that the parcel has or will suffer a significant income decline or that commensurate forbearance was offered to their tenants or lessees.

The "Low Interest Rate Program" lowers the interest rate to 3% per annum (0.25% monthly) on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges that are due between March 10, 2020 and July 1, 2020 and are not paid on time and also those which were already delinquent before March 10, 2020. After the 90-day period which begins on the original due date, the regular rate of interest is restored on all remaining balances. Financial institutions and mortgage servicers that hold property tax payments in escrow are required to continue to remit property taxes to the Town according to the regular timetable, so long as the borrower remains current on its mortgage or is in a mortgage forbearance or deferment program. Landlords, or any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee, in order to be eligible for the "Low Interest Rate Program" must provide documentation to the Town that commensurate forbearance was offered to their tenants or lessees, upon their request.

On April 20, 2020, the Town Council of the Town of Windsor voted to adopt the deferment program. The Town cannot predict at this time what effect of the deferment will be.

All municipalities must notify the Secretary of the Office of Policy and Management (“OPM”) no later than April 25, 2020 which program or programs it is electing. At this time, the Town has not yet determined which program or programs it will adopt.

Order 7S also suspends all non-judicial tax sales effective immediately and postpones them until a date the tax collector selects that is at least 30 days after the Governor declares the COVID-19 emergency to have ended. In addition, Order 7S extends all redemption periods for tax sales conducted in the prior six months by the duration of the emergency and reduces the interest rate for doing so to 3% per annum (0.25% monthly).

Government Response to COVID-19’s Impact on the Economy

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the “CARES Act”) that provides in excess \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion will be appropriated to states and other units of government for activities that are directly related to COVID-19; the amount paid to each state will be based on population with a minimum payment of \$1.25 billion. In addition, the CARES Act will provide \$454 billion to the Federal Reserve to purchase business, state or municipal securities in order to provide a level of liquidity to the municipal market. Other financial relief affecting states and local governments includes \$30.9 billion for education, \$10 billion for airports, \$25 billion for transit providers, and \$17 billion for housing, including \$5 billion for Community Development Block Grants for COVID-19 related services.

On March 28, 2020, President Trump approved Governor Lamont’s request for a disaster declaration for the State of Connecticut. Under the declaration, it is expected that federal funding will be made available to state, tribal and eligible local governments and certain private nonprofit organizations for emergency protective measures, including direct federal assistance, for all areas of Connecticut impacted by COVID-19. The impacted agencies and towns will be reimbursed for 75 percent of the costs associated with their response and emergency protective measures.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Bonds and Notes shall NOT 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.

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 S&P Global Ratings 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 a Continuing Disclosure Agreements with respect to the Bonds and the Notes, substantially in the forms attached hereto as Appendices C and D to this Official Statement (the "Continuing Disclosure Agreements"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events with respect to the Bonds and the Notes; and (iii) timely notice of a failure by the Town to provide the required annual financial information with respect to the Bonds.

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.

[The remainder of this page intentionally left blank]

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 established 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 1,250 acres of undeveloped industrially zoned land and has approved a concept plan that will allow for the development of approximately 302 acres of former industrial land to add 1,200 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 7,960. The Town's estimated population according to the United States Census Bureau, 2014-2018 American Community Survey 5-Year Estimates was 28,917.

The Town's educational system consists of four elementary schools, one middle school and one high school. Windsor is home to the well-known Loomis Chaffee college preparatory school, as well as private and parochial schools including St. Gabriel School, Trinity Christian School and Madina Academy, offering grades K-8, PreK-12, and K-12 respectively.

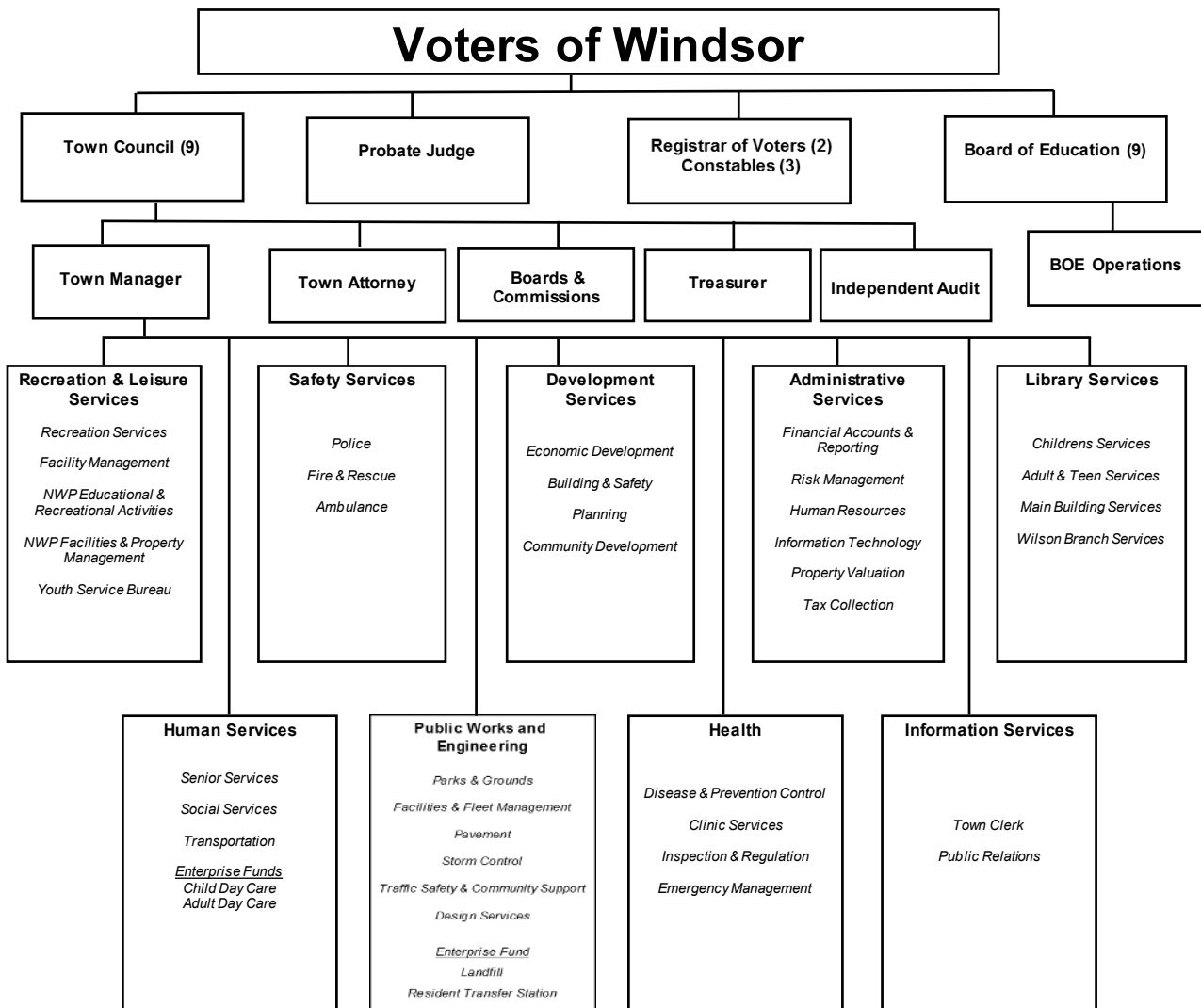
FORM OF GOVERNMENT

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

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

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

TABLE OF ORGANIZATION



MUNICIPAL OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term of Office</u>	<u>Years of Service</u>
Donald S. Trinks.....	Mayor.....	2 Years – Elected	25
Joesph McAuliffe.....	Deputy Mayor.....	2 Years – Elected	3
Donald A. Jepsen Jr.....	Town Council.....	2 Years – Elected	19
Kenny M. Wilkos.....	Town Council.....	2 Years – Elected	7
Jim G. Govoni.....	Town Council.....	2 Years – Elected	7
Nuchette Black-Burke...	Town Council.....	2 Years – Elected	2
James Dobler.....	Town Council.....	2 Years – Elected	1
Lisa R. Bress.....	Town Council.....	2 Years – Elected	1
Michael D. Tustin.....	Town Council.....	2 Years – Elected	3
Peter P. Souza.....	Town Manager.....	Appointed	21
Dr. Craig A. Cooke.....	Superintendent of Schools....	Appointed	11
James R. Bourke.....	Finance Director.....	N/A	12
Linda R. Collins.....	Assistant Finance Director...	N/A	13

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 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 fourteen years. During his time in Windsor, Dr. Cooke has focused on strengthening the educational system from Pre-kindergarten through grade 12 by aligning curriculum to state standards and utilizing student data to drive instruction. Windsor has succeeded in adding pre-kindergarten opportunities for families and has seen a steady growth in student enrollment in recent years.

Finance Director: James R. Bourke was hired as Finance Director in July of 2016 after serving as Assistant Finance Director since 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 (CPFO) by the GFOA.

Assistant Finance Director: Linda R. Collins was hired as Assistant Finance Director in September of 2016 after serving as Town Accountant since November of 2007. Prior to that she worked in the field of non-profit finance and accounting for eight years. Ms. Collins holds a Bachelor's degree in Business Administration as well as a MBA from the University of Hartford. She is a member of the Government Finance Officers Association of America (“GFOA”) as well as the Connecticut Government Finance Officers Association.

SUMMARY OF MUNICIPAL SERVICES

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

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

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

Human Services: Human Services provides child and adult day care and family support services. It also provides casework and referral services 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, Library Services provides information, print and digital materials, educational and cultural programs, public computers, internet access, meeting rooms and an array of innovative technologies and services to the community. Patrons access the library online 24/7 or in person every day and four evenings each 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 served the towns of Windsor and Bloomfield until it reached its permitted capacity in fiscal year 2015. 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 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 which is a requirement of EPA Subtitle-D regulations. The conservative calculation basis assumes that all work is contracted at prevailing contractor rates rather than performed by Town staff with Town equipment, and 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 is being 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 which covers the entire waste footprint of the landfill. 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. Starting in fiscal year 2015 and going forward, the Town will continue to operate a residential transfer station at the landfill site.

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

EDUCATIONAL SYSTEM

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

EDUCATIONAL FACILITIES

<u>Schools</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Additions/ Renovations</u>	<u>Classrooms</u>	<u>Enrollment 10/01/19</u>	<u>Capacity</u>
Oliver Ellsworth Elementary School..	Pre-K-2	1971		31	452	660
Poquonock Elementary School.....	K-2	1947	1958, 1980, 1988	27	347	546
Clover St. Elementary School.....	3-5	1957	1988	27	274	517
J.F.Kennedy Elementary School.....	3-5	1965	1988	28	373	546
Sage Park Middle School.....	6-8	1969	1993	50	709	1,250
Windsor High School.....	9-12	1952	1977, 2000	86	1,153	1,500
Total					<u>3,308</u>	<u>5,019</u>

Source: Superintendent of Schools

SCHOOL ENROLLMENTS

<u>As of October 1</u>	<u>Actual</u>				<u>Total</u>
	<u>Pre-K-5</u>	<u>6 - 8</u>	<u>9 - 12</u>		
2010	1,498	814	1,312		3,624
2011	1,473	785	1,227		3,485
2012	1,438	750	1,203		3,391
2013	1,383	725	1,144		3,252
2014	1,353	671	1,121		3,145
2015	1,384	673	1,130		3,187
2016	1,318	688	1,180		3,186
2017	1,372	701	1,177		3,250
2018	1,395	718	1,156		3,269
2019	1,446	709	1,153		3,308
	<u>Projected</u>				
2020	1,451	728	1,153		3,332
2021	1,496	723	1,137		3,356
2022	1,557	699	1,127		3,383
2023	1,605	689	1,151		3,445
2024	1,600	744	1,172		3,516

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

MUNICIPAL EMPLOYMENT

<u>Fiscal Year</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Board of Education.....	654	654	631	672	645
General Government.....	165	165	164	164	164
Grant and Enterprise Funded.....	54	54	53	44	46
Total.....	<u>873</u>	<u>873</u>	<u>848</u>	<u>880</u>	<u>855</u>

Source: Town Officials.

MUNICIPAL EMPLOYEES BY CATEGORY

<u>Department</u>	<u>Full-Time Employees</u>
<u>General Government</u>	
Administrative Services.....	17
Development Services.....	11
Community Development.....	1
Human Services.....	5
Recreation Services.....	7
Health Services.....	4
Information Services.....	4
Library Services.....	9
Public Works.....	38
Safety Services	66
Town Manager.....	3
General Government Subtotal.....	<u>165</u>
Enterprise Personnel.....	16
General Government Total.....	<u>181</u>
<u>Board of Education</u>	
Administration and Principals.....	29
Teachers.....	328
Pupil Personnel (Psychologists, Social Workers, Speech Clinicians).....	35
Secretaries/ParaProfessionals.....	124
Nurses.....	8
Non-Bargaining Employees (1)	46
Custodial/Maintenance.....	36
Board of Education Subtotal.....	<u>606</u>
Food Service.....	48
Grant Funded.....	38
Board of Education Grand Total	<u>692</u>
Grand Total.....	<u>873</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</u>
<u>GENERAL GOVERNMENT</u>			
Police.....	Windsor Police Department Employees Association.....	53	6/30/21
Public Works/Clerical....	International Brotherhood of Teamsters, Local 671.....	41	6/30/20 (2)
Dispatchers.....	United Public Service Employees Union (UPSUE Local 424, Unit 10).....	8	6/30/21
<u>BOARD OF EDUCATION</u>			
Teachers.....	Windsor Education Association, CEA.....	389	6/30/22
Administrators.....	Windsor School Administrators and Supervisors Assoc.....	24	6/30/23
Nurses.....	Windsor School Nurses Assoc., CSEA.....	8	6/30/22
Paraprofessionals.....	Windsor Paraprofessional Employees Assoc., NAGE.....	102	6/30/23
Secretaries.....	CSEA AFL-CIO Administrative Support Staff.....	32	6/30/23
School Employees.....	Windsor School Employees Union, NAGE (Custodial, Maintenance and Cafeteria Employees).....	85	6/30/23

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

(2) In negotiations.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 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, logistics, data management and hospitality.

With a jobs base of 26,900, Windsor ranks fourth among Hartford area communities in total non-retail employment. Major, private employers include Hartford Life, VOYA, Amazon, Eversource, CIGNA, Walgreens, SCA Pharmaceuticals, and SS&C Technologies.

Over the last decade, Windsor experienced substantial growth. Some five million square feet of new commercial space was constructed during this period, including 56,000 SF of retail, one-half million SF office, and 4.4 million SF industrial/distribution space.

Among the most significant projects during this period were:

- 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 nearly 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 700 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 400 persons.
- Amazon, a 1.5 million SF fulfillment center for the leading online retailer. This \$100 million facility was completed in 2015 and employs 1,600 persons.
- SCA Pharmaceuticals, a 90,000 SF sterile manufacturing facility for preparation of customized pharmaceuticals for hospitals, pharmacies, and healthcare facilities nationwide. This \$20 million facility was placed in operation in late 2017 and now employs more than 350 persons.
- Ford Motor Co, a 234,000 SF high-velocity parts distribution center serving dealerships in New England and eastern New York. This \$15 million facility was placed in operation in 2018 and now employees approximately 50 persons.

Between 2008 and 2018, the number of jobs in Windsor increased by 14% from 23,661 to 26,966. During this same period, average annual wages in Windsor increased by 15.7% from \$60,918 to \$70,463. By comparison, over the same period, annual wages in Connecticut rose from \$58,189 to \$67,744.

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. All approvals have been granted for a 600-acre mixed-use project in the Day Hill Road corporate area known as Great Pond Village. The first phase of this project, a 230 unit market-rate apartment development is nearing completion. This project will add value to existing space and provide opportunities for new workforce housing.

The Town is pursuing redevelopment of key properties and planning for development to support and benefit from regional commuter rail service which began in 2018. A key redevelopment project in the town center, Windsor Station Apartment Homes, was completed in April of 2017. This \$18.0 million transit-oriented development project contains 130 market-rate units directly across from the passenger rail station. This project will help to meet the need for more rental housing and it will enhance the market for retail and services in the town center.

[The remainder of this page intentionally left blank]

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

<u>Year</u>	<u>Town of Windsor</u>	<u>Hartford County</u>	<u>State of Connecticut</u>
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
2018	28,917	894,730	3,581,504

Source: U.S. Department of Commerce, Bureau of Census and 2014-2018 American Community Survey.

AGE CHARACTERISTICS OF POPULATION

<u>Age</u>	<u>Town of Windsor</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	1,340	4.6	47,822	5.3	184,983	5.2
5 - 9.....	1,209	4.2	50,037	5.6	201,006	5.6
10 - 14.....	1,862	6.4	57,152	6.4	224,135	6.3
15 - 19.....	1,999	6.9	59,109	6.6	247,182	6.9
20 - 24.....	1,951	6.7	58,164	6.5	245,490	6.9
25 - 34.....	3,254	11.3	116,956	13.1	439,848	12.3
35 - 44.....	3,247	11.2	109,393	12.2	427,023	11.9
45 - 54.....	4,558	15.8	126,551	14.1	522,138	14.6
55 - 59.....	2,148	7.4	65,287	7.3	266,170	7.4
60 - 64.....	2,202	7.6	56,999	6.4	235,949	6.6
65 - 74.....	2,997	10.4	80,616	9.0	327,414	9.1
75 - 84.....	1,327	4.6	43,084	4.8	170,979	4.8
85 and over.....	823	2.8	23,560	2.6	89,187	2.5
Total.....	<u>28,917</u>	<u>100.0</u>	<u>894,730</u>	<u>100.0</u>	<u>3,581,504</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2014-2018 American Community Survey.

INCOME DISTRIBUTION

	<u>Town of Windsor</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000	61	0.8	7,407	3.3	26,021	2.9
\$ 10,000 to 14,999	55	0.7	4,592	2.0	16,472	1.8
\$ 15,000 to 24,999	166	2.2	11,459	5.1	38,804	4.3
\$ 25,000 to 34,999	319	4.3	13,611	6.0	50,215	5.6
\$ 35,000 to 49,999	584	7.9	20,916	9.3	80,042	9.0
\$ 50,000 to 74,999	1,262	17.0	31,730	14.1	127,676	14.3
\$ 75,000 to 99,999	1,080	14.6	31,475	14.0	118,848	13.3
\$100,000 to 149,999 ...	2,117	28.6	47,947	21.3	186,154	20.8
\$150,000 to 199,999 ...	1,001	13.5	25,859	11.5	105,285	11.8
\$200,000 or more	763	10.3	30,027	13.3	143,423	16.1
Total	<u>7,408</u>	<u>100.0</u>	<u>225,023</u>	<u>100.0</u>	<u>892,940</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2014-2018 American Community Survey.

SELECTED WEALTH AND INCOME INDICATORS

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2018)</u>	<u>(2000)</u>	<u>(2018)</u>
Town of Windsor.....	\$73,064	\$102,898	\$27,633	\$39,725
Hartford County.....	62,144	92,383	26,047	39,260
Connecticut.....	65,521	97,310	28,766	43,056
United States.....	49,600	73,965	21,690	32,621

Source: U.S. Department of Commerce, Bureau of Census, Census 2000 and 2014-2018 American Community Survey.

EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Over

<u>Educational Attainment Group</u>	<u>Town of Windsor</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	700	3.4	28,062	4.5	101,068	4.1
9th to 12th grade.....	851	4.1	37,108	6.0	134,758	5.4
High School graduate.....	4,973	24.2	167,539	26.9	670,519	27.1
Some college - no degree.....	4,024	19.6	103,833	16.7	416,267	16.8
Associates degree.....	1,618	7.9	50,911	8.2	190,869	7.7
Bachelor's degree.....	4,845	23.6	133,988	21.5	538,924	21.7
Graduate or professional degree.....	3,545	17.2	101,005	16.2	426,303	17.2
Total.....	<u>20,556</u>	<u>100.0</u>	<u>622,446</u>	<u>100.0</u>	<u>2,478,708</u>	<u>100.0</u>
Percentage of High School Graduates.....		92.5%		89.5%		90.5%
Percentage of College Graduates or Higher..		40.8%		37.8%		38.9%

Source: U.S. Department of Commerce, 2014-2018 American Community Survey.

MAJOR EMPLOYERS

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Estimated of Employees</u>
Hartford Life.....	Financial Services.....	1,800
Voya.....	Insurance and Financial Services.....	1,700
Amazon.com.....	Fulfillment center for online retailer.....	1,600
CIGNA.....	Insurance (Data center).....	1,100
Town of Windsor.....	General Government and Board of Education.....	820
Walgreens.....	Distribution center for retail drug stores.....	710
GE/Alstom Power.....	Power plant engineering and customer support....	650
Eversource.....	Utility.....	600
SS&C Technologies.....	Business equipment sales and support.....	500
Waste Management.....	Waste Disposal and Recycling.....	500

Source: Town of Windsor Economic Development Staff

EMPLOYMENT BY INDUSTRY

Employment Sector	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining..	21	0.1	875	0.2	7,195	0.4
Construction.....	653	4.2	22,140	4.9	107,331	5.9
Manufacturing.....	1,604	10.3	49,064	11.0	190,995	10.5
Wholesale Trade.....	318	2.0	10,623	2.4	44,714	2.5
Retail Trade.....	1,275	8.2	47,079	10.5	191,939	10.6
Transportaion, Warehousing & Utilities.....	894	5.8	19,599	4.4	72,806	4.0
Information.....	205	1.3	10,495	2.3	41,839	2.3
Finance, Insurance & Real Estate.....	1,577	10.2	49,452	11.0	164,607	9.1
Professional, Scientific & Management.....	1,729	11.1	49,199	11.0	207,632	11.5
Educational Services & Health Care.....	4,318	27.8	117,551	26.2	479,677	26.5
Arts, Entertainment, Recreation & Food Services..	978	6.3	31,710	7.1	150,852	8.3
Other Service (including nonprofit).....	971	6.3	20,443	4.6	83,686	4.6
Public Administration.....	985	6.3	19,663	4.4	67,172	3.7
Total.....	15,528	100.0	447,893	100.0	1,810,445	100.0

Source: U.S. Department of Commerce, 2014-2018 American Community Survey.

UNEMPLOYMENT RATE STATISTICS

Yearly Average	Town of Windsor %	Hartford Labor Market %	State of Connecticut %	United States %
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	4.9	5.1	5.1	4.9
2017	4.8	4.8	4.7	4.4
2018	4.1	4.1	4.1	3.9
2019	3.8	3.8	3.7	3.7

2020 Monthly

January	4.4	4.4	4.4	4.0
February	4.2	4.3	4.4	3.8
March	3.5	3.9	3.9	4.5

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

NUMBER OF DWELLING UNITS

2018	2010	2000	1990	1980	% Increase 1980-2018	% Increase 1990-2018	% Increase 2000-2018	% Increase 2010-2018
11,450	11,767	10,900	10,279	8,793	30.22%	11.39%	5.05%	-2.69%

Source: U.S. Department of Commerce, Bureau of Census and 2014-2018 American Community Survey.

CHARACTERISTICS OF HOUSING UNITS

Owner Occupied

Value of Owner Occupied Units	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	260	2.8	4,812	2.1	21,254	2.3
\$ 50,000 to \$ 99,999	421	4.6	7,221	3.2	29,211	3.2
\$ 100,000 to \$149,999	956	10.4	26,060	11.6	81,446	9.0
\$ 150,000 to \$199,999	2,050	22.4	45,301	20.1	139,715	15.4
\$ 200,000 to \$299,999	3,979	43.5	71,884	31.9	245,801	27.1
\$ 300,000 to \$499,999	1,392	15.2	53,207	23.6	240,706	26.5
\$ 500,000 to \$999,999	81	0.9	14,987	6.7	106,993	11.8
\$1,000,000 and over	17	0.2	1,640	0.7	42,008	4.6
Total	<u>9,156</u>	<u>100.0</u>	<u>225,112</u>	<u>100.0</u>	<u>907,134</u>	<u>100.0</u>
Median Value.....	\$220,300		\$237,700		\$272,700	

Source: U.S. Department of Commerce, 2014-2018 American Community Survey.

AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier.....	1,743	15.2	77,385	20.4	337,795	22.3
1940 to 1949.....	913	8.0	30,018	7.9	104,394	6.9
1950 to 1959.....	2,163	18.9	64,537	17.0	222,628	14.7
1960 to 1969.....	1,342	11.7	56,385	14.9	206,299	13.6
1970 to 1979.....	1,820	15.9	50,278	13.3	201,360	13.3
1980 to 1989.....	1,768	15.4	47,112	12.4	191,306	12.6
1990 to 1999.....	835	7.3	25,022	6.6	115,459	7.6
2000 to 2009.....	787	6.9	22,510	5.9	103,632	6.9
2010 to 2013.....	79	0.7	3,406	0.9	19,181	1.3
2014 or later.....	0	0.0	2,047	0.5	10,251	0.7
Total.....	<u>11,450</u>	<u>100.0</u>	<u>378,700</u>	<u>100.0</u>	<u>1,512,305</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2014-2018 American Community Survey.

NUMBER AND VALUE OF BUILDING PERMITS

Fiscal Year	Residential (1)		Non-Residential		All Other (1)		Total	
	Number Permits	Value	Number Permits	Value	Number Permits	Value	Number Permits	Value
2020 (2)	15	\$2,488,800	315	\$40,174,566	1,223	\$12,026,612	1,553	\$54,689,978
2019	19	3,333,925	401	72,466,144	1,621	16,147,541	2,041	91,947,610
2018	16	2,823,200	456	48,390,603	1,586	30,843,524	2,058	82,057,327
2017	15	2,707,875	511	71,233,606	1,515	12,879,814	2,041	86,821,295
2016	20	4,166,550	475	36,469,735	1,787	13,974,349	2,282	54,610,634
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

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

(2) As of April 27, 2020.

Source: Town of Windsor, Office of Building Inspections.

BREAKDOWN OF LAND USE

Land Use Category	Total Acreage By Zoning		Developed Acreage by Land Use		Undeveloped Acreage	
	Percent	Percent	Percent	Percent	Percent	Percent
Residential.....	7,662.54	45.3%	6,408.16	54.5%	1,254.38	24.4%
Commercial.....	2,016.13	11.9%	1,193.41	10.1%	822.72	16.0%
Industrial.....	1,929.57	11.4%	1,592.24	13.5%	337.33	6.6%
Other.....	5,298.19	31.3%	2,565.40	21.8%	2,732.79	53.1%
Total Area.....	16,906.43	100.0%	11,759.21	100.0%	5,147.22	100.0%

Source: Assessor's CAMA tax database as of October 2019.

[Remainder of this page intentionally left blank]

IV. TAX BASE DATA

ASSESSMENT PRACTICES

The Town of Windsor last revalued its real property to be effective on its October 1, 2018 Grand List and will be implemented in fiscal year 2019-20. 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 Sec. 12-65b. Currently there are two active abatements and three abatements in the Connecticut Airport Development Zone program.

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.

PROPERTY TAX COLLECTION PROCEDURE ⁽¹⁾

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.

- (1) On April 1, 2020, Governor Lamont issued Executive Order 7S in response to the COVID-19 pandemic. The executive order included language allowing local legislative bodies to adopt certain programs to provide support and relief to local taxpayers effected by the pandemic. The deferment program allows tax payers to defer payment of their taxes for 90 days from the due date (July 1). The low interest rate program allows for the monthly interest rate to be reduced from 1.5% per month to 0.25%, and provides for a 90 day period from the due date (July 1) in which a delinquent taxpayer will be able to pay at the reduced rate. Municipalities were required to report to the State of Connecticut Office of Policy & Management (OPM) by April 25, 2020 as to which program or programs were adopted. On April 20, 2020, the Town Council of the Town of Windsor voted to adopt the deferment program. The Town cannot predict at this time what effect of the deferment will be.

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. For the assessment year October 1, 2018 (the fiscal year ending June 30, 2020), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for the fiscal year ending June 30, 2020 is 32.38 mills. The Town's proposed mill rate for motor vehicles for the fiscal year ending June 30, 2021 is 33.11 mills.

For the fiscal year ending June 30, 2019, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills.

REAL PROPERTY TAX LEVIES AND COLLECTIONS

FY Ending 6/30	Net Taxable Grand List	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2019
2021 (1)	\$ 3,154,685,021	32.11	\$ 103,423,411	N/A	N/A	N/A
2020 (1)	3,109,299,310	32.38	99,679,504	In Process	In Process	In Process
2019	2,959,804,528	32.96	98,322,429	99.0	\$ 955,807	\$ 955,807
2018	2,886,746,036	32.45	93,966,004	99.3	911,979	308,545
2017	2,924,298,305	31.52	93,031,833	99.0	946,145	26,058
2016	2,849,933,303	30.92	88,799,152	98.8	1,091,021	13,843
2015 (2)	2,838,103,716	30.47	86,548,952	98.8	1,029,436	5,169
2014	3,013,897,453	27.33	82,919,994	98.6	1,192,548	4,864
2013	2,907,640,693	27.95	81,403,784	98.7	1,062,846	4,661
2012	2,811,979,697	28.03	79,201,381	98.8	979,265	5,110

(1) Adopted Budgets for fiscal years 2019-20 and 2020-21. (See "Motor Vehicle Property Tax Rate" herein).

(2) The Town's last revaluation is effective as of 10/01/2018. The revaluation was implemented in full in FY 2019-20 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)
10/01/19	\$2,495,830,947	\$ 581,620,684	\$ 224,997,975	\$3,302,449,606	\$147,702,853	\$3,154,746,753
10/01/18	2,473,998,150	562,482,500	217,747,220	3,254,227,870	144,928,560	3,109,299,310
10/01/17	2,316,863,834	563,852,588	210,484,710	3,091,201,132	131,396,604	2,959,804,528
10/01/16	2,297,897,194	507,677,471	209,047,000	3,014,621,665	127,875,629	2,886,746,036
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

(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 10/01/2018). This revaluation was implemented in full in fiscal year 2019-20. (See "Assessments Practices" herein).

Source: Town Officials

LARGEST TAXPAYERS

The following table sets forth the ten largest taxpayers in the Town per the Grand List dated October 1, 2019:

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List Amount</u>
Griffin Land & Affiliates	Real Estate Development.....	\$ 91,038,640
Deka Immobilien Investment (Amazon).....	Distribution Center.....	90,132,814
Eversource.....	Electric Utility.....	78,160,783
Walgreens Eastern.....	Distribution Center.....	74,678,362
CIGNA.....	Insurance and Financial Services.....	66,266,003
Voya Retirement Insurance.....	Insurance and Financial Services.....	56,413,960
Dollar Tree Distribution Inc.....	Distribution Center.....	54,771,636
Hartford Financial Corp	Insurance and Financial Services.....	53,494,859
Cellco/Verizon Wireless.....	Telecommunications.....	43,508,035
Addison Property Owner.....	Information Technology.....	31,115,350
Total.....		<u>\$ 639,580,442 (1)</u>

(1) Represents 20.27% of the net taxable grand list of \$3,154,746,753 dated October 1, 2019.

Source: Town Officials.

EQUALIZED NET GRAND LIST

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2017	\$ 4,518,598,159	6.51%
2016	4,242,507,812	-4.45%
2015	4,440,057,842	4.25%
2014	4,259,039,357	5.21%
2013	4,047,961,669	0.54%
2012	4,026,160,993	0.00%
2011	4,026,157,221	0.56%
2010	4,003,835,033	-0.89%
2009	4,039,645,772	-5.96%
2008	4,295,760,010	-5.23%

[Remainder of this page intentionally left blank]

V. FINANCIAL INFORMATION

FISCAL YEAR

The Town's fiscal year begins July 1 and ends June 30.

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).

ANNUAL 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, 2019, 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 2018 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.

[Remainder of this page intentionally left blank]

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 3, 2020	Monday	Public Hearing by Town Council to hear budget requests from citizens.
March 27, 2020	Friday	Estimated receipts and expenditures submitted to Council by Town Manager and Board of Education. (Proposed Budget)
April 6, 2020	Monday	Public Hearing by Council to hear expression of public opinion regarding budget submitted to Council by Town Manager and Board of Education.
May 19, 2020 (1)	Tuesday	Annual Town Budget Referendum held; budget adopted.
June 1, 2020 (2)	Monday	Regular Town Council Meeting; Council sets tax rate.
June 22, 2020	Monday	Tax bill mailing completed.
June 30, 2020	Tuesday	End of Fiscal Year.
July 1, 2020	Wednesday	Taxes for fiscal year 2021 due and payable; fiscal year 2021 budget becomes effective.

- (1) Governor Ned Lamont issued a series of executive orders in March and April of 2020 in response to the coronavirus pandemic, that impacted the budget-making process. Among these, Executive Order 71, Section 13, mandated the elimination of any in-person voting requirements, including town meetings and budget referenda, for the purposes of adopting fiscal year 2020-2021 budgets and setting mill rates. Under Section 13 of this executive order, the legislative body of the town, which is the town council, is required to authorize the "budget-making authority" to adopt a budget and set a mill rate. Per CGS 7-381 and the town's charter, the town council is the budget-making authority. Therefore, the town council of the Town of Windsor was authorized to adopt a budget for FY 2020-2021 and did not refer the budget to a town referendum.
- (2) On Wednesday, April 29, 2020, the Town Council of the Town of Windsor adopted the FY 2020-2021 budget and set the mill rate at 33.11 mills.

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 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2015. The date of the Town's most recent actuarial valuation was July 1, 2019.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability.....	\$ 87,293,102	\$ 83,997,263	\$ 80,386,167	\$ 76,623,899	\$ 72,603,024
Plan fiduciary net position.....	<u>68,871,408</u>	<u>69,471,681</u>	<u>67,388,476</u>	<u>61,248,642</u>	<u>64,485,105</u>
Net pension liability.....	<u>\$ 18,421,694</u>	<u>\$ 14,525,582</u>	<u>\$ 12,997,691</u>	<u>\$ 15,375,257</u>	<u>\$ 8,117,919</u>
Plan fiduciary net position as a % of total pension liability.....	78.90%	82.71%	83.83%	79.93%	88.82%

The following represents the net pension liability of the Town, calculated using the discount rate of 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.000%	7.000%	8.000%
Net Pension Liability.....	\$ 28,619,543	\$ 18,421,694	\$ 10,138,314

Based upon a July 1, 2019 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)
2015	\$ 67,591,835	\$ 73,630,924	\$ 6,039,089	91.8
2016	68,342,306	77,373,867	9,031,561	88.3
2017	69,510,847	81,031,794	11,520,947	85.8
2018	70,846,138	84,771,674	13,925,536	83.6
2019 (1)	71,363,176	92,781,707	21,418,531	76.9

Schedule of Employer Contributions

Fiscal Year	Actuarial Determined Contribution	Actual Contribution	Percentage Contributed
2017	\$ 1,054,742	\$ 1,054,742	100.0
2018	1,196,328	1,196,328	100.0
2019	1,340,704	1,340,704	100.0
2020	1,516,196	1,516,196	100.0
2021 (1)	2,089,211	2,089,211	100.0

(1) Interest rate assumption was lowered from 7.125% to 7.0%.

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 ("CMERS"), 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 CMERS cost was \$890,049 for the fiscal year ending June 30, 2019. The Town is projecting \$1,115,730 for its share of the CMERS cost for fiscal year ending June 30, 2020 and is proposing \$1,235,240 for the fiscal year 2021 budget commencing on July 1, 2020.

In FY 2012, newly hired employees in the Public Works and Clerical Workers and Public Safety Dispatchers bargaining units as well as the non-affiliated employee group were required to participate in the Town of Windsor 401(a) defined contribution plan. The employee and employer contribution is 5.5% for Public Works and Clerical Workers bargaining unit members as of August 2016, and 5.5% for Public Safety Dispatchers bargaining unit members as of February 2017. Non-affiliated employees increased their contribution to 5.5% as of July 2017, with the employers share matching that amount.

The contribution rate for defined benefit plan participants in the non-affiliated town employee group, Public Safety Dispatchers bargaining unit employees and Public Works and Clerical Workers bargaining unit employees is currently 5%.

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 newly hired employees are required to contribute 5% of annual income.

The contribution rate for defined benefit plan participants is currently 4% of annual income for all Board of Education bargaining unit employees.

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, provided they have no other insurance available to them after retirement. 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 attempts to mitigate employee and retiree health care costs when negotiating with collective bargaining units. In order to be eligible for health insurance after retirement, employees from the three town bargaining units must not have other coverage available to them through a subsequent employer or a spouse. Retirees are able to select from the plans available to current employees at any given time, as they may change from time to time.

For retiree health insurance, employees in the Public Works and Clerical Workers bargaining unit hired prior to July 1, 2008 will pay the same percentage towards the allocation rate as active employees to a maximum of 25%. Employees hired after July 1, 2008 and before November 1, 2011 will pay the same percentage towards the allocation rate as active employees to a maximum of 25% for the retiree only coverage and 50% for the retiree's spouse, if eligible. Retirees hired after November 1, 2011 will pay the same percentage towards the allocation rate as active employees. If eligible, the spouse may elect to continue coverage at their own expense. The employee share of the allocation rate for health insurance for members of the Public Works and Clerical Workers bargaining unit has increased from 15% in fiscal year 2014 to 20% for fiscal year 2019, and the Town's contribution has decreased from 85% to 80%.

For employees in the Public Safety Dispatcher bargaining unit hired prior to January 1, 2007, the retiree will pay the same percentage towards the allocation rate as active employees to a maximum of 25%. Employees hired after January 1, 2007, and before July 1, 2011 will pay the same percentage towards the allocation rate as active employees to a maximum of 25% for retiree coverage only and 40% for the retiree's spouse, if eligible. Retirees hired after July 1, 2011, will pay the same percentage towards the allocation rate as active employees. If eligible, the spouse may elect to continue coverage at their own expense. Effective July 1, 2015, the employee share of the allocation rate for 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%. The employee share will increase to 19.5% in fiscal year 2018 and to 20% in fiscal year 2019.

Employees retiring from the Windsor Police Department Employees Association ("WPDEA") bargaining unit pay the same percentage towards the allocation rate for health insurance as active employees to a maximum of 25%. The employee share of the allocation rate for health insurance for members of the WPDEA bargaining unit has increased from 17% in fiscal year 2014 to 21% in fiscal year 2019, and the Town's allocation has decreased from 83% to 79%. The health insurance plan offered to members of the WPDEA and Public Safety Dispatchers bargaining units hired after November 2016 and February 2017, respectively, will be the high deductible health plan and the employee share of the allocation rate is 16% for fiscal year 2017 and the town share is 84%. For fiscal year 2018, WPDEA employee's share is 17% and is not expected to increase through FY21.

Non-affiliated retirees hired prior to 2009 and retiring after March 1, 2013, will pay the same percentage towards the allocation rate for health insurance as active employees to a maximum of 25%. Retirees who were hired after July 1, 2009 will pay 25% towards the allocation rate for retiree coverage only and 50% of the allocation rate for their spouse, if eligible. Retirees hired after March 1, 2013, will pay the same percentage towards the allocation rate as active employees. If eligible, the spouse may elect to continue coverage at their own expense.

The allocation rate cost share for non-affiliated employees increased from 18% to 19% in fiscal year 2016, and the Town's allocation rate cost share decreased from 82% to 81%. Unaffiliated employee's contribution increased to 20% for fiscal year 2018 for the PPO and HMO and the HDHP plan allocation rate share is 16%.

As of July 1, 2017, membership in the plan consisted of 652 active members and 202 retirees and dependents for a total of 854 members.

For fiscal year 2016-17, the Town implemented Government Accounting Standards Board's ("GASB") Statement No. 74. In accordance with GASB Statement No. 74, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town as of June 30 were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability.....	\$ 50,416,065	\$ 46,166,414	\$ 76,073,699
Plan fiduciary net position.....	<u>2,693,472</u>	<u>1,930,967</u>	<u>1,337,839</u>
Net OPEB liability.....	<u>\$ 47,722,593</u>	<u>\$ 44,235,447</u>	<u>\$ 74,735,860</u>
Plan fiduciary net position as a % of total OPEB liability.....	5.3%	4.2%	1.8%

The following represents the net OPEB liability of the Town, calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Net OPEB Liability.....	\$ 39,984,217	\$ 47,722,593	\$ 57,500,961

Based upon the July 1, 2017 actuarial valuation, the actuarial value of assets and actuarial liabilities for the OPEB plan were as follows:

Schedule of Funding Progress

<u>Actuarial</u> <u>Valuation</u> <u>July 1</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b) - (a)</u>	<u>Percentage</u> <u>Funded</u> <u>Ratio</u> <u>(a) / (b)</u>
2013 (1)	\$ -	\$ 71,595,156	\$71,595,156	0.0
2015	407,210	52,675,687	52,268,477	0.8
2017	1,337,839	76,073,699	74,735,860	1.8
2018	1,930,967	46,166,414	44,235,447	4.2
2019 (2)	2,693,472	50,416,065	47,722,593	5.3

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

(2) Commencing July 1, 2017 GASB 74 & 75 disclosures.

Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Actuarial Determined Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2015	\$ 6,299,617	\$ 2,595,904	41.2
2016	6,762,112	2,596,651	38.4
2017	4,883,931	2,410,939	49.4
2018	5,250,156	1,976,204	37.6
2019	3,360,296	2,226,427	66.3

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.

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 2015-2019, in "Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

PROPERTY TAX REVENUES

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Property Tax Revenues</u>	<u>Property Tax as a % of General Fund</u>
2021 (Adopted Budget) (1)	\$121,248,810	\$103,986,430	85.76
2020 (Estimated Actuals) (1)	118,719,040	100,237,450	84.43
2019	124,179,083	99,113,331	79.81
2018	126,314,052	94,339,805	74.69
2017	125,290,065	93,636,439	74.74
2016	114,990,555	89,012,808	77.41
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

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was \$11,234,150 in fiscal year 2018-19.

Source: Annual audited financial statements for fiscal years 2012-2019, estimated actuals for fiscal 2019-20 and the adopted budget for the fiscal year commencing July 1, 2020. (See "Budgetary Procedures" herein).

INTERGOVERNMENTAL REVENUES

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Intergovernmental Revenues</u>	<u>State Aid as a % of General Fund</u>
2021 (Adopted Budget) (1)	\$ 121,248,810	\$ 15,003,900	12.37
2020 (Estimated Actuals) (1)	118,719,040	14,756,800	12.43
2019	124,179,083	19,229,990	15.49
2018	126,314,052	27,626,039	21.87
2017	125,290,065	27,038,627	21.58
2016	114,990,555	21,906,514	19.05
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

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was \$11,234,150 in fiscal year 2018-19.

Source: Annual audited financial statements for fiscal years 2012-2019, estimated actuals for fiscal 2019-20 and the adopted budget for the fiscal year commencing July 1, 2020. (See "Budgetary Procedures" herein).

EXPENDITURES

<u>Fiscal Year</u>	<u>Education %</u>	<u>General Government %</u>	<u>Public Safety %</u>	<u>Public Works %</u>
2021 (Adopted Budget) (1)	59.40	17.81	9.00	5.44
2020 (Estimated Actuals) (1)	60.01	17.16	8.90	5.29
2019	66.27	12.56	9.79	6.02
2018	69.25	11.27	9.03	5.56
2017	69.63	11.42	8.98	5.23
2016	68.34	11.59	9.60	5.38
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

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was \$11,234,150 in fiscal year 2018-19.

Source: Annual audited financial statements for fiscal years 2012-2019, estimated actuals for fiscal 2019-20 and the adopted budget for the fiscal year commencing July 1, 2020. (See "Budgetary Procedures" herein).

MUNICIPAL BUDGET EXPENDITURES CAP

Connecticut General Statutes Section 4-661, as amended ("Section 4-661"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018 and each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the "expenditure cap"). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded. The 2019-2021 biennium budget legislation does not provide funding for the municipal revenue sharing grant in fiscal years ending June 30, 2020 and June 30, 2021 but provides that such funding will resume following June 30, 2021.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities.

COMPARATIVE GENERAL FUND OPERATING STATEMENT
(Budget and Actual – Budgetary Basis)

	Fiscal Year 2018-19			2019-20 Estimated Actuals	2020-21 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)		
Revenues					
Property Taxes.....	\$ 97,360,030	\$ 99,113,332	\$ 1,753,302	\$100,879,100	\$103,986,430
Licenses, Permits and Fees.....	625,960	1,266,280	640,320	632,510	730,710
Fines, Forfeitures and Penalties.....	36,000	35,008	(992)	35,000	34,000
Other Agencies.....	108,370	124,455	16,085	134,370	118,370
Intergovernmental.....	14,557,240	14,555,450	(1,790)	14,756,800	15,003,900
Revenues from Use of Assets.....	1,048,830	1,634,411	585,581	1,528,830	610,000
Charges for Services.....	583,500	1,094,734	511,234	918,000	765,400
Total Revenues.....	114,319,930	117,823,670	3,503,740	118,884,610	121,248,810
Expenditures					
Current:					
General Government.....	1,015,240	952,939	62,301	1,036,260	1,072,220
Safety Services.....	10,292,590	9,917,535	375,055	10,517,030	10,990,950
Public Works.....	6,190,570	5,898,204	292,366	6,250,660	6,650,610
Health Services.....	494,800	463,033	31,767	507,250	534,710
Human Services.....	943,520	918,878	24,642	890,270	442,160
Recreation and Leisure Services.....	1,193,220	1,190,257	2,963	1,632,440	2,080,890
Education.....	68,945,200	68,861,976	83,224	70,913,360	72,551,800
Town Support for Education.....	2,610,850	2,559,482	51,368	5,355,420	5,276,190
Library Services.....	1,678,840	1,640,776	38,064	1,717,420	1,765,470
Development Services.....	1,318,030	1,275,979	42,051	1,340,690	1,402,520
Information Services.....	491,270	474,865	16,405	539,630	563,930
Administrative Services.....	2,311,740	2,265,018	46,722	2,381,520	2,480,960
Community Development.....	-	-	-	103,800	102,980
General Services.....	7,200,220	7,178,667	21,553	14,981,440	16,233,420
Total Expenditures.....	104,686,090	103,597,609	1,088,481	118,167,190	122,148,810
Excess (deficiency) of revenues over expenditures.....	9,633,840	14,226,061	4,592,221	717,420	(900,000)
Other financing sources (uses)					
Operating transfers in.....	77,580	71,680	(5,900)	-	-
Operating transfers out.....	(10,611,420)	(10,627,920)	(16,500)	-	-
Use of fund balance.....	(650,000)	(650,000)	-	900,000	900,000
Total other financing sources (uses).....	(11,183,840)	(11,206,240)	(22,400)	900,000	900,000
Net change in budgetary fund balances...	<u>\$ (1,550,000)</u>	3,019,821	<u>\$ 4,569,821</u>	<u>\$ 1,617,420</u>	<u>\$ -</u>
Budgetary Fund Balance, beginning.....		23,807,490			
Budgetary Fund Balance, ending.....		<u>\$ 26,827,311</u>			

Source: Annual audited financial statements for fiscal year 2018-2019, estimated actuals for fiscal 2019-20 and the adopted budget for the fiscal year commencing July 1, 2020. (See "Budgetary Procedures" herein).

COMPARATIVE GENERAL FUND BALANCE SHEETS
Summary of Assets and Liabilities
(GAAP Basis)

Fiscal Year Ended:	2015	2016	2017	2018	2019
Assets					
Cash and cash equivalents.....	\$26,801,775	\$29,140,102	\$32,278,230	\$34,374,376	\$36,693,015
Receivables:					
Property taxes.....	1,090,958	1,380,972	1,150,539	1,122,036	962,832
Accounts receivable.....	564,352	348,830	394,222	316,822	137,445
Due from other funds.....	789,819	1,070,448	475,536	2,538,894	3,156,747
Prepays.....	-	-	628,000	9,830	-
Inventory.....	31,213	21,599	33,842	29,194	26,697
Total Assets.....	<u>\$29,278,117</u>	<u>\$31,961,951</u>	<u>\$34,960,369</u>	<u>\$38,391,152</u>	<u>\$40,976,736</u>
Liabilities					
Accounts payable and accrued liabilities.....	\$ 2,476,321	\$ 3,016,735	\$ 3,543,895	\$ 4,321,471	\$ 4,718,744
Due to other funds.....	-	-	55,196	-	-
Total Liabilities.....	<u>2,476,321</u>	<u>3,016,735</u>	<u>3,599,091</u>	<u>4,321,471</u>	<u>4,718,744</u>
Deferred Inflows of Resources					
Advance tax collections.....	2,248,521	3,355,856	5,107,301	5,343,654	4,706,108
Unavailable resources.....	926,393	1,196,929	1,087,015	960,447	788,936
Total Deferred Inflows of Resources	<u>3,174,914</u>	<u>4,552,785</u>	<u>6,194,316</u>	<u>6,304,101</u>	<u>5,495,044</u>
Fund Balances					
Nonspendable.....	31,213	21,599	661,842	39,024	26,697
Assigned.....	4,621,032	4,727,980	4,174,638	4,858,090	4,835,637
Unassigned.....	18,974,637	19,642,852	20,330,482	22,868,466	25,900,614
Total Fund Balances.....	<u>23,626,882</u>	<u>24,392,431</u>	<u>25,166,962</u>	<u>27,765,580</u>	<u>30,762,948</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$29,278,117</u>	<u>\$31,961,951</u>	<u>\$34,960,369</u>	<u>\$38,391,152</u>	<u>\$40,976,736</u>

Source: Annual audited financial statements.

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19
Nonspendable.....	\$ 31,213	\$ 21,599	\$ 661,842	\$ 39,024	\$ 26,697
Assigned.....	4,621,032	4,727,980	4,174,638	4,858,090	4,835,637
Unassigned.....	18,974,637	19,642,852	20,330,482	22,868,466	25,900,614
Total Fund Balance.....	<u>\$ 23,626,882</u>	<u>\$ 24,392,431</u>	<u>\$ 25,166,962</u>	<u>\$ 27,765,580</u>	<u>\$ 30,762,948</u>
Unassigned Fund Balance as % of Total Expenditures & Transfers.....	20.98%	21.34%	20.20%	22.34%	25.37%

Source: Annual audited financial statements.

COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES
Summary of Audited Revenues and Expenditures
(GAAP Basis)

Fiscal Year Ended:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues					
Property taxes.....	\$87,600,034	\$89,012,808	\$93,636,439	\$94,339,805	\$99,113,331
Charges for services.....	4,847,452	3,910,777	4,344,703	3,678,117	4,581,911
State and Federal governments.....	22,366,478	21,906,514	27,038,627	27,626,039	19,229,990
Investment income.....	123,805	160,456	270,296	670,091	1,253,851
Total Revenues.....	<u>114,937,769</u>	<u>114,990,555</u>	<u>125,290,065</u>	<u>126,314,052</u>	<u>124,179,083</u>
Expenditures					
Education.....	72,051,878	72,839,199	79,509,544	79,713,749	73,321,557
Public safety.....	10,149,394	10,228,327	10,251,732	10,399,750	10,836,755
Human services.....	1,359,207	1,373,878	1,419,877	1,487,679	1,473,415
Cultural and recreation	3,782,540	4,058,702	3,998,067	4,135,125	4,456,257
Public works.....	5,911,934	5,732,843	5,977,374	6,398,515	6,663,418
General government.....	11,528,544	12,354,861	13,040,132	12,972,718	13,891,463
Total Expenditures.....	<u>104,783,497</u>	<u>106,587,810</u>	<u>114,196,726</u>	<u>115,107,536</u>	<u>110,642,865</u>
Excess (deficiency) of revenues over expenditures.....	10,154,272	8,402,745	11,093,339	11,206,516	13,536,218
Other financing sources (uses)					
Operating transfers in.....	99,540	78,508	70,090	586,902	71,680
Operating transfers (out).....	<u>(7,816,760)</u>	<u>(7,715,704)</u>	<u>(10,388,898)</u>	<u>(9,194,800)</u>	<u>(10,610,530)</u>
Total other financing sources (uses)...	<u>(7,717,220)</u>	<u>(7,637,196)</u>	<u>(10,318,808)</u>	<u>(8,607,898)</u>	<u>(10,538,850)</u>
Net change in fund balances.....	2,437,052	765,549	774,531	2,598,618	2,997,368
Fund Balance - July 1.....	<u>21,189,830</u>	<u>23,626,882</u>	<u>24,392,431</u>	<u>25,166,962</u>	<u>27,765,580</u>
Fund Balance - June 30.....	<u>\$23,626,882</u>	<u>\$24,392,431</u>	<u>\$25,166,962</u>	<u>\$27,765,580</u>	<u>\$30,762,948</u>

Source: Annual audited financial statements; Town Officials.

[The remainder of this page intentionally left blank]

VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of June 25, 2020 (Pro Forma)

Long-Term Debt: Bonds

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 6/25/20</u>	<u>Date of Fiscal Year Maturity</u>
<u>General Purpose</u>					
5/2/2012	General Purpose	2.00	\$ 4,490,000	\$ 365,000	2024
5/1/2013	General Purpose	1.25 - 2.00	4,085,000	1,708,000	2025
4/29/2014	General Purpose	2.00 - 3.00	3,690,000	1,470,000	2024
6/26/2014	Refunding - General Purpose	2.00 - 4.00	3,355,000	1,955,000	2023
6/24/2015	General Purpose	2.00 - 2.50	3,165,000	1,830,000	2027
6/23/2016	General Purpose	2.00	3,755,000	2,505,000	2028
5/4/2017	Refunding - General Purpose	2.00 - 4.00	5,657,000	2,277,000	2024
6/1/2017	General Purpose	2.00 - 4.00	4,260,000	3,621,000	2037
6/28/2018	General Purpose	2.00 - 5.00	3,135,000	2,745,000	2033
6/27/2019	General Purpose	2.00 - 5.00	8,085,000	7,681,000	2039
6/25/2020	General Purpose	2.00 - 5.00	14,140,000	14,140,000	2040
			\$ 57,817,000	\$ 40,297,000	
<u>Schools</u>					
5/1/2013	Schools	1.25 - 2.00	950,000	397,000	2025
4/29/2014	Schools	2.00 - 3.00	1,330,000	550,000	2024
6/26/2014	Refunding - Schools	2.00 - 4.00	915,000	520,000	2023
6/24/2015	Schools	2.00 - 2.50	2,205,000	1,290,000	2027
6/23/2016	Schools	2.00	530,000	340,000	2028
5/4/2017	Refunding - Schools	2.00 - 4.00	1,685,000	938,000	2024
6/1/2017	Schools	2.00 - 4.00	3,568,000	1,439,000	2037
6/28/2018	Schools	2.00 - 5.00	3,630,000	3,120,000	2033
6/27/2019	Schools	2.00 - 5.00	1,915,000	1,819,000	2039
6/25/2020	Schools	2.00 - 5.00	1,430,000	1,430,000	2040
			\$ 18,158,000	\$ 11,843,000	
	Total		\$ 75,975,000	\$ 52,140,000	

Short-Term Debt: Notes

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 6/25/20</u>	<u>Date of Maturity</u>
<u>General Purpose</u>					
6/25/2020	General Purpose	2.000	\$ 12,500,000	\$ 12,500,000	6/24/2021
	Total		\$ 12,500,000	\$ 12,500,000	

**COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
GENERAL FUND AND ENTERPRISE FUND**

As of June 25, 2020
(Pro Forma)

Fiscal Year	Existing Indebtedness			This Issue Principal	All Issues Total Principal (1)
	Principal Payments (1)	Interest Payments	Total Debt Service (1)		
2020 (1)	\$ 6,520,000	\$ 1,178,904	\$ 7,698,904	\$ -	\$ 6,520,000
2021	5,590,000	986,650	6,576,650	780,000	6,370,000
2022	4,480,000	827,605	5,307,605	780,000	5,260,000
2023	4,435,000	691,805	5,126,805	780,000	5,215,000
2024	3,455,000	576,025	4,031,025	780,000	4,235,000
2025	2,475,000	489,513	2,964,513	780,000	3,255,000
2026	2,050,000	427,331	2,477,331	780,000	2,830,000
2027	2,020,000	381,656	2,401,656	780,000	2,800,000
2028	1,600,000	333,550	1,933,550	780,000	2,380,000
2029	1,250,000	295,575	1,545,575	780,000	2,030,000
2030	1,250,000	263,950	1,513,950	780,000	2,030,000
2031	1,255,000	230,200	1,485,200	780,000	2,035,000
2032	1,255,000	195,675	1,450,675	780,000	2,035,000
2033	1,255,000	160,525	1,415,525	780,000	2,035,000
2034	800,000	124,750	924,750	780,000	1,580,000
2035	800,000	102,000	902,000	780,000	1,580,000
2036	800,000	78,000	878,000	780,000	1,580,000
2037	800,000	54,000	854,000	780,000	1,580,000
2038	500,000	30,000	530,000	780,000	1,280,000
2039	500,000	15,000	515,000	780,000	1,280,000
2040	-	-	-	750,000	750,000
	<u>\$ 43,090,000</u>	<u>\$ 7,442,714</u>	<u>\$ 50,532,714</u>	<u>\$ 15,570,000</u>	<u>\$ 58,660,000</u>

(1) Does not reflect principal payments of \$6,520,000 made as of June 25, 2020.

Source: Annual audit financial statements.

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

OVERLAPPING AND UNDERLYING INDEBTEDNESS

Metropolitan District Commission:

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

Amount of Outstanding Debt	Less Exclusions (1)	Total Net Overlapping Debt	Applicable % of Net Debt Charged to Town	Town Net Overlapping Debt (2)
\$1,421,160,447	\$510,009,240	\$ 911,151,207	8.96%	\$ 81,639,148

(1) Debt for water purposes or supply of electricity. The District has issued \$225.0 million in Clean Water Project Revenue Bonds. The bonds are being repaid from a portion of the Special Sewer Service Surcharge and are not a general obligation of the District.

(2) As of March 31, 2020.

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under the Connecticut General Statutes to provide water and sanitary sewer services to its eight member towns and certain non-member towns. Water services and charges for services related to the Clean Water Project are provided directly by the MDC and billed to the users.

The MDC was cited by the U.S. Environmental Protection Agency ("USEPA") and the United States Department of Justice ("USDOJ") for overflows from the sewer systems in West Hartford, Newington, Wethersfield, Rocky Hill and Windsor. The MDC was fined \$850,000 and signed a Consent Decree to cease all overflows within 12 years. The MDC also negotiated a Consent Order with the Connecticut Department of Energy & Environmental Protection ("CTDEEP") to control the Combined Sewer Overflows ("CSO") located in the Hartford sewer system within 15 years (by the year 2021).

The MDC has conducted studies of the CSO under the direction of the CTDEEP. A plan for abating these pollution sources, called the Clean Water Project, has been prepared by consultants to the MDC. The plan combines several abatement approaches including: new sewers, removal of storm water flows during storm events, and additional treatment capacity. Completion of these system improvements will require a construction program of at least 15 years. Significant abatement can also be achieved by individual homeowners disconnecting roof leaders, sump pumps and yard drains.

On November 7, 2006 and November 6, 2012, voters in the eight member towns approved referenda authorizing the issuance of \$1.6 million in bonds to finance the Clean Water Project. In addition, the MDC received a \$240 million grant commitment from the State of Connecticut for the Project which is over and above the \$1.6 million referenda amounts. The MDC is pursuing state funding from the State of Connecticut's Clean Water Fund Program and federal funding to assist with the cost of the project. The Clean Water Project Charge for customers of the MDC who utilize the District sewer system and are furnished water directly by the MDC. The proceeds from the Clean Water Project Charge will be used exclusively for costs relating to the Project. These include the payment of the principal and interest on certain bonds issued or which may be issued and other loans, as well as State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project.

Great Pond Improvement District:

Great Pond Improvement District (the "District") was created pursuant to a Special Act and encompasses approximately 653 acres in the Town. The Special Act establishes the territorial boundaries of the District, procedures for creating the District, the powers enumerated to the District, including the power to issue bonds and levy special benefit assessments, and the use of bond proceeds and benefit assessments to fund public improvements for the District. The Special Act permits the District to issue bonds in an aggregate amount up to \$140,000,000, in one or more series. Any debt issued by the District is NOT debt of the Town or a pledge of the full faith and credit of the Town but shall be payable solely by the District.

The District is a master-planned development located in the Town with approximately 302 acres of park and conservation land, providing a contemplated walkable, mixed-use village center for the District, the Town and the surrounding region. Within the District, Great Pond Village is a master-planned, mixed-use community which is permitted for up to 1,200 residential units (including market-rate apartments, senior housing and for sale condominiums and townhomes). Additionally, Great Pond Village's master plan calls for up to 40,000 square feet of retail space comprised of restaurants, cafes and shops, 600,000 square feet of research and development and commercial space, 128,000 square feet of community use space, and up to 1,000,000 square feet of industrial use space. Great Pond Village is expected to be developed in multiple phases over a period of 10 to 15 years. Phase I of the project consists of 230 units of market rate housing and valued at approximately \$20,000,000 is currently under construction and is scheduled to be completed in the fall of 2020.

In April 2012, the Town and the District entered into an Interlocal Agreement. Pursuant to the provisions of the Interlocal Agreement, upon the collection by the tax collector of the Town of any real and personal property tax revenues with respect to the District Property, the Town shall receive first its non-incremental tax revenues. All tax incremental revenues shall be split 50% / 50% with, 50% being paid to the Town for its general use and 50% being deposited in the Special District Fund, which shall be transferred to the District to pay the Debt Service Requirements and the Administrative Expenses of the District. The District has authorized the issuance of \$131,425,000 of special revenue bonds.

Fire Districts:

Windsor has two underlying special tax districts, Wilson Fire District and Windsor Fire District. As of June 30, 2019, the Windsor Fire District and the Wilson Fire District have no outstanding debt.

DEBT STATEMENT

As of June 25, 2020

(Pro Forma)

Long-Term Indebtedness (1)	
The Bonds (This Issue).....	\$ 15,570,000
General Purpose.....	26,157,000
Schools.....	<u>10,413,000</u>
Total Long-Term Indebtedness.....	52,140,000
Short-Term Indebtedness	
The Notes (This Issue).....	<u>12,500,000</u>
Total Direct Indebtedness.....	64,640,000
Exclusions	<u>-</u>
Total Net Direct Indebtedness.....	64,640,000
Total Underlying and Net Overlapping Indebtedness (2)...	<u>90,214,148</u>
Total Net Direct and Net Overlapping Indebtedness.....	<u>\$ 154,854,148</u>

- (1) Does not include \$6,900,000 of authorized but unissued debt. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.
- (2) Does not include co-terminus Great Pond Improvement District (the "District") debt. Although included in the calculation of the Town's statutory debt limit, debt issued by the District is NOT debt of the Town and is not a pledge of the full faith and credit of the Town but shall be payable solely by the District. The District issued \$8,575,000 Special Obligation Revenue Bonds, 2019 Series (Great Pond Phase I Project) on or about July 9, 2019. (See "Overlapping and Underlying Indebtedness" – "Great Pond Improvement District" herein). Includes MDC debt as of March 31, 2020. (See "Overlapping and Underlying Indebtedness" herein).

CURRENT DEBT RATIOS

As of June 25, 2020

(Pro Forma)

Total Direct Indebtedness.....	\$ 64,640,000
Total Net Direct Indebtedness.....	\$ 64,640,000
Total Net Direct and Net Overlapping Indebtedness.....	\$ 154,854,148
Population (1).....	28,917
Net Taxable Grand List (10/1/19).....	\$3,154,685,021
Estimated Full Value.....	\$4,506,692,887
Equalized Net Taxable Grand List (2017) (2).....	\$4,518,598,159
Per Capita Income (2018) (1).....	\$ 39,725
Total Direct Indebtedness:	
Per Capita.....	\$2,235.36
To Net Taxable Grand List	2.05%
To Estimated Full Value	1.43%
To Equalized Net Taxable Grand List.....	1.43%
Per Capita to Per Capita Income.....	5.63%
Total Net Direct Indebtedness:	
Per Capita.....	\$2,235.36
To Net Taxable Grand List.....	2.05%
To Estimated Full Value.....	1.43%
To Equalized Net Taxable Grand List.....	1.43%
Per Capita to Per Capita Income.....	5.63%
Total Net Direct and Net Overlapping Indebtedness:	
Per Capita.....	\$5,355.12
To Net Taxable Grand List.....	4.91%
To Estimated Full Value.....	3.44%
To Equalized Net Taxable Grand List.....	3.43%
Per Capita to Per Capita Income.....	13.48%

- (1) U.S. Department of Commerce, 2013-2018 American Community Survey.
- (2) Office of Policy and Management, State of Connecticut.

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 an organized and methodical approach to add or replace capital items for each department within the General Government and Board of Education. The proposed 2021-2026 plan includes projects totaling \$68,169,720. A copy of the most recent capital improvement program is available from the Town Manager's Office.

SCHOOL BUILDING GRANT REIMBURSEMENT

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.

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds or notes which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Pension Liability Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The CGS also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

STATEMENT OF STATUTORY DEBT LIMITATION
As of June 25, 2020
(Pro Forma)

Total Fiscal Year 2019 tax collections (including interest and lien fees)	\$ 104,291,687
State Reimbursement for Revenue Loss on:	
Tax Relief for the Elderly	-
Base for Establishing Debt Limit	<u>\$ 104,291,687</u>

<u>Debt Limitation</u>	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$ 234,656,296					
(4.50 times base).....		\$ 469,312,592				
(3.75 times base).....			\$ 391,093,826			
(3.25 times base).....				\$ 338,947,983		
(3.00 times base).....					\$ 312,875,061	
(7.00 times base).....						\$ 730,041,809
Indebtedness (Including the Bonds and the Notes)						
Bonds Payable.....	\$ 26,157,000	\$ 10,413,000	\$ -	\$ -	\$ -	\$ 36,570,000
The Bonds (This Issue).....	14,140,000	1,430,000	-	-	-	15,570,000
The Notes (This Issue).....	12,500,000	-	-	-	-	12,500,000
Overlapping and						
Underlying Debt (1).....	8,575,000	-	81,639,148	-	-	90,214,148
Authorized but						
Unissued Debt.....	6,900,000	-	-	-	-	6,900,000
Total Indebtedness	<u>68,272,000</u>	<u>11,843,000</u>	<u>81,639,148</u>	<u>-</u>	<u>-</u>	<u>161,754,148</u>
School Grants Receivable.....	-	-	-	-	-	-
Total Net Indebtedness.....	<u>68,272,000</u>	<u>11,843,000</u>	<u>81,639,148</u>	<u>-</u>	<u>-</u>	<u>161,754,148</u>
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	<u>\$ 166,384,296</u>	<u>\$ 457,469,592</u>	<u>\$ 309,454,678</u>	<u>\$ 338,947,983</u>	<u>\$ 312,875,061</u>	<u>\$ 568,287,661</u>

(1) The District issued \$8,575,000 Special Obligation Revenue Bonds, 2019 Series (Great Pond Phase I Project) on or about July 9, 2019. (See "Overlapping and Underlying Indebtedness" – "Great Pond Improvement District" herein). Includes MDC debt as of March 31, 2020. (See "Overlapping and Underlying Indebtedness" herein).

[The remainder of this page intentionally left blank]

AUTHORIZED BUT UNISSUED DEBT

Projects	Amount Authorized	Prior Bonds	Notes Payable	The Bonds (This Issue)	The Notes (This Issue)	Authorized But Unissued
Public Safety Complex Renovation.....	\$ 33,900,000	\$2,530,000	\$ 11,970,000	\$ 11,970,000	\$ 12,500,000	\$ 6,900,000
Fire Pumper Engine Replacement.....	340,000	-	-	340,000	-	-
Moorland / Lennox Ave. Stair Replacement.....	175,000	-	-	175,000	-	-
Stormwater Management Improvements.....	325,000	-	-	325,000	-	-
Island Rd/ Reconstruction and Batchelder Rd. Repaving...	345,000	-	-	345,000	-	-
Poquonock School Parking Lot Improvements.....	560,000	-	-	560,000	-	-
Public Works Facility Improvements.....	690,000	-	-	690,000	-	-
Northwest Park Facility Improvements.....	295,000	-	-	295,000	-	-
Windsor High School Tennis Courts Restoration.....	870,000	-	-	870,000	-	-
Total.....	\$ 37,500,000	\$2,530,000	\$ 11,970,000	\$ 15,570,000	\$ 12,500,000	\$ 6,900,000

HISTORICAL DEBT STATEMENT

	2018-19	2017-18	2016-17	2015-16	2014-15
Population (1).....	28,917	28,917	28,917	28,917	28,917
Net taxable grand list.....	\$3,109,299,310	\$2,924,298,305	\$2,924,298,305	\$2,849,933,303	\$2,838,103,716
Estimated full value.....	\$4,441,856,157	\$4,177,569,007	\$4,177,569,007	\$4,071,333,290	\$4,054,433,880
Equalized net taxable grand list (2)...	\$4,518,598,159	\$4,242,507,812	\$4,440,057,842	\$4,259,039,357	\$4,047,961,669
Per capita income (1).....	\$ 39,725	\$ 39,725	\$ 39,725	\$ 39,725	\$ 39,725
Short-term debt.....	\$ 11,970,000	\$ -	\$ -	\$ 450,000	\$ 420,000
Long-term debt.....	\$ 43,090,000	\$ 39,105,000	\$ 38,340,000	\$ 38,520,000	\$ 39,765,000
Total Direct Indebtedness.....	\$ 55,060,000	\$ 39,105,000	\$ 38,340,000	\$ 38,970,000	\$ 40,185,000
Net Direct Indebtedness.....	\$ 55,060,000	\$ 39,105,000	\$ 38,340,000	\$ 38,970,000	\$ 40,185,000
Net Direct and Net Overlapping Indebtedness.....	\$ 145,274,148	\$ 125,602,550	\$ 121,668,020	\$ 118,862,703	\$ 91,995,896

(1) U.S. Department of Commerce, 2014-2018 American Community Survey.

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

[The remainder of this page intentionally left blank]

HISTORICAL DEBT RATIOS

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Total Direct Indebtedness:					
Per capita.....	\$1,904.07	\$1,352.32	\$1,325.86	\$1,347.65	\$1,389.67
To net taxable grand list.....	1.77%	1.34%	1.31%	1.37%	1.42%
To estimated full value.....	1.24%	0.94%	0.92%	0.96%	0.99%
To equalized net taxable grand list.....	1.22%	0.92%	0.86%	0.91%	0.99%
Debt per capita to per capita income.....	4.79%	3.40%	3.34%	3.39%	3.50%
Net Direct Indebtedness:					
Per capita.....	\$1,904.07	\$1,352.32	\$1,325.86	\$1,347.65	\$1,389.67
To net taxable grand list.....	1.77%	1.34%	1.31%	1.37%	1.42%
To estimated full value.....	1.24%	0.94%	0.92%	0.96%	0.99%
To equalized net taxable grand list.....	1.22%	0.92%	0.86%	0.91%	0.99%
Debt per capita to per capita income.....	4.79%	3.40%	3.34%	3.39%	3.50%
Net Direct and Net Overlapping Indebtedness:					
Per capita.....	\$5,023.83	\$4,343.55	\$4,207.49	\$4,110.48	\$3,181.38
To net taxable grand list.....	4.67%	4.30%	4.16%	4.17%	3.24%
To estimated full value.....	3.27%	3.01%	2.91%	2.92%	2.27%
To equalized net taxable grand list.....	3.22%	2.96%	2.74%	2.79%	2.27%
Debt per capita to per capita income.....	12.65%	10.93%	10.59%	10.35%	8.01%

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND
EXPENDITURES AND TRANSFERS OUT**

<u>Fiscal Year Ended 6/30</u>	<u>Annual Debt Service</u>	<u>Total General Fund Expenditures and Transfers out</u>	<u>Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %</u>
2021 (1)	\$ 8,461,230	\$ 122,148,810	6.93%
2020 (1)	7,789,930	118,167,190	6.59%
2019	7,067,791	121,253,395	5.83%
2018	6,927,469	124,302,336	5.57%
2017	6,714,205	124,585,624	5.39%
2016	6,672,435	114,303,514	5.84%
2015	6,201,403	112,600,257	5.51%
2014	6,135,301	110,038,240	5.58%

(1) Estimated actuals for fiscal year 2019-20 and adopted budget for fiscal year 2020-21.

[The remainder of this page intentionally left blank]

VII. LEGAL AND OTHER LITIGATION

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.

MUNICIPAL ADVISOR

The Town has retained Hilltop Securities Inc. (the “Municipal Advisor”) to serve as its municipal advisor in connection with the issuance of the Bonds and Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond and Note proceeds.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND THE NOTES

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened effecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the Town Manager and the Finance Director, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify to the best of said officials' knowledge and belief, that at the time bids were accepted on the Bonds and the Notes, the descriptions and statements in the Official Statement relating to the Town of Windsor and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the 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 prices of the Bonds and the Notes;
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut substantially in the form attached as Appendix B;
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 and the Notes a reasonable number of copies of the Official Statement, as prepared by the Town.

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

CONCLUDING STATEMENT

Additional information concerning the Town and this issue may be obtained upon request from the office of the Finance Director at (860) 285-1936 or from Hilltop Securities at (860) 290-3001.

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

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

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

TOWN OF WINDSOR, CONNECTICUT

/s/ PETER P. SOUZA

BY: PETER P. SOUZA
Town Manager

/s/ JAMES R. BOURKE

BY: JAMES R. BOURKE
Finance Director

Dated: June 11, 2020

APPENDIX A – FINANCIAL STATEMENTS

TOWN OF WINDSOR, CONNECTICUT

TABLE OF CONTENTS

JUNE 30, 2019

	<u>Page</u>
<i>Independent Auditors' Report</i>	1
<i>Management Discussion and Analysis</i>	3
 <u>Basic Financial Statements</u> 	
Statement of Net Position (Deficits)	15
Statement of Activities	16
Balance Sheet – Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Position (Deficits) – Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits) - Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22
Statement of Fiduciary Net Position – Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	24
Notes to Financial Statements.	25
Required Supplementary Information	77

Appendix A – Financial Statements – is taken from the Annual Financial Report of the Town of Windsor for the Fiscal Year ending June 30, 2019 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.



RSM US LLP

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, 2019, 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 as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, the pension and OPEB related schedules 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.

Other 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, under separate cover, our report dated December 27, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's 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 27, 2019

**Town of Windsor, Connecticut
Management's Discussion and Analysis- unaudited
June 30, 2019**

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 for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the Town's basic financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources resulting in total net position at the close of the fiscal year of \$34.4 million. Total net position for Governmental Activities at fiscal year-end was \$43.5 million, which was \$4.1 million lower from the FY 18 net position. Total net position (deficit) for Business-Type Activities was (\$9.0) million, which was an increase of \$0.2 million from FY 18. The net position change for Business-Type Activities is due to a \$0.7 million decrease in post-closure liability costs for the landfill.
- Government-wide expenses were \$139.2 million, which is an increase of \$8.4 million as compared to FY 18. Government-wide revenues were \$134.9 million, which is a decrease of \$4.7 million as compared to FY 18.
- At the close of the year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$52.1 million, an increase of \$5.5 million from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$30.8 million, an increase of \$3 million from the prior fiscal year. Of the total General Fund balance as of June 30, 2019, \$25.9 million represents unassigned fund balance. Unassigned fund balance at year-end represents 21.4% of total FY 19 General Fund expenditures and transfers out and 21.8% of FY 20 adopted budgeted expenditures. FY19 expenditures include the state teachers' retirement and Other Post-Employment Benefits (OPEB) payment of \$17.9 million made by the State Department of Education on behalf of the town and the FY20 budget does not.

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'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.

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 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 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 include the Landfill, Resident Transfer Station, 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 (deficits) 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 Non-Major Governmental Funds. Non-Major Governmental Funds for the Town include the Community Development Block Grant Fund, Cafeteria Fund, Educational Grant Programs, J. Bartash Trust Fund, Treehouse Fund, Debt Service Fund, Other Special Revenue Fund and Open Space Fund. The report provides individual fund data for each of these non-major governmental funds in the combining balance sheet on pages 92-93 and in the combining statement of revenues, expenditures and changes in fund balances on pages 94-95.

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 statement of revenues, expenditures and changes in budgetary fund balance – budgetary basis – budget and actual – general fund can be found on page 87.

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 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 uses enterprise funds to account for its landfill post-closure activities, Resident Transfer Station, Child Development Center, and the Caring Connection Adult Day Care.

Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the Town's various functions. The Town 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. The report combines the Milo Peck Child Development Center, the Caring Connection Adult Day Care Center, and the Resident Transfer Station into the non-major funds of the Town. 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 Defined Benefit Retirement Trust Fund, one OPEB 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 on 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 on pages 25-75 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 (deficits) 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 \$43.5 million on June 30, 2019, which was a decrease of \$4.1 million from the beginning net position of \$47.6 million.

TOWN OF WINDSOR CONNECTICUT SUMMARY STATEMENT OF NET POSITION (DEFICIT) (\$000's) June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018-19
Current and other assets	\$ 91,471	\$ 77,529	\$ 25,389	\$ 26,139	\$ 116,860	\$ 103,668	12.7%
Capital assets, net of accumulated depreciation	113,535	108,483	159	96	113,694	108,579	4.7%
Total Assets	205,006	186,012	25,548	26,235	230,554	212,247	8.6%
Deferred outflows of resources	12,041	5,627	-	-	12,041	5,627	114.0%
Current liabilities	21,393	9,830	403	171	21,796	10,001	117.9%
Long-term liabilities outstanding	121,698	99,664	34,182	34,881	155,880	134,545	15.9%
Total Liabilities	143,091	109,494	34,585	35,052	177,676	144,546	22.9%
Deferred Inflows of resources	30,489	34,542	-	-	30,489	34,542	-11.7%
Net Position (Deficits):							
Net investment in capital assets	73,144	71,042	159	96	73,303	71,138	3.0%
Restricted	4,102	6,810	-	-	4,102	6,810	-39.8%
Unrestricted	(33,779)	(30,249)	(9,196)	(8,913)	(42,975)	(39,162)	9.7%
Total Net Position (Deficits)	\$ 43,467	\$ 47,603	\$ (9,037)	\$ (8,817)	\$ 34,430	\$ 38,786	-11.2%

At the end of the current fiscal year, the Town is able to report positive balances of \$34.4 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.

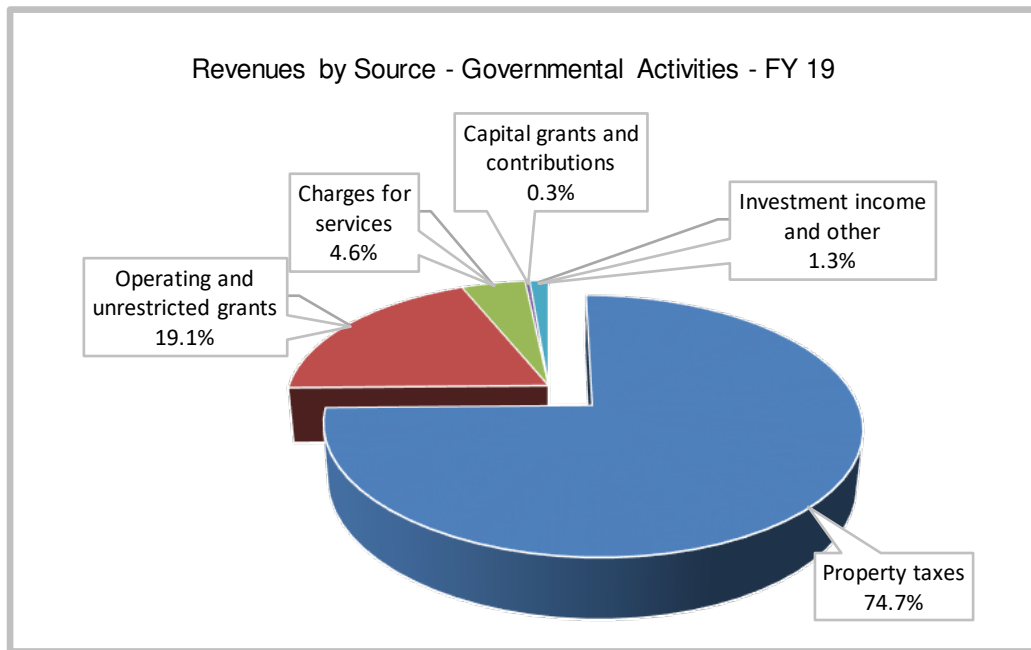
A large portion of the Town's net position (deficits) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt that is still outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens, and consequently, these assets are not available for future spending. Although the Town'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. Consequently, these assets are not available for future spending.

TOWN OF WINDSOR CONNECTICUT
SUMMARY STATEMENT OF ACTIVITIES (\$000's)
For the Years Ended June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018-19</u>
Revenues							
Program revenues							
Charges for services	\$ 6,025	\$ 5,068	\$ 1,685	\$ 1,746	\$ 7,710	\$ 6,814	13.1%
Operating grants and contributions	23,304	31,211	324	19	23,628	31,230	-24.3%
Capital grants and contributions	452	4,088	-	-	452	4,088	-88.9%
General Revenues							
Property taxes	98,946	94,276	-	-	98,946	94,276	5.0%
Grants not restricted to specific programs	1,923	1,815	-	-	1,923	1,815	6.0%
Miscellaneous	182	326	-	-	182	326	-44.2%
Unrestricted investment earnings	1,581	775	432	254	2,013	1,029	95.6%
Total revenues	132,413	137,559	2,441	2,019	134,854	139,578	-3.4%
Expenses							
General government	14,158	13,095	-	-	14,158	13,095	8.1%
Culture and recreation	5,163	4,798	-	-	5,163	4,798	7.6%
Human services	2,069	2,046	-	-	2,069	2,046	1.1%
Public works	7,615	7,350	-	-	7,615	7,350	3.6%
Education	84,241	88,865	-	-	84,241	88,865	-5.2%
Public safety	22,391	11,959	-	-	22,391	11,959	87.2%
Interest expense	907	905	-	-	907	905	0.2%
Landfill	-	-	984	91	984	91	981.3%
Child development	-	-	1,116	1,080	1,116	1,080	3.3%
Adult caring connection	-	-	384	389	384	389	-1.3%
Resident Transfer Station	-	-	182	201	182	201	-9.5%
Other	-	-	-	-	-	-	-
Total expenses	136,544	129,018	2,666	1,761	139,210	130,779	6.4%
Excess (deficit) of revenues over (under) expenses before transfers	(4,131)	8,541	(225)	258	(4,356)	8,799	-149.5%
Transfers	(5)	74	5	(74)	-	-	0.0%
Change in net position (deficit)	(4,136)	8,615	(220)	184	(4,356)	8,799	-149.5%
Net Position (deficits)- Beginning	47,603	38,988	(8,817)	(9,001)	38,786	29,987	29.3%
Net position (deficits) Ending	\$ 43,467	\$ 47,603	\$ (9,037)	\$ (8,817)	\$ 34,430	\$ 38,786	-11.2%

Governmental Activities

Approximately 74.7% of revenues and transfers in were derived from property taxes, followed by 19.1% from operating and unrestricted grants, 4.6% from charges for services, 0.3% from capital grants and contributions, and 1.3% from investment earnings and other miscellaneous revenue sources.



Major revenue factors included:

- Property tax revenues in FY 19 totaled \$98.9 million, which represents an increase of \$4.6 million or 4.9% over FY 18 tax revenues. This was in part due to the biennial tax sale that contributed \$593 thousand. The Town's FY 19 mill rate for real estate and personal property was 32.96 mills. The Town's collection rate on the current adjusted levy (real estate, personal property and motor vehicle) was budgeted at 98.8% as compared to the prior year's rate of 99.00% (real estate and personal property only).
- Operating grants and contributions decreased by \$7.9 million due to a decrease in the on behalf payments for the Teachers' Retirement Health Insurance Plan in FY 19.
- Capital grants and contributions decreased by \$3.6 million mostly due to receiving grant funds associated with road rehabilitation projects last year.
- Charges for services increased \$957 thousand from the prior year. This is mostly due to an increase in revenues for building permits and conveyance fees.
- Investment income and other miscellaneous revenues increased \$662 thousand or 60% versus what was received in FY 18 and is mostly due to the higher interest rate environment.

For Governmental Activities in FY 19, approximately 61.7% of the Town's expenses relate to education (vs. 68.9% in FY 18), 10.4% (vs. 10.1% in FY 18) to general government, 16.4% (vs. 9.3% in FY 18) relate to public safety, 5.6% (vs. 5.7% in FY 18) relate to public works, 3.8% (vs. 3.7% in FY 18) to culture and recreation, 1.5% (vs. 1.6% in FY 18) to human services, and 0.6% (vs. 0.7% in FY 18) 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 costs.

Major expense factors included:

- Education expenses decreased \$4.6 million from FY 18 mostly due to the decrease in the on behalf payment for the Teachers' Retirement Health Insurance Plan.
- Public Safety expenses increased \$10.4 million due to an increase in the Town's proportion of the net pension liability in the State of Connecticut (State) Municipal Employees Retirement System (CMERS) defined benefit pension plan.

Business-Type Activities

- The Business-Type Activities net deficit increased by \$219 thousand during FY 19. This is due mostly to the Landfill's closure costs.
- The Resident Transfer Station expenditures decreased \$19 thousand or 9.6% mostly due to savings in outside services.
- Child Development's FY 19 net position increased \$3 thousand and the Caring Connection Adult Day Care's net position decreased \$60 thousand.

Financial Analysis of the Fund Financial Statements

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

Governmental funds - The focus of the Town'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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available to provide flexibility and meet future obligations.

As of June 30, 2019, the Town's governmental funds reported combined ending fund balances of \$52.1 million, an increase of \$5.6 million from \$46.5 million the previous year. This is primarily due to additional revenue collections and expenditure savings in the General Fund, as well as unspent borrowing proceeds in the Capital Projects Fund's restricted fund balance which were greater than the amount from the same time period one year prior. The General Fund unassigned fund balance comprises 49.7% of the total fund balance. The remainder of the fund balance is considered either nonspendable, restricted, committed, or assigned as defined by GASB Statement No. 54 fund balance definitions. These fund balance definitions can be found in Note 1 of the notes to the financial statements.

The General Fund is the chief operating fund of the Town. As of June 30, 2019, the unassigned fund balance for the General Fund was \$25.9 million, while total fund balance was \$30.8 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 23.4% of total General Fund expenditures of \$111 million, while total fund balance represents 27.8% of that same amount.

The Capital Projects Fund had a total fund balance of \$14.2 million, which is an increase of \$1.7 million from a balance of \$12.5 million in FY 18. As stated previously, this is primarily due to unspent borrowing proceeds in the Capital Projects Fund restricted fund balance due to the FY 19 bond issue occurring late in the fiscal year. The assigned fund balance of the Capital Projects Fund was \$690 thousand on June 30, 2019.

Proprietary funds. The Town'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 \$(9.9) million with unrestricted net position (deficits) of approximately \$(10.1) million as compared to \$(9.7) million and \$(9.8) million, respectively, in the prior year. The Landfill Enterprise Fund change in net position (deficits) is \$(259) thousand for the year as compared with a change in net position (deficits) of \$154 thousand in the prior year. As noted before, the Landfill discontinued accepting municipal solid waste (MSW) on June 30, 2014 and has since been converted to a transfer station facility for residents.

General Fund Budgetary Highlights

Actual revenues on a budgetary basis were approximately \$117.8 million. This amount exceeded budgeted amounts by approximately \$3.5 million. The major revenue variances were:

- Total General Property Tax collections in excess of budget by \$1.8 million mostly due to current levy collections in excess of \$737 thousand in addition to a biennial tax sale resulting in \$593 thousand.
- Building permit fee collections exceeded budget by \$617 thousand and were due mostly to new commercial and residential construction.
- Interest income exceeded budget by \$575 thousand and was due to increased interest rates.
- Conveyance fee collections exceeded budget by \$339 thousand and were primarily attributable to unanticipated corporate property sales located on Poquonock Avenue, Helmsford Way, Addison Road, and Marshall Phelps Road.

Actual expenditures including transfers, but not use of fund balance, were \$114.2 million and kept under budget by approximately \$1.1 million. Personnel savings from vacant positions and employees out on worker compensation, disability, and military leave made up the majority of this variance.

The difference between the original budget and the final amended budget was for an additional appropriation of \$650,000 thousand from the unassigned fund balance. Uses were as follows:

School Safety and Security Project	\$ 400,000
Clover Street School Partial Roof Replacement	195,000
Mill Brook Property Improvements	55,000
	<u>\$ 650,000</u>

These items combined (additional revenues, expenditure savings, and use of fund balance) produced an increase of \$3.0 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's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$113.7 million (net of accumulated depreciation) compared to \$108.6 million in the prior fiscal year. 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, 2019**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 7,034,284	\$ -	\$ 7,034,284
Construction in progress	11,757,700	-	11,757,700
Buildings and improvements	60,658,027	35,968	60,693,995
Infrastructure	18,374,599	-	18,374,599
Machinery and equipment	15,710,635	123,264	15,833,899
Total	\$ 113,535,245	\$ 159,232	\$ 113,694,477

Major additions during the year included the following:

- Ellsworth School HVAC Improvements Phase II
- Kennedy School HVAC Improvements
- Elementary Schools LED Lighting
- Fire Alarm and Security System Improvements
- Town Hall Renovations Phase III
- Salt Storage Shed Replacement

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

Debt Administration

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$43.1 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, 2019**

	Governmental Activities
General obligation bonds	<u>\$ 43,090,000</u>

The Town's total bonded debt increased by \$4.0 million or 10% during the current fiscal year as compared to a 2.0% increase in FY 18.

The Town's general obligation bond rating is AAA from Standard & Poor's. This rating was reaffirmed in June of 2019 when the Town issued general obligation bonds in the amount of \$10.0 million and \$12.0 million 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 \$660 million, down from \$697.6 million in FY 18. As of June 30, 2019, the Town recorded long-term debt of \$43.1 million related to Governmental Activities, well below its statutory debt limits. The following is a summary as of June 30, 2019 of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal Payments	Interest Payments	Total Debt Service
2020	\$ 6,520,000	\$ 1,178,904	\$ 7,698,904
2021	5,590,000	986,650	6,576,650
2022	4,480,000	827,605	5,307,605
2023	4,435,000	691,805	5,126,805
2024	3,455,000	576,025	4,031,025
2025	2,475,000	489,512	2,964,512
2026	2,050,000	427,331	2,477,331
2027	2,020,000	381,656	2,401,656
2028	1,600,000	333,550	1,933,550
2029	1,250,000	295,576	1,545,576
2030	1,250,000	263,950	1,513,950
2031	1,255,000	230,200	1,485,200
2032	1,255,000	195,675	1,450,675
2033	1,255,000	160,525	1,415,525
2034	800,000	124,750	924,750
2035	800,000	102,000	902,000
2036	800,000	78,000	878,000
2037	800,000	54,000	854,000
2038	500,000	30,000	530,000
2039	500,000	15,000	515,000
	<u>\$ 43,090,000</u>	<u>\$ 7,442,714</u>	<u>\$ 50,532,714</u>

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

Economic Factors

As of October 2019, the unemployment rate for the Town was 3.9%. The unemployment rate for the Hartford labor market area was 3.5% and for the State of Connecticut, it stood at 3.4%. The overall national average was 3.5% for this same time period.

Overall, unemployment rates have improved since last year and the overall economy continues to be strong. The Town's main source of revenue is property taxes, and this income stream has proven to be stable. State revenues make up a smaller portion of the Town's total revenue, and 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. The Town has positioned itself as a destination address for office and commercial development, and this increased development will lend itself to an increase in the tax base in coming years. Statistics on growth for the last ten years are available in the statistical section of this report.

Requests for Information

The Town of Windsor's 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 Finance Director at 275 Broad Street, Windsor, CT 06095.

This page intentionally left blank.

Basic Financial Statements

Town of Windsor, Connecticut

Statement of Net Position (Deficit)
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 66,128,037	\$ 19,901,110	\$ 86,029,147
Investments	16,830,748	5,435,757	22,266,505
Receivables:			
Property taxes, net of allowance for collection losses	962,832	-	962,832
Accounts receivable	1,742,600	-	1,742,600
Customer receivables	15,003	77,843	92,846
Community rehabilitation loans, net	1,957,503	-	1,957,503
Internal balances	25,374	(25,374)	-
Inventories	29,634	-	29,634
Prepays	1,039	-	1,039
Restricted cash and cash equivalents - capital outlay	3,777,596	-	3,777,596
Capital assets, not being depreciated	18,791,984	-	18,791,984
Capital assets, being depreciated, net of depreciation	94,743,261	159,232	94,902,493
Total assets	205,005,611	25,548,568	230,554,179
Deferred outflows of resources:			
Deferred charge on refunding	211,633	-	211,633
Deferred OPEB expense	2,149,156	-	2,149,156
Deferred pension expense	9,680,082	-	9,680,082
Total deferred outflows of resources	12,040,871	-	12,040,871
Liabilities			
Accounts payable and accruals	8,859,219	280,492	9,139,711
Accrued interest payable	180,845	-	180,845
Bond anticipation notes	11,970,000	-	11,970,000
Unearned revenues	383,354	122,862	506,216
Long-term liabilities:			
Due within one year	6,728,090	1,379,895	8,107,985
Due in more than one year	114,970,339	32,801,885	147,772,224
Total liabilities	143,091,847	34,585,134	177,676,981
Deferred inflows of resources:			
Advance property tax collections	4,706,108	-	4,706,108
Deferred OPEB related items	24,651,062	-	24,651,062
Deferred pension related items	1,131,519	-	1,131,519
Total deferred inflows of resources	30,488,689	-	30,488,689
Net position (deficits):			
Net investment in capital assets	73,143,607	159,232	73,302,839
Restricted:			
Community rehabilitation program	1,957,503	-	1,957,503
Public works	1,364,725	-	1,364,725
Other	779,474	-	779,474
Unrestricted (deficit)	(33,779,363)	(9,195,798)	(42,975,161)
Total net position (deficits)	\$ 43,465,946	\$ (9,036,566)	\$ 34,429,380

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ (14,158,437)	\$ 1,850,331	\$ 6,500	\$ -	\$ (12,301,606)	\$ -	\$ (12,301,606)
Culture and recreation	(5,163,424)	1,467,736	40,335	-	(3,655,353)	-	(3,655,353)
Human services	(2,069,064)	176,005	113,664	-	(1,779,395)	-	(1,779,395)
Public works	(7,615,656)	191,398	404,900	452,339	(6,567,019)	-	(6,567,019)
Education	(84,241,067)	1,581,359	22,604,759	-	(60,054,949)	-	(60,054,949)
Public safety	(22,391,813)	758,379	133,562	-	(21,499,872)	-	(21,499,872)
Interest expense	(906,838)	-	-	-	(906,838)	-	(906,838)
Total governmental activities	(136,546,299)	6,025,208	23,303,720	452,339	(106,765,032)	-	(106,765,032)
Business-type activities:							
Landfill	(984,201)	-	309,679	-	-	(674,522)	(674,522)
Child Development Center	(1,116,084)	1,111,060	-	-	-	(5,024)	(5,024)
Caring Connection Adult Day Care	(383,914)	304,682	14,113	-	-	(65,119)	(65,119)
Resident Transfer Station	(181,860)	269,440	-	-	-	87,580	87,580
Total business-type activities	(2,666,059)	1,685,182	323,792	-	-	(657,085)	(657,085)
Total primary government	\$ (139,212,358)	\$ 7,710,390	\$ 23,627,512	\$ 452,339	(106,765,032)	(657,085)	(107,422,117)
General revenues:							
Property taxes					98,946,169	-	98,946,169
Miscellaneous					181,894	-	181,894
Grants and contributions not restricted to specific programs					1,923,062	-	1,923,062
Unrestricted investment earnings					1,581,244	432,885	2,014,129
Internal transfers					(4,820)	4,820	-
Total general revenues and internal transfers					102,627,549	437,705	103,065,254
Change in net position (deficit)					(4,137,483)	(219,380)	(4,356,863)
Net position (deficit) - beginning					47,603,429	(8,817,186)	38,786,243
Net position (deficit) - ending					\$ 43,465,946	\$ (9,036,566)	\$ 34,429,380

See notes to financial statements.

Town of Windsor, Connecticut

**Balance Sheet - Governmental Funds
June 30, 2019**

	Major Funds		Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
Assets				
Cash and cash equivalents	\$ 28,764,698	\$ 17,582,717	\$ 7,053,403	\$ 53,400,818
Investments	7,928,317	5,834,322	968,901	14,731,540
Restricted cash and cash equivalents	-	3,777,596	-	3,777,596
Receivables (net of allowances for collection losses):				
Property taxes	962,832	-	-	962,832
Accounts receivable	137,445	52,000	1,553,155	1,742,600
Community rehabilitation loans, net	-	-	1,957,503	1,957,503
Due from other funds	3,156,747	-	-	3,156,747
Prepays	-	-	1,039	1,039
Inventories	26,697	-	2,937	29,634
Total assets	\$ 40,976,736	\$ 27,246,635	\$ 11,536,938	\$ 79,760,309
Liabilities				
Accounts payable and accrued liabilities	\$ 4,718,744	\$ 1,059,047	\$ 696,317	\$ 6,474,108
Bond anticipation note	-	11,970,000	-	11,970,000
Unearned revenue	-	-	383,354	383,354
Due to other funds	-	-	3,131,373	3,131,373
Total liabilities	4,718,744	13,029,047	4,211,044	21,958,835
Deferred inflow of resources:				
Advance tax collections	4,706,108	-	-	4,706,108
Unavailable resources	788,936	52,000	184,717	1,025,653
Total deferred inflows of resources	5,495,044	52,000	184,717	5,731,761
Fund balances:				
Nonspendable	26,697	-	16,976	43,673
Restricted	-	3,777,596	4,101,702	7,879,298
Committed	-	9,697,904	2,293,672	11,991,576
Assigned	4,835,637	690,088	728,827	6,254,552
Unassigned	25,900,614	-	-	25,900,614
Total fund balances	30,762,948	14,165,588	7,141,177	52,069,713
Total liabilities, deferred inflows of resources and fund balances	\$ 40,976,736	\$ 27,246,635	\$ 11,536,938	

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 and accumulated depreciation among the assets of the Town as a whole.	113,535,245
Other long-term assets are not available and therefore not recognized in the funds.	1,025,653
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(121,698,429)
Deferred charge on refunding	211,633
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.	12,456,319
Deferred pension expense due to pension related items	9,680,082
Deferred pension credit due to pension related items	(1,131,519)
Deferred OPEB credit due to OPEB related items	2,149,156
Deferred OPEB credit due to OPEB related items	(24,651,062)
Accrued interest payable	(180,845)

Net position of governmental activities

\$ 43,465,946

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended June 30, 2019

	Major Funds		Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
Revenues:				
Property taxes	\$ 99,113,331	\$ -	\$ -	\$ 99,113,331
State and Federal governments	19,229,990	400,339	5,996,792	25,627,121
Charges for services	4,581,911	-	1,443,297	6,025,208
Investment income	1,253,851	146,093	47,437	1,447,381
Other	-	63,746	105,591	169,337
Total revenues	124,179,083	610,178	7,593,117	132,382,378
Expenditures:				
Current:				
Education	73,321,557	-	6,773,049	80,094,606
General government	13,891,463	-	180,478	14,071,941
Culture and recreation	4,456,257	-	65,571	4,521,828
Human services	1,473,415	-	126,183	1,599,598
Public safety	10,836,755	-	77,359	10,914,114
Public works	6,663,418	-	295,851	6,959,269
Debt service:				
Principal retirements	-	-	6,015,000	6,015,000
Interest and other charges	-	-	1,052,791	1,052,791
Capital outlay	-	11,952,169	65,000	12,017,169
Total expenditures	110,642,865	11,952,169	14,651,282	137,246,316
Excess (deficiency) of revenues over (under) expenditures	13,536,218	(11,341,991)	(7,058,165)	(4,863,938)
Other financing sources (uses):				
Transfers in	71,680	3,089,698	7,484,030	10,645,408
Transfers out	(10,610,530)	(60,000)	(39,698)	(10,710,228)
Issuance of bonds	-	10,000,000	-	10,000,000
Premium on bonds issued	-	-	451,386	451,386
Total other financing sources (uses)	(10,538,850)	13,029,698	7,895,718	10,386,566
Change in fund balances	2,997,368	1,687,707	837,553	5,522,628
Fund balances, beginning	27,765,580	12,477,881	6,303,624	46,547,085
Fund balances, ending	\$ 30,762,948	\$ 14,165,588	\$ 7,141,177	\$ 52,069,713

See notes to financial statements.

Town of Windsor, Connecticut

**Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2019**

Net change in fund balances – total governmental funds	\$ 5,522,628
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.	5,052,094
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.	(102,605)
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.	(4,349,659)
Some expenses including deferred inflows/outflows reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The change in these expenses are as follows:	
Change in net pension asset - CMERS	(2,671,406)
Change in deferred outflows - pensions	4,322,924
Change in deferred inflows - pensions	(715,128)
Change in deferred outflow - OPEB	2,149,156
Change in deferred inflow - OPEB	4,130,768
Changes in some liabilities that impact expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(17,683,740)
The net income of certain activities of internal service funds is reported with governmental activities	<u>207,485</u>
Change in net position of governmental activities	<u>\$ (4,137,483)</u>

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Net Position (Deficit) - Proprietary Funds
June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 19,082,314	\$ 818,796	\$ 19,901,110	\$ 12,727,219
Investments	5,212,113	223,644	5,435,757	2,099,208
Receivables:				
Customer receivables, net	-	77,843	77,843	15,003
Total current assets	24,294,427	1,120,283	25,414,710	14,841,430
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	150,303	8,929	159,232	-
Total noncurrent assets	150,303	8,929	159,232	-
Total assets	24,444,730	1,129,212	25,573,942	14,841,430
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	229,763	65,424	295,187	118,065
Unearned revenue	-	122,862	122,862	-
Accrued claims payable	-	-	-	1,224,297
Accrued post closure costs	1,365,200	-	1,365,200	-
Due to General Fund	-	25,374	25,374	-
Total current liabilities	1,594,963	213,660	1,808,623	1,342,362
Noncurrent liabilities:				
Accrued post closure costs	32,757,800	-	32,757,800	-
Compensated absences	15,643	28,442	44,085	-
Accrued claims payable	-	-	-	1,042,749
Total noncurrent liabilities	32,773,443	28,442	32,801,885	1,042,749
Total liabilities	34,368,406	242,102	34,610,508	2,385,111
Net position (deficits):				
Net investment in capital assets	150,303	8,929	159,232	-
Unrestricted net position (deficits)	(10,073,979)	878,181	(9,195,798)	12,456,319
Total net position (deficits)	\$ (9,923,676)	\$ 887,110	\$ (9,036,566)	\$ 12,456,319

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) - Proprietary Funds
Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund Activities
Operating revenues:				
User charges	\$ -	\$ 1,685,182	\$ 1,685,182	\$ 15,960,727
Total operating revenues	-	1,685,182	1,685,182	15,960,727
Operating expenses:				
Operations and maintenance	947,148	1,678,659	2,625,807	-
Claims	-	-	-	15,947,105
Depreciation	37,053	3,199	40,252	-
Total operating expenses	984,201	1,681,858	2,666,059	15,947,105
Operating (loss) income	(984,201)	3,324	(980,877)	13,622
Nonoperating revenues (expenses):				
Interest income	416,004	16,881	432,885	133,863
Intergovernmental	-	14,113	14,113	-
Total nonoperating revenues (expenses)	416,004	30,994	446,998	133,863
Income before transfers	(568,197)	34,318	(533,879)	147,485
Transfers in	-	76,500	76,500	60,000
Transfers out	-	(71,680)	(71,680)	-
State Grants	309,679	-	309,679	-
Change in net position	(258,518)	39,138	(219,380)	207,485
Net position (deficit), beginning	(9,665,158)	847,972	(8,817,186)	12,248,834
Net position (deficit), ending	\$ (9,923,676)	\$ 887,110	\$ (9,036,566)	\$ 12,456,319

See notes to financial statements.

Town of Windsor, Connecticut

**Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor			Activities
	Landfill	Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ 1,767,248	\$ 1,767,248	\$ 16,036,599
Payments to suppliers	(1,111,538)	(453,884)	(1,565,422)	(16,284,882)
Payments to employees	(396,719)	(1,216,037)	(1,612,756)	-
Net cash (used in) provided by operating activities	(1,508,257)	97,327	(1,410,930)	(248,283)
Cash flows from capital financing activities:				
Purchase of capital assets	(103,758)	-	(103,758)	-
Net cash used in capital financing activities	(103,758)	-	(103,758)	-
Cash flows from noncapital financing activities:				
Intergovernmental revenue	-	14,113	14,113	-
Transfers in	-	76,500	76,500	60,000
Transfers out	-	(71,680)	(71,680)	-
Grants	309,679	-	309,679	-
Due to/from other funds	-	25,374	25,374	-
Net cash provided by noncapital financing activities	309,679	44,307	353,986	60,000
Cash flows from investing activities:				
Interest received	416,004	16,881	432,885	133,863
Purchase/Sale of investments	-	(6,682)	(6,682)	116,177
Sale of investments	1,136,767	6,481	1,143,248	-
Net cash provided by investing activities	1,552,771	16,680	1,569,451	250,040
Net increase in cash and cash equivalents	250,435	158,314	408,749	61,757
Cash and cash equivalents:				
Beginning	18,831,879	660,482	19,492,361	12,665,462
Ending	\$ 19,082,314	\$ 818,796	\$ 19,901,110	\$ 12,727,219
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (984,201)	\$ 3,324	\$ (980,877)	\$ 13,622
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	37,053	3,199	40,252	-
Changes in assets and liabilities:				
Decrease (increase) accounts receivable	-	(3,197)	(3,197)	149,623
Increase in accounts payable	135,885	8,739	144,624	39,856
Decrease in due to other funds	-	-	-	(252,000)
Increase (decrease) in unearned revenue	-	85,262	85,262	(73,751)
Decrease in accrued liabilities	(696,994)	-	(696,994)	(125,633)
Net cash (used in) provided by operating activities	\$ (1,508,257)	\$ 97,327	\$ (1,410,930)	\$ (248,283)

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2019

	Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 728,425	\$ 1,113,575
Investments:		
Equity mutual funds	45,428,257	-
Fixed income mutual funds	20,514,038	-
Other Investments - real estate	4,220,122	-
Total investments	<u>70,162,417</u>	<u>-</u>
Contributions receivable	672,781	-
Other receivables	1,257	-
Total assets	<u>71,564,880</u>	<u>1,113,575</u>
Liabilities		
Accounts payable	-	1,113,575
Net position restricted for pensions and other benefits	<u>\$ 71,564,880</u>	<u>\$ -</u>

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2019

	Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,940,704
Plan members	542,944
Total contributions	<u>2,483,648</u>
Investment income:	
Net appreciation in fair value of investments	273,787
Interest and dividends	1,613,442
	<u>1,887,229</u>
Less investment expenses:	
Investment management fees	20,492
Net investment income	<u>1,866,737</u>
Total additions	<u>4,350,385</u>
Deductions:	
Benefits	<u>4,188,153</u>
Change in plan net position	162,232
Net position restricted for pensions and other benefits:	
Beginning of year	<u>71,402,648</u>
End of year	<u>\$ 71,564,880</u>

See notes to financial statements.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: 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 (GAAP) as applicable to governments.

GAAP requires 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 (GASB) 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 balances and 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:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was effective for the Town beginning with its year ending June 30, 2019. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. The adoption of this statement did not impact the Town financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was effective for the Town beginning with its year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of GASB Statement No. 88 did not impact the Town financial position or results of operations.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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, 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. Intergovernmental revenues are considered to be available if they are collected within 18 months of the end of the 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 Postemployment Benefits (OPEB) 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 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 Projects 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 Fund** is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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**, **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 for the internal service fund include premium charges and claims. The principal operating revenues of the enterprise 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 GAAP requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements. 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, State of Connecticut 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. Certificates of deposit are recorded at amortized cost.

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

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 uncollectible accounts.

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. An amount of approximately \$673,000 has been established as an allowance for uncollectible taxes

Fair value: The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. 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. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

See Note 3 for additional information regarding fair value.

Investments measured at the net asset value (NAV): Investments valued using the NAV per share (or its equivalent) generally do not have readily obtainable market values and take the form of limited partnerships. The Town values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

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 and OPEB 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 and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner.

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 and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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>Assets</u>	<u>Years</u>
Buildings	35-50
Building improvements	20
Distribution and collection systems	50-65
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable as reported include bond premiums or discounts. 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. The fund accounts 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. Investments are reported at fair value.

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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net other post-employment benefit accounting:

OPEB Trust Fund: The OPEB 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. Investments are reported at fair value.

Net OPEB liability: The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB 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.

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 classifies 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Bonds payable	\$ 43,090,000
Premiums, net of amortization	1,290,867
Compensated absences	832,350
Net pension liability	18,421,694
Net OPEB liability	47,722,593
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 111,357,504</u>

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

Capital outlay	\$ 12,002,204
Depreciation expense	<u>(6,950,110)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,052,094</u>

Town of Windsor, Connecticut

Notes to Financial Statements

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

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

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 10,000,000
Principal repayments:	
General obligation debt	(6,015,000)
Amortization:	
Bond premium	306,816
Loss on refundings	<u>57,843</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	 <u><u>\$ 4,349,659</u></u>

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

Change in:	
Compensated absences	\$ 18,783
Accrued interest	(59,226)
Net pension liability - CMERS	10,340,925
Net pension liability	3,896,112
Net OPEB liability	<u>3,487,146</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$ 17,683,740</u></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 maintains segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Town of Windsor, Connecticut

Notes to Financial Statements

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

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

The Town has an investment policy for its pension and OPEB funds providing a target asset allocation of 51 percent equities (or equivalents), 29 percent fixed income, 15 percent asset allocation funds, and 5 percent real estate.

With respect to mutual/co-mingled funds, the Town Retirement Plan Committee will consider the following to insure proper diversification and function of each of the funds:

- a. The mutual fund/co-mingled pool organizations selected should demonstrate:
(a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
- b. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
- c. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
- d. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

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

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

Town of Windsor, Connecticut

Notes to Financial Statements

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

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, 2019, approximately \$98,687,000 of the Town's bank balance of approximately \$111,412,000 was uninsured and uncollateralized.

Investments: Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town or plans will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's or plan's individual investments in fixed income securities and equities are uninsured and registered securities held by a counterparty, or by its trust department or agent that are in the Town's or pension plan's name. The Town or the pension and OPEB plans do not have a custodial credit risk policy for investments.

Cash, restricted cash and investments of the Town consist of the following at June 30, 2019:

Cash, restricted cash and equivalents:	
Deposits with financial institutions	\$ 110,171,898
State short-term investment fund	3,743,350
Total cash, restricted cash and equivalents	<u>113,915,248</u>
Less certificates of deposits classified as investments	<u>(22,266,505)</u>
	<u>91,648,743</u>
Pension and OPEB trust funds:	
Equity mutual funds	45,428,257
Fixed income mutual funds	20,514,038
Other investments - real estate	4,220,122
Total pension and OPEB investments	<u>70,162,417</u>
Total cash, cash equivalents and investments	<u>\$ 184,077,665</u>

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

Town of Windsor, Connecticut

Notes to Financial Statements

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

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

Statement of net position:

Cash and cash equivalents	\$ 86,029,147
Restricted cash and cash equivalents	3,777,596
Investments - certificates of deposit	22,266,505
	<u>112,073,248</u>

Fiduciary funds:

Cash and cash equivalents	1,842,000
Investments	70,162,417
	<u>72,004,417</u>
Total cash, cash equivalents and investments	<u>\$ 184,077,665</u>

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

Type of Investment	Fair Value	Investment Maturities			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Fiduciary Funds:					
Fixed income mutual funds	\$ 20,514,038	\$ 1,866,752	\$ 8,048,942	\$ 3,464,045	\$ 7,134,299
Total	<u>\$ 20,514,038</u>	<u>\$ 1,866,752</u>	<u>\$ 8,048,942</u>	<u>\$ 3,464,045</u>	<u>\$ 7,134,299</u>

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

Average rating	Fixed Income Mutual Funds
AAA	\$ 8,938,525
AA	770,745
A	3,423,652
BBB	3,258,995
BB	1,577,566
B	682,236
Below B	518,576
Unrated	1,343,743
Total	<u>\$ 20,514,038</u>

Town of Windsor, Connecticut

Notes to Financial Statements

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

Fair value: The plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of June 30, 2019:

Investment Instruments Measured at Fair Value

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
June 30, 2019			
Investments by fair value level:			
Equity mutual funds	\$ 45,428,257	\$ 45,428,257	\$ -
Fixed income mutual funds	20,514,038	20,514,038	-
Total investments by fair value level	<u>65,942,295</u>	<u>\$ 65,942,295</u>	<u>\$ -</u>
Investments measured at the net asset level (NAV):			
Real estate fund	4,220,122		
Total investments measured at the NAV	<u>4,220,122</u>		
Total investments	<u>\$ 70,162,417</u>		

Real estate fund: This type includes real estate investments in U.S. residential, hotel, industrial office, retail, land, and development properties. In addition, this fund invests in mezzanine loans. The fair value of this investment has been determined using NAV per share (or its equivalent) of the plan's ownership interest in partners' capital. The values are based upon independent appraisals, estimated sales proceeds or the Manager's opinion of value. The fair values do not reflect transaction sale costs or prepayment costs, which may be incurred upon disposition of the investment or instrument. There are no unfunded commitments.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases / Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,034,284	\$ -	\$ -	\$ 7,034,284
Construction in progress	5,484,477	10,312,684	4,039,461	11,757,700
Total capital assets not being depreciated	12,518,761	10,312,684	4,039,461	18,791,984
Capital assets being depreciated:				
Buildings and improvements	136,670,424	4,057,479	-	140,727,903
Machinery and equipment	40,236,807	1,671,502	323,485	41,584,824
Infrastructure	101,006,807	-	-	101,006,807
Total capital assets being depreciated	277,914,038	5,728,981	323,485	283,319,534
Less accumulated depreciation for:				
Buildings and improvements	76,643,002	3,426,874	-	80,069,876
Machinery and equipment	24,060,737	2,136,937	323,485	25,874,189
Infrastructure	81,245,909	1,386,299	-	82,632,208
Total accumulated depreciation	181,949,648	6,950,110	323,485	188,576,273
Total capital assets being depreciated, net	95,964,390	(1,221,129)	-	94,743,261
Governmental activities capital assets, net	<u>\$ 108,483,151</u>	<u>\$ 9,091,555</u>	<u>\$ 4,039,461</u>	<u>\$ 113,535,245</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 332,800	\$ 26,227	\$ -	\$ 359,027
Machinery and equipment	3,173,982	77,531	-	3,251,513
Total capital assets being depreciated	3,506,782	103,758	-	3,610,540
Less accumulated depreciation for:				
Buildings and improvements	314,424	8,635	-	323,059
Machinery and equipment	3,096,632	31,617	-	3,128,249
Total accumulated depreciation	3,411,056	40,252	-	3,451,308
Total business-type capital assets, net	<u>\$ 95,726</u>	<u>\$ 63,506</u>	<u>\$ -</u>	<u>\$ 159,232</u>

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	\$ 3,659,837
General government	503,868
Culture and recreation	559,317
Human services	143,675
Public works	794,499
Public safety	1,288,914
Total depreciation expense – governmental activities	<u>\$ 6,950,110</u>

Business-type activities:

Landfill	\$ 37,053
Child development	1,000
Adult caring connection	2,199
Total depreciation expense – business-type activities	<u>\$ 40,252</u>

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, 2019 is presented below:

	Due From Other Funds	Due to Other Funds
General fund	\$ 3,156,747	\$ -
Nonmajor enterprise funds	-	25,374
Nonmajor governmental funds	-	3,131,373
	<u>\$ 3,156,747</u>	<u>\$ 3,156,747</u>

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

Town of Windsor, Connecticut

Notes to Financial Statements

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

Interfund transfers during the year ended June 30, 2019, were as follows:

	Transfers In					Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 3,050,000	\$ 7,484,030	\$ -	\$ 76,500	\$ 10,610,530
Nonmajor governmental funds	-	39,698	-	-	-	39,698
Nonmajor enterprise funds	71,680	-	-	-	-	71,680
Capital Projects Fund	-	-	-	60,000	-	60,000
Total transfers in	\$ 71,680	\$ 3,089,698	\$ 7,484,030	\$ 60,000	\$ 76,500	\$ 10,781,908

Transfers from the General Fund to the Debt Service Fund reported as a nonmajor governmental 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. The Capital Projects Fund received \$2,400,000 from the General Fund General Services Capital Projects budget to fund various projects and \$650,000 from the General Fund Unassigned Fund Balance to fund School Safety and Security Project of \$400,000, Mill Brook Property Improvement of \$55,000 and the Clover Street School Partial Roof Replacement project of \$195,000. The Open Space Fund received \$200,000 from the General Fund General Services Capital Projects budget. The Community Development Block Grant Fund received \$103,800 from the General Fund Community Development budget to fund the neighborhood and grant activities of the fund.

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:

Town of Windsor, Connecticut

Notes to Financial Statements

	Unavailable Resources	Unearned Revenues
General Fund:		
Property taxes	\$ 783,164	\$ -
Advance tax collections	4,706,108	-
Other receivables	5,772	-
	<u>5,495,044</u>	<u>-</u>
Capital Projects:		
Other receivables	52,000	-
	<u>52,000</u>	<u>-</u>
Other nonmajor governmental funds:		
Prepaid program fees	-	383,354
Other receivables	184,717	-
	<u>184,717</u>	<u>383,354</u>
Total	<u>\$ 5,731,761</u>	<u>\$ 383,354</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, 2019 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 39,105,000	\$ 10,000,000	\$ 6,015,000	\$ 43,090,000	\$ 6,520,000
Unamortized premiums	984,051	451,386	144,570	1,290,867	-
	<u>40,089,051</u>	<u>10,451,386</u>	<u>6,159,570</u>	<u>44,380,867</u>	<u>6,520,000</u>
Other long-term liabilities:					
Compensated absences	813,567	886,082	867,299	832,350	208,090
Net pension liability	14,525,582	3,896,112	-	18,421,694	-
Net pension liability - CMERS	-	10,340,925	-	10,340,925	-
Net OPEB liability	44,235,447	3,487,146	-	47,722,593	-
	<u>59,574,596</u>	<u>18,610,265</u>	<u>867,299</u>	<u>77,317,562</u>	<u>208,090</u>
Governmental activities long-term liabilities	<u>\$ 99,663,647</u>	<u>\$ 29,061,651</u>	<u>\$ 7,026,869</u>	<u>\$ 121,698,429</u>	<u>\$ 6,728,090</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	\$ 61,294	\$ 59,849	\$ 62,363	\$ 58,780	\$ 14,695
Landfill post closure costs	34,820,000	-	697,000	34,123,000	1,365,200
Total other long-term liabilities	<u>34,881,294</u>	<u>59,849</u>	<u>759,363</u>	<u>34,181,780</u>	<u>1,379,895</u>
Business-type activities long-term liabilities	<u>\$ 34,881,294</u>	<u>\$ 59,849</u>	<u>\$ 759,363</u>	<u>\$ 34,181,780</u>	<u>\$ 1,379,895</u>

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

General obligation bonds: As of June 30, 2019 the outstanding general obligation bonds of the Town were as follows:

Town of Windsor Debt Outstanding Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance June 30, 2019
General Purpose:					
Public General Obligation	\$365,000 - \$375,000	2012	2.0	\$ 4,490,000	\$ 365,000
Public General Obligation	\$410,000 - \$425,000	2013	1.25-2.0	4,085,000	2,049,000
Public General Obligation	\$500,000 - \$520,000	2014	2.0-3.0	3,690,000	1,840,000
Public Refunding	\$45,000 - \$1,415,000	2014	2.0-4.0	3,355,000	2,562,000
Public General Obligation	\$235,000 - \$270,000	2015	2.0-2.5	3,165,000	2,100,000
Public General Obligation	\$310,000 - \$315,000	2016	2.0	3,755,000	2,820,000
Public General Obligation	\$213,000	2017	2.0-4.0	4,260,000	3,834,000
Public Refunding	\$53,000 - \$1,573,000	2017	2.0-4.0	5,657,000	3,822,000
Public General Obligation	\$195,000 - \$215,000	2018	2.0-5.0	3,135,000	2,940,000
Public General Obligation	\$404,000 - \$405,000	2019	2.0-5.0	8,085,000	8,085,000
Total general purpose				<u>43,677,000</u>	<u>30,417,000</u>
Schools:					
School General Obligation	\$410,000 - \$425,000	2013	1.25-2.0	950,000	476,000
School General Obligation	\$500,000 - \$520,000	2014	2.0-3.0	1,330,000	680,000
School General Obligation Refunding	\$45,000 - \$1,415,000	2014	2.0-4.0	915,000	683,000
School General Obligation	\$180,000 - \$190,000	2015	2.0-2.5	2,205,000	1,470,000
School General Obligation	\$40,000 - \$50,000	2016	2.0	530,000	385,000
School General Obligation	\$82,000 - \$87,000	2017	2.0-4.0	1,685,000	1,521,000
School Refunding	\$47,000 - \$1,297,000	2017	2.0-4.0	3,568,000	2,168,000
School General Obligation	\$255,000 - \$240,000	2018	2.0-5.0	3,630,000	3,375,000
School General Obligation	\$95,000 - \$96,000	2019	2.0-5.0	1,915,000	1,915,000
Total schools				<u>16,728,000</u>	<u>12,673,000</u>
Grand total				<u>\$60,405,000</u>	<u>\$43,090,000</u>

The following is a summary as of June 30, 2019, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal year ending June 30:	Principal	Interest	Total
2020	\$ 6,520,000	\$ 1,178,904	\$ 7,698,904
2021	5,590,000	986,650	6,576,650
2022	4,480,000	827,605	5,307,605
2023	4,435,000	691,805	5,126,805
2024	3,455,000	576,025	4,031,025
2025-2029	9,395,000	1,927,625	11,322,625
2030-2034	5,815,000	975,100	6,790,100
2035-2039	3,400,000	279,000	3,679,000
Total	<u>\$ 43,090,000</u>	<u>\$ 7,442,714</u>	<u>\$ 50,532,714</u>

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	\$ 212,224,280	\$ 61,787,000	\$ 150,437,280
Unfunded pension benefit obligation	282,965,706	-	282,965,706
Schools	424,448,559	12,673,000	411,775,559
Sewers	353,707,133	-	353,707,133
Urban renewal	306,546,182	-	306,546,182

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$660,253,314

Bonds authorized but unissued: Total authorized but unissued debt at June 30, 2019 consists of the following:

Town	<u><u>\$ 19,400,000</u></u>
------	-----------------------------

Bond anticipation notes: In June 2019, the Town issued \$11,970,000 in bond anticipation notes with an interest rate of 3.0 percent, which will be repaid in June 2020.

Bond anticipation note transactions for the year ended June 30, 2019 were as follows:

Outstanding, July 1, 2018	\$ -
New borrowings	11,970,000
Repayments	-
Outstanding, June 30, 2019	<u><u>\$ 11,970,000</u></u>

Note 8. Employee Retirement Plans

Employee pension plans: The Town maintains the Town of Windsor Retirement Plan, a single-employer, 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). The PERS plan does not issue a separate stand-alone financial report.

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 Town 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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

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

The membership in the PERS at July 1, 2018, the date of the actuarial valuation, is comprised of the following:

Retirees and beneficiaries currently receiving benefits	220
Vested terminated employees	51
Active members	219
Total	<u>490</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, public works/clerical employees' collective bargaining group and public safety dispatchers are required to contribute 5.0 percent of their earnings. If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. As determined by the Town's actuaries, the current rate is 10.44 percent 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, 2019.

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	Barclays Aggregate	29.00%	2.40%
U.S. Equity Market	Russell 3000	30.00%	4.61%
Global Equity	MSCI ACW NR	15.00%	4.98%
Non-U.S. Equity	MSCI ACW xUS NR	21.00%	5.81%
Private Real Estate Property	NCREIF Property	5.00%	3.85%

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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, 2019 are summarized in the table above.

Rate of return: For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.54 percent. 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 7.00 percent. 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, 2019 were as follows:

<u>Net Pension Liability</u>	<u>June 30, 2019</u>
Total pension liability	\$ 87,293,102
Fiduciary net position	68,871,408
Net pension liability	18,421,694
Fiduciary net position as a percentage of total pension liability	78.90%
Covered payroll	12,839,197
Net pension liability as a percentage of covered payroll	143.48%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2018, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2019.

Discount rate:

Discount rate	7.00%
Long-term expected rate of return, net of investment expense	7.00%

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, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2018	\$ 83,997,263	\$ 69,471,681	\$ 14,525,582
Changes for the year:			
Service cost	984,203	-	984,203
Interest on total pension liability	5,908,293	-	5,908,293
Effect of plan changes	(1,493)	-	(1,493)
Effect of economic/demographic gains or losses	(380,250)	-	(380,250)
Effect of assumptions changes or inputs	973,239	-	973,239
Benefit payments	(4,188,153)	(4,188,153)	-
Employer contributions	-	1,340,704	(1,340,704)
Member contributions	-	542,943	(542,943)
Net investment income	-	1,723,470	(1,723,470)
Administrative expense	-	(19,237)	19,237
Net changes	3,295,839	(600,273)	3,896,112
Balances at June 30, 2019	<u>\$ 87,293,102</u>	<u>\$ 68,871,408</u>	<u>\$ 18,421,694</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Other key actuarial assumptions:

Valuation date	July 1, 2018
Measurement date	June 30, 2019
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 7.00 percent, 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 (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 28,619,543	\$ 18,421,694	\$ 10,138,314

For the year ended June 30, 2019, the Town recognized pension expense of \$4,326,435 for the Town pension. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the Town pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (402,085)
Change of assumptions	1,031,047	-
Net Difference between expected and actual earnings	2,556,634	-
Total	<u>\$ 3,587,681</u>	<u>\$ (402,085)</u>

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

Year ending June 30:	
2020	\$ 1,678,290
2021	132,110
2022	746,192
2023	629,004

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

**Schedule of Plan Net Position
June 30, 2019**

	Pension Trust Fund	OPEB Trust Other Post- Employment Benefit Fund	Total
	Town Pension Fund	Benefit Fund	Total
Assets			
Cash	\$ 706,116	\$ 22,309	\$ 728,425
	706,116	22,309	728,425
Investments:			
Equity mutual funds	43,707,039	1,721,218	45,428,257
Fixed income mutual funds	19,564,134	949,904	20,514,038
Other investments - real estate	4,220,122	-	4,220,122
Total investments	67,491,295	2,671,122	70,162,417
Contributions receivable	672,781	-	672,781
Other receivables	1,216	41	1,257
Total assets	68,871,408	2,693,472	71,564,880
Net position - restricted for pension benefits and OPEB	\$ 68,871,408	\$ 2,693,472	\$ 71,564,880

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Schedule of Changes in Plan Net Position
Year Ended June 30, 2019

	Pension Trust Fund	OPEB Trust Other Post- Employment Benefit Fund	Total
	Town Pension Fund		
Additions:			
Employer contributions	\$ 1,340,704	\$ 600,000	\$ 1,940,704
Plan members	542,944	-	542,944
Total contributions	1,883,648	600,000	2,483,648
Investment income:			
Net appreciation in fair value of investments	176,405	97,382	273,787
Interest and dividends	1,547,064	66,378	1,613,442
Less investment expenses:			
Investment management fees	19,237	1,255	20,492
Net investment income	1,704,232	162,505	1,866,737
Total additions	3,587,880	762,505	4,350,385
Deductions:			
Benefits	4,188,153	-	4,188,153
Change in net position	(600,273)	762,505	162,232
Net position, restricted for pensions and OPEB:			
Beginning of year	69,471,681	1,930,967	71,402,648
End of year	\$ 68,871,408	\$ 2,693,472	\$ 71,564,880

Aggregate pension / OPEB plans:

	Net Liability	Pension / OPEB Expense	Deferred Inflows	Deferred Outflows
Defined Benefit Plan (PERS)	\$ 18,421,694	\$ 4,326,435	\$ (402,085)	\$ 3,587,681
OPEB Plan	47,722,593	(566,351)	(24,651,062)	2,149,156
Connecticut Municipal Retirement System (CMERS)	10,340,925	11,275,096	(729,434)	6,092,401
Total	\$ 76,485,212	\$ 15,035,180	\$ (25,782,581)	\$ 11,829,238

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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. All members of the Teamsters Local 671 collective bargaining unit hired after November 1, 2011 are required to participate in a 401(a) defined contribution plan. All members of the United Public Service Employees Union Local 424 (Public Safety Dispatchers) 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.

The Defined Contribution Plan requires the Town to contribute 5.5 percent of each participant's salary. Employees are also required to contribute 5.5 percent of their salary and may make additional contributions subject to IRS regulations. Town contributions to the plan amounted to \$146,420 for the year. The assets for the plan are held by ICMA Retirement Corporation. The balance of the plan 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 participate in the Connecticut Municipal Employees Retirement System (CMERS), 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. Chapters 7-425 to 7-451 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes CMERS benefits, member contribution rates, and other plan provisions. CMERS 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 plan members are required by State statute to contribute 5 percent 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 2019 is 15.2 percent 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 CMERS for the year ended June 30, 2019 were \$967,336 which is equal to the required contributions for each year.

Benefit provisions: Plan provisions are set by Statute of the State of Connecticut. CMERS 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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.

Normal retirement: For members not covered by Social Security: 2 percent of average final compensation times years of service. For members covered by Social Security: 1-1/2 percent of the average final compensation not in excess of the year's breakpoint plus 2 percent of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100 percent 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 percent 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 percent of the average of the life annuity allowance and the reduced 50 percent joint and survivor allowance.

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 their 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 their life with the provision that after their death the beneficiary designated by them at the time of this retirement; or 2. A reduced retirement allowance payable during their life with the provision that after their death, an allowance of one-half of their reduced allowance will be continued for life to the beneficiary designated by them at the time of their retirement; 3. A reduced retirement allowance payable during their life with a guarantee of 120 or 240 monthly payments to the member or their designated beneficiary.

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

Valuation date	6/30/18
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market with 20% recognition of investment gains and losses
Investment rate return*	7.00%, net of investment related expense
Projected salary increases*	3.50 to 10.00% including inflation
Inflation	3.50%
Mortality	The RP2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

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 Real Rate of Return
Domestic Equity	20%	5.3%
Developed Market International	11%	5.1%
Emerging Market International	9%	7.4%
Core Fixed Income	16%	1.6%
Inflation Linked Bonds	5%	1.3%
Emerging Market Debt	5%	2.9%
High Yield Bonds	6%	3.4%
Real Estate	10%	4.7%
Private Equity	10%	7.3%
Alternative Investments	7%	3.2%
Liquidity Fund	1%	0.9%
	<u>100%</u>	

Discount rate: the discount rate used to measure the total pension liability was 7.00 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.

Pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources: At June 30, 2019, the Town reported a net pension liability of \$10,340,925 for its proportionate share of the net pension liability related to its participation in CMERS. The total pension liability as of June 30, 2018 is based upon the June 30, 2018 actuarial valuation. The Town's proportion of the net pension liability was based on its share of contributions to the CMERS for fiscal year 2018 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2018, the Town's proportion was 3.90%. The increase in proportion from 2017 was 0.16%.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

For the year ended June 30, 2019, the Town recognized CMERS pension expense of \$11,275,096 related to the CMERS plan. At June 30, 2019, the Town reported deferred outflows of resources related to CMERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 759,497	\$ (480,777)
Change of actuarial assumptions	3,618,156	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	187,681	(248,657)
Net difference between expected and actual earnings	559,731	-
Contributions made subsequent to measurement date	967,336	-
Total	<u>\$ 6,092,401</u>	<u>\$ (729,434)</u>

\$967,336 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2020	\$ 1,632,349
2021	1,351,292
2022	611,852
2023	800,138

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of CMERS, calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Town's share of net pension liability associated with the Plan	<u>\$ 15,246,500</u>	<u>\$ 10,340,925</u>	<u>\$ 5,765,924</u>

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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Description of system: Teachers, principals, superintendents and supervisors within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. 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).

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 percent of average annual salary times years of credited service (maximum benefit is 75 percent of average annual salary during the three years of highest 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 percent less 0.1 percent for each year less than 20 years of average annual salary times years of credited service.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Section and 10-183z (which reflects Public Act 79-436 as amended).

Employees: Effective July 1, 1992, each teacher is required to contribute 6 percent of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7 percent of pensionable salary.

The School District has no obligation to contribute to the plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Actuarial assumptions: The total pension liability as of June 30, 2018 is based upon the June 30, 2018 actuarial valuation (measurement date), using the following key actuarial assumptions:

Inflation	2.50%
Salary increases, including inflation	3.25-6.50%
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 percent

For healthy retirees and beneficiaries, the RPH-2014 White Collar table with employee and annuitant rates blended from the ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using BB improvement scale.

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 Real Rate of Return
Large cap U.S. equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging Markets (non-U.S.)	9.00%	8.30%
Real Estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Core fixed income	7.00%	1.30%
High yield bonds	5.00%	3.90%
Emerging market bond	5.00%	3.70%
Inflation Linked Bond fund	3.00%	1.00%
Cash	6.00%	0.40%
	100.00%	

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 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 Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

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 \$100,097,275 and 100 percent of the collective net pension liability is allocated to the State. The Town has no proportionate share of net pension liability.

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, 2019, the Town recognized \$11,234,150 as the amount expended by the State on behalf of the Town to meet the State's funding requirements. The Town does not have any liability for teacher pensions.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits

In addition to providing pension benefits, the Town provides certain healthcare benefits for its retired employees and their spouses, as outlined below:

<p>Eligibility</p>	<p>Teachers and Central Office Administrators: A Teacher or Administrator retiring shall be eligible to receive medical and dental benefits for self and spouse. Normal Retirement for Teachers and Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.</p> <p>Police: Employees retiring under the Connecticut Municipal Employees' Retirement Fund B (MERF B) shall be eligible to receive health benefits for self and spouse only if similar insurance is not available through another employer or spouse's employer.</p> <p>Town, Board of Education (BOE) Non-Certified and Dispatchers hired before July 1, 2016: Employees retiring under the Town of Windsor Retirement Plan shall be eligible to receive health benefits for self and spouse. Coverage for self - age 55 with 10 years of service. Coverage for spouse - earlier of age 55 with 30 years of service or age 65 with 10 years of service. Town employees shall be eligible to receive health benefits for self and spouse only if similar insurance is not available through another employer or spouse's employer.</p> <p>Dispatchers hired on and after July 1, 2016: Employees retiring under the Town of Windsor Retirement Plan shall be eligible to receive health benefits for self and spouse. Coverage for self - age 55 with 15 years of service. Coverage for spouse - earlier of age 55 with 30 years of service or age 65 with 15 years of service.</p>
<p>Cost Sharing</p>	<p>Police: <i>Hired prior to July 1, 2013:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium. Dental - Retiree pays same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid. <i>Hired on or after July 1, 2013:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse. Dental - Retiree pays same percentage of premium that is in effect for current employees for self and 100% for spouse.</p>

Note 9. Other Post-Employment Benefits (Continued)

Cost Sharing	<p>Town Administrative: <i>Hired prior to July 1, 2009:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium. Dental - Retiree contributes 0% of the cost for self and 100% for spouse. <i>Hired after July 1, 2009 and prior to March 1, 2013:</i> Medical - Retiree contributes 25% of the cost for self and 50% for spouse. Dental - Retiree contributes 0% of the cost for self and 100% for spouse. <i>Hired on or after March 1, 2013:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse. Dental - Retiree contributes 0% of the cost for self and 100% for spouse.</p> <p>Dispatchers: <i>Hired prior to January 1, 2007:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium. Dental - Retiree pays the same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid. <i>Hired after January 1, 2007 and prior to July 1, 2011:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% for the retiree and 40% for the spouse. Dental - Retiree pays the same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid. <i>Hired on or after July 1, 2011:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse. Dental - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse.</p> <p>Town Teamsters: <i>Hired prior to July 1, 2008:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium. Dental - Retiree contributes 100% of the cost for self and spouse. <i>Hired after July 1, 2008 and prior to November 1, 2011:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, to a maximum retiree share of 25% for the retiree and 50% for the spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p>
---------------------	---

Note 9. Other Post-Employment Benefits (Continued)

Cost Sharing	<p><i>Hired on or after November 1, 2011:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Board NAGE (Custodians/Maintenance/Food): <i>Hired prior to July 1, 2010:</i> Medical - Retiree contributes 75% of the cost for self and 100% for spouse. Dental - Retiree contributes 100% of the cost for self and spouse. <i>Hired on or after July 1, 2010:</i> Medical - Retiree contributes 100% of the cost for self and spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Board Nurses: Medical - Retiree contributes 100% of the cost for self and spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Board Non-Affiliated: <i>Hired prior to January 1, 2007:</i> Retiree pays the same percentage of premium that is in effect at the time of the employee's retirement. Medical - Retiree contributes 15% of the cost for self and 50% for spouse. Dental - Retiree contributes 15% of the cost for self and 25% for spouse, up to an annual cap of \$2,500. <i>Hired on or after January 1, 2007:</i> Medical - Retiree contributes 100% of the cost for self and spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Board Administrative Support Staff: <i>Hired prior to July 1, 2008:</i> Medical - Retiree contributes 85% of the cost for self and 100% for spouse. Dental - Retiree contributes 85% of the cost for self and 100% for spouse. <i>Hired on or after July 1, 2008:</i> Medical - Retiree contributes 100% of the cost for self and spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Teachers and Central Office Administrators: Medical* - Retiree contributes 100% of the cost for self and spouse. Dental*- Retiree contributes 100% of the cost for self and spouse. * less \$1,320 annual CT Teachers Retirement Board subsidy</p> <p>Other Bargaining Units: No retiree medical or dental benefits are provided.</p>
---------------------	--

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, 2017. The post-retirement plan does not issue stand-alone financial reports.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

The valuation date is July 1, 2017. The measurement date is June 30, 2019, which was based on a roll forward of the July 1, 2017 valuation. The net OPEB liability is report at the measurement date of June 30, 2019.

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, 2017:

Retirees, beneficiaries, and spouses of retirees receiving benefits	202
Active plan members	652
Total	<u>854</u>

Actuarial assumptions are as follows:

Valuation date	July 1, 2017
Actuarial cost method	Entry Age Normal
Asset funding method	Fair value
Amortization method	Level Percent (closed)
Remaining amortization period	26 Years Decreasing (non-police), 16 years Decreasing(Police)
Actuarial assumptions	
Investment rate of return	5.00%
Discount rate	3.50%
Inflation rate	2.70%
Amortization growth rate	3.00%
Health cost trend rates	7.27% to 4.47% over 70 years

Change in assumptions:

Medical Claims Costs: The medical claim cost assumption was changed from the previous valuation to reflect more current claim experience. This resulted in a \$15 million decrease in the net OPEB liability.

Discount rate: The discount rate was changed from 3.87 percent to 3.50 percent.

Investments:

Investment policy: The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. 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 OPEB plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Rate of return: For the year ended June 30, 2019, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	<u>OPEB Plan</u>
Rate of return	6.47%

Net OPEB liability of the Town: The components of the net OPEB liability of the Town at June 30, 2019 were as follows:

Total OPEB liability	\$ 50,416,065
Plan fiduciary net position	2,693,472
Net OPEB liability	<u>47,722,593</u>
Plan fiduciary net position as a percentage of total OPEB liability	5.34%
Covered payroll	\$ 46,133,025
Net OPEB liability as a % of covered payroll	103.45%

	<u>Increase (Decrease)</u>		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2018	\$ 46,166,414	\$ 1,930,967	\$ 44,235,447
Changes for the year:			
Service cost	1,558,808	-	1,558,808
Interest on total OPEB liability	1,815,793	-	1,815,793
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	2,501,477	-	2,501,477
Benefit payments	(1,626,427)	(1,626,427)	-
Employer contributions	-	2,226,427	(2,226,427)
Member contributions	-	-	-
Net investment income	-	163,760	(163,760)
Administrative expense	-	(1,255)	1,255
Net changes	<u>4,249,651</u>	<u>762,505</u>	<u>3,487,146</u>
Balances at June 30, 2019	<u>\$ 50,416,065</u>	<u>\$ 2,693,472</u>	<u>\$ 47,722,593</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2019, and the final vestment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Core Fixed Income	35.00%	2.27%
U.S. Large Caps	36.00%	3.13%
Non-U.S. Equity	24.00%	4.11%
U.S. REITS	5.00%	3.27%
	100.00%	

Discount rate: The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Town, calculated using the discount rate of 3.50%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

Net OPEB Liability	1.0% Decrease decreasing to 2.50%)	Healthcare Cost Trend Rates 3.50%	1.0% Increase increasing to 4.50%)
OPEB Plan	\$ 55,580,265	\$ 47,722,593	\$ 41,382,596

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.6% decreasing to 3.6%) or 1 percentage point higher (6.6% decreasing to 5.6%) than the current healthcare cost trend rates:

Net OPEB Liability	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
OPEB Plan	\$ 39,984,217	\$ 47,722,593	\$ 57,500,961

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2019, the Town recognized OPEB expense of \$(566,351). At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (21,148,136)
Changes of assumptions	2,149,156	(3,452,212)
Net difference between projected and actual earnings on OPEB plan investments	-	(50,714)
	\$ 2,149,156	\$ (24,651,062)

Amounts reported in deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2020	\$ (3,830,654)
2021	(3,830,654)
2022	(3,830,653)
2023	(3,827,673)
2024	(3,817,230)
Thereafter	(3,365,042)
	\$ (22,501,906)

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Other Post-Employment Benefit - Connecticut State Teachers' Retirement Plan

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167 of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

There are two types of the healthcare benefits offered through the System. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue healthcare coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). Effective July 1, 2018 the System added a Medicare Advantage Plan Option. Active members, retirees and the State pay equally toward the cost of the basic coverage) medical and prescription drug benefits under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018 retired members who cancel their health care coverage or elect not to enroll in CRTB sponsored health care coverage option must wait two years to re-enroll.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Survivor healthcare coverage: Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB Sponsored Medicare Supplemental Plans, as long as they do not remarry.

Eligibility: Any member that is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited service: One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of credited service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement, if the member pays one-half the cost.

Normal retirement: 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.

Early retirement: 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service.

Proratable retirement: Age 60 with 10 years of credited service.

Disability retirement: 5 years of credited service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

Termination of employment: 10 or more years of credited service.

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183t, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

Retirees

Retirees pay per monthly premiums.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2019, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	20,010,108
	<u>\$ 20,010,108</u>

The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018, which was rolled forward to determine the June 30, 2018 liability. At June 30, 2019, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of (\$6,647,346) for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Healthcare costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25% – 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense, and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

Discount rate: The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future state contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the net OPEB liability to changes in the health care cost trend rate and the discount rate: The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the healthcare cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

Other information: Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

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.

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 Express Scripts. Funds are transferred into the Insurance Internal Service Fund from other funds and are available to pay the health/medical premium costs.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

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 through CT Prime that limits the Town's liability to \$175,000 annually. On an aggregate basis, the Town's liability is limited to 125 percent of expected claims (approximately \$3,200,000). Claims exceeding the Town's maximum liability are fully insured through aggregate stop loss coverage. 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 ISL coverage that limits the BOE's liability to \$150,000 annually. On an aggregate basis, the BOE's liability is limited to 110 percent of expected claims (approximately \$11,300,000). Claims exceeding the BOE's maximum liability are fully insured through aggregate stop loss coverage. 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.

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,
2017-18	\$ 1,950,636	\$ 1,458,209	\$ 1,651,481	\$ 1,757,364
2018-19	1,757,364	2,060,862	2,173,287	1,644,939

Town - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2017-18	\$ 217,731	\$ 4,028,726	\$ 4,041,765	\$ 204,692
2018-19	204,692	4,203,636	4,202,756	205,572

BOE - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2017-18	\$ 485,192	\$ 9,206,403	\$ 9,260,972	\$ 430,623
2018-19	430,623	9,894,751	9,908,839	416,535

Town of Windsor, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

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 \$15,000,000. 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.

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, sewage collection, and disposal facilities for members), the Town is contingently liable for \$81,893,765 or 8.88% of the debt of the District.

Law suits: 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 stopped accepting commercial waste on July 1, 2014, and has since been converted to a transfer station facility for residents.

The \$34,123,000 reported as landfill closure and post-closure care liability at June 30, 2019, is \$697,000 less than the liability reported on June 30, 2018. This decrease, or adjustment in estimated closure costs accrued to date, directly increases the operating income for the Landfill Enterprise Fund in fiscal year 2019. These amounts are based on what it would cost to perform all closure and post-closure care at 2019 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 12. Landfill Closure and Post-closure Care Costs (Continued)

During FY 19, the Leachate Collection and Treatment System was changed to a Leachate Collection and Outfall System. The construction cost estimate was therefore adjusted from \$4,300,000 to \$1,120,000. The annual operating and maintenance cost was also adjusted from \$425,000 to \$80,000 for the 30 year period. These adjustments were based on the most recent design and cost estimates to install a leachate collection outlet system to mitigate the discharge of visible iron precipitate leachate to the Farmington River rather than constructing a leachate collection and treatment system. The outlet design involves collection and discharge of the iron precipitate leachate through an outlet pipe and diffuser installed at the bottom of the river. The outlet design was developed in accordance with direction provided by the Connecticut Department of Energy and Environmental Protection (DEEP) in January 2018.

While this revised approach to addressing the leachate was developed in coordination with the CTDEEP, the public outreach and permitting phases for the design have not been completed. Based on these factors, we believe it may be more conservative from a fiscal planning perspective to maintain the previous cost estimates for another year until such time that the alternate system has been fully permitted.

The landfill served 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 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 Town's for closure of the landfill.

The landfill is currently operating under the State of Connecticut stewardship permit issued by the 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, 2019:

Landfill Fund	<u><u>\$ 9,923,676</u></u>
---------------	----------------------------

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 14. Fund Balances

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

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances:			
Nonspendable:			
Inventories	\$ 26,697	\$ -	\$ 2,937
Prepaid expenses	-	-	1,039
Scholarship fund principal	-	-	13,000
Total nonspendable	26,697	-	16,976
Restricted:			
Scholarship funding	-	-	1,953
Library operations & recreation	-	-	67,718
Human services programs	-	-	220,067
Public safety programs	-	-	178,944
Road construction and maintenance	-	-	1,364,725
Community development block grant loans	-	-	1,957,503
Education	-	-	248,083
School capital improvements	-	77,030	-
Road and sidewalk construction and maintenance	-	681,804	-
Other capital projects	-	3,018,762	-
Other programs	-	-	62,709
Total restricted	-	3,777,596	4,101,702
Committed:			
Open space program	-	-	405,019
School capital improvements	-	1,961,675	-
Road and sidewalk construction and maintenance	-	1,947,175	-
Other capital projects	-	5,789,054	-
Debt Service	-	-	1,888,653
Total committed	-	9,697,904	2,293,672
Assigned:			
Subsequent year expenditures	900,000	-	-
Education	1,300,335	-	101,302
General government activities	271,751	-	-
Recreation programs	958,585	-	-
Clinic services	48,547	-	-
Public safety and police private duty	1,010,147	-	-
Building maintenance	346,272	-	-
Community development	-	-	627,525
Other capital projects	-	690,088	-
Total assigned	4,835,637	690,088	728,827
Unassigned	25,900,614	-	-
Total fund balance	\$ 30,762,948	\$ 14,165,588	\$ 7,141,177

Encumbrances contained in the above table are as follows: \$1,305,178 in the General Fund, \$6,841,420 in the Capital Projects Fund, and \$36,380 in Nonmajor Governmental Funds.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 15. Tax Abatements

The Town has the authority to offer economic development incentives in the form of local tax abatements to eligible applicants for both real property and manufacturing machinery and equipment. The statutory authority for these abatements are in accordance with Connecticut General Statutes Sec. 2 65(b). The Town had tax abatement agreements with three entities as of June 30, 2019:

Company Name	Description	Percentage of Taxes Abated in FY19	Amount of Taxes Abated in FY19	Abatement Expires
Amazon.com Inc.	Fulfillment Center	65%	\$1,022,504	FY 22
Windsor Station	Apartment Complex	50%	178,487	FY 21
Leipold Inc.	Precision Manufacturer	30%	7,586	FY 20

Note 16. GASB Statements

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

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

- **GASB Statement No. 84, *Fiduciary Activities***, is effective for reporting periods beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Town is aware of this Statement and will assess its impact to ensure timely implementation.
- **GASB Statement No. 87, *Leases***, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.
- **GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period***. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 16. Governmental Accounting Standards Board (GASB) Statements (Continued)

- **GASB Statement No. 90, *Majority Equity Interests***—an amendment of *GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.
- **GASB Statement No. 91, *Conduit Debt Obligations***. In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The Town is not an issuer of conduit debt, therefore this Statement will have no effect on its financial statements.

This page intentionally left blank.

**Required Supplementary
Information - Unaudited**

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of Investment Returns - Defined Benefit Pension Plan
Last Six Fiscal Years**

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment income*	2.54%	6.27%	13.56%	-2.01%	1.45%	16.25%

* 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 Pension Plan
 Last Ten Fiscal Years**

	Schedule of Contributions - Pension									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,340,704	\$ 1,196,328	\$ 1,054,742	\$ 1,026,539	\$ 998,378	\$ 1,311,760	\$ 1,367,561	\$ 1,334,389	\$ 1,273,290	\$ 843,833
Contributions in relation to the actuarially determined contribution	1,340,704	1,196,328	1,054,742	1,026,539	998,378	1,311,760	1,367,561	1,334,389	1,273,290	843,833
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	12,839,197	13,489,831	14,057,983	14,982,909	15,744,000	15,947,000	15,895,000	15,782,000	15,875,000	15,672,000
Contributions as a percentage of covered payroll	10.44%	8.87%	7.50%	6.85%	6.34%	8.23%	8.60%	8.46%	8.02%	5.38%

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of Changes in Net Pension Liability (NPL) and Related Ratios - Defined Benefit Pension Plan
Last Six Fiscal Years
(in 000s)**

Changes in Net Pension Liability	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 984	\$ 1,019	\$ 1,042	\$ 1,090	\$ 1,145	\$ 1,206
Interest on total pension liability	5,908	5,767	5,597	5,385	5,193	4,973
Effect of plan changes	(1)	(16)	(59)	-	-	-
Effect of economic/demographic gains or (losses)	(380)	(457)	(253)	20	(179)	(41)
Effect of assumption changes or inputs	973	1,098	1,058	1,007	-	-
Benefit payments	(4,188)	(3,799)	(3,623)	(3,481)	(3,211)	(3,112)
Net change in total pension liability	3,296	3,612	3,762	4,021	2,948	3,026
Total pension liability, beginning	83,998	80,386	76,624	72,603	69,655	66,629
Total pension liability, ending (a)	87,294	83,998	80,386	76,624	72,603	69,655
Fiduciary net position:						
Employer contributions	\$ 1,341	\$ 1,195	\$ 1,055	\$ 1,027	\$ 998	\$ 1,312
Member contributions	543	563	599	509	613	618
Investment income net of investment expenses	1,723	4,142	8,124	(1,271)	931	9,135
Benefit payments	(4,188)	(3,799)	(3,623)	(3,481)	(3,211)	(3,112)
Administrative expenses	(19)	(19)	(15)	(19)	(13)	(58)
Net change in plan fiduciary net position	(600)	2,082	6,140	(3,235)	(682)	7,895
Fiduciary net position, beginning	69,471	67,389	61,249	64,485	65,167	57,272
Fiduciary net position, ending (b)	68,871	69,471	67,389	61,249	64,485	65,167
Net pension liability, ending = (a) - (b)	\$ 18,423	\$ 14,527	\$ 12,997	\$ 15,375	\$ 8,118	\$ 4,488
Fiduciary net position as a % of total pension liability	78.90%	82.71%	83.83%	79.93%	88.82%	93.56%
Covered payroll	\$ 12,839	\$ 13,489	\$ 14,057	\$ 14,983	\$ 15,744	\$ 15,947
Net pension liability as a % of covered payroll	143.49%	107.70%	92.46%	102.62%	51.56%	28.14%

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 Contributions - Connecticut Municipal Employees' Retirement System (CMERS)
 Required Supplementary Information - unaudited
 Last Five Fiscal Years**

Measurement Period Ended June 30,	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 967,336	\$ 961,140	\$ 846,628	\$ 839,857	\$ 914,805
Contribution in relation to the actuarially determined contribution	967,336	961,140	846,628	839,857	914,805
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$5,756,938	\$5,644,057	\$5,533,389	\$5,759,928	\$5,528,217
Contributions as a percentage of covered payroll	16.80%	17.03%	15.30%	14.58%	16.55%

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 -
Connecticut Municipal Employees' Retirement System (CMERS)
Required Supplementary Information - unaudited
Last Five Fiscal Years**

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	3.90%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension (asset) liability	<u>\$ 10,340,925</u>	<u>\$ (2,671,406)</u>	<u>\$ (1,930,679)</u>	<u>\$ (3,332,712)</u>	<u>\$ (3,947,859)</u>
Town's covered payroll	<u>\$ 5,756,938</u>	<u>\$ 5,644,057</u>	<u>\$ 5,533,389</u>	<u>\$ 5,759,928</u>	<u>\$ 5,528,217</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>179.63%</u>	<u>-47.33%</u>	<u>-34.89%</u>	<u>-57.86%</u>	<u>-71.41%</u>
System fiduciary net position as a percentage of the total pension liability	<u>88.29%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>

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 -
Teachers' Retirement System
Required Supplementary Information - unaudited
Last Five Fiscal Years**

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	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>\$ 100,097,275</u>	<u>\$ 100,735,001</u>	<u>\$ 106,276,198</u>	<u>\$ 81,836,695</u>	<u>\$ 75,641,625</u>
Total	<u>\$ 100,097,275</u>	<u>\$ 100,735,001</u>	<u>\$ 106,276,198</u>	<u>\$ 81,836,695</u>	<u>\$ 75,641,625</u>
Town's covered payroll	<u>\$ 32,860,661</u>	<u>\$ 31,929,411</u>	<u>\$ 30,775,321</u>	<u>\$ 30,419,140</u>	<u>\$ 29,228,000</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
System fiduciary net position as a percentage of the total pension liability	<u>55.93%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Notes to Schedule

Change in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increases were adjusted to more closely 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, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market

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 Contributions - OPEB Plan
Last Ten Fiscal Years**

	Schedule of Contributions - OPEB Plan									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 3,360,296	\$ 5,250,156	\$ 4,883,931	\$ 6,762,112	\$ 6,299,617	\$ 7,831,000	\$ 7,258,000	\$ 7,681,000	\$ 7,118,000	\$ 7,185,000
Contributions in relation to the actuarially determined contribution	2,226,427	1,976,204	2,410,939	2,593,319	2,595,904	2,240,000	2,047,000	2,283,000	2,067,000	2,085,000
Contribution deficiency (excess)	<u>\$ 1,133,869</u>	<u>\$ 3,273,952</u>	<u>\$ 2,472,992</u>	<u>\$ 4,168,793</u>	<u>\$ 3,703,713</u>	<u>\$ 5,591,000</u>	<u>\$ 5,211,000</u>	<u>\$ 5,398,000</u>	<u>\$ 5,051,000</u>	<u>\$ 5,100,000</u>
Covered payroll	\$ 46,133,025	\$ 45,660,809	\$ 45,660,809	\$ 44,515,553	\$ 44,515,553	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	4.83%	4.33%	5.28%	5.83%	5.83%	N/A	N/A	N/A	N/A	N/A

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of Investment Returns - OPEB Plan
Last Three Fiscal Years***

	2019	2018	2017
Annual money-weighted rate of return, net of investment income*	6.47%	5.95%	10.39%

* 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 Changes in the Town's OPEB Liability and Related Ratios (in 1,000s)
Last Three Fiscal Years***

Changes in Net OPEB Liability	OPEB Plan		
	2019	2018	2017
Total pension liability:			
Service cost	\$ 1,559	\$ 1,749	\$ 3,121
Interest	1,816	2,760	2,393
Differences between expected and actual experience	-	(28,317)	-
Changes in assumptions	2,501	(4,623)	(9,284)
Benefit payments, including refunds of member contributions	(1,626)	(1,476)	(1,961)
Net change in total OPEB liability	4,250	(29,907)	(5,731)
Total pension liability, beginning	46,167	76,074	81,805
Total OPEB liability, ending (a)	50,417	46,167	76,074
Fiduciary net position:			
Employer contributions	2,226	1,976	2,411
Investment (loss) income net of investment expenses	164	94	122
Benefit payments, including refunds of member contributions	(1,626)	(1,476)	(1,961)
Administrative expenses	(1)	(1)	(1)
Other	-	-	-
Net change in plan fiduciary net position	763	593	571
Fiduciary net position, beginning	1,930	1,337	766
Fiduciary net position, ending (b)	2,693	1,930	1,337
Net OPEB liability, ending = (a) - (b)	\$ 47,724	\$ 44,237	\$ 74,737
Fiduciary net position as a % of total OPEB liability	5.34%	4.18%	1.76%
Covered payroll	\$ 46,133	\$ 45,661	\$ 45,661
Net OPEB liability as a % of covered payroll	103.45%	96.88%	163.68%

*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan
Last Two Fiscal Years***

	2019	2018
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	-	-
State's proportionate share of the net OPEB liability associated with the Town	\$ 20,010,108	\$ 25,928,047
Total	\$ 20,010,108	\$ 25,928,047
Town's covered payroll	\$ 30,992,792	\$ 31,929,412
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

Notes to Schedule

Changes in benefit terms	The plan was amended by the Board, effective July 1, 2018, during the January 11, 2018 meeting. The Board action added the Anthem Medicare Advantage Plan to the available options under the plan, changed the "base plan" to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a system sponsored healthcare plan for those who cancel their coverage or choose not to enroll in a healthcare coverage option on or after the effective date. These changes were communicated to retired members during the months leading up to a special open enrollment period that preceded the July 1, 2018 implementation date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the TOL as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age related annual percentage increases in expected annual per capita healthcare claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term healthcare cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the plan, but are expected to elect coverage for themselves and their spouses under a system-sponsored healthcare plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disablement mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred vested members who will become ineligible for future healthcare benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense, including price inflation

*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

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, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 97,360,030	\$ 97,360,030	\$ 99,113,332	\$ 1,753,302
Licenses and permits	625,960	625,960	1,266,280	640,320
Fines, forfeitures and penalties	36,000	36,000	35,008	(992)
Other agencies	108,370	108,370	124,455	16,085
Intergovernmental	14,557,240	14,557,240	14,555,450	(1,790)
Revenues from use of assets	1,048,830	1,048,830	1,634,411	585,581
Charges for services	583,500	583,500	1,094,734	511,234
Total revenues	114,319,930	114,319,930	117,823,670	3,503,740
Expenditures:				
Current:				
General government	1,015,240	1,015,240	952,939	62,301
Safety service	10,346,090	10,292,590	9,917,535	375,055
Public works	6,260,520	6,190,570	5,898,204	292,366
Health services	494,800	494,800	463,033	31,767
Human services	943,520	943,520	918,878	24,642
Recreation and leisure services	1,538,390	1,193,220	1,190,257	2,963
Education	69,068,800	68,945,200	68,861,976	83,224
Town support for education	5,229,500	2,610,850	2,559,482	51,368
Library services	1,678,840	1,678,840	1,640,776	38,064
Development services	1,318,030	1,318,030	1,275,979	42,051
Information services	491,270	491,270	474,865	16,405
Administrative services	2,313,740	2,311,740	2,265,018	46,722
General services	14,494,970	7,200,220	7,178,667	21,553
Total expenditures	115,193,710	104,686,090	103,597,609	1,088,481
Revenues over (under) expenditures	(873,780)	9,633,840	14,226,061	4,592,221
Other financing sources (uses):				
Transfers in	77,580	77,580	71,680	(5,900)
Transfers out*	(103,800)	(10,611,420)	(10,627,920)	(16,500)
Use of fund balance	-	(650,000)	(650,000)	-
Total other financing sources (uses)	(26,220)	(11,183,840)	(11,206,240)	(22,400)
Net change in budgetary fund balance	\$ (900,000)	\$ (1,550,000)	3,019,821	\$ 4,569,821
Budgetary fund balance, beginning			<u>23,807,490</u>	
Budgetary fund balance, ending			26,827,311	
Less:				
Inventory			(26,697)	
FY 20 appropriation of fund balance			(900,000)	
Unassigned fund balance, ending			<u>25,900,614</u>	
Unassigned, beginning			<u>22,868,466</u>	
Net change in unassigned fund balance			<u>\$ 3,032,148</u>	

See notes to required supplementary information.

* \$103,800 reflects Community Development Block Grant Fund.

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 \$650,000 as a result of fund balance and revenue appropriations during the year ended June 30, 2019. 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	\$ 124,250,763	\$ 121,253,395
State teachers retirement and OPEB payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(4,586,804)	(4,586,804)
Reclassified to General Fund, as funds were previously reported as special revenue funds, and no longer meet the definition in accordance with GASB Statement No. 54.	(1,768,609)	(1,917,636)
Encumbrances:		
June 30, 2018	-	(1,124,879)
June 30, 2019	-	1,251,453
Balance, budgetary basis	\$ 117,895,350	\$ 114,875,529

- 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 Fund: Legal authorization for expenditures of the capital projects fund 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 STATUS

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 \$15,570,000 General Obligation Bonds, Issue of 2020, dated as of June 25, 2020 and \$12,500,000 Bond Anticipation Notes, dated as of June 25, 2020.

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.

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; and (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.

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. 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.

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 Bonds and Notes will **not** 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. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the payment at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes is (i) the stated interest payable at maturity ("qualified stated interest"), or (ii) the difference between the issue price of the short-term debt obligations and the aggregate amount to be paid at maturity ("original issue discount"). For this purpose, the issue price of the short-term debt obligations is the first price at which a substantial amount of the short-term debt obligations is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Until the IRS provides further guidance with respect to short-term debt obligations, taxpayers holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Prospective purchasers of the Bonds and Notes should consult their own tax advisors with respect to the tax consequences of ownership of the Bonds and Notes and the treatment elected.

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 or note who bought the bond or note at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such 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.

[Remainder of page intentionally left blank]

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT – 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 25, 2020 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$15,570,000 General Obligation Bonds, Issue of 2020, dated as of June 25, 2020 (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 11, 2020 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, 2020) 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 Issuer's pension benefit obligation.

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

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

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

Section 3. Notice of Certain Events.

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

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

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

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

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

(o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

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.

Events (o) and (p). The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

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 _____
James R. Bourke
Finance Director

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT – 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 25, 2020 by the Town of Windsor, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$12,500,000 Bond Anticipation Notes, dated as of June 25, 2020 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;
- (a) unscheduled draws on credit enhancements reflecting financial difficulties;
- (b) substitution of credit or liquidity providers, or their failure to perform;
- (c) 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;
- (d) modifications to rights of holders of the Notes, if material;
- (e) Note calls, if material, and tender offers;
- (f) Note defeasances;
- (g) release, substitution, or sale of property securing repayment of the Notes, if material;
- (h) rating changes;
- (i) bankruptcy, insolvency, receivership or similar event of the Issuer;

(j) 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;

(k) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(l) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and

(m) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

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.

Events (o) and (p). The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

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: _____
James R. Bourke
Finance Director

APPENDIX E - NOTICE OF SALE – THE BONDS

**NOTICE OF SALE
\$15,570,000
Town of Windsor, Connecticut
General Obligation Bonds
(BOOK-ENTRY)**

ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor, Connecticut (the “Town”), at the offices of Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut, until **11:30 A.M. Eastern Time on THURSDAY,**

JUNE 11, 2020

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

**\$15,570,000 General Obligation Bonds, Issue of 2020
Payable annually on June 15 as follows:**

**\$780,000 in 2021 through 2039
\$750,000 in 2040**

The Bonds will be dated June 25, 2020, with interest payable on December 15, 2020 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 November and May.

Optional Redemption. Bonds maturing on or before June 15, 2026 are not subject to redemption prior to maturity. Bonds maturing on June 15, 2027 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2026, 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 or prices (expressed as a percentage of the principal amount to be redeemed) plus accrued and unpaid interest to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
June 15, 2026 and thereafter	100.0%

Proposals. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth or one eighth of one percent the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three (3%) 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 of Sale.

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 25, 2020, 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 also 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.

Establishment of Issue Price. The winning bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form set out in the Appendix hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by the Town’s Municipal Advisor identified herein and any notice or report to be provided to the Town may be provided to the Town’s Municipal Advisor.

By submitting a bid for the Bonds, a bidder represents that it has an established industry reputation for underwriting new issuances of municipal obligations.

If the winning bidder has purchased the Bonds for its own account and not with a view to distribution or resale to the Public, then, whether or not the Competitive Sale Requirements, as herein defined, were met, the certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

The Town intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

1. the Town shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
2. all bidders shall have an equal opportunity to bid;
3. the Town may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

4. the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the Town shall so advise the winning bidder. The Town shall treat the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Town if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Town will not require bidders to comply with the “Hold-The-Offering-Price Rule”, as described in Treasury Regulations Section 1.148-1(f)(2)(ii), and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Town the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the earlier to occur of the satisfaction of the 10% Test as to the Bonds of that maturity or the sale of all Bonds of that maturity.

By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “Public” means any person other than an Underwriter or a Related Party,
2. “Underwriter” means (A) any person that agrees pursuant to a written contract with the Town (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
3. a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
4. “Sale Date” means the date that the Bonds are awarded by the Town to the winning bidder.

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; 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.

The Bonds will *not* be "qualified tax-exempt obligations" for purposes of the deduction by financial institutions of interest expense that is allocable to tax-exempt obligations.

Municipal Advisor. The Town has retained Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, to serve as its municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in the Notice of Sale and its appendices and makes no guarantee as to their completeness or accuracy.

Official Statement. The Town has prepared a preliminary Official Statement for the Bond issue which is dated June 1, 2020. 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 a reasonable number of 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 Municipal Advisor 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 Municipal 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 or revised 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 Municipal 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 Municipal Advisor to apply for CUSIP numbers for the Bonds. 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 Global Services 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.

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about June 25, 2020 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. Copies of the Official Statement may be obtained from Mr. Mark Chapman, Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 (telephone: (860) 290-3001) or from Mr. James R. Bourke, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut 06095 (telephone: (860) 285-1936).

PETER P. SOUZA,
Town Manager

JAMES R. BOURKE,
Finance Director

**APPENDIX TO NOTICE OF SALE
FORM OF ISSUE PRICE CERTIFICATE**

Competitive Sale Requirements Satisfied

**TOWN OF WINDSOR, CONNECTICUT
\$15,570,000 GENERAL OBLIGATION BONDS, ISSUE OF 2020**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of *Name of the Underwriter* ("*Underwriter Short Name*"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by *Underwriter Short Name* are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by *Underwriter Short Name* in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by *Underwriter Short Name* to purchase the Bonds.

(b) *Underwriter Short Name* was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by *Underwriter Short Name* constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is June 11, 2020.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Issuer* means the Town of Windsor, Connecticut.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Name of the Underwriter

By: _____

Name: _____

Dated: __/__/2020

Attachments:

**SCHEDULE A
EXPECTED OFFERING PRICES**

**SCHEDULE B
COPY OF UNDERWRITER'S BID**

[Remainder of page intentionally left blank]

Competitive Sale Requirements Not Satisfied - 10% Test Applied

**TOWN OF WINDSOR, CONNECTICUT
\$15,570,000 GENERAL OBLIGATION BONDS, ISSUE OF 2020**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. **Sale of the Bonds.** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. **Defined Terms.**

(a) "Issuer" means the Town of Windsor, Connecticut.

(b) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Name of the Underwriter

By: _____

Name: _____

Dated: __/__/2020

Attachment:

**SCHEDULE A
SALE PRICES**

[Remainder of page intentionally left blank]

APPENDIX F - NOTICE OF SALE – THE NOTES

**NOTICE OF SALE
\$12,500,000
Town of Windsor, Connecticut
Bond Anticipation Notes
(BOOK-ENTRY)**

ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor, Connecticut (the “Town”) at the offices of Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut, until **11:00 A.M. Eastern Time on THURSDAY,**

JUNE 11, 2020

for the purchase of \$12,500,000 Bond Anticipation Notes of the Town, dated June 25, 2020, maturing on June 24, 2021 (the "Notes").

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 \$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 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, and may, at the option of the bidder, include a premium. 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.

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.

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 Notes 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, which will also 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.

Establishment of Issue Price. The winning bidder shall assist the Town in establishing the issue price of the Notes and shall execute and deliver to the Town at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the applicable form set out in the Appendix hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Town by the Town’s Municipal Advisor identified herein and any notice or report to be provided to the Town may be provided to the Town’s Municipal Advisor.

By submitting a bid for the Notes, a bidder represents that it has an established industry reputation for underwriting new issuances of municipal obligations.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the Public, then, whether or not the Competitive Sale Requirements, as herein defined, were met, the certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

The Town intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Requirements”) because:

1. the Town shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
2. all bidders shall have an equal opportunity to bid;
3. the Town may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Town anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the Town shall so advise the winning bidder. The Town shall treat the first price at which 10% of a maturity of the Notes (the “10% Test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Town if any maturity of the Notes satisfies the 10% Test as of the date and time of the award of the Notes. The Town will not require bidders to comply with the “Hold-The-Offering-Price Rule”, as described in Treasury Regulations Section 1.148-1(f)(2)(ii), and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Notes as the issue price of that maturity. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Notes, the winning bidder agrees to promptly report to the Town the prices at which the unsold Notes of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the earlier to occur of the satisfaction of the 10% Test as to the Notes of that maturity or the sale of all Notes of that maturity.

By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the Public, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. "Public" means any person other than an Underwriter or a Related Party,
2. "Underwriter" means (A) any person that agrees pursuant to a written contract with the Town (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public),
3. a purchaser of any of the Notes is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
4. "Sale Date" means the date that the Notes are awarded by the Town to the winning bidder.

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; 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. The Notes will *not* be "qualified tax-exempt obligations" for purposes of the deduction by financial institutions of interest expenses that is allocable to tax-exempt obligations.

Municipal Advisor. The Town has retained Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, to serve as its municipal advisor (the "Municipal Advisor") in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in the Notice of Sale and its appendices and makes no guarantee as to their completeness or accuracy.

Official Statement. The Town has prepared a preliminary Official Statement for the Note issue which is dated June 1, 2020. 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 a reasonable number of 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 Municipal Advisor by the delivery of the Notes or by the seventh business day after the day bids on the Notes are received if earlier. If the Town's Municipal Advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Notes are received, the copies of the Official Statement will include an additional or revised 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 Notes and any corrections. The purchaser shall arrange with the Municipal 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 Municipal Advisor to apply for CUSIP numbers for the Notes. 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 Global Services 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.

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 25, 2020.

More Information. For more information regarding this issue and the Town reference is made to Official Statement. Copies of the Official Statement may be obtained from Mr. Mark Chapman, Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 (telephone: (860) 290-3001) or from Mr. James R. Bourke, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut 06095 (telephone: (860) 285-1936).

PETER P. SOUZA,
Town Manager

JAMES R. BOURKE,
Finance Director

June 1, 2020

**APPENDIX TO NOTICE OF SALE
FORM OF ISSUE PRICE CERTIFICATE**

Competitive Sale Requirements Satisfied

**TOWN OF WINDSOR, CONNECTICUT
\$12,500,000 BOND ANTICIPATION NOTES, DATED JUNE 25, 2020**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by Underwriter Short Name are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by Underwriter Short Name in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by Underwriter Short Name to purchase the Notes.

(b) Underwriter Short Name was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Underwriter Short Name constituted a firm offer to purchase the Notes.

2. ***Defined Terms.***

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is June 11, 2020.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

(e) *Issuer* means the Town of Windsor, Connecticut.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Notes, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Name of the Underwriter

By: _____

Name: _____

Dated: __/__/2020

Attachments:

**SCHEDULE A
EXPECTED OFFERING PRICES**

**SCHEDULE B
COPY OF UNDERWRITER'S BID**

[Remainder of page intentionally left blank]

Competitive Sale Requirements Not Satisfied - 10% Test Applied

**TOWN OF WINDSOR, CONNECTICUT
\$12,500,000 BOND ANTICIPATION NOTES, DATED JUNE 25, 2020**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Notes").

1. **Sale of the Notes.** As of the date of this certificate, for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

2. **Defined Terms.**

(a) "Issuer" means the Town of Windsor, Connecticut.

(b) "Maturity" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Notes, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Name of the Underwriter

By: _____

Name: _____

Dated: __/__/2020

Attachment:

**SCHEDULE A
SALE PRICES**

[Remainder of page intentionally left blank]

Municipal Advisory Services
Provided By

