

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 31, 2024**

**NEW ISSUE**

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

*In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, 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 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. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and the Notes. (See "Tax Matters" herein.)*

***TOWN OF WINDSOR, CONNECTICUT***

***\$8,810,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024***  
**(BOOK-ENTRY-ONLY)**

**Dated: Date of Delivery**

**Due: June 15, 2025-2039, 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, 2024.

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

The Bonds are being offered for sale in accordance with an official Notice of Sale dated May 31, 2024. Electronic bids solely via **PARITY**<sup>®</sup> for the Bonds will be received until 11:30 A.M. (E.T.) on June 11, 2024, at the Windsor Town Hall, Town Manager's Conference Room, 275 Broad Street, Windsor, Connecticut 06095, as described in the official Notice of Sale. (See "Appendix F" to this Official Statement).

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

***\$1,360,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES***  
**(OPTION FOR NO BOOK ENTRY)**

**Dated: June 27, 2024**

**Due: June 26, 2025**

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.**

The Notes are being offered for sale in accordance with an official Notice of Sale dated May 31, 2024. Telephone bids and electronic bids via **PARITY**<sup>®</sup> for the Notes will be received until 11:00 A.M. (E.T.) on June 11, 2024, at the Windsor Town Hall, Town Manager's Conference Room, 275 Broad Street, Windsor, Connecticut 06095, as described in the official Notice of Sale. (See "Appendix G" to this Official Statement).

Unless requested by the successful purchaser as described under "Option For No Book Entry" herein for the Notes, 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 any \$5,000 or integral multiples thereof. Ownership of the Notes will be in the denominations of \$5,000 or any integral multiple thereof. 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).

If requested by the successful purchaser as described under "Option For No Book Entry" herein, the Notes will be issued in the form of a single fully-registered physical certificate in the par amount of the Notes.

Unless the successful bidder on the Notes is designated as the Registrar, Transfer Agent, Certifying Agent and Paying Agent for the Notes as provided in "Option For No Book Entry" 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 Pullman & Comley, LLC, 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 27, 2024.*

***This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.***

# **TOWN OF WINDSOR, CONNECTICUT**

## **\$8,810,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024 BOOK-ENTRY-ONLY**

**Dated: Date of Delivery**

**MATURITY SCHEDULE**

**Due: June 15, 2025-2039**

<b>Maturity</b>	<b>Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP (1)</b>	<b>Maturity</b>	<b>Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP (1)</b>
2025	\$ 590,000	%	%	973569***	2033	\$ 585,000	%	%	973569***
2026	590,000			973569***	2034	585,000			973569***
2027	590,000			973569***	2035	585,000			973569***
2028	590,000			973569***	2036	585,000			973569***
2029	590,000			973569***	2037	585,000			973569***
2030	590,000			973569***	2038	585,000			973569***
2031	590,000			973569***	2039	585,000			973569***
2032	585,000			973569***					

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## **\$1,360,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES OPTION FOR NO BOOK ENTRY**

**Dated: June 27, 2024**

**Due: June 26, 2025**

<b>Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP (1)</b>
\$1,360,000	%	%	973569***

- (1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., which is not affiliated with the Town, and are included solely for the convenience of the holders of the Bonds and 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 and the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and 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 and the Notes.

No dealer, broker, salesperson 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 – "Audited Financial Statements" hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than matters expressly set forth in Appendices B and C 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.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

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## BOND ISSUE SUMMARY

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*The information in this Bond Issue Summary, the 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.*

<b>Date of Sale:</b>	Tuesday, June 11, 2024, 11:30 AM (Eastern Time).
<b>Location of Sale:</b>	At the Town Manager's Conference Room, 275 Broad Street, Windsor, Connecticut 06095.
<b>Issuer:</b>	Town of Windsor, Connecticut (the "Town").
<b>Issue:</b>	\$8,810,000 General Obligation Bonds, Issue of 2024 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery, June 27, 2024.
<b>Interest Due:</b>	December 15, 2024 and semiannually thereafter on June 15 and December 15 in each year until maturity.
<b>Principal Due:</b>	Serially, June 15, 2025 through 2039, as detailed in this Official Statement.
<b>Purpose and Authority:</b>	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 and bond ordinances approved by the Town Council and, if required by Charter, voters at referendum. (See "Authorization and Use of Proceeds" herein).
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
<b>Security:</b>	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.
<b>Credit Rating:</b>	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).
<b>Basis of Award:</b>	Lowest True Interest Cost ("TIC"), as of the dated date.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Bonds shall <b>not</b> be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
<b>Continuing Disclosure:</b>	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) notice of the occurrence of certain events not in excess of ten (10) business days of the 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 D to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank Trust Company, National Association, Corporate Trust Services, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	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 27, 2024 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to Mr. James R. Bourke, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1936.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

## NOTE ISSUE SUMMARY

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*The information in this Note Issue Summary, the 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.*

<b>Date of Sale:</b>	Tuesday, June 11, 2024, 11:00 AM (Eastern Time).
<b>Location of Sale:</b>	At the Town Manager's Conference Room, 275 Broad Street, Windsor, Connecticut 06095.
<b>Issuer:</b>	Town of Windsor, Connecticut (the "Town").
<b>Issue:</b>	\$1,360,000 General Obligation Bond Anticipation Notes (the "Notes").
<b>Dated Date:</b>	Date of Delivery, June 27, 2024.
<b>Interest Due:</b>	At maturity, June 26, 2025.
<b>Principal Due:</b>	At maturity, June 26, 2025.
<b>Purpose and Authority:</b>	The Notes are being issued to finance various Town capital improvement projects undertaken by the Town and authorized pursuant to Titles 7 and 10 of the General Statutes of Connecticut, as amended. The Charter of the Town and bond ordinances approved by the Town Council and, if required by Charter, voters at referendum. (See "Authorization and Use of Proceeds" herein).
<b>Redemption:</b>	The Notes are <b>NOT</b> subject to redemption prior to maturity.
<b>Security:</b>	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.
<b>Credit Rating:</b>	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).
<b>Basis of Award:</b>	Lowest Net Interest Cost ("NIC"), as of dated date.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	The Notes shall <b>not</b> be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
<b>Continuing Disclosure:</b>	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 not in excess of 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 E to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	Unless the successful bidder on the Notes is designated as the Registrar, Transfer Agent, Certifying Agent and Paying Agent for the Notes as provided in "Option For No Book Entry" herein, U.S. Bank Trust Company, National Association, Corporate Trust Services, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	Unless requested by the successful purchaser as described under "Option For No Book Entry" herein for the Notes, delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about June 27, 2024 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to Mr. James R. Bourke, Finance Director, Town of Windsor, Town Hall, 275 Broad Street, Windsor, Connecticut, 06095 - Telephone (860) 285-1936.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

## I. SECURITIES OFFERED

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### 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 \$8,810,000 General Obligation Bonds, Issue of 2024 (the "Bonds") and \$1,360,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

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

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

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

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature on June 15 in each of the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable on June 15 and December 15 in each year until maturity, commencing December 15, 2024. 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 Agent, Transfer Agent and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement. **The Bonds are subject to redemption prior to maturity. (See "Redemption Provisions" herein.)**

### REDEMPTION PROVISIONS

The Bonds maturing on or before June 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing on June 15, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2030, 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, 2030 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. Unless the winning bidder requests otherwise, 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 winning bidder, as registered owner of the Notes.

Unless the successful bidder on the Notes is designated as the Registrar, Certifying Agent, Transfer Agent and Paying Agent for the Notes as provided in "Option For No Book Entry" herein, the Registrar, Certifying Agent, Transfer Agent and Paying Agent for the Notes will be U.S. Bank Trust Company, National Association of Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix C to this Official Statement. **The Notes are NOT subject to redemption prior to maturity.**

## AUTHORIZATION AND USE OF PROCEEDS

### Authorizations:

**Sage Park Middle School Partial Roof Reconstruction:** An appropriation and bond ordinance in the amount of \$2,900,000 was approved at a special town meeting on September 18, 2023 for costs in connection with replacing 93,000 square feet of roofing and associated components.

**International Drive Reconstruction Phase II:** An appropriation and bond ordinance in the amount of \$1,810,000 was adopted by the Town Council on February 5, 2024 for costs in connection with roadway reconstruction comprised of new roadway pavement and curbing, drainage improvements, line striping and other related improvements.

**L.P. Wilson Community Center Ventilation and Flooring Improvements - North End Phase II:** An appropriation in the amount of \$3,155,000, and authorization for the issue of \$2,500,000 bonds and notes and \$655,000 from the General Fund unassigned fund balance was approved at a Special Town Meeting on March 18, 2024 for costs in connection with renovations and improvements to the HVAC system to include new roof-top units, new VRF systems, cabinet unit heaters, finned tube radiation and associated controls, testing and removal of hazardous materials, demolition of existing HVAC equipment, upgrade to electrical systems and associated components.

**Oliver Ellsworth Elementary School HVAC Improvements:** An appropriation and bond ordinance in the amount of \$3,000,000 was approved at a special town meeting on March 18, 2024, for costs in connection with HVAC improvements at Oliver Ellsworth Elementary School comprised of new outdoor air units, roof-top unit, heat pipe and associated controls, testing and removal of hazardous materials, modifications to existing HVAC equipment, installation of new DOAS units, upgrades to electrical systems, installation of controls, and roof work to accommodate new penetrations.

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

<b>Projects</b>	<b>Amount of Total Authorization</b>	<b>Additions / (Reductions)</b>	<b>The Bonds (This Issue)</b>	<b>The Notes (This Issue)</b>
Sage Park Middle School Partial Roof Reconstruction.....	\$ 2,900,000	\$ 2,900,000	\$ 1,540,000	\$ 1,360,000
International Drive Reconstruction Phase II.....	1,810,000	1,770,000	1,770,000	-
Oliver Ellsworth Elementary School HVAC Improvements.....	3,000,000	3,000,000	3,000,000	-
L.P. Wilson Community Center Ventilation and Flooring Improvements - North End Phase II.....	2,500,000	2,500,000	2,500,000	-
<b>Total.....</b>	<b>\$ 10,210,000</b>	<b>\$ 10,170,000</b>	<b>\$ 8,810,000</b>	<b>\$ 1,360,000</b>

## **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 and Notes.

## **SECURITY AND REMEDIES**

The Bonds and 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 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.

## **OPTION FOR NO BOOK ENTRY**

As described in the official Notice of Sale dated May 23, 2024, a bidder for the Notes may request that the Notes be issued in the form of a single fully-registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the certifying agent, registrar and paying and transfer agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the successful bidder as certifying agent, registrar and paying and transfer agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests. If the Notes are issued in nonbook-entry form, they are non-transferable and must be held to maturity by the winning bidder requesting the No Book Entry Option. The successful bidder shall not impose or charge the Town for any costs or expenses related to the services as certifying agent, registrar and paying and transfer agent for the Notes if the successful bidder is so designated.

Unless the successful purchaser makes a request for no book entry as described herein and in the official Notice of Sale, the Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public.

## **BOOK-ENTRY-ONLY TRANSFER SYSTEM**

The Depository Trust Company ("DTC") of New York, New York, will act as securities depository for the Notes, unless directed otherwise by the purchaser of 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 Note certificate will be issued for each interest rate of the Bonds and 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](http://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. Beneficial Owners of Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bonds and the Note documents. For example, Beneficial Owners of Bonds and Notes may wish to ascertain that the nominee holding the Bonds and the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds 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.

## TAX MATTERS

**Federal Taxes.** In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Bonds and the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds and the Notes in order that interest on the Bonds and the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds and the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds and the Notes irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Bonds and the Notes, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Bonds and the Notes proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds and the Notes is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds and the Notes.

**Original Issue Discount.** The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the inside cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

**Original Issue Premium.** The initial public offering prices of certain maturities of the Bonds and the Notes may be more than their stated principal amounts payable at maturity (the "OIP Obligations"). In general, an owner who purchases an OIP Obligations must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Obligations for federal income tax purposes. Prospective purchasers of OIP Obligations at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

**Other Federal Tax Matters.** Prospective purchasers of the Bonds and the Notes should be aware that ownership of the Bonds and the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds and the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds and the 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 Taxes.** In the opinion of Bond Counsel, under existing statutes, 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 is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

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

Accrued original issue discount on an OID 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 for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds and the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds and the Notes.

**Changes in Federal and State Tax Law.** Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds and the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds and the Notes will not have an adverse effect on the tax status of interest on the Bonds and the Notes or the market value or marketability of the Bonds and the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds and the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds and the Notes should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds and the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds and the Notes may be adversely affected and the ability of holders to sell their Bonds and the Notes in the secondary market may be reduced. The Bonds and the Notes are not subject to special mandatory redemption, and the interest rates on the Bonds and the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds and the 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 that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds and the Notes. Prospective owners of the Bonds and the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds and the Notes.

## **GLOBAL HEALTH EMERGENCY RISKS**

### **The COVID-19 Outbreak and Future Pandemics**

On January 30, 2020, the outbreak of COVID-19 was 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 as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan") that provided various forms of financial assistance and other relief to state and local governments. The Town received \$8.5 million from the Rescue Plan. The Town developed a plan for the use of such funds that will focus on infrastructure improvements and other initiatives that comply with the program eligibility criteria.

For up-to-date information concerning the State's actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

### **CYBERSECURITY**

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity, assessments, tools, and operational controls, including comprehensive policies and procedures relating to the security of the Town's government networks and data. Additionally, the Town purchases cybersecurity insurance coverage, so that a claim can be made to the insurance provider in the event of a cyber-attack. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

### **CLIMATE CHANGE**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town's location along the Connecticut River increases its vulnerability to flooding. In addition to flooding, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

The Town has taken a number of steps to plan and prepare for the effects of climate change. The town has issued ordinances for stormwater management, erosion and sedimentation control, and flooding, which all help to minimize future flood events and damage to buildings and personal property. The town participates in the Capitol Region Hazard Mitigation Plan, which looks at emergency preparedness, utility resiliency, floodplain management, and other measures to limit damage and facilitate recovery. The town is also participating in the Sustainable CT program by documenting existing sustainability best management practices and implementing new best practices designed to mitigate climate change and its underlying causes.

### **QUALIFICATION FOR FINANCIAL INSTITUTIONS**

The Bonds and the 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 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds and the Notes.

### **AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION**

The Town of Windsor prepares, in accordance with State Law, annual independent audited financial statements and the Annual Comprehensive 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 annual comprehensive 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 D and E 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.

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## 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 700 acres of undeveloped industrially zoned land. Approximately 106 acres of former industrial land is being redeveloped into a mixed-use development called The Preserve at Great Pond, which is anticipated to add approximately 1,200 dwelling units. Barring any further reduction in household size, full development of Great Pond and the remaining town-wide residential land would result in a population increase of approximately 7,000 residents. The Town's estimated population according to the United States Census Bureau in 2022 was 29,445.

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.

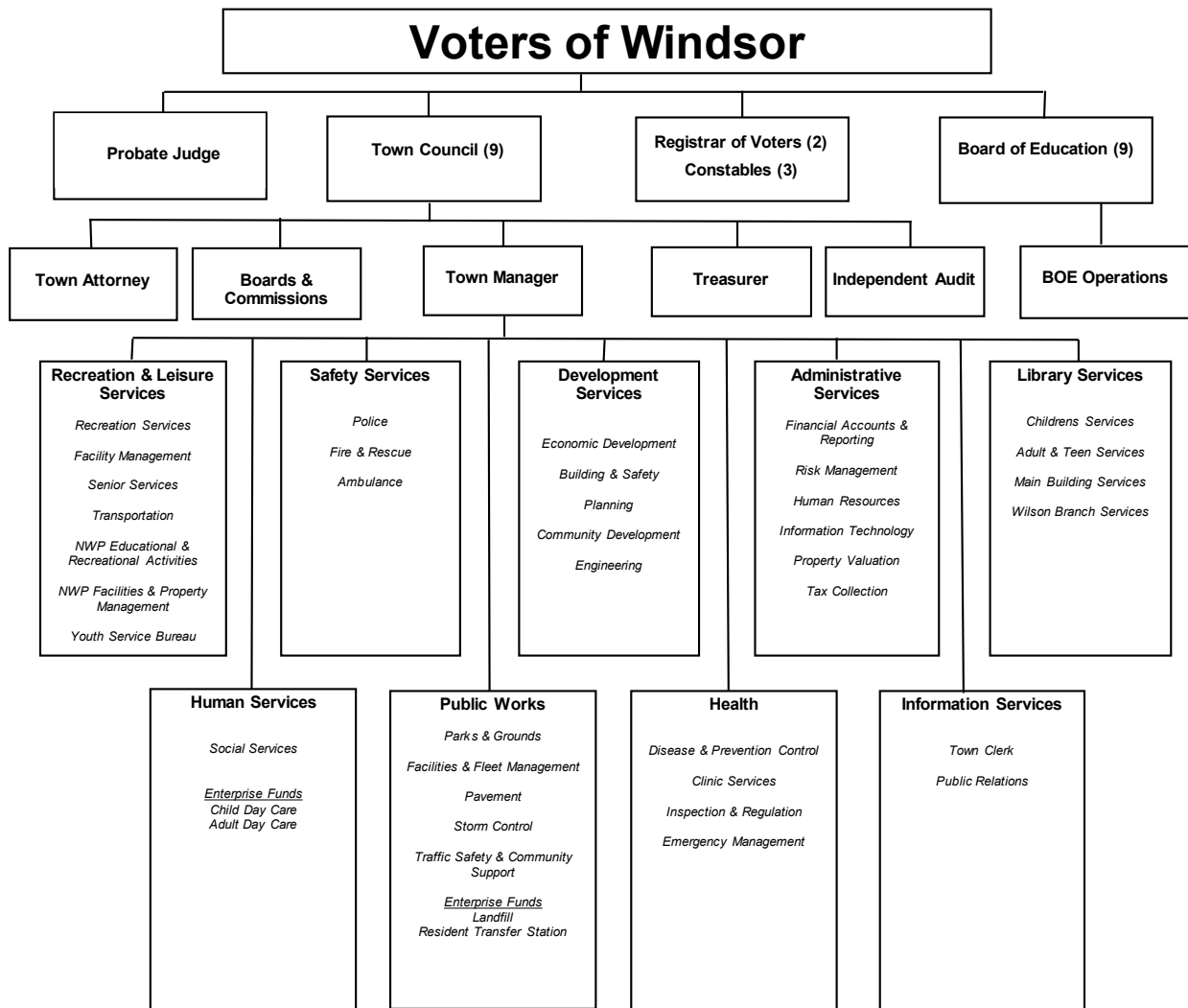
**FORM OF GOVERNMENT**

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

Name	Position	Term of Office	Years of Service
Nuchette Black-Burke.....	Mayor.....	2 Years – Elected	6
Darleen Klase.....	Deputy Mayor.....	2 Years – Elected	1
Lenworth Walker.....	Town Council.....	2 Years – Elected	4
Kristin Gluck Hoffman....	Town Council.....	2 Years – Elected	3
Ronald C. Eleveld.....	Town Council.....	2 Years – Elected	3
Ojala Naeem.....	Town Council.....	2 Years – Elected	2
Mary L. Armstrong.....	Town Council.....	2 Years – Elected	1
Leroy A. Smith.....	Town Council.....	2 Years – Elected	1
William D. Pelkey.....	Town Council.....	2 Years – Elected	1
Dr. Terrell M. Hill.....	Superintendent of Schools....	Appointed	10
Peter P. Souza.....	Town Manager.....	Appointed	25
James R. Bourke.....	Finance Director.....	N/A	16
Linda R. Collins.....	Assistant Finance Director..	N/A	17

### 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. Terrell M. Hill is the Superintendent for Windsor Public Schools, and previously served as the Assistant Superintendent for Human Resources. Dr. Hill was the founding Principal of High School Inc., Hartford's Insurance and Finance Academy, which opened in August 2009. Dr. Hill served as a Vice Principal at Windsor High School for seven years, and has also taught in the Windsor Locks, CT and Newport News, VA public school systems. Dr. Hill also serves as the Alumni Trustee on the Board of Trustees for Westfield State University in Westfield, MA. Dr. Hill is a graduate of the High School of Commerce in Springfield, MA and earned his Bachelor's degree in Business Management from Westfield State College. He earned a Master's Degree, a Certificate of Advanced Graduate Study and a PhD in Education Policy and Leadership from the University of Massachusetts in Amherst, MA. Dr. Hill is a veteran of the U.S. Army.

**Finance Director:** James R. Bourke was hired as Finance Director in July of 2016 after serving as Assistant Finance Director since September of 2008. Prior to working for the Town, he had 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. He is a member of the Government Finance Officers Association of America (GFOA) as well as the Connecticut Government Finance Officers Association.

**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.

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## 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 is responsible for promoting positive growth and development of town residents throughout their lives. This includes planning, developing, coordinating and implementing programs and services for youths, adults, families and senior citizens in the Town of Windsor.

**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 over 160 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. Northwest Park provides safe, clean open space and educational facilities for public enjoyment. Senior Services helps older adults enhance their capabilities and develop their potential as individuals within the community by providing programs that address the physical, cognitive, educational and emotional needs of individuals. The Transportation unit provides safe, reliable transportation to Windsor's seniors and adults with disabilities to various locations within Town.

**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 "MDC"). The Metropolitan District was created by the Connecticut General Assembly in 1929 and operates as a specially chartered municipal corporation of the State under Act No. 511 of the 1929 Special Acts of the State of Connecticut, as amended (the "MDC Charter" or the "District's Charter"). The Member Municipalities incorporated in the MDC are the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (collectively, the "Member Municipalities"). The MDC's purpose is to provide a complete, adequate and modern system of water supply and sewage collection, treatment and disposal for its Member Municipalities. Additionally, because of a Charter amendment approved by the Connecticut General Assembly in 1979, the MDC is also empowered to construct, maintain, and operate hydroelectric dams. The MDC also provides sewage disposal facilities and supplies water, under special agreements, to all or portions of several non-member municipalities as well as various State facilities. These non-member municipalities currently include Berlin, East Granby, Farmington, Glastonbury, Manchester, New Britain, Portland, South Windsor and Windsor Locks.

**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 and post-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.

Closure work began during 2011 with the construction of a stormwater basin along the southern side of the landfill. This work was carried out primarily by Town staff and performed at a savings to the Landfill Enterprise Fund compared to having the work carried out by a third party. The Town has installed a gas collection system and impervious clay cap which covers the entire waste footprint of the landfill. Any open issues are determined by the DEEP as part of the landfill closure plan and stewardship permit approvals. The Town has continued to operate a residential transfer station at the landfill site since fiscal year 2015.

**Utilities:** Eversource, Connecticut Natural Gas Corporation, AT&T, Frontier Communications, Verizon Wireless, Crown Castle Fiber LLC, Comcast and Amtrak 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 10/01/23</u>	<u>Capacity</u>
Oliver Ellsworth Elementary School....	Pre-K-2	1971		31	409	660
Poquonock Elementary School.....	K-2	1947	1958, 1980, 1988	27	393	546
Clover St. Elementary School.....	3-5	1957	1988	27	272	517
J.F.Kennedy Elementary School.....	3-5	1965	1988	28	386	546
Sage Park Middle School.....	6-8	1969	1993	50	699	1,250
Windsor High School.....	9-12	1952	1977, 2000	86	1,146	1,500
Total .....					<u>3,305</u>	<u>5,019</u>

Source: Superintendent of Schools

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**SCHOOL ENROLLMENTS (1)**

<b>As of October 1</b>	<b>Actual</b>			<b>Total</b>
	<b>Pre-K-5</b>	<b>6 - 8</b>	<b>9 - 12</b>	
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
2020	1,451	728	1,153	3,332
2021	1,403	725	1,119	3,247
2022	1,459	700	1,148	3,307
2023	1,460	699	1,146	3,305
	<b>Projected</b>			
2024	1,491	702	1,146	3,339
2025	1,492	728	1,138	3,358
2026	1,508	745	1,119	3,372
2027	1,456	726	1,105	3,287
2028	1,358	711	1,112	3,181

(1) Special Education students included in grade totals.

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

**MUNICIPAL EMPLOYMENT**

<b>Fiscal Year</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Board of Education.....	648	649	681	653	654	654
General Government.....	177	171	171	166	165	165
Grant and Enterprise Funded.....	63	61	55	55	54	54
Total.....	<u>888</u>	<u>881</u>	<u>907</u>	<u>874</u>	<u>873</u>	<u>873</u>

Source: Town Officials.

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**MUNICIPAL EMPLOYEES BY CATEGORY**

<b>Department</b>	<b>Full-Time Employees</b>
<b><u>General Government</u></b>	
Administrative Services.....	17
Development Services.....	11
Community Development.....	1
Human Services.....	4
Recreation Services.....	11
Health Services.....	5
Information Services.....	5
Library Services.....	10
Public Works.....	40
Safety Services .....	70
Town Manager.....	3
General Government Subtotal.....	177
Enterprise Personnel.....	19
General Government Total.....	196
<b><u>Board of Education</u></b>	
Administration and Principals.....	27
Teachers.....	330
Pupil Personnel (Psychologists, Social Workers, Speech Clinicians).....	36
Secretaries/ParaProfessionals.....	121
Nurses.....	10
Non-Bargaining Employees (1)	32
Custodial/Maintenance.....	53
Board of Education Subtotal.....	609
Food Service.....	39
Grant Funded.....	44
Board of Education Grand Total	692
Grand Total.....	888

(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.

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**MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS (1)**

<b><u>Employees Represented</u></b>	<b><u>Union Representation</u></b>	<b><u>Employees Represented</u></b>	<b><u>Contract Expiration</u></b>
<b><u>GENERAL GOVERNMENT</u></b>			
Police.....	Windsor Police Department Employees Association.....	45	6/30/24 (2)
Public Works/Clerical.....	International Brotherhood of Teamsters, Local 671.....	44	6/30/25
Dispatchers.....	United Public Service Employees Union (UPSUE Local 424, Unit 10).....	8	6/30/26
<b><u>BOARD OF EDUCATION</u></b>			
Teachers.....	Windsor Education Association, CEA.....	367	6/30/25
Administrators.....	Windsor School Administrators and Supervisors Association...	24	6/30/26
Nurses.....	Windsor School Nurses Assoc., CSEA.....	10	6/30/25
Paraprofessionals.....	Windsor Paraprofessional Employees Assoc., NAGE.....	102	6/30/26
Secretaries.....	CSEA AFL-CIO Administrative Support Staff.....	32	6/30/26
School Employees.....	Windsor School Employees Union, NAGE (Custodial, Maintenance and Cafeteria Employees).....	88	6/30/26

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

(2) In negotiations.

Source: Town Officials.

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. 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 (i) 5% or less with respect to teachers contracts and (ii) 15% or less with respect to municipal employees, 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.

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## 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 25,748, Windsor ranks fourth among Hartford area communities in total non-retail employment. Major, private employers include Amazon, Eversource, Walgreens, Dollar Tree, and SS&C Technologies.

Over the last decade, Windsor experienced substantial growth, including over 7 million SF of industrial/distribution space.

Among the most significant projects during this period were:

- 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 150,000 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.
- Amazon, a multi-story, 3.6 M SF fulfillment center. This \$230 million facility is the company's second fulfillment center in Windsor.
- BDL Logistics Center, industrial buildings totaling 487,200 SF leased to LifeScience Logistics, a healthcare supply chain solution for government and commercial healthcare.
- 110 Tradeport Drive, a 237,000 SF flex industrial building leased by UPS.

Between 2012 and 2022, the number of jobs in Windsor increased by 8.4% from 23,587 to 25,748. During this same period, average annual wages in Windsor increased by 3.7% from \$72,043 to \$74,849.

Recent construction activity includes:

- Day Hill Dome Soccer, a 100,000 SF soccer training facility with outdoor fields.
- Baker Hollow Logistics Center, a 166,400 SF flex industrial building leased by Safelite Group. Construction underway for a second 185,000 SF speculative flex industrial building.
- Cigna is investing \$386M over five years on software and personal property at its data center.
- Great Pond Logistics – a 525,000 SF refrigerated warehouse/distribution center for Target.
- 425 Day Hill Road, a 170,000 SF flex industrial spec building.
- Noble Gas, new gas station and convenience center located in Great Pond servicing the Day Hill Road area.

Industrial zoned projects with land use approvals awaiting construction starts include:

- 105 International Drive, 248,000 SF flex industrial spec building
- 775 Marshall Phelps Road, 231,000 SF flex industrial spec building
- 100 Hazelwood Road, 218,400 SF warehouse distribution center
- 75 Baker Hollow Road, 300,150 SF flex industrial spec building
- 85 Baker Hollow Road, 120,000 SF flex industrial spec building

North America's largest industrial building made out of mass timber, a 450,000 SF manufacturing facility for Blueprint Robotics, is pending land use approvals.

Like many communities across the nation, Windsor's office market has been impacted by the move to remote work as a result of the pandemic. Windsor has an office inventory of approximately 4.2M SF. With shifts to remote work and companies looking to downsize their current office space, it has resulted in an office vacancy rate of 32.2%. Office movements include Hartford Financial Services relocation of its workforce from 1 Griffin Road North to its Hartford campus and the offering of its 457,000 SF building for sale, as well as VOYA Retirement downsizing from 488,000 SF to 85,000 SF and offering its building for sale including a leaseback provision. Windsor is proactively meeting with office property owners and commercial real estate brokers to assist in marketing available space, as well as to explore potential zoning amendments and financial incentives to assist in the adaptive reuse of older office product.

Windsor has a strong, and growing, hospitality sector servicing the corporate area with 946 hotel rooms between six existing hotels. Two additional hotels have received land use approval that will add 200 rooms. A new sports complex including Fastpitch Nation Park is driving significant business to these hotels.

Windsor has received strong interest in multifamily housing development. The Preserve at Great Pond, a 230 unit market-rate apartment development provides housing options for workers in the Day Hill Road Corporate Area. A key redevelopment project in town center, Windsor Station Apartments, 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 helps to meet the need for more rental housing and enhances the market for retail and services in the town center. It also capitalizes on regional commuter rail service which began in 2018. Construction is underway on a two-phase 106-unit mixed-use multifamily development in Windsor Center with 500 feet of the passenger rail station. Another 77-unit mixed-use multifamily development has received land use approvals.

Looking forward, the Town of Windsor is taking steps to sustain its growth and the quality of its development. The Town works closely with state and regional economic development partners to highlight Windsor as an attractive location to do business. The Town has a commitment to small business growth working with the Windsor Chamber of Commerce and First Town Downtown, Windsor's Main Street program. A variety of initiatives are underway to manage transportation demand, increase housing choices and enhance community livability.

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### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

<u>Year</u>	<u>Town of Windsor</u>	<u>Capital Planning Region (1)</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
2022	29,445	977,165	3,611,317

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Hartford County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

#### AGE CHARACTERISTICS OF POPULATION

<u>Age</u>	<u>Town of Windsor</u>		<u>Capital Planning Region (1)</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.....	1,323	4.5	50,362	5.2	182,768	5.1
5 - 9.....	1,459	5.0	53,129	5.4	196,600	5.4
10 - 14.....	1,695	5.8	59,933	6.1	222,267	6.2
15 - 19.....	1,782	6.1	68,784	7.0	247,501	6.9
20 - 24.....	2,020	6.9	69,711	7.1	241,391	6.7
25 - 34.....	3,836	13.0	126,124	12.9	449,466	12.4
35 - 44.....	3,205	10.9	123,134	12.6	445,052	12.3
45 - 54.....	4,308	14.6	123,554	12.6	475,109	13.2
55 - 59.....	2,409	8.2	70,572	7.2	266,117	7.4
60 - 64.....	2,109	7.2	64,577	6.6	255,938	7.1
65 - 74.....	3,096	10.5	95,634	9.8	362,365	10.0
75 - 84.....	1,654	5.6	47,447	4.9	178,746	4.9
85 and over.....	549	1.9	24,204	2.5	87,997	2.4
Total.....	<u>29,445</u>	<u>100.0</u>	<u>977,165</u>	<u>100.0</u>	<u>3,611,317</u>	<u>100.0</u>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Hartford County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

#### INCOME DISTRIBUTION

	<u>Town of Windsor</u>		<u>Capital Planning Region (1)</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 .....	45	0.6	6,572	2.7	21,866	2.4
\$ 10,000 to 14,999 .....	25	0.3	3,530	1.4	13,844	1.5
\$ 15,000 to 24,999 .....	199	2.6	9,144	3.7	32,363	3.5
\$ 25,000 to 34,999 .....	198	2.5	10,524	4.3	38,177	4.2
\$ 35,000 to 49,999 .....	507	6.5	18,071	7.3	65,393	7.2
\$ 50,000 to 74,999 .....	1,060	13.6	29,651	12.0	112,628	12.4
\$ 75,000 to 99,999 .....	979	12.6	30,257	12.3	109,739	12.0
\$100,000 to 149,999 .....	2,191	28.1	53,255	21.6	184,504	20.2
\$150,000 to 199,999 .....	1,272	16.3	35,529	14.4	125,406	13.8
\$200,000 or more .....	1,311	16.8	49,990	20.3	207,948	22.8
Total .....	<u>7,787</u>	<u>100.0</u>	<u>246,523</u>	<u>100.0</u>	<u>911,868</u>	<u>100.0</u>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Hartford County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## SELECTED WEALTH AND INCOME INDICATORS

	<b>Median Family Income</b>		<b>Per Capita Income</b>	
	<b>(2000)</b>	<b>(2022)</b>	<b>(2000)</b>	<b>(2022)</b>
Town of Windsor.....	\$ 73,064	\$ 116,700	\$ 27,633	\$ 45,852
Capital Planning Region (1)...	62,144	114,273	26,047	47,802
Connecticut.....	65,521	115,539	28,766	52,034
United States.....	49,600	92,148	21,690	41,804

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Hartford County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Over

<b>Educational Attainment Group</b>	<b>Town of Windsor</b>		<b>Capital Planning Region (1)</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	573	2.7	25,897	3.8	101,820	4.0
9th to 12th grade.....	662	3.1	34,778	5.2	118,256	4.7
High School graduate.....	4,675	22.1	169,941	25.2	650,788	25.8
Some college - no degree.....	4,445	21.0	111,307	16.5	414,533	16.4
Associates degree.....	1,750	8.3	55,774	8.3	192,167	7.6
Bachelor's degree.....	5,216	24.6	154,850	22.9	573,917	22.8
Graduate or professional degree.....	3,845	18.2	122,699	18.2	469,309	18.6
Total.....	<u>21,166</u>	<u>100.0</u>	<u>675,246</u>	<u>100.0</u>	<u>2,520,790</u>	<u>100.0</u>
Percentage of High School Graduates.....		94.2%		91.0%		91.3%
Percentage of College Graduates or Higher...		42.8%		41.1%		41.4%

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Hartford County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## MAJOR EMPLOYERS

<b>Name of Employer</b>	<b>Nature of Entity</b>	<b>Estimated of Employees</b>
Amazon.com.....	Fulfillment center for online retailer.....	7,223
Town of Windsor.....	General Government and Board of Education.....	888
Voya.....	Insurance and Financial Services.....	723
Walgreens.....	Distribution center for retail drug stores.....	700
SS&C Technologies.....	Business equipment sales and support.....	500
Eversource.....	Utility.....	400
Dollar Tree.....	Distribution center for retail stores.....	375
Waste Management.....	Waste Disposal and Recycling.....	375
TLD GSE.....	Manufacturer of aviation ground support.....	350
Barnes Aerospace.....	Machining of aerospace components.....	300

Source: Town of Windsor Economic Development Department

## EMPLOYMENT BY INDUSTRY

<b>Employment Sector</b>	<b>Town of Windsor</b>		<b>Capital Planning Region (1)</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, Forestry, Fishing, Hunting & Mining...	33	0.2	1,695	0.3	7,460	0.4
Construction.....	701	4.4	25,532	5.1	112,421	6.1
Manufacturing.....	1,464	9.3	54,221	10.9	194,805	10.6
Wholesale Trade.....	382	2.4	11,359	2.3	40,518	2.2
Retail Trade.....	1,835	11.6	52,235	10.5	196,267	10.7
Transportaion, Warehousing & Utilities.....	1,095	6.9	26,102	5.3	82,215	4.5
Information.....	341	2.2	8,652	1.7	36,440	2.0
Finance, Insurance & Real Estate.....	1,669	10.6	52,798	10.6	164,811	9.0
Professional, Scientific & Management.....	1,433	9.1	54,817	11.0	217,442	11.9
Educational Services & Health Care.....	4,138	26.2	132,345	26.6	485,013	26.5
Arts, Entertainment, Recreation & Food Services....	840	5.3	36,444	7.3	148,594	8.1
Other Service (including nonprofit).....	728	4.6	19,975	4.0	80,864	4.4
Public Administration.....	1,139	7.2	20,533	4.1	65,675	3.6
<b>Total.....</b>	<b>15,798</b>	<b>100.0</b>	<b>496,708</b>	<b>100.0</b>	<b>1,832,525</b>	<b>100.0</b>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Hartford County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## UNEMPLOYMENT RATE STATISTICS

<b>Yearly Average</b>	<b>Town of Windsor Percent</b>	<b>Hartford Labor Market Percent</b>	<b>State of Connecticut Percent</b>	<b>United States Percent</b>
2014	6.4	6.6	6.6	6.2
2015	5.3	5.6	5.6	5.3
2016	4.7	4.9	4.8	4.9
2017	4.5	4.4	4.4	4.4
2018	3.9	3.9	3.9	3.9
2019	3.7	3.6	3.6	3.7
2020	8.0	7.8	7.9	8.1
2021	6.4	6.3	6.3	5.4
2022	4.0	4.2	4.2	3.7
2023	3.5	3.7	3.7	3.6

### 2024 Monthly

January	4.5	4.9	5.0	4.1
February	4.8	5.2	5.4	4.2
March	3.9	4.1	4.2	3.9
April	3.5	3.6	3.5	3.5

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

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## NUMBER OF DWELLING UNITS

<u>2022</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>% Increase</u> <u>1990-2022</u>	<u>% Increase</u> <u>2000-2022</u>	<u>% Increase</u> <u>2010-2022</u>
11,810	11,767	10,900	10,279	14.89%	8.35%	0.37%

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## CHARACTERISTICS OF HOUSING UNITS

Owner Occupied

<u>Value of Owner Occupied Units</u>	<u>Town of Windsor</u>		<u>Capital Planning Region (1)</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 \$50,000.....	203	2.2	5,372	2.1	24,707	2.6
\$ 50,000 to \$ 99,999.....	125	1.4	4,934	2.0	15,660	1.6
\$ 100,000 to \$149,999.....	339	3.7	12,998	5.2	35,444	3.7
\$ 150,000 to \$199,999.....	1,302	14.2	33,103	13.1	74,994	7.9
\$ 200,000 to \$299,999.....	4,089	44.7	82,458	32.7	226,313	23.8
\$ 300,000 to \$499,999.....	2,924	31.9	84,743	33.6	332,554	35.0
\$ 500,000 to \$999,999.....	137	1.5	25,736	10.2	182,537	19.2
\$1,000,000 and over.....	33	0.4	2,797	1.1	57,630	6.1
Total .....	<u>9,152</u>	<u>100.0</u>	<u>252,141</u>	<u>100.0</u>	<u>949,839</u>	<u>100.0</u>
Median Value.....	\$265,200		\$283,800		\$347,200	

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Hartford County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

## AGE DISTRIBUTION OF HOUSING

<u>Year Structure Built</u>	<u>Town of Windsor</u>		<u>Capital Planning Region (1)</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1939 or earlier.....	1,885	16.0	75,599	18.3	308,693	20.0
1940 to 1949.....	729	6.2	28,596	6.9	88,125	5.7
1950 to 1959.....	2,426	20.5	69,380	16.8	224,890	14.6
1960 to 1969.....	1,161	9.8	59,223	14.3	200,109	13.0
1970 to 1979.....	1,837	15.6	54,494	13.2	203,957	13.2
1980 to 1989.....	1,741	14.7	52,749	12.7	203,053	13.2
1990 to 1999.....	889	7.5	31,158	7.5	118,433	7.7
2000 to 2009.....	740	6.3	26,261	6.3	104,479	6.8
2010 to 2019.....	354	3.0	15,766	3.8	76,567	5.0
2019 or later.....	48	0.4	734	0.2	11,986	0.8
Total.....	<u>11,810</u>	<u>100.0</u>	<u>413,960</u>	<u>100.0</u>	<u>1,540,292</u>	<u>100.0</u>

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Hartford County data is displayed.

Source: U.S. Census Bureau and 2018-2022 American Community Survey.

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**NUMBER AND VALUE OF BUILDING PERMITS**

Fiscal Year	Residential (1)		Non-Residential		All Other (1)		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2024 (2)	6	\$ 1,900,000	350	\$ 100,559,546	877	\$ 22,346,727	1,233	\$ 124,806,274
2023	3	559,896	386	371,447,919	1,838	39,108,722	2,227	411,116,537
2022	31	6,049,825	279	114,822,117	2,017	25,916,261	2,327	146,788,203
2021	26	4,564,825	365	351,463,068	1,911	32,197,609	2,302	388,225,502
2020	17	2,609,400	331	47,715,472	1,256	12,635,731	1,604	62,960,603
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

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

(2) As of May 21, 2024.

Source: Town of Windsor, Office of Building Inspections.

**BREAKDOWN OF LAND USE**

Land Use Category	Total		Developed		Undeveloped	
	Acreage By Zoning	Percent	Acreage by Land Use	Percent	Acreage	Percent
Residential.....	7,413.15	45.0%	6,364.81	59.4%	1,048.34	18.2%
Commercial.....	1,479.60	9.0%	1,013.32	9.5%	466.29	8.1%
Industrial.....	2,609.32	15.8%	1,912.40	17.9%	696.92	12.1%
Other.....	4,970.52	30.2%	1,421.94	13.3%	3,548.58	61.6%
Total Area.....	16,472.59	100.0%	10,712.47	100.0%	5,760.13	100.0%

Source: Assessor's CAMA tax database as of October 2023.

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## IV. TAX BASE DATA

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### ASSESSMENT PRACTICES

The Town of Windsor revalued its real property effective for the October 1, 2023 Grand List and will implement the new values in fiscal year 2025. This revaluation will be phased-in over two years. 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 calculated 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 is one active abatement.

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

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.

### MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e (the "General Statutes") has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes, diverts a portion of the state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to motor vehicle property tax cap. The Town's motor vehicle tax rate for the assessment year commencing October 1, 2022 (Fiscal Year ending June 30, 2024) is 32.46 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 6/30/2023
2025 (1,3)	\$ 3,960,872,776	30.37	\$ 118,948,785	In Process	In Process	In Process
2024 (2)	3,557,606,126	33.60	119,219,094	In Process	In Process	In Process
2023	3,316,231,394	33.27	110,100,288	98.6	\$ 1,494,673	\$ 1,494,673
2022	3,212,253,015	33.27	107,285,004	98.8	1,300,797	465,413
2021	3,154,685,021	32.11	104,631,890	98.9	1,106,842	(58,845)
2020 (3)	3,109,299,310	32.38	100,912,792	99.3	1,073,825	(52,715)
2019	2,959,804,528	32.96	98,322,429	99.0	955,807	9,887
2018	2,886,746,036	32.45	93,966,004	99.3	911,979	9,530
2017	2,924,298,305	31.52	93,031,833	99.0	946,145	3,655
2016	2,849,933,303	30.92	88,799,152	98.8	1,091,021	3,460

- (1) The budget failed at Town-wide referendum vote on May 14, 2024. The Town Council is in the process of preparing a revised budget.
- (2) Adopted budget for FY 2024. (See "Motor Vehicle Property Tax Rate" herein).
- (3) Years of revaluation. The Town's last revaluation was effective as of 10/01/2023. The revaluation is proposed to be implemented with a two-year phase-in for the FY 2025 and FY 2026 budget years. (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)
10/01/23	\$ 3,392,831,477	\$ 739,614,565	\$ 291,895,199	\$ 4,424,341,241	\$ 463,468,465	\$ 3,960,872,776
10/01/22	3,063,559,736	670,238,961	310,996,516	4,044,795,213	487,190,087	3,557,605,126
10/01/21	2,677,009,988	537,473,320	294,033,443	3,508,516,751	192,285,357	3,316,231,394
10/01/20	2,532,075,179	591,231,098	230,845,770	3,354,152,047	141,899,032	3,212,253,015
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

- (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 10/01/2023). The revaluation is proposed to be implemented with a two-year phase-in for the FY 2025 and FY 2026 budget years. (See "Assessments Practices" herein).

Source: Town Officials

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## LARGEST TAXPAYERS

Name of Taxpayer	Nature of Business	Valuation as of 10/01/23	Rank	Percent of Total
Amazon Companies.....	Distribution Centers.....	\$ 327,000,502	1	8.99
Eversource.....	Electric Utility.....	108,349,725	2	2.98
Winstanley Enterprises.....	Real Estate Development.....	95,502,805	3	2.62
Industrial Realty Trust.....	Real Estate Development.....	94,288,760	4	2.59
Walgreens Eastern.....	Distribution Center.....	74,928,403	5	2.06
Dollar Tree Distribution Inc.....	Distribution Center.....	55,475,098	6	1.52
CIGNA.....	Insurance and Financial Services.....	50,247,299	7	1.38
Rivers Bend Acquisition LLC (Condos).....	Apartments.....	37,128,902	8	1.02
Cellco/Verizon Wireless.....	Telecommunications.....	34,725,133	9	0.95
Preserve Ventures (Great Pond Apartments).....	Apartments.....	31,164,485	10	0.86
	Total.....	<u>\$ 908,811,112</u>		<u>24.98</u>

Source: Town Officials.

## EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2021	\$ 6,023,893,043	14.06%
2020	5,281,482,794	-1.62%
2019	5,368,290,587	20.89%
2018	4,440,713,889	-1.72%
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%

Source: State of Connecticut, Office of Policy and Management

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## V. FINANCIAL INFORMATION

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### **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, CliftonLarsonAllen LLP (CLA), of Hartford, 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, 2023, 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 Annual Comprehensive Financial Report for fiscal years 1985 through 2022 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 annual financial report, whose contents conform to program standards. Such annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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**BUDGETARY PROCEDURE**

The Town adheres to the following procedure in establishing the budgetary data included in the General Fund. No later than April 1<sup>st</sup> 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 15<sup>th</sup> 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. The following is the schedule for the FY 2025 budget process.

<u>On or About</u>	<u>Day of Week</u>	<u>Action</u>
February 5, 2024	Monday	Public Hearing by Town Council to hear budget requests from citizens.
March 27, 2024	Friday	Estimated receipts and expenditures submitted to Council by Town Manager and Board of Education. (Proposed Budget)
April 1, 2024	Monday	Public Hearing by Council to hear expression of public opinion regarding budget submitted to Council by Town Manager and Board of Education.
May 14, 2024	Tuesday	Annual Town Budget Referendum held; budget adopted.
May 20, 2024	Monday	Regular Town Council Meeting; Council sets tax rate.
June 21, 2024	Monday	Tax bill mailing completed.
June 30, 2024	Tuesday	End of Fiscal Year.
July 1, 2024	Wednesday	Taxes for fiscal year 2025 due and payable; fiscal year 2025 budget becomes effective.

All unencumbered appropriations lapse at year-end, except those for the Capital Projects Fund and certain other funds. 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, 2022. The date of the Town's most recent actuarial valuation was July 1, 2022.

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability.....	\$ 113,097,182	\$ 107,644,000	\$ 100,958,994	\$ 97,145,633	\$ 87,293,102
Plan fiduciary net postion.....	<u>73,639,035</u>	<u>70,312,746</u>	<u>84,478,906</u>	<u>68,532,588</u>	<u>68,871,408</u>
Net pension liability.....	<u>\$ 39,458,147</u>	<u>\$ 37,331,254</u>	<u>\$ 16,480,088</u>	<u>\$ 28,613,045</u>	<u>\$ 18,421,694</u>
Plan fiduciary net position as a % of total pension liability.....	65.11%	65.32%	83.68%	70.55%	78.90%

The following represents the net pension liability of the Town, calculated using the discount rate of 6.5%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>5.50%</b>	<b>Discount Rate</b>	<b>7.50%</b>
	<b>5.50%</b>	<b>6.50%</b>	<b>7.50%</b>
Net Pension Liability.....	\$ 52,533,090	\$ 39,458,147	\$ 28,486,239

Based upon a July 1, 2023 actuarial valuation, the actuarial value of assets and actuarial liabilities for the PERS plan were as follows:

#### Schedule of Funding Progress

<b>Actuarial</b>	<b>Actuarial</b>	<b>Actuarial</b>	<b>Unfunded</b>	<b>Percentage</b>
<b>Valuation</b>	<b>Value</b>	<b>Accrued</b>	<b>AAL</b>	<b>Funded</b>
<b>July 1</b>	<b>of Assets</b>	<b>Liability</b>	<b>(UAAL)</b>	<b>Ratio</b>
<b>July 1</b>	<b>(a)</b>	<b>(b)</b>	<b>(b) - (a)</b>	<b>(a) / (b)</b>
2019	\$ 71,363,176	\$ 92,781,707	\$ 21,418,531	76.9
2020	71,786,483	98,408,686	26,622,203	72.9
2021	76,213,487	105,345,527	29,132,040	72.3
2022	77,460,928	110,817,978	33,357,050	69.9
2023	77,727,485	116,403,034	38,675,549	66.8

#### Schedule of Employer Contributions

	<b>Actuarial</b>	<b>Actual</b>	<b>Percentage</b>
<b>Fiscal Year</b>	<b>Determined</b>	<b>Contribution</b>	<b>Contributed</b>
<b>Fiscal Year</b>	<b>Contribution</b>	<b>Contribution</b>	<b>Contributed</b>
2021	\$ 2,089,211	\$ 2,089,211	100.0
2022	2,492,047	2,513,586	100.9
2023	2,498,893	2,498,893	100.0
2024	2,800,044	2,800,044	100.0
2025	3,159,735	3,159,735	100.0

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 Connecticut Municipal Employee Retirement System ("CMERS"), a defined benefit cost-sharing multi-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 employees and beneficiaries of participating municipalities. The Town's General Fund expenditure for its share of the CMERS cost was \$1,340,328 for the fiscal year ending June 30, 2023, and is projected to be \$1,428,710 for the fiscal year ending June 30, 2024. For the fiscal year 2025 budget commencing on July 1, 2023, \$1,650,390 has been included for CMERS costs.

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 6.0% for Public Works and Clerical Workers bargaining unit members as of July 2022, 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 State of Connecticut 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, 2014 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.

#### **Public Safety Dispatchers Bargaining Unit**

Hired prior to January 1, 2007:

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.

Hired after January 1, 2007 and prior to July 1, 2011:

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 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.

Hired on or after July 1, 2011:

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.

#### **Public Works & Clerical Workers Bargaining Unit**

Hired prior to July 1, 2008:

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.

Hired after July 1, 2008 and prior to November 1, 2011:

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.

Hired on or after November 1, 2011:

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.

**Windsor Police Department Employees Association:**

Hired prior to July 1, 2013:

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.

Hired on or after July 1, 2013:

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.

**Town Administrative (non-affiliated):**

Hired prior to July 1, 2009:

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.

Hired after July 1, 2009 and prior to March 1, 2013:

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.

Hired on or after March 1, 2013:

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.

As of July 1, 2021, membership in the plan consisted of 731 active members and 292 retirees and dependents for a total of 1,023 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability.....	\$ 54,640,303	\$ 52,447,169	\$ 64,626,468	\$ 61,943,296	\$ 50,416,065
Plan fiduciary net position.....	<u>6,569,515</u>	<u>5,239,537</u>	<u>5,450,759</u>	<u>3,550,021</u>	<u>2,693,472</u>
Net OPEB liability.....	<u>\$ 48,070,788</u>	<u>\$ 47,207,632</u>	<u>\$ 59,175,709</u>	<u>\$ 58,393,275</u>	<u>\$ 47,722,593</u>
Plan fiduciary net position as a % of total OPEB liability.....	12.0%	10.0%	8.4%	5.7%	5.3%

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:

	<b>1% Decrease</b> <b>2.65%</b>	<b>Current</b> <b>Discount Rate</b> <b>3.65%</b>	<b>1% Increase</b> <b>4.65%</b>
Net OPEB Liability.....	\$ 55,119,921	\$ 48,070,788	\$ 42,229,401

Based upon the July 1, 2021 actuarial valuation, the actuarial value of assets and actuarial liabilities for the OPEB plan were as follows:

#### Schedule of Funding Progress

<b>Actuarial</b> <b>Valuation</b> <b>July 1</b>	<b>Actuarial</b> <b>Value</b> <b>of Assets</b> <b>(a)</b>	<b>Actuarial</b> <b>Accrued</b> <b>Liability</b> <b>(AAL)</b> <b>(b)</b>	<b>Unfunded</b> <b>AAL</b> <b>(UAAL)</b> <b>(b) - (a)</b>	<b>Percentage</b> <b>Funded</b> <b>Ratio</b> <b>(a) / (b)</b>
2013	\$ -	\$ 71,595,156	\$71,595,156	0.0
2015	407,210	52,675,687	52,268,477	0.8
2017	1,279,497	38,142,396	36,862,899	3.4
2019	2,613,587	38,454,762	35,841,175	6.8
2021	4,653,382	43,292,084	38,638,702	10.7

#### Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Actuarial</b> <b>Determined</b> <b>Contribution</b>	<b>Actual</b> <b>Contribution</b>	<b>Percentage</b> <b>Contributed</b>
2020	\$ 3,571,573	\$ 2,170,946	60.8
2021	3,095,939	2,322,777	75.0
2022	3,256,104	2,906,483	89.3
2023	3,372,281	3,105,305	92.1
2024	3,523,859	1,015,261	28.8

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.

**PROPERTY TAX REVENUES**

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Property Tax Revenues</u>	<u>Property Tax as a % of General Fund Revenues</u>
2025 (Proposed Budget) (1)	\$ 143,670,840	\$ 119,365,500	83.08
2024 (Estimated Actuals) (1)	142,904,790	118,660,100	83.03
2023	148,116,433	110,380,383	74.52
2022	138,676,929	107,311,715	77.38
2021	136,058,883	105,227,339	77.34
2020	136,050,479	101,117,016	74.32
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

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was \$10,688,285 in FY 2023.

Source: Annual audited financial statements for FYs 2016-2023 and estimated actuals for FY 2024. The proposed budget for FY 2025 failed at a Town-wide referendum vote on May 14, 2024. The Town Council is in the process of preparing a revised budget. (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 Revenue</u>
2025 (Proposed Budget) (1)	\$ 143,670,840	\$ 15,764,340	10.97
2024 (Estimated Actuals) (1)	142,904,790	16,564,350	11.59
2023	148,116,433	27,680,798	18.69
2022	138,676,929	25,845,184	18.64
2021	136,058,883	24,948,952	18.34
2020	136,050,479	29,923,509	21.99
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

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was \$10,688,285 in FY 2023.

Source: Annual audited financial statements for FYs 2016-2023 and estimated actuals for FY 2024. The proposed budget for FY 2025 failed at a Town-wide referendum vote on May 14, 2024. The Town Council is in the process of preparing a revised budget. (See "Budgetary Procedures" herein).

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**EXPENDITURES**

<b>Fiscal Year</b>	<b>Education %</b>	<b>General Government %</b>	<b>Safety Services %</b>	<b>Public Works %</b>
2025 (Proposed Budget) (1)	58.69	18.76	9.43	4.91
2024 (Estimated Actuals) (1)	57.97	19.17	9.22	5.31
2023	66.47	12.57	9.95	5.97
2022	67.40	12.58	9.43	5.79
2021	66.85	12.88	9.59	6.09
2020	69.02	11.65	9.06	5.48
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

(1) Budgetary figures do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was \$10,688,285 in FY 2023.

Source: Annual audited financial statements for FYs 2016-2023 and estimated actuals for FY 2024. The proposed budget for FY 2025 failed at a Town-wide referendum vote on May 14, 2024. The Town Council is in the process of preparing a revised budget. (See "Budgetary Procedures" herein).

**MUNICIPAL BUDGET EXPENDITURES CAP**

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

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

	<b>Fiscal Year 2023</b>			<b>FY 2024 Estimated Actuals</b>	<b>FY 2025 Proposed Budget</b>
	<b>Final Budget</b>	<b>Actual Operations</b>	<b>Variance Favorable (Unfavorable)</b>		
<b>Revenues</b>					
Property taxes.....	\$109,827,320	\$110,380,387	\$ 553,067	\$118,660,100	\$119,365,500
Licenses, permits and fees.....	747,850	4,437,266	3,689,416	1,897,570	900,130
Fines, forfeitures and penalties.....	24,000	42,540	18,540	21,000	22,000
Other agencies.....	138,370	122,464	(15,906)	153,970	128,370
Intergovernmental.....	15,537,260	16,815,697	1,278,437	16,564,350	15,764,340
Revenues from use of assets.....	993,000	2,231,160	1,238,160	3,998,000	3,623,000
Charges for services.....	826,500	1,267,590	441,090	1,609,800	867,500
<b>Total Revenues.....</b>	<b>128,094,300</b>	<b>135,297,104</b>	<b>7,202,804</b>	<b>142,904,790</b>	<b>140,670,840</b>
<b>Expenditures</b>					
Current:					
General government.....	1,230,280	1,226,785	3,495	1,277,500	1,299,630
Safety services.....	12,012,010	11,624,623	387,387	12,748,860	13,548,200
Recreation and leisure services.....	2,032,770	1,977,467	55,303	2,420,590	2,509,970
Human services.....	516,110	516,110	-	547,630	571,470
Health services.....	581,980	556,428	25,552	617,320	645,000
Library services.....	1,849,810	1,839,398	10,412	1,897,700	1,991,200
Development services.....	1,528,660	1,507,596	21,064	1,601,710	2,257,540
Community development.....	104,820	104,820	-	490,360	114,350
Public works.....	7,106,290	6,836,726	269,564	7,338,580	7,053,420
Information services.....	620,440	619,725	715	713,730	734,540
Administrative services.....	2,793,110	2,718,848	74,262	2,859,430	3,014,060
General services.....	7,993,649	7,968,280	25,369	20,061,300	19,642,690
Education.....	76,325,570	76,324,663	907	80,184,020	84,313,340
Town support for education.....	3,468,530	3,461,750	6,780	5,549,980	5,975,430
<b>Total Expenditures.....</b>	<b>118,164,029</b>	<b>117,283,219</b>	<b>880,810</b>	<b>138,308,710</b>	<b>143,670,840</b>
Excess (deficiency) of revenues over expenditures.....	9,930,271	18,013,885	8,083,614	4,596,080	(3,000,000)
Other financing sources (uses)					
Operating transfers in.....	61,500	55,448	(6,052)	-	-
Operating transfers out.....	(11,791,771)	(11,791,771)	-	-	-
Use of fund balance.....	(1,058,000)	(1,058,000)	-	-	3,000,000
Total other financing sources (uses).....	(12,788,271)	(12,794,323)	(6,052)	-	3,000,000
Net change in budgetary fund balances...	<u>\$ (2,858,000)</u>	5,219,562	<u>\$ 8,077,562</u>	<u>\$ 4,596,080</u>	<u>\$ -</u>
Budgetary Fund Balance, beginning.....		34,825,640			
Budgetary Fund Balance, ending.....		<u>\$ 40,045,202</u>			

Source: Annual audited financial statements for FYs 2016-2023 and estimated actuals for FY 2024. The proposed budget for FY 2025 failed at a Town-wide referendum vote on May 14, 2024. The Town Council is in the process of preparing a revised budget. (See "Budgetary Procedures" herein).

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

<b>Fiscal Year Ended:</b>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Assets</b>					
Cash and cash equivalents.....	\$ 36,693,015	\$ 37,848,119	\$ 44,453,670	\$ 43,751,205	\$ 50,298,205
Receivables:.....					
Net receivables.....	-	-	-	-	5,728,453
Property taxes.....	962,832	1,280,826	1,137,590	1,532,753	-
Accounts receivable.....	137,445	124,185	254,839	336,243	-
Lease receivable.....	-	-	-	3,640,175	-
Due from other funds.....	3,156,747	2,043,688	3,127,733	3,564,699	2,453,317
Prepays.....	-	-	-	-	-
Inventory.....	26,697	19,854	25,587	11,530	36,807
<b>Total Assets.....</b>	<u>\$ 40,976,736</u>	<u>\$ 41,316,672</u>	<u>\$ 48,999,419</u>	<u>\$ 52,836,605</u>	<u>\$ 58,516,782</u>
<b>Liabilities</b>					
Accounts payable.....	\$ 4,718,744	\$ 3,717,499	\$ 6,421,953	\$ 5,406,086	\$ 4,394,878
Unearned revenue.....	-	-	-	-	8,583
Due to other funds.....	-	350,000	100,000	527,575	789,905
<b>Total Liabilities.....</b>	<u>4,718,744</u>	<u>4,067,499</u>	<u>6,521,953</u>	<u>5,933,661</u>	<u>5,193,366</u>
<b>Deferred Inflows of Resources</b>					
Lease related.....	-	-	-	3,640,175	3,302,965
Advance tax collections.....	4,706,108	4,129,334	4,863,572	3,850,171	4,607,376
Unavailable resources.....	788,936	1,060,815	917,110	1,374,174	1,488,978
<b>Total Deferred Inflows of Resources....</b>	<u>5,495,044</u>	<u>5,190,149</u>	<u>5,780,682</u>	<u>8,864,520</u>	<u>9,399,319</u>
<b>Fund Balances</b>					
Nonspendable.....	26,697	19,854	25,587	11,530	36,807
Restricted.....	-	-	-	-	273,992
Committed.....	-	-	-	-	2,508,585
Assigned.....	4,835,637	4,001,808	5,254,990	5,012,784	942,136
Unassigned.....	25,900,614	28,037,362	31,416,207	33,014,110	40,162,577
<b>Total Fund Balances.....</b>	<u>30,762,948</u>	<u>32,059,024</u>	<u>36,696,784</u>	<u>38,038,424</u>	<u>43,924,097</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances.....</b>	<u>\$ 40,976,736</u>	<u>\$ 41,316,672</u>	<u>\$ 48,999,419</u>	<u>\$ 52,836,605</u>	<u>\$ 58,516,782</u>

Source: Annual audited financial statements.

**ANALYSIS OF GENERAL FUND EQUITY**  
(GAAP BASIS)

<b>Fiscal Year Ended:</b>	<u>Actual 2019</u>	<u>Actual 2020</u>	<u>Actual 2021</u>	<u>Actual 2022</u>	<u>Actual 2023</u>
Nonspendable.....	\$ 26,697	\$ 19,854	\$ 25,587	\$ 11,530	\$ 36,807
Restricted.....	-	-	-	-	273,992
Committed.....	-	-	-	-	2,508,585
Assigned.....	4,835,637	4,001,808	5,254,990	5,012,784	942,136
Unassigned.....	25,900,614	28,037,362	31,416,207	33,014,110	40,162,577
<b>Total Fund Balance.....</b>	<u>\$ 30,762,948</u>	<u>\$ 32,059,024</u>	<u>\$ 36,696,784</u>	<u>\$ 38,038,424</u>	<u>\$ 43,924,097</u>
Unassigned Fund Balance as % of Total Expenditures & Transfers.....	25.37%	23.78%	27.89%	27.69%	30.81%

Source: Annual audited financial statements.

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

<b>Fiscal Year Ended:</b>	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>2021</b></u>	<u><b>2022</b></u>	<u><b>2023</b></u>
<b>Revenues</b>					
Property taxes.....	\$ 99,113,331	\$ 101,117,016	\$ 105,227,339	\$ 107,311,715	\$ 110,380,383
State and Federal governments.....	19,229,990	29,923,509	24,948,952	25,845,184	27,680,798
Charges for services.....	4,581,911	3,904,610	5,751,241	5,441,025	7,497,087
Investment income.....	1,253,851	1,105,344	131,351	79,005	1,921,932
Other.....	-	-	-	-	636,233
<b>Total Revenues.....</b>	<u>124,179,083</u>	<u>136,050,479</u>	<u>136,058,883</u>	<u>138,676,929</u>	<u>148,116,433</u>
<b>Expenditures</b>					
Education.....	73,321,557	85,617,316	80,671,475	84,587,353	87,146,489
General government.....	13,891,463	14,456,066	15,545,300	15,791,682	16,480,447
Cultural and recreation .....	4,456,257	4,493,386	4,512,472	4,887,248	5,311,783
Human services.....	1,473,415	1,439,270	1,035,374	1,144,377	1,291,436
Public safety.....	10,836,755	11,236,341	11,570,431	11,832,299	13,049,332
Public works.....	6,663,418	6,800,614	7,346,035	7,260,397	7,824,085
<b>Total Expenditures.....</b>	<u>110,642,865</u>	<u>124,042,993</u>	<u>120,681,087</u>	<u>125,503,356</u>	<u>131,103,572</u>
Excess (deficiency) of revenues over expenditures.....	13,536,218	12,007,486	15,377,796	13,173,573	17,012,861
Other financing sources (uses)					
Operating transfers in.....	71,680	42,000	148,474	54,097	55,448
Operating transfers (out).....	<u>(10,610,530)</u>	<u>(10,753,410)</u>	<u>(10,888,510)</u>	<u>(11,886,030)</u>	<u>(11,470,410)</u>
Total other financing sources (uses).....	<u>(10,538,850)</u>	<u>(10,711,410)</u>	<u>(10,740,036)</u>	<u>(11,831,933)</u>	<u>(11,414,962)</u>
Net change in fund balances.....	2,997,368	1,296,076	4,637,760	1,341,640	5,597,899
Fund Balance - July 1.....	<u>27,765,580</u>	<u>30,762,948</u>	<u>32,059,024</u>	<u>36,696,784</u>	<u>38,326,198 (1)</u>
Fund Balance - June 30.....	<u>\$ 30,762,948</u>	<u>\$ 32,059,024</u>	<u>\$ 36,696,784</u>	<u>\$ 38,038,424</u>	<u>\$ 43,924,097</u>

(1) As restated, June 30, 2023.

Source: Annual audited financial statements; Town Officials.

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**VI. DEBT SUMMARY**

**PRINCIPAL AMOUNT OF INDEBTEDNESS**

As of June 27, 2024

(Pro Forma)

<b>Long-Term Debt: Bonds</b>				<b>Principal</b>	<b>Date of</b>
<b>Date of Issue</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Original</b>	<b>Outstanding</b>	<b>Fiscal Year</b>
			<b>Issue Amount</b>	<b>as of 6/27/24</b>	<b>Maturity</b>
<b><u>General Purpose</u></b>					
6/23/2016	General Purpose.....	2.00	\$ 3,755,000	\$ 1,260,000	2028
5/4/2017	Refunding - General Purpose.....	2.00 - 4.00	5,657,000	-	2024
6/1/2017	General Purpose.....	2.00 - 4.00	4,260,000	1,491,000	2037
6/28/2018	General Purpose.....	2.00 - 5.00	3,135,000	210,000	2025
6/27/2019	General Purpose.....	2.00 - 5.00	8,085,000	6,065,000	2039
6/25/2020	General Purpose.....	2.00 - 5.00	14,140,000	11,300,000	2040
12/30/2020	Refunding - General Purpose.....	4.00	3,414,000	300,000	2025
12/30/2020	Refunding - General Purpose.....	0.245 - 2.036	4,551,000	3,769,000	2033
6/24/2021	General Purpose.....	2.00 - 5.00	16,895,000	13,520,000	2036
6/23/2022	General Purpose.....	3.00 - 5.00	2,905,000	2,515,000	2037
6/27/2023	General Purpose.....	4.00 - 5.00	4,130,000	3,855,000	2038
6/27/2024	General Purpose.....	TBD	1,770,000	1,770,000	2039
			<b>\$ 72,697,000</b>	<b>\$ 46,055,000</b>	
<b><u>Schools</u></b>					
6/23/2016	Schools.....	2.00	\$ 530,000	\$ 160,000	2028
5/4/2017	Refunding - Schools.....	2.00 - 4.00	1,685,000	-	2024
6/1/2017	Schools.....	2.00 - 4.00	3,568,000	594,000	2037
6/28/2018	Schools.....	2.00 - 5.00	3,630,000	240,000	2025
6/27/2019	Schools.....	2.00 - 5.00	1,915,000	1,435,000	2039
6/25/2020	Schools.....	2.00 - 5.00	1,430,000	1,150,000	2040
12/30/2020	Refunding - Schools.....	4.00	916,000	70,000	2025
12/30/2020	Refunding - Schools.....	0.245 - 2.036	3,584,000	2,991,000	2033
6/24/2021	Schools.....	2.00 - 5.00	4,375,000	3,490,000	2036
6/23/2022	Schools.....	3.00 - 5.00	3,820,000	3,310,000	2037
6/27/2023	Schools.....	4.00 - 5.00	5,095,000	4,755,000	2038
6/27/2024	Schools.....	TBD	7,040,000	7,040,000	2039
			<b>\$ 37,588,000</b>	<b>\$ 25,235,000</b>	
	<b>Total .....</b>		<b>\$110,285,000</b>	<b>\$ 71,290,000</b>	

<b>Short-Term Debt: Notes</b>				<b>Principal</b>	<b>Date of</b>
<b>Date of Issue</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Original</b>	<b>Outstanding</b>	<b>Maturity</b>
			<b>Issue Amount</b>	<b>as of 6/27/24</b>	
<b><u>Schools</u></b>					
6/27/2024	Schools .....	TBD	\$ 1,360,000	\$ 1,360,000	6/26/2025
	<b>Total .....</b>		<b>\$ 1,360,000</b>	<b>\$ 1,360,000</b>	

**Other Long-Term Commitments: Operating Leases**

<b>Fiscal Year June 30:</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 68,924	\$ 519
2025	54,738	242
2026	18,523	30
Total lease payments.....	<b>\$ 142,185</b>	<b>\$ 791</b>

**COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY**  
As of June 27, 2024  
(Pro Forma)

<b>Fiscal Year</b>	<b>Existing Indebtedness</b>			<b>The Bonds (This Issue)</b>	<b>All Issues</b>
	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service (1)</b>	<b>Principal</b>	<b>Total Principal (1)</b>
2024	\$ 6,815,000	\$ 2,032,686	\$ 8,847,686	\$ -	\$ 6,815,000
2025	5,835,000	1,798,127	7,633,127	590,000	6,425,000
2026	5,200,000	1,579,122	6,779,122	590,000	5,790,000
2027	5,155,000	1,385,265	6,540,265	590,000	5,745,000
2028	4,830,000	1,205,308	6,035,308	590,000	5,420,000
2029	4,560,000	1,075,089	5,635,089	590,000	5,150,000
2030	4,555,000	946,343	5,501,343	590,000	5,145,000
2031	4,550,000	832,153	5,382,153	590,000	5,140,000
2032	4,545,000	716,521	5,261,521	585,000	5,130,000
2033	4,535,000	606,298	5,141,298	585,000	5,120,000
2034	4,070,000	499,505	4,569,505	585,000	4,655,000
2035	4,065,000	399,425	4,464,425	585,000	4,650,000
2036	4,035,000	291,075	4,326,075	585,000	4,620,000
2037	2,620,000	183,325	2,803,325	585,000	3,205,000
2038	1,895,000	104,250	1,999,250	585,000	2,480,000
2039	1,280,000	48,270	1,328,270	585,000	1,865,000
2040	750,000	16,500	766,500	-	750,000
	<b>\$ 69,295,000</b>	<b>\$ 13,719,262</b>	<b>\$ 83,014,262</b>	<b>\$ 8,810,000</b>	<b>\$ 78,105,000</b>

(1) Does not reflect principal payments of \$6,815,000 made as of June 27, 2024.

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**

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**OVERLAPPING AND UNDERLYING INDEBTEDNESS**

Metropolitan District Commission:

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

<u>Amount of Outstanding Debt</u>	<u>Less Exclusions (1)</u>	<u>Total Net Overlapping Debt</u>	<u>Applicable % of Net Debt Charged to Town</u>	<u>Town Net Overlapping Debt (2)</u>
\$ 1,541,168,527	\$ 668,111,858	\$ 873,056,669	8.95%	\$ 78,138,572

- (1) Debt for water purposes or supply of electricity. The MDC has issued \$332.5 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 MDC.
- (2) As of March 31, 2024.

Source: MDC

The MDC was created by the Connecticut General Assembly in 1929 and operates as a specially chartered municipal corporation of the State under Act No. 511 of the 1929 Special Acts of the State of Connecticut, as amended (the "MDC Charter"). The MDC's purpose is to provide a complete, adequate and modern system of water supply and sewage collection, treatment and disposal for its Member Municipalities. Additionally, because of a Charter amendment approved by the Connecticut General Assembly in 1979, the MDC is also empowered to construct, maintain, and operate hydroelectric dams. The MDC also provides sewage disposal facilities and supplies water, under special agreements, to all or portions of several non-member municipalities as well as various State facilities. These non-member municipalities currently include the Towns of Berlin, East Granby, Farmington, Glastonbury, Manchester, Portland, South Windsor and Windsor Locks and the City of New Britain, Connecticut.

Principal functions of the MDC are the development and maintenance of sewer and water systems within the boundaries of its Member Municipalities. Additionally, as a result of Charter amendments approved by the Connecticut General Assembly, the MDC is also empowered to construct, maintain and operate hydroelectric dams.

The Clean Water Project addresses approximately one billion gallons of combined wastewater and storm water released each year to area waterways prior to the commencement of the Clean Water Project. The project is in response to an Environmental Protection Agency ("EPA") Sanitary Sewer Overflows ("SSO") federal consent decree and a Connecticut DEEP Combined Sewer Overflows ("CSO") consent order to achieve Federal Clean Water Act goals. That portion of the project related to the CSO consent order is detailed in a Long-Term Control Plan (the "LTCP"), which is periodically revised, as required by the Consent Order, and is subject to approval by DEEP. The MDC's goal is to achieve compliance through efficient, cost-effective improvements to its system, while maximizing funding of the project with State and Federal grants and low-interest loans, with the remainder funded with issuance of its own bonds. Project financing is expected to be repaid with the Clean Water Project Charge added to the water bills of customers in Member Municipalities who have sewage and water services from the MDC.

As originally conceived in 2005, and as set forth in the initial LTCP, the Clean Water Project was estimated to cost approximately \$2.1 billion, and assumed to be completed in 2021, based on assumptions about, among other things, the design as originally conceived and the pace of design, construction and regulatory review and approval. The original concept relied on sewer separation projects, control of inflow and infiltration, and capacity increases and other improvements to the MDC's treatment plants.

An updated LTCP was submitted to DEEP in 2012 and revised through December 2014. The revised plan de-emphasized sewer separation projects (which proved expensive and unduly disruptive in downtown areas) and added a large storage and conveyance tunnel in south Hartford (the "South Tunnel"). It also featured a large storage and conveyance tunnel to the northern part of Hartford (the "North Tunnel") that connected to the South Tunnel, which was intended to both capture overflows in the northern and central part of Hartford and also to eliminate overflows into the North Branch of the Park River. This resubmittal as approved in 2015 set out a completion of the project by 2029.

The LTCP was most recently revised and resubmitted to Connecticut DEEP in December 2018. Through meetings and negotiations with CT DEEP an agreement was reached and a new Consent order signed in September 2022. Although no formal approval was issued, the new consent order, which will replace the existing consent order, incorporates a Phase I Implementation Plan for the years 2023-2029. The resubmitted LTCP introduces the concept of an "Integrated Plan". The Integrated Plan or the "Plan", coordinates the MDC's ongoing capital improvement and maintenance program with projects reasonably necessary to comply with the CSO consent order. The Plan included remedies such as replacing aged and damaged pipes and other system components, cleaning and other maintenance and rehabilitation activities, thereby increasing pipe capacity to reduce overflows. The concept and guidelines for Integrated Planning were introduced and accepted by the EPA in 2012 for communities dealing with CSO compliance issues coupled with the ongoing obligation to maintain its existing aging infrastructure in an affordable manner. Managing this program balances new capital expenditures with maintenance expenditures, with priorities addressed to reduce, insofar as practical, costly emergency repairs of sewer collapses and other problems. The resubmitted LTCP retains the South Tunnel (which is in construction) and related improvements (which are well underway). However, the resubmitted LTCP replaces the North Tunnel concept with a shortened downtown area tunnel and separation projects in conjunction with capacity improvements in the northern part of Hartford. The Plan contemplates a compliance effort over a longer term (i.e. 40 years) and integrated ongoing maintenance and a rehabilitation program. The Plan combines the Clean Water Project with other capital improvements that had not been considered part of Clean Water Project, and continues to finance the combined effort with the Clean Water Project Charge. The Plan has a view to achieve compliance with the governmental orders efficiently within the context of the MDC's other capital improvements while implementing a more affordable economic model for the rate payers.

With a new consent order in place, Integrated Plan projects were initiated in 2023.

Because the resubmitted LTCP incorporates an Integrated Plan, the nature of the Clean Water Project and its overall cost is not directly comparable to the LTCP as currently approved. Current estimates to complete the LTCP are that the Clean Water Project Charge would remain flat through 2022 and then increase incrementally to approximately \$7.40 per hundred cubic feet ("ccf") and thereafter remain at least at that level for a considerable period as the ongoing capital maintenance and rehabilitation program continues. The MDC Board sets the Clean Water Project Charge without the need for other approvals. The primary reasons for the increase in the Clean Water Project Charge are due to inflation of costs to complete the LTCP on a longer schedule and the inclusion of asset management projects, such as sewer lining, which previously were contemplated to be paid for through ad valorem taxes assessed against the Member Municipalities. As a result, the future increases to ad valorem taxes will be mitigated while the estimated total cost to the rate payers for both the Clean Water Project Charge and ad valorem taxes remain, on average, about the same. This assumes a continued level of Federal and State support in the form of grants and low-interest loans consistent with the support provided to date. Other options, such as accelerating work or changes in sequencing of the work, would increase the surcharge, as would a change in the level of Federal and State funding support. The MDC remains mindful of maintaining an overall level of affordability for rate payers of the MDC, which may lead to future adjustment in the nature of the Clean Water Project and its cost and financing. No assurance can be given as to the final cost of the Clean Water Project or the precise composition of its funding. In accordance with the Consent Order, the LTCP will be updated on a 5-year schedule, thus allowing the MDC to update Program Cost Estimates and budgets on a routine basis.

Generally speaking, appropriations for the cost of large projects must be approved by referendum vote of the electors of the Member Municipalities. Effective October 1, 2015, Public Act No.15-114 excludes from the referendum requirement that portion of any appropriations funded by Federal or State grants. An \$800 million appropriation for the Clean Water Project was approved by referendum on November 7, 2006. An appropriation for an additional \$800 million for the Clean Water Project was approved by referendum on November 6, 2012. Subsequent appropriations of \$140 million for a grant, not requiring a referendum, was approved by the MDC Board on October 5, 2016; \$18.8 million for a grant not requiring a referendum, was approved by the MDC Board on September 2, 2020; and \$67.4 million for a grant, not requiring a referendum, was approved by the MDC Board on May 1, 2023. The MDC expects to appropriate further funds for the Clean Water Project without a referendum for portions paid for by State grants.

The MDC expects that the South Tunnel and related improvements will be completed within existing appropriations, assuming the ongoing South Tunnel work proceeds within contemplated cost estimates and that expected grants are received. Some portion of the Integrated Plan work in the resubmitted LTCP may be undertaken within existing appropriations if future grants are received for eligible projects. The cost of many contemplated Integrated Plan projects will be below the threshold that requires approval by referendum and appropriations for those projects are expected to be made by the MDC Board. Full compliance with the resubmitted LTCP may require submission of one or more further appropriations for approval by electors at referendum. The MDC has made no determination as to when an additional referendum will be held.

The MDC cannot give any assurances as to when the Clean Water Project will be completed or its total cost as it is highly dependent on the availability of grants and loans from the State, regulatory review schedules, and future LTCP submissions.

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 650 acre master-planned development with approximately 225 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 as well as rental 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 office 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 5 to 10 years. Phase I of the project is complete and consists of 230 units of market rate housing with a current appraised value of \$33,400,000 (based on the Town's October 1, 2023 grand list and the first year of a two year phase-in of property valuation). Phase II commenced during fiscal year 2023 and will include a convenience store/gas station/multi-use event venue complex, a planned data center and 525,000 square foot cold storage industrial facility.

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 incremental tax 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 the authority to issue up to \$140,000,000 of special obligation revenue bonds.

Fire Districts:

Windsor has two underlying special tax districts, Wilson Fire District and Windsor Fire District. As of June 30, 2023, the Windsor Fire District and the Wilson Fire District have no outstanding debt.

**DEBT STATEMENT**

As of June 27, 2024

(Pro Forma)

<b>Long-Term Indebtedness</b>	
The Bonds (This Issue).....	\$ 8,810,000
General Purpose.....	44,285,000
Schools.....	18,195,000
<b>Total Long-Term Indebtedness.....</b>	<b>71,290,000</b>
<b>Short-Term Indebtedness</b>	
The Notes (This Issue).....	1,360,000
<b>Total Direct Indebtedness.....</b>	<b>72,650,000</b>
<b>Exclusions</b>	<b>-</b>
<b>Total Net Direct Indebtedness.....</b>	<b>72,650,000</b>
<b>Total Underlying and Net Overlapping Indebtedness (1)...</b>	<b>78,138,572</b>
<b>Total Net Direct and Net Overlapping Indebtedness.....</b>	<b>\$ 150,788,572</b>

(1) Does not include co-terminus District debt. Includes MDC debt as of March 31, 2024. (See "Overlapping and Underlying Indebtedness" herein).

## CURRENT DEBT RATIOS

As of June 27, 2024

(Pro Forma)

Total Direct Indebtedness.....	\$ 72,650,000
Total Net Direct Indebtedness.....	\$ 72,650,000
Total Net Direct and Net Overlapping Indebtedness....	\$ 150,788,572
Population (1).....	29,445
Net Taxable Grand List (10/1/23).....	\$ 3,960,872,776
Estimated Full Value.....	\$ 5,658,389,680
Equalized Net Taxable Grand List (2021) (2).....	\$ 6,023,893,043
Per Capita Income (2022) (1).....	\$ 45,852
<b>Total Direct Indebtedness:</b>	
Per Capita.....	\$2,467.31
To Net Taxable Grand List.....	1.83%
To Estimated Full Value.....	1.28%
To Equalized Net Taxable Grand List.....	1.21%
Per Capita to Per Capita Income.....	5.38%
<b>Total Net Direct Indebtedness:</b>	
Per Capita.....	\$2,467.31
To Net Taxable Grand List.....	1.83%
To Estimated Full Value.....	1.28%
To Equalized Net Taxable Grand List.....	1.21%
Per Capita to Per Capita Income.....	5.38%
<b>Total Net Direct and Net Overlapping Indebtedness:</b>	
Per Capita.....	\$5,121.02
To Net Taxable Grand List.....	3.81%
To Estimated Full Value.....	2.66%
To Equalized Net Taxable Grand List.....	2.50%
Per Capita to Per Capita Income.....	11.17%

(1) U.S. Census Bureau and 2018-2022 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 1/20<sup>th</sup> (1/30<sup>th</sup> 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 1/15<sup>th</sup> 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 adopted 2024-2029 plan includes projects totaling \$119,114,372. A copy of the most recent capital improvement program is available from the Town Manager's Office.

### **SCHOOL BUILDING GRANT REIMBURSEMENTS**

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved after July 1, 1996, the State provides proportional progress payments during construction for the State's share of the eligible construction costs. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue bonds only for its share of project costs.

### **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 Connecticut General Statutes Sections 12-129d and 7-528.

Section 7-374 of the Connecticut General Statutes also provides 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 27, 2024

(Pro Forma)

Total tax collections (including interest and lien fees)	\$ 107,324,890
State Reimbursement for Revenue Loss on:	
Tax Relief for the Elderly	-
Base for Establishing Debt Limit	<u>\$ 107,324,890</u>

<u>Debt Limitation</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Past Pension</u>	<u>Total Debt</u>
(2.25 times base).....	\$ 241,481,003					
(4.50 times base).....		\$ 482,962,005				
(3.75 times base).....			\$ 402,468,338			
(3.25 times base).....				\$ 348,805,893		
(3.00 times base).....					\$ 321,974,670	
(7.00 times base).....						\$ 751,274,230
<b>Indebtedness (Including the Bonds)</b>						
Bonds Payable.....	\$ 44,285,000	\$ 18,195,000	\$ -	\$ -	\$ -	\$ 62,480,000
The Bonds (This Issue).....	1,770,000	7,040,000	-	-	-	8,810,000
The Notes (This Issue).....	-	1,360,000	-	-	-	1,360,000
Overlapping and						
Underlying Debt (1).....	-	-	78,138,572	-	-	78,138,572
Authorized but						
Unissued Debt.....	-	-	-	-	-	-
Total Indebtedness.....	<u>46,055,000</u>	<u>26,595,000</u>	<u>78,138,572</u>	<u>-</u>	<u>-</u>	<u>150,788,572</u>
School Grants Receivable.....	-	-	-	-	-	-
Total Net Indebtedness.....	<u>46,055,000</u>	<u>26,595,000</u>	<u>78,138,572</u>	<u>-</u>	<u>-</u>	<u>150,788,572</u>
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	<u>\$ 195,426,003</u>	<u>\$ 456,367,005</u>	<u>\$ 324,329,766</u>	<u>\$ 348,805,893</u>	<u>\$ 321,974,670</u>	<u>\$ 600,485,658</u>

(1) Does not include co-terminus District debt. Includes MDC debt as of March 31, 2024. (See "Overlapping and Underlying Indebtedness" herein).

**AUTHORIZED BUT UNISSUED DEBT**

<u>Projects</u>	<u>Amount Authorized</u>	<u>Prior Bond Proceeds</u>	<u>Paydowns/ Grants</u>	<u>Notes Payable</u>	<u>The Bonds (This Issue)</u>	<u>The Notes (This Issue)</u>	<u>Authorized But Unissued</u>
Sage Park Middle School Partial Roof Reconstruction.....	\$ 2,900,000	\$ -	\$ -	\$ -	\$ 1,540,000	\$ 1,360,000	\$ -
International Drive Reconstruction Phase II.....	1,810,000	40,000	-	-	1,770,000	-	-
Oliver Ellsworth Elementary School HVAC Improvements.....	3,000,000	-	-	-	3,000,000	-	-
L.P. Wilson Community Center Ventilation and Flooring Improvements - North End Phase II.....	2,500,000	-	-	-	2,500,000	-	-
Total.....	<u>\$ 10,210,000</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,810,000</u>	<u>\$ 1,360,000</u>	<u>\$ -</u>

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## HISTORICAL DEBT STATEMENT

	<u>2023-24 (1)</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Population (2).....	29,445	29,445	29,445	29,445	29,445
Net taxable grand list.....	\$ 3,557,605,126	\$ 3,316,231,394	\$ 3,212,253,015	\$ 3,154,746,753	\$ 3,109,299,310
Estimated full value.....	\$ 5,082,293,037	\$ 4,737,473,420	\$ 4,588,932,879	\$ 4,506,781,076	\$ 4,441,856,157
Equalized net taxable grand list (3)....	\$ 6,023,893,043	\$ 5,281,482,794	\$ 5,368,290,587	\$ 5,368,290,587	\$ 4,440,713,889
Per capita income (2).....	\$ 45,852	\$ 45,852	\$ 45,852	\$ 45,852	\$ 45,852
Short-term debt.....	\$ 1,360,000	\$ -	\$ -	\$ 2,610,000	\$ 12,500,000
Long-term debt.....	\$ 71,330,000	\$ 69,295,000	\$ 67,235,000	\$ 67,250,000	\$ 52,140,000
Total Direct Indebtedness.....	\$ 72,690,000	\$ 69,295,000	\$ 67,235,000	\$ 69,860,000	\$ 64,640,000
Net Direct Indebtedness.....	\$ 72,690,000	\$ 69,295,000	\$ 67,235,000	\$ 69,860,000	\$ 64,640,000
Net Direct and Net Overlapping Indebtedness (4).....	\$ 150,828,572	\$ 145,864,285	\$ 138,576,299	\$ 149,214,940	\$ 145,565,597

(1) Unaudited estimates.

(2) U.S. Census Bureau and 2018-2022 American Community Survey.

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

(4) Does not include co-terminus District debt. Includes MDC debt as of March 31, 2024. (See "Overlapping and Underlying Indebtedness" herein).

## HISTORICAL DEBT RATIOS

	<u>2023-24 (1)</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
<b>Total Direct Indebtedness:</b>					
Per capita.....	\$2,468.67	\$2,353.37	\$2,283.41	\$2,372.56	\$2,195.28
To net taxable grand list.....	2.04%	2.09%	2.09%	2.21%	2.08%
To estimated full value.....	1.43%	1.46%	1.47%	1.55%	1.46%
To equalized net taxable grand list.....	1.21%	1.31%	1.25%	1.30%	1.46%
Debt per capita to per capita income...	5.38%	5.13%	4.98%	5.17%	4.79%
<b>Net Direct Indebtedness:</b>					
Per capita.....	\$2,468.67	\$2,353.37	\$2,283.41	\$2,372.56	\$2,195.28
To net taxable grand list.....	2.04%	2.09%	2.09%	2.21%	2.08%
To estimated full value.....	1.43%	1.46%	1.47%	1.55%	1.46%
To equalized net taxable grand list.....	1.21%	1.31%	1.25%	1.30%	1.46%
Debt per capita to per capita income...	5.38%	5.13%	4.98%	5.17%	4.79%
<b>Net Direct and Net Overlapping Indebtedness:</b>					
Per capita.....	\$5,122.38	\$4,953.79	\$4,706.28	\$5,067.58	\$4,943.64
To net taxable grand list.....	4.24%	4.40%	4.31%	4.73%	4.68%
To estimated full value.....	2.97%	3.08%	3.02%	3.31%	3.28%
To equalized net taxable grand list.....	2.50%	2.76%	2.58%	2.78%	3.28%
Debt per capita to per capita income...	11.17%	10.80%	10.26%	11.05%	10.78%

(1) Unaudited estimates.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures and Transfers out</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %</b>
2025 (1)	\$ 8,752,320	\$ 143,670,840	6.09%
2024 (1)	8,847,690	139,205,750	6.36%
2023	9,132,243	142,573,982	6.41%
2022	8,170,900	137,389,386	5.95%
2021	8,295,344	131,569,597	6.30%
2020	8,056,009	134,796,403	5.98%
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%

(1) Annual audited financial statements for FYs 2016-2023 and estimated actuals for FY 2024. The proposed budget for FY 2025 failed at a Town-wide referendum vote on May 14, 2024. The Town Council is in the process of preparing a revised budget. (See "Budgetary Procedures" herein).

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## VII. LEGAL AND OTHER LITIGATION

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### 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 Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds and the 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 purchaser(s) 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 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 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. Receipts for the purchase prices of the Bonds and the Notes;
4. The approving opinions of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut for the Bonds and Notes in substantially in the forms attached as Appendices B and C, respectively;
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the forms attached to the Official Statement as Appendices D and E, respectively; and
6. Within seven business days of the bid opening, the Town will furnish the purchaser of the Bonds and each purchaser of 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 Trust Company, National Association, of Hartford, Connecticut and will be available for examination upon reasonable request.

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**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 Munistat Services, Inc. at (203) 421-2087.

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**

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**BY: PETER P. SOUZA**  
*Town Manager*

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**BY: JAMES R. BOURKE**  
*Finance Director*

**Dated: May 31, 2024**

**APPENDIX A – FINANCIAL STATEMENTS**

**TOWN OF WINDSOR, CONNECTICUT**

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**JUNE 30, 2023**

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**Appendix A – Financial Statements** – is taken from the Annual Financial Report of the Town of Windsor for the Fiscal Year ending June 30, 2023 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the office of the Finance Director, Town of Windsor, Connecticut.



## INDEPENDENT AUDITORS' REPORT

Town Council and the Board of Finance  
Town of Windsor, Connecticut

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Windsor, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Connecticut, as of June 30, 2023, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Windsor, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in Note 15 to the financial statements, errors were identified in the prior year financial statements during the current year. Accordingly, amounts have been restated in the 2023 financial statements now presented, and adjustments have been made to the fund balance and net position as of June 30, 2022, to correct these errors. Our opinions are not modified with respect to these matters.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Windsor, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Windsor, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Windsor, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Windsor, Connecticut's basic financial statements. The combining and individual fund statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Town Council and the Board of Finance  
Town of Windsor, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2024, on our consideration of the Town of Windsor, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Windsor, Connecticut'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 Town of Windsor, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
February 7, 2024

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

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, 2023. 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 \$66.3 million. Total net position for Governmental Activities at fiscal year-end was \$60.0 million, which was \$6.7 million higher than the FY 22 restated net position. Total net position for Business-Type Activities was \$6.3 million, which was an increase of \$4.5 million as compared to the restated FY 22 net position.
- Government-wide expenses were \$156.5 million, which is an increase of \$8.2 million as compared to FY 22. Government-wide revenues were \$167.8 million, which is an increase of \$15.4 million as compared to FY 22.
- At the close of the year the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$71.4 million, an increase of \$9.3 million from the restated prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$43.9 million, an increase of \$5.6 million from the restated prior fiscal year. Of the total fund balance as of June 30, 2023, \$40.2 million represents unassigned fund balance. Unassigned fund balance at year-end represents 28.2% of total FY 23 General Fund expenditures and transfers out and 28.9% of FY 24 adopted budgeted expenditures. FY 23 expenditures include the state teachers' retirement and other post-employment benefits (OPEB) payment of \$10.8 million made by the State Department of Education on-behalf of the Town.

**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.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Overview of the Financial Statements (Continued)**

Government-Wide Financial Statements (Continued)

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 19-20 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:

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Overview of the Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

**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 fifteen (15) 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, Capital Projects Fund, Educational Grants Fund and American Rescue Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as other Nonmajor Governmental Funds. Nonmajor Governmental Funds for the Town include the Cafeteria Fund, Community Rehabilitation Fund, Treehouse Fund, Adult Education Fund, Student Activities Fund, Town Explorer Fund, Scholarship Fund, Other Special Revenue Fund, Open Space Fund, J. Bartash Trust Fund and Debt Service Fund. The report provides individual fund data for each of these nonmajor governmental funds in the combining balance sheet on pages 116-117 and in the combining statement of revenues, expenditures and changes in fund balances on pages 118-119.

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 schedule of revenues, expenditures, and changes in budgetary fund balance – budgetary basis – budget and actual – General Fund can be found on page 98.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 21-24 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.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Overview of the Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

**Proprietary Funds (Continued)**

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 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 Child Development Center, the Caring Connection Adult Day Care Center, and the Resident Transfer Station into the nonmajor 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 25-27 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 and one Other Post Employment Benefit Trust Fund. The accounting used for fiduciary funds is similar to the accounting for proprietary funds. The basic fiduciary fund financial statements are on pages 28-29 of this report.

**Notes to 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 30-96 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 \$60.0 million on June 30, 2023, which was an increase of \$6.6 million from the beginning net position as restated of \$53.4 million.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**TOWN OF WINDSOR, CONNECTICUT  
SUMMARY STATEMENT OF NET POSITION (\$000's)  
June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2023	2022*	2023	2022	2023	2022	2022-23
<b>Assets:</b>							
Current and Other Assets	\$ 113,630	\$ 99,936	\$ 20,633	\$ 21,656	\$ 134,263	\$ 121,592	10.4 %
Capital Assets, Net of Accumulated Depreciation	146,954	144,624	194	77	147,148	144,701	1.7
Total Assets	260,584	244,560	20,827	21,733	281,411	266,293	5.7
<b>Deferred Outflows of Resources</b>	25,217	28,159	474	-	25,691	28,159	(8.8)
<b>Liabilities:</b>							
Current Liabilities	17,462	13,744	(84)	145	17,378	13,889	25.1
Long-Term Liabilities Outstanding	174,888	162,991	14,472	19,843	189,360	182,834	3.6
Total Liabilities	192,350	176,735	14,388	19,988	206,738	196,723	5.1
<b>Deferred Inflows of Resources</b>	33,302	42,589	619	-	33,921	42,589	(20.4)
<b>Net Position:</b>							
Net Investment in Capital Assets	79,799	82,670	194	77	79,993	82,747	(3.3)
Restricted	11,132	7,313	-	-	11,132	7,313	52.2
Unrestricted	(30,782)	(36,588)	6,100	1,668	(24,682)	(34,920)	(29.3)
Total Net Position	\$ 60,149	\$ 53,395	\$ 6,294	\$ 1,745	\$ 66,443	\$ 55,140	20.5 %

\* as restated- note 15

At the end of the current fiscal year, the Town is able to report positive balances of \$66.4 million in net position for the government as a whole.

A large portion of the Town's net position 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  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

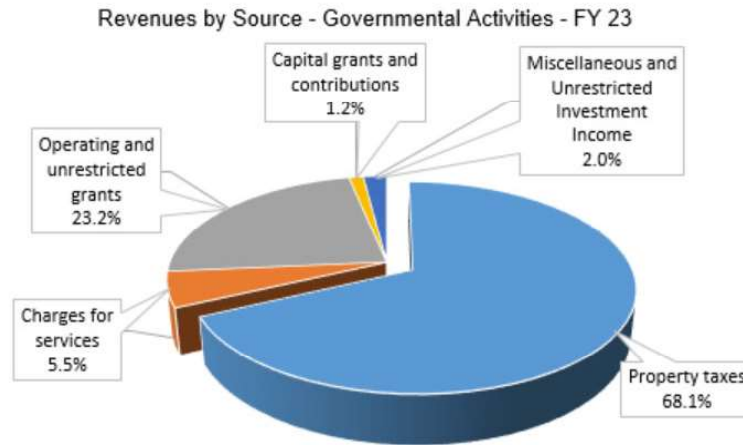
**TOWN OF WINDSOR, CONNECTICUT  
SUMMARY STATEMENT OF ACTIVITIES (\$000's)  
Years Ended June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022-23
<b>Revenues:</b>							
Program Revenues:							
Charges for Services	\$ 8,861	\$ 6,307	\$ 1,879	\$ 1,729	\$ 10,740	\$ 8,036	33.6 %
Operating Grants and Contributions	37,523	31,139	65	300	37,588	31,439	19.6
Capital Grants and Contributions	1,999	428	-	-	1,999	428	367.1
General Revenues:							
Property Taxes	110,380	107,720	-	-	110,380	107,720	2.5
Grants Not Restricted to Specific Programs	3,304	2,857	-	-	3,304	2,857	15.6
Miscellaneous	1,086	1,735	-	-	1,086	1,735	(37.4)
Unrestricted Investment Earnings	2,324	103	360	51	2,684	154	1642.9
Total Revenues	165,477	150,289	2,304	2,080	167,781	152,369	10.1
<b>Expenses:</b>							
General Government	18,594	16,756	-	-	18,594	16,756	11.0
Culture and Recreation	5,958	5,753	-	-	5,958	5,753	3.6
Human Services	1,773	2,409	-	-	1,773	2,409	(26.4)
Public Works	10,435	8,688	-	-	10,435	8,688	20.1
Education	104,087	96,028	-	-	104,087	96,028	8.4
Public Safety	16,450	14,556	-	-	16,450	14,556	13.0
Interest Expense	1,341	1,791	-	-	1,341	1,791	(25.1)
Landfill	-	-	(4,076)	563	(4,076)	563	(824.0)
Child Development	-	-	1,207	1,092	1,207	1,092	10.5
Adult Caring Connection	-	-	346	320	346	320	8.1
Resident Transfer Station	-	-	363	368	363	368	(1.4)
Total Expenses	158,638	145,981	(2,160)	2,343	156,478	148,324	5.5
<b>Excess (Deficit) of Revenues Over (Under) Expenses Before Transfers</b>	6,839	4,308	4,464	(263)	11,303	4,045	179.4
Transfers	(85)	(66)	85	66	-	-	-
<b>Change in Net Position (Deficit)</b>	6,754	4,242	4,549	(197)	11,303	4,045	179.4
Net Position (Deficits) - Beginning of Year	53,395	53,000	1,745	3,891	55,140	56,891	(3.1)
Restatement	-	(3,847)	-	(1,949)	-	(5,796)	-
<b>Net Position - End of Year</b>	<u>\$ 60,149</u>	<u>\$ 53,395</u>	<u>\$ 6,294</u>	<u>\$ 1,745</u>	<u>\$ 66,443</u>	<u>\$ 55,140</u>	<u>20.5 %</u>

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

Governmental Activities

Approximately 68.1% of revenues and transfers in were derived from property taxes, followed by 23.2% from operating and unrestricted grants, 5.5% from charges for services, 1.2% from capital grants and contributions, and 2.0% from investment earnings and other miscellaneous revenue sources.



Major revenue factors included:

- Property tax revenues in FY 23 totaled \$110.4 million, which represents an increase of \$2.7 million or 2.5% over FY 22 tax revenues. The Town's FY 23 mill rate was 33.27 mills for real estate and personal property, and 32.46 for motor vehicles. The Town's collection rate on the current adjusted levy was budgeted at 99.0% for real estate and personal property, and 97.0% for motor vehicles.
- Operating grants and contributions were \$6.4 million more than prior year mostly due to the receipt of additional education grants.
- Capital grants and contributions were \$1.6 million more than prior year mostly due to a grant for a road rehabilitation project that was received in FY 23.
- Charges for services increased \$2.6 million from the prior year. This is mostly due to additional building permit revenue.
- Investment income and other miscellaneous revenues increased \$1.6 million year over year. This was mostly due to an increase in interest rates.

For Governmental Activities in FY 23, approximately 65.6% of the Town's expenses relate to education (vs. 65.5% in FY 22), 11.7% (vs. 11.5% in FY 22) relate to general government, 10.4% (vs. 10.0% in FY 22) to public safety, 6.6% (vs. 6.0% in FY 22) relate to public works, 3.8% (vs. 3.9% in FY 22) to culture and recreation, 1.1% (vs. 1.6% in FY 22) to human services, and 0.8% (vs. 1.2% in FY 22) 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.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

Major expense factors included:

- Education expenses reflected an increase of \$8.0 million or 8.4% from FY 22 primarily due to the following:
  - increased liabilities for state teachers' retirement and other post-employment benefits incurred by the State Department of Education on-behalf of the Town
  - increased general fund spending year over year
  - increased state teachers' retirement and other post-employment benefits (OPEB) payment made by the State Department of Education on-behalf of the Town
- Public Works expenses reflected an increase of \$1.7 million due to changes in fixed assets.
- Public Safety expenses reflected an increase of \$1.8 million or 13.0% mostly due to changes in liabilities for the state police pension (CMERS).
- General Government expenses reflected an increase of \$1.8 million or 11.0% mostly due to increased spending of the American Rescue Grant funding.

**Business-Type Activities**

- The Business-type activities net position increased by \$4.5 million during FY 23. This is mostly due to a decrease in the landfill post-closure liability (see note 12).
- The Resident Transfer Station net position decreased \$12.3 thousand over last year.
- The Child Development net position is a deficit of \$914 thousand, which is a decrease in the deficit of \$73 thousand as compared to the restated FY 22 net position. This is a result of allocating defined benefit retirement and other-post employment benefits liabilities to the Child enterprise fund.
- The Caring Connection Adult Day Care net position is a deficit of \$95 thousand, which is a decrease in the deficit of \$60 thousand as compared to the restated FY 22 net position. This is a result of allocating defined benefit retirement and other-post employment benefits liabilities to the Child enterprise fund.

**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, 2023, the Town's governmental funds reported combined ending fund balances of \$71.4 million, an increase of \$9.3 million from the restated \$62.1 million in the previous year. This is mostly due to the year-over-year timing of revenues and expenditures in the Capital Projects Fund and increased revenues and vacancy savings in the General Fund. The General Fund unassigned fund balance comprises 56.2% of the total fund balance. The remainder of the fund balance is considered either non-spendable, restricted, committed or assigned as defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. These fund balance definitions can be found in Note 1 of the notes to the financial statements.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Financial Analysis of the Fund Financial Statements(Continued)**

Governmental Funds (Continued)

**General Fund**

The General Fund is the main operating fund of the Town. As of June 30, 2023, the unassigned fund balance for the General Fund was \$40.2 million, while total fund balance was \$43.9 million. The total fund balance increased \$5.6 million as compared to FY 22, mostly due to increased revenues and expenditure savings as noted below under General Fund Budgetary Highlights. 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 28.1% of total General Fund expenditures and transfers out of \$142.6 million, while total fund balance represents 30.7% of that same amount.

**Capital Projects Fund**

The Capital Projects Fund had a total fund balance of \$15.9 million, which is an increase of \$3.7 million from a balance of \$12.2 million in FY 22. This is primarily due to the timing of when borrowing proceeds were received versus when expenditures were incurred.

**Educational Grants Program Fund**

The Educational Grants Program Fund had an end of year fund balance of \$899 thousand.

**American Rescue Fund**

The American Rescue Fund had revenues and expenditures (including transfers out) of \$1.3 million. FY 23 was the second year of expenditure activity.

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 of the Landfill Enterprise Fund at the end of the year was \$6.4 million with an unrestricted net position of \$6.2 million which reflects a \$4.4 million increase year over year. The Landfill Enterprise Fund change in net position is an increase of \$4.4 million for the year due to a post-closure liability decrease in FY 23. 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 \$135.3 million. This amount exceeded budgeted amounts by \$7.2 million. The major revenue variances were:

- Total General Property Tax collections exceeded budget by \$553 thousand mostly due to current levy collections in excess of budget by \$356 thousand, interim motor vehicle tax collections in excess of budget by \$322 thousand and interest in excess of budget by \$333 thousand.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**General Fund Budgetary Highlights (Continued)**

- Licenses and Permits exceeded budget by \$3.7 million mostly due to building permits associated with several new distribution and warehouse facilities.
- Intergovernmental revenue exceeded budget by \$1.3 million mostly due to receiving State of Connecticut municipal grants in excess of budget, as well as additional funds from the special education-excess costs grant.
- Revenues from Use of Assets exceeded budget by \$1.2 million, mostly due to receiving better than expected interest rates.

Actual expenditures including transfers, but not use of fund balance, were \$129.1 million and kept under budget by \$881 thousand. This is mostly due to savings from personnel cost associated with vacant positions, employees out on worker compensation, disability, and military leave and storm control overtime cost savings.

The difference between the original budget and the final amended budget was for additional appropriations of \$1,058,000 thousand from the unassigned fund balance. Uses were as follows:

Windsor Emergency Medical Services	\$ 380,000
Multi-Use Riverfront Trail Design	310,000
Sage Park Slab Moisture Mitigation	140,000
Wilson Firehouse Generator	88,000
Building Permit Software	75,000
Goslee Pool Bathhouse Renovation Project	65,000
	<b>\$ 1,058,000</b>

These items combined (additional revenues, expenditure savings and use of fund balance) produced an increase of \$5.2 million to the General Fund budgetary fund balance. This takes into consideration that the \$1.8 million 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**

As restated, the Town's investment in capital assets for governmental and business-type activities as of June 30, 2023, amounted to \$147.1 million (net of accumulated depreciation). This investment in capital assets includes land, building and mechanical improvements, machinery and equipment, park facilities, roads, sewers, and bridges.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Capital Asset and Debt Administration (Continued)**

Capital Assets (Continued)

**TOWN OF WINDSOR, CONNECTICUT  
CAPITAL ASSETS (Net of Depreciation)  
June 30, 2023**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 7,216,684	\$ -	\$ 7,216,684
Construction in Progress	11,631,748	-	11,631,748
Buildings and Improvements	88,115,113	25,840	88,140,953
Infrastructure	18,534,289	-	18,534,289
Right-to-Use Equipment	147,263	-	147,263
Machinery and Equipment	21,308,407	168,351	21,476,758
Total	<u>\$ 146,953,504</u>	<u>\$ 194,191</u>	<u>\$ 147,147,695</u>

Major additions during the year included the following:

- Public Safety Complex Renovation
- Public Works Fuel Tank Replacement
- Street Light Replacements
- Senior Center & Social Services Facilities Improvements
- O'Brien Stadium Track Replacement
- Fleet & Equipment Replacements

Debt Administration

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$69.3 million. 100% of this debt is backed by the full faith and credit of the Town government.

	Governmental Activities
General Obligation Bonds	<u>\$ 69,295,000</u>

The Town's total bonded debt increased by \$2.0 million or 3.1% during the current fiscal year as compared to a 0.02% increase in FY 22.

The Town's general obligation bond rating is AAA from Standard & Poor's. This rating was reaffirmed in June of 2023 when the Town issued general obligation bonds in the amount of \$9.2 million.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Capital Asset and Debt Administration (Continued)**

**Debt Administration (Continued)**

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 \$751 million. As of June 30, 2023, the Town recorded long-term debt of \$69.3 million related to Governmental Activities, well below its statutory debt limits. The following is a summary as of June 30, 2023, of the future principal and interest requirements for the Town's general obligation bonds:

<u>Fiscal Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Debt Service</u>
2024	\$ 6,815,000	\$ 2,032,685	\$ 8,847,685
2025	5,835,000	1,798,127	7,633,127
2026	5,200,000	1,579,122	6,779,122
2027	5,155,000	1,385,264	6,540,264
2028	4,830,000	1,205,308	6,035,308
2029	4,560,000	1,075,089	5,635,089
2030	4,555,000	946,343	5,501,343
2031	4,550,000	832,153	5,382,153
2032	4,545,000	716,521	5,261,521
2033	4,535,000	606,298	5,141,298
2034	4,070,000	499,505	4,569,505
2035	4,065,000	399,425	4,464,425
2036	4,035,000	291,075	4,326,075
2037	2,620,000	183,325	2,803,325
2038	1,895,000	104,250	1,999,250
2039	1,280,000	48,270	1,328,270
2040	750,000	16,500	766,500
Total	<u>\$ 69,295,000</u>	<u>\$ 13,719,260</u>	<u>\$ 83,014,260</u>

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

**Economic Factors**

As of November 2023, the unemployment rate for the Town was 3.6%. The unemployment rate for the Hartford labor market area was 3.6% and 3.6% for the State of Connecticut. The overall national average was 3.7% for this same time period.

Overall, unemployment rates have increased slightly since last year. 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 not seen major variances 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.

**TOWN OF WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Economic Factors (Continued)**

The Town has a high-quality tax base which includes a diverse mix of commercial and business enterprises, and this lends 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 Annual Comprehensive 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.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 84,708,815	\$ 18,132,663	\$ 102,841,478
Investments	10,436,634	2,370,261	12,806,895
Receivables, Net	10,395,973	130,053	10,526,026
Supplies	42,444	-	42,444
Restricted Cash and Cash Equivalents	8,046,481	-	8,046,481
Capital Assets, Not Being Depreciated	18,848,432	-	18,848,432
Capital Assets, Being Depreciated, Net of Depreciation	128,105,072	194,191	128,299,263
Total Assets	<u>260,583,851</u>	<u>20,827,168</u>	<u>281,411,019</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	342,229	-	342,229
Deferred Outflows Related to Pension	12,112,205	148,823	12,261,028
Deferred Outflows Related to OPEB	12,762,248	325,142	13,087,390
Total Deferred Outflows of Resources	<u>25,216,682</u>	<u>473,965</u>	<u>25,690,647</u>
<b>LIABILITIES</b>			
Accounts Payable And Accruals	9,187,433	286,758	9,474,191
Interfund	374,178	(374,178)	-
Due to Fiduciary Funds	25,637	-	25,637
Unearned Revenues	7,874,944	3,211	7,878,155
Long-Term Liabilities:			
Due Within One Year	7,243,062	494,855	7,737,917
Due In More Than One Year	167,645,170	13,977,123	181,622,293
Total Liabilities	<u>192,350,424</u>	<u>14,387,769</u>	<u>206,738,193</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Advance Property Tax Collections	4,607,376	-	4,607,376
Lease Related	3,302,965	-	3,302,965
Deferred Inflows Related to Pension	1,384,841	7,297	1,392,138
Deferred Inflows Related to OPEB	24,006,370	611,605	24,617,975
Total Deferred Inflows of Resources	<u>33,301,552</u>	<u>618,902</u>	<u>33,920,454</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	79,798,504	194,191	79,992,695
Restricted:			
Grants	7,924,774	-	7,924,774
Debt Service	2,920,064	-	2,920,064
LOSAP Plan	273,992	-	273,992
Endowments	13,000	-	13,000
Unrestricted (Deficit)	<u>(30,781,777)</u>	<u>6,100,271</u>	<u>(24,681,506)</u>
Total Net Position	<u>\$ 60,148,557</u>	<u>\$ 6,294,462</u>	<u>\$ 66,443,019</u>

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
Governmental Activities:							
General Government	\$ 18,594,781	\$ 6,009,005	\$ 2,323,336	\$ -	\$ (10,262,440)	\$ -	\$ (10,262,440)
Culture and Recreation	5,958,212	339,754	220,025	573,500	(4,824,933)	-	(4,824,933)
Human Services	1,772,102	225,931	232,867	-	(1,313,304)	-	(1,313,304)
Public Works	10,435,441	80,413	431,621	1,425,732	(8,497,675)	-	(8,497,675)
Education	104,086,667	1,375,881	34,222,966	-	(68,487,820)	-	(68,487,820)
Public Safety	16,450,093	830,366	91,946	-	(15,527,781)	-	(15,527,781)
Interest Expense	1,341,441	-	-	-	(1,341,441)	-	(1,341,441)
Total Governmental Activities	158,638,737	8,861,350	37,522,761	1,999,232	(110,255,394)	-	(110,255,394)
Business-Type Activities:							
Landfill	(4,076,343)	-	-	-	-	4,076,343	4,076,343
Child Development Center	1,206,884	1,227,886	55,820	-	-	76,822	76,822
Caring Connection Adult Day Care	346,084	314,015	9,124	-	-	(22,945)	(22,945)
Resident Transfer Station	363,089	338,503	-	-	-	(24,586)	(24,586)
Total Business-Type Activities	(2,160,286)	1,880,404	64,944	-	-	4,105,634	4,105,634
Total Primary Government	\$ 156,478,451	\$ 10,741,754	\$ 37,587,705	\$ 1,999,232	(110,255,394)	4,105,634	(106,149,760)
<b>GENERAL REVENUES</b>							
Property Taxes					110,380,383	-	110,380,383
Miscellaneous					1,085,778	-	1,085,778
Grants and Contributions Not Restricted to Specific Programs					3,303,532	-	3,303,532
Unrestricted Investment Earnings					2,323,941	359,685	2,683,626
Internal Transfers					(84,552)	84,552	-
Total General Revenues and Internal Transfers					117,009,082	444,237	117,453,319
<b>CHANGE IN NET POSITION</b>							
					6,753,688	4,549,871	11,303,559
Net Position – Beginning of Year- as Restated					53,394,869	1,744,591	55,139,460
<b>NET POSITION – END OF YEAR</b>							
	\$ 60,148,557	\$ 6,294,462	\$ 66,443,019				

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Major Funds				Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Educational Grant Programs	American Rescue Fund		
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 44,387,387	\$ 8,879,167	\$ 3,884,865	\$ 7,286,454	\$ 8,148,514	\$ 72,586,387
Investments	5,910,818	2,212,483	-	-	703,015	8,826,316
Restricted Cash and Cash Equivalents	-	8,046,481	-	-	-	8,046,481
Receivables, Net	5,728,453	1,990,000	106,843	-	2,473,833	10,299,129
Due from Other Funds	2,453,317	-	-	-	-	2,453,317
Supplies	36,807	-	-	-	5,637	42,444
<b>Total Assets</b>	<b>\$ 58,516,782</b>	<b>\$ 21,128,131</b>	<b>\$ 3,991,708</b>	<b>\$ 7,286,454</b>	<b>\$ 11,330,999</b>	<b>\$ 102,254,074</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Accounts Payable	\$ 4,394,878	\$ 2,552,989	\$ 341,575	\$ 664,285	\$ 140,613	\$ 8,094,340
Unearned Revenue	8,583	714,104	530,088	6,622,169	-	7,874,944
Due to Other Funds	789,905	-	2,220,719	-	228,798	3,239,422
<b>Total Liabilities</b>	<b>5,193,366</b>	<b>3,267,093</b>	<b>3,092,382</b>	<b>7,286,454</b>	<b>369,411</b>	<b>19,208,706</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Advance Tax Collections	4,607,376	-	-	-	-	4,607,376
Lease Related	3,302,965	-	-	-	-	3,302,965
Unavailable Revenue - Tax Collections	1,488,978	-	-	-	-	1,488,978
Unavailable Revenue - Other	-	-	-	-	-	-
Unavailable Revenue - Loans	-	-	-	-	241,437	241,437
Unavailable Revenue - Grants	-	1,985,000	-	-	-	1,985,000
<b>Total Deferred Inflows of Resources</b>	<b>9,399,319</b>	<b>1,985,000</b>	<b>-</b>	<b>-</b>	<b>241,437</b>	<b>11,625,756</b>
<b>FUND BALANCES</b>						
Nonspendable	36,807	-	-	-	18,637	55,444
Restricted	273,992	8,046,481	899,326	-	9,945,512	19,165,311
Committed	2,508,585	7,829,557	-	-	756,002	11,094,144
Assigned	942,136	-	-	-	-	942,136
Unassigned	40,162,577	-	-	-	-	40,162,577
<b>Total Fund Balances</b>	<b>43,924,097</b>	<b>15,876,038</b>	<b>899,326</b>	<b>-</b>	<b>10,720,151</b>	<b>71,419,612</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 58,516,782</b>	<b>\$ 21,128,131</b>	<b>\$ 3,991,708</b>	<b>\$ 7,286,454</b>	<b>\$ 11,330,999</b>	<b>\$ 102,254,074</b>

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit III) \$ 71,419,612

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	\$ 366,327,934	
Less: Accumulated Depreciation	<u>(219,374,430)</u>	
Net Capital Assets		146,953,504

Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds:

Property Tax Receivables Greater than 60 Days	1,488,978
CDBG Loans Greater than 60 Days	241,437
Grant Receivable Greater than 60 Days	1,985,000
Deferred Charge on Refunding	342,229
Deferred Outflows Related to Pension	5,568,185
Deferred Outflows Related to LOSAP	214,613
Deferred Outflows Related to MERS	6,329,407
Deferred Outflows Related to OPEB	12,762,248

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 reported with governmental activities in the statement of net position.

11,957,665

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds Payable	(69,295,000)
Unamortized Premium on Bonds Payable	(3,553,537)
Lease Liability	(142,184)
Interest Payable on Bonds	(148,878)
Net OPEB Liability	(46,876,526)
Compensated Absences	(878,866)
Net Pension Liability	(38,430,985)
LOSAP Liability	(971,452)
MERS Liability	(13,425,682)
Deferred Inflows Related to Pension	(272,996)
Deferred Inflows Related to MERS	(1,111,845)
Deferred Inflows Related to OPEB	<u>(24,006,370)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)

\$ 60,148,557

**TOWN OF WINDSOR, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Major Funds				Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Educational Grant Programs	American Rescue Fund		
<b>REVENUES</b>						
Property Taxes	\$ 110,380,383	\$ -	\$ -	\$ -	\$ -	\$ 110,380,383
State and Federal Governments	27,680,798	1,491,046	4,952,470	1,312,642	3,121,990	38,558,946
Charges for Services	7,497,087	-	-	-	1,195,078	8,692,165
Investment Income	1,921,932	302,333	-	-	99,676	2,323,941
Other	636,233	79,398	522,044	-	588,369	1,826,044
Total Revenues	148,116,433	1,872,777	5,474,514	1,312,642	5,005,113	161,781,479
<b>EXPENDITURES</b>						
Current:						
Education	87,146,489	-	5,405,421	-	3,133,715	95,685,625
General Government	16,480,447	-	-	1,272,642	541,928	18,295,017
Culture and Recreation	5,311,783	-	-	-	142,283	5,454,066
Human Services	1,291,436	-	-	-	358,042	1,649,478
Public Safety	13,049,332	-	-	-	410	13,049,742
Public Works	7,824,085	-	-	-	628,552	8,452,637
Debt Service:						
Principal Retirements	-	-	-	-	7,165,000	7,165,000
Interest and Other Charges	-	-	-	-	1,967,243	1,967,243
Capital Outlay	-	10,516,062	-	-	-	10,516,062
Total Expenditures	131,103,572	10,516,062	5,405,421	1,272,642	13,937,173	162,234,870
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	17,012,861	(8,643,285)	69,093	40,000	(8,932,060)	(453,391)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	55,448	3,144,000	-	-	8,281,410	11,480,858
Transfers Out	(11,470,410)	-	-	(40,000)	(55,000)	(11,565,410)
Issuance of Bonds	-	9,225,000	-	-	-	9,225,000
Premium on Bonds Issued	-	-	-	-	650,879	650,879
Total Other Financing Sources (Uses)	(11,414,962)	12,369,000	-	(40,000)	8,877,289	9,791,327
<b>CHANGE IN FUND BALANCES</b>	5,597,899	3,725,715	69,093	-	(54,771)	9,337,936
Fund Balances, Beginning of Year - as Restated	38,326,198	12,150,323	830,233	-	10,774,922	62,081,676
<b>FUND BALANCES - END OF YEAR</b>	\$ 43,924,097	\$ 15,876,038	\$ 899,326	\$ -	\$ 10,720,151	\$ 71,419,612

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**RECONCILIATION OF THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 9,337,936

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

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:

Capital Outlay	11,160,104
Depreciation and Amortization Expense	(8,830,927)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property Taxes Collected after 60 Days	114,804
CDBG Collections after 60 Days	54,381
Grants Collected after 60 Days	(25,814)
Deferred Amount on Refundings	(51,969)
Deferred Outflows Related to Pension	(3,397,021)
Deferred Outflows Related to MERS	3,139,928
Deferred Outflows Related to LOSAP	214,613
Deferred Outflows Related to OPEB	(2,229,283)

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. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bonds Issuance	(9,225,000)
Premium on Bond Issuance	(650,879)
Principal Payments on Bonds Payable	7,165,000
Principal Payments on Leases	68,633

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:

Amortization of Premium	589,279
Accrued Interest	19,859
Change in Net OPEB Liability	(857,654)
Change in Long-Term Compensated Absences	(41,321)
Change in Net Pension Liability - Pension Plans	(2,038,525)
Change in Net Pension Liability - MERS Plans	(6,407,714)
Change in Total Pension Liability - LOSAP Plan	(227,840)
Deferred Inflows Related to Pension Plans	(272,997)
Deferred Inflows Related to MERS Plans	2,190,465
Deferred Inflows Related to OPEB	6,989,466

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(33,836)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 6,753,688
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**TOWN OF WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 17,328,379	\$ 804,284	\$ 18,132,663	\$ 12,122,428
Investments	2,265,127	105,134	2,370,261	1,610,318
Receivables, Net	-	130,053	130,053	96,844
Due from Other Funds	-	-	-	789,905
Total Current Assets	<u>19,593,506</u>	<u>1,039,471</u>	<u>20,632,977</u>	<u>14,619,495</u>
Noncurrent Assets:				
Capital Assets (Net of Accumulated Depreciation)	181,953	12,238	194,191	-
Total Assets	<u>19,775,459</u>	<u>1,051,709</u>	<u>20,827,168</u>	<u>14,619,495</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows Related to Pension	74,203	74,620	148,823	-
Deferred Outflows Related to OPEB	115,999	209,143	325,142	-
Total Deferred Outflows of Resources	<u>190,202</u>	<u>283,763</u>	<u>473,965</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	179,082	73,665	252,747	168,452
Accrued Salaries	7,749	26,262	34,011	-
Due to Other Funds	-	3,800	3,800	-
Unearned Revenue	-	3,211	3,211	-
Compensated Absences - Current Portion	3,040	5,015	8,055	-
Accrued Claims Payable	-	-	-	1,072,651
Accrued Post Closure Costs	486,800	-	486,800	-
Total Current Liabilities	<u>676,671</u>	<u>111,953</u>	<u>788,624</u>	<u>1,241,103</u>
Noncurrent Liabilities:				
Accrued Postclosure Costs	11,683,200	-	11,683,200	-
Compensated Absences	27,356	45,143	72,499	-
Net Pension Liability	512,133	515,029	1,027,162	-
Net OPEB Liability	426,072	768,190	1,194,262	-
Accrued Claims Payable	-	-	-	1,042,749
Total Noncurrent Liabilities	<u>12,648,761</u>	<u>1,328,362</u>	<u>13,977,123</u>	<u>1,042,749</u>
Total Liabilities	<u>13,325,432</u>	<u>1,440,315</u>	<u>14,765,747</u>	<u>2,283,852</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Pension	3,638	3,659	7,297	-
Deferred Inflows Related to OPEB	218,200	393,405	611,605	-
Total Deferred Inflows of Resources	<u>221,838</u>	<u>397,064</u>	<u>618,902</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	181,953	12,238	194,191	-
Unrestricted	6,236,438	(514,145)	5,722,293	12,335,643
Total Net Position	<u>6,418,391</u>	<u>(501,907)</u>	<u>5,916,484</u>	<u>\$ 12,335,643</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	<u>87,579</u>	<u>290,399</u>	<u>377,978</u>	
Net Position of Business-Type Activities	<u>\$ 6,505,970</u>	<u>\$ (211,508)</u>	<u>\$ 6,294,462</u>	

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>OPERATING REVENUES</b>				
User Charges	\$ -	\$ 1,880,404	\$ 1,880,404	\$ 18,394,837
Total Operating Revenues	-	1,880,404	1,880,404	18,394,837
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	523,693	1,368,461	1,892,154	-
Depreciation	24,719	1,486	26,205	-
Administrative Expenses	50,000	58,484	108,484	-
Supplies	335,512	6,526	342,038	-
Repairs and Maintenance	64,727	242	64,969	-
Fuel and Utilities	49,644	25,991	75,635	-
Outside Services	317,219	304,851	622,070	-
Insurance	32,395	-	32,395	-
Rent Expense	-	164,115	164,115	-
Post Closure Amortization	(5,470,000)	-	(5,470,000)	-
Claims	-	-	-	18,667,496
Total Operating Expenses	(4,072,091)	1,930,156	(2,141,935)	18,667,496
<b>OPERATING INCOME (LOSS)</b>	4,072,091	(49,752)	4,022,339	(272,659)
<b>NONOPERATING REVENUES</b>				
Interest Income	338,732	20,953	359,685	257,174
Intergovernmental	-	64,944	64,944	-
Total Nonoperating Revenues	338,732	85,897	424,629	257,174
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	4,410,823	36,145	4,446,968	(15,485)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	140,000	140,000	-
Transfers Out	-	(55,448)	(55,448)	-
Total Other Financing Sources (Uses)	-	84,552	84,552	-
<b>CHANGE IN NET POSITION</b>	4,410,823	120,697	4,531,520	(15,485)
Net Position - Beginning of Year, as Restated	2,007,568	(622,604)	1,384,964	12,351,128
<b>NET POSITION - END OF YEAR</b>	6,418,391	(501,907)	5,916,484	<u>\$ 12,335,643</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	4,252	14,099	18,351	
Change in Net Position of Business-Type Activities	<u>\$ 4,415,075</u>	<u>\$ 134,796</u>	<u>\$ 4,549,871</u>	

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ -	\$ 1,806,211	\$ 1,806,211	\$ 18,618,107
Payments to Suppliers	(729,002)	(530,877)	(1,259,879)	(19,148,152)
Payments to Employees	(481,178)	(1,340,031)	(1,821,209)	-
Net Cash Used by Operating Activities	(1,210,180)	(64,697)	(1,274,877)	(530,045)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	(133,206)	(9,724)	(142,930)	-
Net Cash Used by Capital Financing Activities	(133,206)	(9,724)	(142,930)	-
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental Revenue	-	64,944	64,944	-
Transfers In	-	140,000	140,000	-
Transfers Out	-	(55,448)	(55,448)	-
Net Cash Provided by Noncapital Financing Activities	-	149,496	149,496	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	338,732	20,953	359,685	257,174
Sale of Investments	(678,230)	(42,470)	(720,700)	(463,118)
Net Cash Used by Investing Activities	(339,498)	(21,517)	(361,015)	(205,944)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,682,884)	53,558	(1,629,326)	(735,989)
Cash and Cash Equivalents - Beginning of Year	19,011,263	750,726	19,761,989	12,858,417
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 17,328,379</u>	<u>\$ 804,284</u>	<u>\$ 18,132,663</u>	<u>\$ 12,122,428</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 4,072,091	\$ (49,752)	\$ 4,022,339	\$ (272,659)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:				
Depreciation	24,719	1,486	26,205	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	(64,090)	(64,090)	485,600
(Increase) Decrease in Due from Other Funds	-	-	-	(262,330)
(Increase) Decrease in Deferred Pension Outflow	39,785	42,662	82,447	-
(Increase) Decrease in Deferred OPEB Outflow	25,379	36,740	62,119	-
(Decrease) Increase in Accounts Payable	120,495	25,532	146,027	62,868
(Decrease) Increase in Accrued Salaries	(4,725)	(5,202)	(9,927)	-
(Decrease) Increase in Compensated Absences	11,035	13,184	24,219	-
(Decrease) Increase in Net Pension Liability	49,422	38,946	88,368	-
(Decrease) Increase in Net OPEB Liability	(7,911)	13,413	5,502	-
(Decrease) Increase in Deferred Pension Inflow	3,638	3,659	7,297	-
(Decrease) Increase in Deferred OPEB Inflow	(74,108)	(114,972)	(189,080)	-
(Decrease) Increase in Due to Other Funds	-	3,800	3,800	-
(Decrease) Increase in Unearned Revenue	-	(10,103)	(10,103)	-
(Decrease) Increase in Accrued Liabilities	(5,470,000)	-	(5,470,000)	(543,524)
Net Cash Used by Operating Activities	<u>\$ (1,210,180)</u>	<u>\$ (64,697)</u>	<u>\$ (1,274,877)</u>	<u>\$ (530,045)</u>

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	Trust Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 686,647
Investments:	
Equity Mutual Funds	50,124,010
Fixed Income Mutual Funds	23,341,459
Other Investments – Real Estate	4,814,344
Total Investments	78,279,813
Contributions Receivable	1,239,937
Other Receivables	2,153
Total Assets	80,208,550
<b>NET POSITION</b>	
Restricted for Pension Benefits	73,639,035
Restricted for OPEB Benefits	6,569,515
Total Net Position	\$ 80,208,550

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<u>Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 5,604,199
Plan Members	<u>461,968</u>
Total Contributions	6,066,167
Investment Income:	
Net Depreciation in Fair Value of Investments	4,621,041
Interest and Dividends	2,021,207
Less Investment Expenses:	
Investment Management Fees	<u>(22,593)</u>
Net Investment Income	<u>6,619,655</u>
Total Additions	12,685,822
<b>DEDUCTIONS</b>	
Benefits	<u>8,029,554</u>
<b>CHANGE IN NET POSITION</b>	4,656,268
Net Position - Beginning of Year	<u>75,552,282</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 80,208,550</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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 (State). 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 (U.S. GAAP) as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and 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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

**Fiduciary Component Units**

The Town has established a single-employer Public Retirement System (PERS) and a postretirement health care benefits (OPEB) plan to provide retirement benefits and postretirement health care benefits primary to employees and their beneficiaries. The pension and OPEB plans are legally separate entities. The Town performs the duties of a governing board for the Pension and OPEB plans and is required to make contributions to the pension and OPEB plans.

The financial statements of the fiduciary component units are reported as Pension and OPEB trust funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

**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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 12 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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

**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 deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the Town's major governmental funds:

**General Fund**

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.

**Capital Projects 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.

**Education Grant Programs Fund**

The Education Grant Programs Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for educational purposes.

**American Rescue Fund**

The American Rescue Fund is used to account for and report financial resources that are restricted to expenditure for various purposes.

The Town reports the following major proprietary fund:

**Landfill Fund**

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

Additionally, the Town reports the following fund types:

**Internal Service Fund**

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

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

Fiduciary Funds

**Pension Trust Fund**

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.

**OPEB Trust Fund**

The OPEB Trust Fund, a fiduciary fund, accounts for the activities of the Town's other postemployment benefit plan which accumulates resources for medical benefit payments to qualified employees upon retirement.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations, which 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 nonoperating revenues and expenses.

**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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 rehabilitation 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 \$851,040 has been established as an allowance for uncollectible taxes.

**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% 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.

**Lessor**

The Town is a lessor for noncancellable leases of a buildings and property. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Lessor (Continued)**

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**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, differences between expected and actual earnings, proportionate share of contributions, and contributions made after measurement date. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees).

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets 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 for advance property tax collections, a deferred inflow related to lease receivables and deferred inflows of resources related to pension and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. The deferred inflows related to lease receivables was discussed previously. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs, and proportionate share of contributions. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner.

**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.

Property, plant, and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives. Six months of depreciation is taken in the year the asset is put into service:

Buildings	35 to 50 Years
Building Improvements	20 Years
Distribution and Collection Systems	50 to 65 Years
Public Domain Infrastructure	50 Years
System Infrastructure	30 Years
Machinery and Equipment	5 to 20 Years

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  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**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 unamortized 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 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 as of June 30, 2014, and has converted to a transfer station facility for residents.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Lessee**

The Town is the lessee for noncancellable leases of equipment and property. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**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  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance (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.

**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.

**Accounting Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows and liabilities/deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

**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 \$1,058,000 as a result of fund balance and revenue appropriations during the year ended June 30, 2023. The additional appropriations were approved in accordance with the Town Charter.
- e. Classifications of certain revenues and expenditures under U.S. GAAP differ from classifications utilized for budgetary purposes.

**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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Deficit Fund Equity**

For the year ended June 30, 2023, the following funds had deficit balances:

Nonmajor Enterprise Funds:	
Child Development	\$ 913,807
Caring Connection Adult Day Care	95,387
Total	<u>\$ 1,009,194</u>

These amounts will be funded through bonds, contributions, and future revenues.

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. 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 the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board and are regulated under the state statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Deposits**

Based on the criteria described in GASB Statement No. 40, *Deposit and Investments Risk Disclosure*, \$88,913,903 of the Town's bank balance of \$89,965,953 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 79,919,611
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	8,994,292
Total Amount Subject to Custodial Risk	\$ 88,913,903

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2023, the Town's cash equivalents amounted to \$34,394,299. The following table provides the balance of the Town's cash equivalents at June 30, 2023 and details of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

Cash Equivalents:	
State of CT Short-Term Investment Fund (STIF)	\$ 33,707,652
Principal	686,647
Total	\$ 34,394,299

**Investments**

Town policy for eligible investments are governed by Connecticut State Statutes (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 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% equities (or equivalents), 29% fixed income, 15% asset allocation funds, and 5% real estate.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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) 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.

As of June 30, 2023, the Town had the following investments:

Investment Type	Value	Investment Maturities (Years)		
		Less than 1	1 - 10	More than 10
Interest-Bearing Investments:				
Certificate of Deposit	\$ 12,555,948	\$ 12,555,948	\$ -	\$ -
Total	12,555,948	<u>\$ 12,555,948</u>	<u>\$ -</u>	<u>\$ -</u>
Other Investments:				
Mutual Funds	73,465,469			
Private Equity Funds	4,814,344			
Annuities	250,947			
Total Investments	<u>\$ 91,086,708</u>			

**Fair Value**

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  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Fair Value (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.

**Investments Measured at the Net Asset Value (NAV)**

Investments valued using the NAV per share (or its equivalent) generally do not have readily obtainable fair 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.

**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. There are no concentrations that are required to be reported.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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.

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.

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.

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.

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, 2023:

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk (Continued)**

Fair Value (Continued)

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 73,465,469	\$ 73,465,469	\$ -	\$ -
Total Investments by Fair Value Level	73,465,469	\$ 73,465,469	\$ -	\$ -
Investments Measured at Net Asset Value (NAV):				
Baring Core Property Fund LP	4,814,344			
Investments not Recorded at Fair Value:				
Certificate of Deposits	12,555,948			
Annuities	250,947			
Total Investments	\$ 91,086,708			

**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.

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured Using NAV:				
Baring Core Property Fund LP	\$ 4,814,344	\$ -	Quarterly	60 days

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 RECEIVABLES**

Receivables as of the year-end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Projects	Educational Grant Programs	Nonmajor and Other Funds	Total
Property Taxes Receivable	\$ 2,117,295	\$ -	\$ -	\$ -	\$ 2,117,295
Interest on Property Taxes	485,186	-	-	-	485,186
Lease Receivable	3,457,816	-	-	-	3,457,816
Contributions Receivable	-	-	-	1,239,937	1,239,937
Grants and Contracts	-	1,990,000	106,843	218,027	2,314,870
Loans	-	-	-	1,948,523	1,948,523
Other	519,196	-	-	543,222	1,062,418
Less: Allowance for Uncollectible Accounts	(851,040)	-	-	(6,889)	(857,929)
Net Accounts Receivable	<u>\$ 5,728,453</u>	<u>\$ 1,990,000</u>	<u>\$ 106,843</u>	<u>\$ 3,942,820</u>	<u>\$ 11,768,116</u>

The Town, acting as lessor, leases various properties under long-term, noncancelable lease agreements. Total future minimum lease payments to be received under lease agreements are as follows:

Principal and Interest Expected to Maturity

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 244,914	\$ 38,934	\$ 283,848
2025	255,985	36,684	292,669
2026	270,671	34,314	304,985
2027	279,441	31,782	311,223
2028	234,945	29,168	264,113
2029 - 2033	1,087,332	105,208	1,192,540
2034 - 2038	749,320	45,016	794,336
2039 - 2041	335,208	6,270	341,478
Total	<u>\$ 3,457,816</u>	<u>\$ 327,376</u>	<u>\$ 3,785,192</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance (Restated)	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 7,034,284	\$ 182,400	\$ -	\$ 7,216,684
Construction in Progress	20,922,064	10,977,704	20,268,020	11,631,748
Total Capital Assets Not Being Depreciated	27,956,348	11,160,104	20,268,020	18,848,432
Capital Assets Being Depreciated:				
Buildings and Improvements	168,582,489	16,357,508	-	184,939,997
Machinery and Equipment	52,033,478	3,910,512	444,119	55,499,871
Infrastructure	106,760,443	-	-	106,760,443
Right-to-Use Leased Equipment	279,191	-	-	279,191
Total Capital Assets Being Depreciated	327,655,601	20,268,020	444,119	347,479,502
Less Accumulated Depreciation for:				
Buildings and Improvements	92,079,507	4,745,377	-	96,824,884
Machinery and Equipment	32,075,894	2,559,689	444,119	34,191,464
Infrastructure	86,766,257	1,459,897	-	88,226,154
Right-to-Use Leased Equipment	65,964	65,964	-	131,928
Total Accumulated Depreciation	210,987,622	8,830,927	444,119	219,374,430
Total Capital Assets Being Depreciated, Net	116,667,979	11,437,093	-	128,105,072
Governmental Activities Capital Assets, Net	<u>\$ 144,624,327</u>	<u>\$ 22,597,197</u>	<u>\$ 20,268,020</u>	<u>\$ 146,953,504</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 359,027	\$ -	\$ 2,823	\$ 356,204
Machinery and Equipment	3,251,513	145,753	-	3,397,266
Total Capital Assets Being Depreciated	3,610,540	145,753	2,823	3,753,470
Less Accumulated Depreciation for:				
Buildings and Improvements	328,518	1,846	-	330,364
Machinery and Equipment	3,204,556	24,359	-	3,228,915
Total Accumulated Depreciation	3,533,074	26,205	-	3,559,279
Total Business-Type Capital Assets, Net	<u>\$ 77,466</u>	<u>\$ 119,548</u>	<u>\$ 2,823</u>	<u>\$ 194,191</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:	
Education	\$ 3,931,957
General Government	645,159
Culture and Recreation	540,026
Human Services	141,274
Public Safety	2,553,842
Public Works	<u>1,018,669</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 8,830,927</u></u>
Business-Type Activities:	
Landfill	\$ 24,719
Child Development	<u>1,486</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 26,205</u></u>

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

During the course of operations, transactions are processed through a fund on-behalf of another fund. A summary of interfund balances as of June 30, 2023, is presented below:

	Due From Other Funds	Due to Other Funds
General Fund	<u>\$ 2,453,317</u>	<u>\$ 789,905</u>
Educational Grant Fund	-	2,220,719
Internal Service Fund	789,905	-
Nonmajor Governmental Funds	-	228,798
Nonmajor Enterprise Funds	<u>-</u>	<u>3,800</u>
Total	<u><u>\$ 3,243,222</u></u>	<u><u>\$ 3,243,222</u></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  
JUNE 30, 2023**

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

Interfund transfers during the year ended June 30, 2023, were as follows:

	Transfers In				Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 3,089,000	\$ 8,281,410	\$ 100,000	\$ 11,470,410
American Rescue Fund	-	-	-	40,000	40,000
Nonmajor Governmental Funds	-	55,000	-	-	55,000
Nonmajor Enterprise Funds	55,448	-	-	-	55,448
Total Transfers In	<u>\$ 55,448</u>	<u>\$ 3,144,000</u>	<u>\$ 8,281,410</u>	<u>\$ 140,000</u>	<u>\$ 11,620,858</u>

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 \$2,411,000 from the General Fund General Services Capital Projects budget to fund various projects and \$678,000 from the General Fund Unassigned Fund Balance to fund the design for the multi-use river trail, repairs to the Wilson firehouse generator, building permit software purchase, mitigation of Sage Park Middle School slab moisture and the renovation of the Goslee Pool bathhouse. Open Space Fund received \$200,000 from the General Fund General Services Capital Projects budget.

**NOTE 7 LONG-TERM LIABILITIES**

A summary of changes in outstanding long-term obligations during the year ended June 30, 2023, is as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 67,235,000	\$ 9,225,000	\$ 7,165,000	\$ 69,295,000	\$ 6,815,000
Unamortized Premiums	3,491,937	650,879	589,279	3,553,537	-
Total Bonds Payable	<u>70,726,937</u>	<u>9,875,879</u>	<u>7,754,279</u>	<u>72,848,537</u>	<u>6,815,000</u>
<b>Other Long-Term Liabilities:</b>					
Compensated Absences	837,545	773,693	732,372	878,866	87,887
Lease Liability	210,817	-	68,633	142,184	68,924
Workers Comp Liability	1,688,337	1,298,338	1,672,675	1,314,000	271,251
Total LOSAP Liability	743,612	227,840	-	971,452	-
Net Pension Liability	36,392,460	2,038,525	-	38,430,985	-
Net Pension Liability – Connecticut Municipal Employees Retirement System (CMERS)	7,017,968	6,407,714	-	13,425,682	-
Net OPEB Liability	46,018,872	857,654	-	46,876,526	-
Total Other Long-Term Liabilities	<u>92,909,611</u>	<u>11,603,764</u>	<u>2,473,680</u>	<u>102,039,695</u>	<u>428,062</u>
Governmental Activities Long-Term Liabilities	<u>\$ 163,636,548</u>	<u>\$ 21,479,643</u>	<u>\$ 10,227,959</u>	<u>\$ 174,888,232</u>	<u>\$ 7,243,062</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type Activities:					
Other Long-Term Liabilities:					
Net Pension Liability	\$ 938,794	\$ 88,368	\$ -	\$ 1,027,162	\$ -
Net OPEB Liability	1,188,760	5,502	-	1,194,262	-
Compensated Absences	75,113	66,172	60,731	80,554	8,055
Landfill Post Closure Costs	17,640,000	-	5,470,000	12,170,000	486,800
Total Other Long-Term Liabilities	<u>19,842,667</u>	<u>160,042</u>	<u>5,530,731</u>	<u>14,471,978</u>	<u>494,855</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 19,842,667</u>	<u>\$ 160,042</u>	<u>\$ 5,530,731</u>	<u>\$ 14,471,978</u>	<u>\$ 494,855</u>

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

\*As restated

**General Obligation Bonds**

As of June 30, 2023, 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, 2023
General Purpose:					
Public General Obligation	\$310,000 - \$315,000	2016	2.0	\$ 3,755,000	\$ 1,570,000
Public General Obligation	\$213,000	2017	2.0-4.0	4,260,000	1,704,000
Public Refunding	\$53,000 - \$1,573,000	2017	2.0-4.0	5,657,000	53,000
Public General Obligation	\$195,000 - \$215,000	2018	2.0-5.0	3,135,000	420,000
Public General Obligation	\$404,000 - \$405,000	2019	2.0-5.0	8,085,000	6,469,000
Public General Obligation	\$675,000 - \$710,000	2020	2.0-5.0	14,140,000	12,010,000
Public Refunding	\$217,000 - \$1,377,000	2021	.025-4.0	7,965,000	5,446,000
Public General Obligation	\$1,105,000 - \$1,130,000	2021	2.0-5.0	16,895,000	14,645,000
Public General Obligation	\$175,000 - \$200,000	2022	3.0-5.0	2,905,000	2,710,000
Public General Obligation	\$615,000	2023	3.0-5.0	4,130,000	4,130,000
Total General Purpose				<u>74,282,000</u>	<u>49,157,000</u>
Schools:					
School General Obligation	\$40,000 - \$50,000	2016	2.0	530,000	205,000
School General Obligation	\$82,000 - \$87,000	2017	2.0-4.0	1,685,000	676,000
School Refunding	\$47,000 - \$1,297,000	2017	2.0-4.0	3,568,000	47,000
School General Obligation	\$255,000 - \$240,000	2018	2.0-5.0	3,630,000	480,000
School General Obligation	\$95,000 - \$96,000	2019	2.0-5.0	1,915,000	1,531,000
School General Obligation	\$70,000 - \$75,000	2020	2.0-5.0	1,430,000	1,220,000
School Refunding	\$88,000 - \$473,000	2021	.025-4.0	4,500,000	3,534,000
School Improvements	\$285,000 - \$295,000	2021	2.0-5.0	4,375,000	3,785,000
School Improvements	\$250,000 - \$270,000	2022	3.0-5.0	3,820,000	3,565,000
School Improvements	\$250,000 - \$270,000	2023	3.0-5.0	5,095,000	5,095,000
Total Schools				<u>31,463,000</u>	<u>20,138,000</u>
Grand Total				<u>\$ 105,745,000</u>	<u>\$ 69,295,000</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds (Continued)**

The following is a summary as of June 30, 2023, of the future principal and interest requirements for the Town's general obligation bonds:

<u>Fiscal Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,815,000	\$ 2,032,686	\$ 8,847,686
2025	5,835,000	1,798,127	7,633,127
2026	5,200,000	1,579,122	6,779,122
2027	5,155,000	1,385,265	6,540,265
2028	4,830,000	1,205,308	6,035,308
2029-2033	22,745,000	4,176,403	26,921,403
2034-2038	16,685,000	1,477,580	18,162,580
2039-2043	2,030,000	64,770	2,094,770
Total	<u>\$ 69,295,000</u>	<u>\$ 13,719,261</u>	<u>\$ 83,014,261</u>

**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:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 241,481,003	\$ 49,157,000	\$ 192,324,003
Schools	482,962,005	20,138,000	462,824,005
Sewers	402,468,338	76,569,285	325,899,053
Urban Renewal	348,805,893	-	348,805,893
Unfunded Pension Benefit Obligation	321,974,670	-	321,974,670

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$751,274,230.

**Leases**

The Town leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026.

<u>Amount of Lease Assets by Major Classes of Underlying Asset</u>		
<u>As of Fiscal Year-End</u>		
<u>Asset Class</u>	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Equipment	\$ 279,191	\$ 131,928
Total Leases	<u>\$ 279,191</u>	<u>\$ 131,928</u>

<u>Principal and Interest Requirements to Maturity</u>			
<u>Governmental Activities</u>			
<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 68,924	\$ 519	\$ 69,443
2025	54,738	242	54,980
2026	18,523	30	18,553
Total	<u>\$ 142,185</u>	<u>\$ 791</u>	<u>\$ 142,976</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS**

**Employee Pension Plan**

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.

**A. 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 (BOE) designated by the Superintendent of Schools.

The Town also participates in the statewide State of Connecticut Municipal Employees Retirement System (CMERS), a multiemployer, 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 (noncontributory for the employer) administered by the Connecticut State Teachers' Retirement Board.

The membership in the PERS at July 1, 2022, the date of the actuarial valuation, is comprised of the following:

Retirees and Beneficiaries Currently Receiving	
Benefits	267
Vested Terminated Employees	53
Active Members	<u>145</u>
Total	<u><u>465</u></u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Employee Pension Plan (Continued)**

**B. 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% 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 23.18% 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.

**C. 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, 2023.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Core Fixed Income	Barclays Aggregate	34.25 %	1.95 %
U.S. Equity Market	Russell 3000	30.00	5.70
Global Equity	MSCI ACW NR	9.75	6.49
Non-U.S. Equity	MSCI ACW xUS NR	21.00	7.90
Private Real Estate Property	NCREIF Property	5.00	4.88

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, 2023, are summarized in the table above.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Employee Pension Plan (Continued)**

**C. Investments (Continued)**

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.87%. 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 6.5%. 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.

**D. Net Pension Liability**

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2023, were as follows:

Net Pension Liability:	
Total Pension Liability	\$ 113,097,182
Fiduciary Net Position	<u>73,639,035</u>
Net Pension Liability	<u><u>\$ 39,458,147</u></u>
Fiduciary Net Position as a Percentage of Total Pension Liability	65.11 %
Covered Payroll	\$ 10,265,576
Net Pension Liability as a Percentage of Covered Payroll	384.37 %

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Employee Pension Plan (Continued)**

**D. Net Pension Liability (Continued)**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2022, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2023.

Discount Rate

Investment Rate of Return	6.50 %
Long-Term Expected Rate of Return, Net of Investment Expense	6.50

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - June 30, 2022	\$ 107,644,000	\$ 70,312,746	\$ 37,331,254
Changes for the Year:			
Service Cost	876,882	-	876,882
Interest on Total Pension Liability	6,872,347	-	6,872,347
Effect of Economic/Demographic Gains or Losses	4,219,081	-	4,219,081
Effect of Assumptions Changes or Inputs	(840,879)	-	(840,879)
Benefit Payments	(5,674,249)	(5,674,249)	-
Employer Contributions	-	2,498,893	(2,498,893)
Member Contributions	-	461,968	(461,968)
Net Investment Income	-	6,060,428	(6,060,428)
Administrative Expense	-	(20,751)	20,751
Net Changes	<u>5,453,182</u>	<u>3,326,289</u>	<u>2,126,893</u>
Balances - June 30, 2023	<u>\$ 113,097,182</u>	<u>\$ 73,639,035</u>	<u>\$ 39,458,147</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Employee Pension Plan (Continued)**

**D. Net Pension Liability (Continued)**

Other Key Actuarial Assumptions

Valuation Date	July 1, 2022
Measurement Date	June 30, 2023
Inflation	2.75%
Salary Increases, Including Inflation	3.50%
Mortality	Pub-2020 Mortality Table with Generational Projection per the MP-2021 Ultimate Scale
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 6.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	<u>\$ 52,533,090</u>	<u>\$ 39,458,147</u>	<u>\$ 28,486,239</u>

**E. Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plan**

For the year ended June 30, 2023, the Town recognized pension expense of \$8,385,547 for the Town pension. At June 30, 2023, 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	\$ 1,406,360	\$ -
Change of Assumptions	-	(280,293)
Net Difference Between Expected and Actual Earnings	4,310,648	-
Total	<u>\$ 5,717,008</u>	<u>\$ (280,293)</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Employee Pension Plan (Continued)**

**E. Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plan (Continued)**

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 2,074,663
2025	465,275
2026	3,212,552
2027	(315,775)
Total	<u>\$ 5,436,715</u>

**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 criteria. 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% of each participant’s salary. Employees are also required to contribute 5.5% of their salary and may make additional contributions subject to IRS regulations. Beginning January 1, 2023, the Town is required to contribute 6.0% of Teamsters Local 671 bargaining unit participants and these employees are required to contribute 6.0% of their salary. Town contributions to the plan amounted to \$359,093 for the year. The assets for the plan are held by MissionSquare Retirement. 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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Municipal Employees' Retirement System**

**A. Plan Description**

All uniformed police officers participate in the Connecticut Municipal Employees' Retirement System (CMERS). CMERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes CMERS benefits, member contribution rates and other plan provisions. CMERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at [www.ct.gov](http://www.ct.gov).

**B. Benefit Provisions**

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with five years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

**Normal Retirement**

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

**Early Retirement**

Members must have five years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Municipal Employees' Retirement System (Continued)**

**B. Benefit Provisions (Continued)**

Disability Retirement - Service Connected

This applies to employees who are totally and permanently disabled, and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability.

Disability Retirement - Non-Service Connected

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit

The plan offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

**C. Contributions**

Member

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base. Effective July 1, 2019, member contribution rates are set to increase by 0.5% of compensation each year for six years.

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of CMERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member. The Town's required contribution rate for the year ended June 30, 2023, was 24.82 percent of annual payroll for police and 23.11 percent of annual payroll for animal control officers. Contributions to the pension plan from the Town were \$1,561,860 for the year ended June 30, 2023.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Municipal Employees' Retirement System (Continued)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the Town reports a liability of \$13,425,682 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2022. The actuarial assumptions used in the June 30, 2022 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2023, the Town's proportion was 0.976%. The increase in proportion from the prior year was 0.345%.

For the year ended June 30, 2023, the Town recognized pension expense of \$1,255,509. At June 30, 2023, the Town reported deferred outflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,548,995	\$ (232,814)
Change of Actuarial Assumptions	1,639,920	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	578,632	(879,031)
Town Contributions Made after Measurement Date	<u>1,561,860</u>	<u>-</u>
Total	<u>\$ 6,329,407</u>	<u>\$ (1,111,845)</u>

Amounts reported as deferred outflows of resources related to the Town's contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 817,266
2025	844,608
2026	748,979
2027	<u>1,244,849</u>
Total	<u>\$ 3,655,702</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Municipal Employees' Retirement System (Continued)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.50%
Salary Increase	3.50-10.00%, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on:

- RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.
- RP-2014 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.
- For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.
- Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

The long-term expected rate of return on pension plan investments was determined using a statistical 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. Best estimates of arithmetic real rates of return for each major class are summarized in the following table:

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Municipal Employees' Retirement System (Continued)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00 %	6.90 %
Public Credit	2.0	2.9
Core Fixed Income	13.0	0.4
Liquidity Fund	1.0	(0.4)
Risk Mitigation	5.0	0.1
Private Equity	15.0	11.2
Private Credit	10.0	6.2
Real Estate	10.0	6.3
Infra. & Natural Resources	7.0	7.7
	100.00 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 contribution rates in the 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability, calculated using the current discount rate, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher 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	\$ 18,564,518	\$ 13,425,682	\$ 9,115,725

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension**

**A. Plan Description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost-sharing, multiemployer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**B. Benefit Provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire 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.

**Normal Retirement**

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the three years of highest salary).

**Early Retirement**

Employees are eligible after 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 with reduced benefit amounts.

**Disability Retirement**

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**C. Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), 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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension**

**C. Contributions (Continued)**

Employer (School Districts)

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$10,688,285 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the Town reports no amounts for its proportionate share of the net pension 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 pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Town		135,564,421
Total		\$ 135,564,421

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net pension liability.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2023 the Town recognized pension expense and revenue of \$13,102,453 in Exhibit II.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increase	3.00-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

**Cost-of-Living Allowance**

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Cost-of-Living Allowance (Continued)

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan 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 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 current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.00 %	5.60 %
Developed Market Intl. Stock Fund	11.00	6.00
Emerging Market Intl. Stock Fund	9.00	7.90
Core Fixed Income Fund	16.00	2.10
Inflation Linked Bond Fund	5.00	1.10
Emerging Market Debt Fund	5.00	2.70
High Yield Bond Fund	6.00	4.00
Real Estate Fund	10.00	4.50
Private Equity	10.00	7.30
Alternative Investments	7.00	2.90
Liquidity Fund	1.00	0.40
Total	<u>100.00 %</u>	

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 State contributions will be made at the actuarially determined contribution rates in the 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.

Sensitivity 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.

**E. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**F. 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.

**Volunteer Firefighters' Length of Service Award Program (LOSAP)**

The Town sponsors a single employer defined benefit LOSAP for active volunteer firefighters of the Town of Windsor. The program was established pursuant to Connecticut General Statutes and provides municipally funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters.

**A. Plan Description and Benefits Provided**

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Volunteer Firefighters' Length of Service Award Program (LOSAP) (Continued)**

**A. Plan Description and Benefits Provided (Continued)**

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$10.00 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 40 years. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program also provides certain death and disability benefits on some active participants, which is provided through a group term life insurance policy.

The Town funds the plan based on an actuarial recommended contribution, which includes the current year cost plus a payment to amortize the unfunded liability. The plan actuarial required contribution for the year was \$55,612. The Town contributed \$25,000 to the plan for the year ended June 30, 2023.

At January 1, 2023, plan membership consisted of the following:

Entitled Participants	55
Inactive Participants with Deferred Benefits	15
Active Participants	21
Total Participants	91

**B. Summary of Significant Accounting Policies**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the LOSAP. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**C. Investments**

**Method Used to Value Investments**

Investments are reported at fair value. Investments in insurance contracts are measured at contract value, which approximates fair value. Investment income is recognized as earned.

**Investment Policy**

The allocation of invested assets for the LOSAP is developed by Town management and the investment advisor. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Volunteer Firefighters' Length of Service Award Program (LOSAP) (Continued)**

**C. Investments (Continued)**

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension investments, net of pension plan investment expense, was 1.17%. The money-weighted rate of return expressed investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D. Pension Liability of the Town**

The total pension liability of the Town as of June 30, 2023 was \$971,452.

Actuarial Assumptions

The total pension liability was measured as of June 30, 2023 and it was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	3.65 %
Inflation Rate	3.00

The long-term expected rate of return on pension plan 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.

Mortality was assumed using the Retirement Plans – Scale MP-2021.

Changes in the Pension Liability

	Increase (Decrease) Total LOSAP Liability (a)
Balances - June 30, 2022	\$ 743,612
Changes for the Year:	
Service Cost	8,458
Interest on Total LOSAP Liability	27,029
Effect of Economic/Demographic Gains or Losses	12,817
Effect of Assumptions Changes or Inputs	201,796
Benefit Payments	<u>(22,260)</u>
Net Changes	<u>227,840</u>
Balances - June 30, 2023	<u>\$ 971,452</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Volunteer Firefighters' Length of Service Award Program (LOSAP) (Continued)**

**D. Pension Liability of the Town (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 3.65%. 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 Town contributions will be made at rates equal to the actuarially determined contribution rate. For this purpose, only Town contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

Sensitivity of the Pension Liability to Changes in the Discount Rate

The following presents the pension liability of the Town, calculated using the current discount rate, as well as what the Town's pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total Pension Liability	\$ 1,139,000	\$ 971,452	\$ 834,000

**E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2023, the Town recognized pension expense of \$35,487 and reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 12,817	\$ -
Changes of Assumptions	201,796	-
Total	\$ 214,613	\$ -

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Volunteer Firefighters' Length of Service Award Program (LOSAP) (Continued)**

**E. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)**

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 15,415
2025	15,415
2026	15,415
2027	15,415
2028	15,415
Thereafter	137,538
Total	<u><u>\$ 214,613</u></u>

**F. Aggregate Pension Information**

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2023:

	<u>Net Liability</u>	<u>Total Liability</u>	<u>Pension Expense</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>
Defined Benefit Plan (PERS)	\$ 39,458,147	\$ -	\$ 8,385,547	\$ (280,293)	\$ 5,717,008
LOSAP Plan	-	971,452	-	-	214,613
Connecticut Teachers Retirement System	-	-	13,102,453	-	-
Connecticut Municipal Retirement System (CMERS)	13,425,682	-	1,255,509	(1,111,845)	6,329,407
Total	<u><u>\$ 52,883,829</u></u>	<u><u>\$ 971,452</u></u>	<u><u>\$ 22,743,509</u></u>	<u><u>\$ (1,392,138)</u></u>	<u><u>\$ 12,261,028</u></u>

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS**

**Town Other Postemployment Benefit Plan**

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

**A. Eligibility**

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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**A. Eligibility (Continued)**

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.

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.

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.

**B. Cost-Sharing**

Police

*Hired prior to July 1, 2013*

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.

*Hired on or after July 1, 2013:*

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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**B. Cost-Sharing (Continued)**

Town Administrative

*Hired prior to July 1, 2009:*

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.

*Hired after July 1, 2009 and prior to March 1, 2013:*

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.

*Hired on or after March 1, 2013:*

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.

Dispatchers

*Hired prior to January 1, 2007:*

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.

*Hired after January 1, 2007 and prior to July 1, 2011:*

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.

*Hired on or after July 1, 2011:*

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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**B. Cost-Sharing (Continued)**

Town Teamsters

*Hired prior to July 1, 2008:*

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.

*Hired after July 1, 2008 and prior to November 1, 2011:*

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.

*Hired on or after November 1, 2011:*

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.

Board NAGE (Custodians/Maintenance/Food)

*Hired prior to July 1, 2010:*

Medical – Retiree contributes 75% of the cost for self and 100% for spouse.

Dental – Retiree contributes 100% of the cost for self and spouse.

*Hired on or after July 1, 2010:*

Medical – Retiree contributes 100% of the cost for self and spouse.

Dental – Retiree contributes 100% of the cost for self and spouse.

Board Nurses

Medical – Retiree contributes 100% of the cost for self and spouse.

Dental – Retiree contributes 100% of the cost for self and spouse.

Board Non-Affiliated

*Hired prior to January 1, 2007:*

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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**B. Cost-Sharing (Continued)**

Board Non-Affiliated (Continued)

*Hired on or after January 1, 2007:*

Medical – Retiree contributes 100% of the cost for self and spouse.

Dental – Retiree contributes 100% of the cost for self and spouse.

Board Administrative Support Staff

*Hired prior to July 1, 2008:*

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.

*Hired on or after July 1, 2008:*

Medical – Retiree contributes 100% of the cost for self and spouse.

Dental – Retiree contributes 100% of the cost for self and spouse.

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 subsidiary

Other Bargaining Units

No retiree medical or dental benefits are provided.

**C. Plan Description**

The Town provides postemployment 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, 2019. The postretirement plan does not issue stand-alone financial reports.

The valuation date is July 1, 2021. The net OPEB liability is reported at the measurement date of June 30, 2023.

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

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**C. Plan Description (Continued)**

Membership in the plan consisted of the following at July 1, 2021:

Retirees, Beneficiaries, and Spouses of Retirees Receiving Benefits	292
Active Plan Members	731
Total	1,023

Actuarial assumptions are as follows:

Valuation Date	July 1, 2021
Actuarial Cost Method	Entry Age Normal
Asset Funding Method	Fair Value
Amortization Method	Level Percent (Closed)
Remaining Amortization Period	22 Years
Investment Rate of Return	5.00%
Discount Rate	3.65%
Inflation Rate	2.60%
Amortization Growth Rate	3.00%
Healthcare Cost Trend Rates	5.20% to 4.47% Over 68 Years

Mortality:

- For Teachers and Administrators, the PubT-2010 Mortality Tables for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at age 82 and above) with generational projection of future improvements per the MP-2019 ultimate scale.
- For Police, the PubS-2010 Mortality Tables with generational projection per MP-2021 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement.
- For all other participants, the PubG-2010 Mortality Tables with generational projection per MP-2021 ultimate scale with employee rates before benefit commencement and healthy annuitant rates after benefit commencement).

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**D. 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.

Rate of Return

For the year ended June 30, 2023, 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.

	OPEB Plan
Rate of Return	9.72 %

**E. Net OPEB Liability of the Town**

The components of the net OPEB liability of the Town at June 30, 2023, were as follows:

Total OPEB Liability	\$ 54,640,303
Plan Fiduciary Net Position	6,569,515
Net OPEB Liability	\$ 48,070,788
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	12.02 %
Covered Payroll	\$ 50,017,968
Net OPEB Liability as a Percentage of Covered Payroll	96.11 %

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**E. Net OPEB Liability of the Town (Continued)**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - June 30, 2022	\$ 52,447,169	\$ 5,239,536	\$ 47,207,633
Changes for the Year:			
Service Cost	1,512,675	-	1,512,675
Interest on Total OPEB Liability	1,868,852	-	1,868,852
Effect of Plan Changes	-	-	-
Effect of Economic/Demographic Gains or Losses	-	-	-
Effect of Assumptions Changes or Inputs	1,166,912	-	1,166,912
Benefit Payments	(2,355,305)	(2,355,305)	-
Employer Contributions	-	3,105,306	(3,105,306)
Member Contributions	-	-	-
Net Investment Income	-	581,820	(581,820)
Administrative Expense	-	(1,842)	1,842
Net Changes	<u>2,193,134</u>	<u>1,329,979</u>	<u>863,155</u>
Balances - June 30, 2023	<u>\$ 54,640,303</u>	<u>\$ 6,569,515</u>	<u>\$ 48,070,788</u>

**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, 2023, 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 %	1.95 %
U.S. Large Caps	36.00	5.57
Non-U.S. Equity	24.00	7.90
U.S. REITS	5.00	6.27
Total	<u>100.00 %</u>	

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**E. Net OPEB Liability of the Town (Continued)**

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. 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 3.65%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Net OPEB Plan Liability	\$ 55,119,921	\$ 48,070,788	\$ 42,229,401

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
OPEB Plan	\$ 40,809,714	\$ 48,070,788	\$ 57,019,218

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town Other Postemployment Benefit Plan (Continued)**

**E. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the Town recognized OPEB expense of \$916,682. As of June 30, 2023, 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	\$ 2,065,060	\$ (10,806,724)
Changes of Assumptions	10,901,527	(13,811,251)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	120,803	-
Total	\$ 13,087,390	\$ (24,617,975)

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

Year Ending June 30,	Amount
2024	\$ (4,010,806)
2025	(3,597,821)
2026	34,040
2027	(375,146)
2028	(1,500,230)
Thereafter	(2,080,622)
Total	\$ (11,530,585)

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan**

**A. 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, multiemployer defined benefit other postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a 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](http://www.ct.gov/trb).

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan  
(Continued)**

**B. Benefit Provisions**

There are two types of the health care 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 who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 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, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 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 \$440 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care 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. 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 to not enroll in a CTRB sponsored health care coverage option, must wait two years to re-enroll.

**Survivor Health Care Coverage**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement or Medicare Advantage Plan options, as long as they do not remarry.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan  
(Continued)**

**C. Eligibility**

Any member who 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

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of credited service

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

**D. Contributions**

State of Connecticut

Per Connecticut General Statutes Section 10-183z, 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 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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan  
(Continued)**

**D. Contributions (Continued)**

Employer (School Districts)

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

For the year ended June 30, 2023, the amount of “on-behalf” contributions made by the State was \$151,175 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers’ pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2023, 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		<u>11,872,334</u>
Total		<u><u>\$ 11,872,334</u></u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$715,634 in Exhibit II.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan (Continued)**

**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Healthcare Cost Trend Rate	Known Increases Until Calendar Year 2024, Then General Trend Decreasing to an Ultimate Rate of 3.00-6.50%, Including Inflation
Salary Increases	3.53%, Net of OPEB Plan
Investment Rate of Return	Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2027

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term healthcare cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan  
(Continued)**

**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to OPEB (Continued)**

Actuarial Assumptions (Continued)

The changes in the benefit terms since the prior year are as follows:

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 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 (0.98%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan (Continued)**

**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Discount Rate (Continued)

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in the Healthcare 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.

**F. OPEB Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**G. 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.

**H. Aggregate OPEB Information**

The Town recognized the following amounts related to OPEB plans as of and for the year ended June 30, 2023:

	Net Liability	OPEB Expense	Deferred Inflows	Deferred Outflows
Town OPEB Plan	\$ 48,070,788	\$ 918,682	\$ (24,617,975)	\$ 13,087,390
Connecticut Teachers Retirement System	-	715,634	-	-
Total	<u>\$ 48,070,788</u>	<u>\$ 1,634,316</u>	<u>\$ (24,617,975)</u>	<u>\$ 13,087,390</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan  
(Continued)**

**I. Plan Financial Statements**

**Schedule of Plan Net Position  
June 30, 2023**

	Pension Trust Fund	OPEB Trust Other	Total
	Town Pension Fund	Postemployment Benefit Fund	
<b>ASSETS</b>			
Cash	\$ 669,940	\$ 16,707	\$ 686,647
Investments:			
Equity Mutual Funds	45,669,294	4,454,716	50,124,010
Fixed Income Mutual Funds	21,243,436	2,098,023	23,341,459
Other Investments - Real Estate	4,814,344	-	4,814,344
Total Investments	<u>71,727,074</u>	<u>6,552,739</u>	<u>78,279,813</u>
Contributions Receivable	1,239,937	-	1,239,937
Other Receivables	<u>2,084</u>	<u>69</u>	<u>2,153</u>
Total Assets	<u>73,639,035</u>	<u>6,569,515</u>	<u>80,208,550</u>
<b>NET POSITION</b>			
Restricted for Pension Benefits	73,639,035	-	73,639,035
Restricted for OPEB Benefits	<u>-</u>	<u>6,569,515</u>	<u>6,569,515</u>
Total Net Position	<u>\$ 73,639,035</u>	<u>\$ 6,569,515</u>	<u>\$ 80,208,550</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan  
(Continued)**

**I. Plan Financial Statements (Continued)**

**Schedule of Changes in Plan Net Position  
Year Ended June 30, 2023**

	<u>Pension Trust Fund</u>	<u>OPEB Trust Other</u>	
	<u>Town Pension Fund</u>	<u>Postemployment Benefit Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Employer Contributions	\$ 2,498,893	\$ 3,105,306	\$ 5,604,199
Plan Members	461,968	-	461,968
Total Contributions	<u>2,960,861</u>	<u>3,105,306</u>	<u>6,066,167</u>
Investment Income:			
Net Depreciation in Fair Value of Investments	4,212,173	408,868	4,621,041
Interest and Dividends	1,848,255	172,952	2,021,207
Less Investment Expenses:			
Investment Management Fees	<u>(20,751)</u>	<u>(1,842)</u>	<u>(22,593)</u>
Net Investment Gain	<u>6,039,677</u>	<u>579,978</u>	<u>6,619,655</u>
Total Additions	9,000,538	3,685,284	12,685,822
<b>DEDUCTIONS</b>			
Benefits	<u>5,674,249</u>	<u>2,355,305</u>	<u>8,029,554</u>
<b>CHANGE IN NET POSITION</b>	3,326,289	1,329,979	4,656,268
Net Position at Beginning of Year	<u>70,312,746</u>	<u>5,239,536</u>	<u>75,552,282</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 73,639,035</u>	<u>\$ 6,569,515</u>	<u>\$ 80,208,550</u>

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 RISK MANAGEMENT**

The Town self-insures its liability for workers' compensation claims to a limit of \$600,000 per employee and \$750,000 for police and firefighters. 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 and non-Medicare eligible retiree medical, prescription and dental claims are self-funded through Anthem Blue Cross/Blue Shield of Connecticut and Express Scripts. Funds are transferred into the Internal Service Fund from other funds and are available to pay the self-funded claims, administrative fees and premium costs for Medicare eligible retirees.

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 per claim annually. On an aggregate basis, total claims exceed the Town's maximum liability of 125% of expected claims (approximately \$4,520,000). Anthem is the provider and 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/broker, 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, pay required retiree Medicare supplement premiums, stop loss premiums and administrative fees (\$4,480,000).

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 \$200,000 annually. On an aggregate basis, the BOE's liability is limited to 125% of expected claims (approximately \$12,246,183). 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.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 RISK MANAGEMENT (CONTINUED)**

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

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
<b>Workers' Compensation</b>				
2021-22	\$ 1,704,281	\$ 2,294,665	\$ 2,310,609	\$ 1,688,337
2022-23	1,688,337	1,298,338	1,672,675	1,314,000
	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
<b>Town – Health / Medical</b>				
2021-22	\$ 137,400	\$ 5,347,241	\$ 5,160,854	323,787
2022-23	323,787	5,340,680	5,433,467	231,000
	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
<b>BOE – Health / Medical</b>				
2021-22	\$ 465,300	\$ 12,616,841	\$ 12,435,341	646,800
2022-23	646,800	11,484,952	11,561,352	570,400

The Town and BOE have 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 \$76,569,285 or 8.88% of the debt of the District.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 CONTINGENCIES (CONTINUED)**

**Lawsuits**

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

**NOTE 12 LANDFILL CLOSURE AND POST-CLOSURE 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 30 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 \$12,170,000 reported as landfill closure and post-closure liability at June 30, 2023, is \$5,470,000 less than the amount reported on June 30, 2022. These amounts represent estimated third-party costs to perform all landfill closure and post-closure care at 2023 prices. Actual costs may change based on inflation, compliance with the State of Connecticut stewardship permit, changes in technology, changes in the regulations, or the quantity of work performed internally by Town staff. The engineering analysis assumes that numerous engineering and construction procedures will be required.

The landfill served the towns of Bloomfield and Windsor. An agreement (dated November 19, 1993) exists between the two communities that establishes the terms and conditions for the operation and closure of the landfill. Regarding 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, the Town of Windsor and the Town of Bloomfield will both split the costs. It is anticipated that no additional amount will be required from the towns for the closure and the post-closure care of the landfill at this time.

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

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 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	Educational Grant Program	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventories	\$ 36,807	\$ -	\$ -	\$ -	\$ 36,807
Prepays	-	-	-	5,637	5,637
Scholarship Fund Principal	-	-	-	13,000	13,000
Total Nonspendable	<u>36,807</u>	<u>-</u>	<u>-</u>	<u>18,637</u>	<u>55,444</u>
Restricted:					
Scholarship Funding	-	-	-	1,157	1,157
Library Operations and Recreation	-	-	-	76,556	76,556
Public Safety Programs	-	-	-	1,219	1,219
Community Development					
Block Grant Loans	-	-	-	1,948,523	1,948,523
Education	-	-	899,326	2,570,392	3,469,718
School Capital Improvements	-	2,454,439	-	-	2,454,439
Road and Sidewalk Construction and Maintenance	-	2,423,687	-	-	2,423,687
Other Capital Projects	-	3,168,355	-	-	3,168,355
LOSAP	273,992	-	-	-	273,992
Debt Service	-	-	-	2,920,064	2,920,064
Other Programs	-	-	-	2,427,601	2,427,601
Total Restricted	<u>273,992</u>	<u>8,046,481</u>	<u>899,326</u>	<u>9,945,512</u>	<u>19,165,311</u>
Committed:					
School Capital Improvements	-	160,967	-	-	160,967
Road and Sidewalk Construction and Maintenance	-	2,758,222	-	-	2,758,222
Other Capital Projects	-	4,910,368	-	194,126	5,104,494
Community Development					
Block Grant Loans	-	-	-	471,473	471,473
Human Services Programs	-	-	-	90,403	90,403
Other programs	2,508,585	-	-	-	2,508,585
Debt Service	-	-	-	-	-
Total Committed	<u>2,508,585</u>	<u>7,829,557</u>	<u>-</u>	<u>756,002</u>	<u>11,094,144</u>
Assigned:					
Education	804,774	-	-	-	804,774
Recreation Programs	4,250	-	-	-	4,250
Public Safety and Police					
Private Duty	24,888	-	-	-	24,888
Public Works	108,224	-	-	-	108,224
Total Assigned	<u>942,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>942,136</u>
Unassigned					
	<u>40,162,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,162,577</u>
Total Fund Balance	<u>\$ 43,924,097</u>	<u>\$ 15,876,038</u>	<u>\$ 899,326</u>	<u>\$ 10,720,151</u>	<u>\$ 71,419,612</u>

Encumbrances contained in the above table are as follows: \$1,100,388 in the General Fund, \$9,705,855 in the Capital Projects Fund, and \$210,824 in Nonmajor Governmental Funds.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 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 is in accordance with Statutes Sec. 2-65(b). The Town had tax abatement agreements with one entity as of June 30, 2023:

<u>Company Name</u>	<u>Description</u>	<u>Percentage of Taxes Abated in FY 23</u>	<u>Amount of Taxes Abated in FY 23</u>	<u>Abatement Expires</u>
Amazon.com Services LLC	Fulfillment Center	70%	\$ 3,293,309	6/30/2025

**NOTE 15 PRIOR PERIOD ADJUSTMENTS**

The Town previously reported activities for the funds and opinion units listed in the following table. These funds and opinion units were restated to correct errors, changes in the reporting entity, address a change in accounting principle and to record other items based on management's preference.

**Correction of an Error**

During the year ended June 30, 2023, the Town identified the following errors in the prior issued financial statements. The education grants fund and governmental activities were understated for improperly recognized revenue for the amount of \$830,233. The governmental activities were also understated due to amounts incorrectly included in unearned revenue totaling \$2,010,814. The Town also analyzed and changed the amortization method of premiums on outstanding debt issuances to be amortized based on the effective interest method resulting in a restatement of \$434,137.

The Town reassessed the special revenue funds per Governmental Accounting Standards Statement 84 creating a reclassification of the performance bonds and LOSAP funds to be combined with the general fund, causing restatements of \$410,136 and \$3,434. This analysis also included a review of the LOSAP fund where investments were not previously recorded and the pension liability was not previously recognized, resulting in the restatement of \$284,340 to the general fund and governmental activities and \$743,612 to governmental activities respectively. The Town also analyzed the pension and OPEB liabilities in the current fiscal year to properly allocate the liabilities to the enterprise funds and business-type activities resulting in restatements to the landfill fund, non-major enterprise funds, business-type activities and governmental activities for \$707,523 for Pension and \$1,602,184 for OPEB. The Town further analyzed the internal service fund resulting in an allocation to the enterprise and business-type activities in the amount of \$359,627.

**TOWN OF WINDSOR, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 15 PRIOR PERIOD ADJUSTMENTS (CONTINUED)**

**Other Items**

During the year the Town reviewed construction in progress and outstanding projects resulting in a restatement of \$8,202,139.

	Governmental Activities	Business-Type Activities	General Fund	Education Grants Fund	Nonmajor Governmental Funds	Landfill	Nonmajor Enterprise Funds
Net Position/Fund Balance, June 30, 2022, as Previously Reported	\$ 57,241,151	\$ 3,694,671	\$ 38,038,424	\$ -	\$ 11,188,491	\$ 2,941,203	\$ 753,468
Correction of an Error Due to Incorrect Revenue Recognition	830,233	-	-	830,233	-	-	-
To Recognize Revenue Incorrectly Recorded as Unearned Revenue	2,010,814	-	-	-	-	-	-
Reclassification of Performance Bonds per GASB 84	(410,135)	-	-	-	(410,135)	-	-
Reclassification of LOSAP Fund per GASB 84	-	-	3,434	-	(3,434)	-	-
Unaccounted for Investments in LOSAP Fund	284,340	-	284,340	-	-	-	-
LOSAP Liability Beginning of Year Not Previously Recorded	(743,612)	-	-	-	-	-	-
Pension Allocation to Enterprise Funds	707,523	(707,523)	-	-	-	(348,722)	(358,801)
OPEB Allocation to Enterprise Funds	1,602,184	(1,602,184)	-	-	-	(584,913)	(1,017,271)
Allocation of the Internal Service Fund to the Business-Type Activities	(359,627)	359,627	-	-	-	-	-
Adjustment to Opening Construction in Progress	(8,202,139)	-	-	-	-	-	-
Change in Premium Amortization Calculation to the Effective Interest Method	434,137	-	-	-	-	-	-
Net Position/Fund Balance, June 30, 2022, as Restated	<u>\$ 53,394,869</u>	<u>\$ 1,744,591</u>	<u>\$ 38,326,198</u>	<u>\$ 830,233</u>	<u>\$ 10,774,922</u>	<u>\$ 2,007,568</u>	<u>\$ (622,604)</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN BUDGETARY FUND BALANCE**  
**GENERAL FUND – BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 109,827,320	\$ 109,827,320	\$ 110,380,387	\$ 553,067
Licenses and Permits	747,850	747,850	4,437,266	3,689,416
Fines, Forfeitures, and Penalties	24,000	24,000	42,540	18,540
Other Agencies	138,370	138,370	122,464	(15,906)
Intergovernmental	15,537,260	15,537,260	16,815,697	1,278,437
Revenues from Use of Assets	993,000	993,000	2,231,160	1,238,160
Charges for Services	826,500	826,500	1,267,590	441,090
Total Revenues	<u>128,094,300</u>	<u>128,094,300</u>	<u>135,297,104</u>	<u>7,202,804</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,219,070	1,230,280	1,226,785	3,495
Safety Service	12,064,540	12,012,010	11,624,623	387,387
Public Works	7,106,290	7,106,290	6,836,726	269,564
Health Services	581,980	581,980	556,428	25,552
Human Services	516,110	516,110	516,110	-
Recreation and Leisure Services	2,358,720	2,032,770	1,977,467	55,303
Education	76,484,440	76,325,570	76,324,663	907
Town Support for Education	5,814,980	3,468,530	3,461,750	6,780
Library Services	1,849,810	1,849,810	1,839,398	10,412
Development Services	1,502,270	1,528,660	1,507,596	21,064
Information Services	620,440	620,440	619,725	715
Administrative Services	2,795,110	2,793,110	2,718,848	74,262
Community Development	104,820	104,820	104,820	-
General Services	16,937,220	7,993,649	7,968,280	25,369
Total Expenditures	<u>129,955,800</u>	<u>118,164,029</u>	<u>117,283,219</u>	<u>880,810</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,861,500)	9,930,271	18,013,885	8,083,614
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	61,500	61,500	55,448	(6,052)
Transfers Out	-	(11,791,771)	(11,791,771)	-
Use of Fund Balance	-	(1,058,000)	(1,058,000)	-
Total Other Financing Sources (Uses)	<u>61,500</u>	<u>(12,788,271)</u>	<u>(12,794,323)</u>	<u>(6,052)</u>
<b>NET CHANGE IN BUDGETARY FUND BALANCE</b>	<u>\$ (1,800,000)</u>	<u>\$ (2,858,000)</u>	5,219,562	<u>\$ 8,077,562</u>
Budgetary Fund Balance - Beginning of Year			34,825,640	
<b>BUDGETARY FUND BALANCE - END OF YEAR</b>			<u>\$ 40,045,202</u>	
<b>RECONCILIATION TO GAAP BASIS</b>				
	Revenue	Expenditures	Fund Balance	
Balance, Budgetary Basis	\$ 135,352,552	\$ 130,132,990	\$ 40,045,202	
Current Year Encumbrances	-	(942,135)	942,135	
Prior Year Encumbrances Paid	-	1,063,587	-	
Other Programs	1,821,222	1,461,834	2,508,585	
LOSAP Fund	4,464	18,246	273,992	
Nonbudgeted lease revenue	154,183		154,183	
Teachers Pension and OPEB Contributions	10,839,460	10,839,460	-	
Balance, GAAP Basis	<u>\$ 148,171,881</u>	<u>\$ 142,573,982</u>	<u>\$ 43,924,097</u>	

**TOWN OF WINDSOR, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**DEFINED BENEFIT PENSION PLAN**  
**LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability:</b>										
Service Cost	\$ 876,882	\$ 854,610	\$ 859,018	\$ 914,326	\$ 984,203	\$ 1,018,554	\$ 1,042,455	\$ 1,089,719	\$ 1,145,075	\$ 1,206,287
Interest on Total Pension Liability	6,872,347	6,824,123	6,687,900	6,015,335	5,908,293	5,766,548	5,596,678	5,384,558	5,192,787	4,973,047
Effect of Plan Changes	-	-	-	-	(1,493)	(16,420)	(59,415)	-	-	-
Effect of Economic/Demographic Gains or (Losses)	4,219,081	143,237	(1,826,054)	842,061	(380,250)	(456,842)	(252,904)	20,467	(178,845)	(41,321)
Effect of Assumption Changes or Inputs	(840,879)	4,056,601	3,103,677	6,707,199	973,239	1,097,961	1,058,298	1,007,432	-	-
Benefit Payments	(5,674,249)	(5,193,571)	(5,011,174)	(4,626,390)	(4,188,153)	(3,798,705)	(3,622,844)	(3,481,301)	(3,211,082)	(3,111,600)
<b>Net Change in Total Pension Liability</b>	<b>5,453,182</b>	<b>6,685,000</b>	<b>3,813,367</b>	<b>9,852,531</b>	<b>3,295,839</b>	<b>3,611,096</b>	<b>3,762,268</b>	<b>4,020,875</b>	<b>2,947,935</b>	<b>3,026,413</b>
<b>Total Pension Liability, Beginning</b>	<b>107,644,000</b>	<b>100,959,000</b>	<b>97,145,633</b>	<b>87,293,102</b>	<b>83,997,263</b>	<b>80,386,167</b>	<b>76,623,899</b>	<b>72,603,024</b>	<b>69,655,089</b>	<b>66,628,676</b>
<b>Total Pension Liability, Ending (a)</b>	<b>113,097,182</b>	<b>107,644,000</b>	<b>100,959,000</b>	<b>97,145,633</b>	<b>87,293,102</b>	<b>83,997,263</b>	<b>80,386,167</b>	<b>76,623,899</b>	<b>72,603,024</b>	<b>69,655,089</b>
<b>Fiduciary Net Position:</b>										
Employer Contributions	2,498,893	2,513,586	2,089,210	1,516,223	1,340,704	1,196,328	1,054,742	1,026,539	998,378	1,311,760
Member Contributions	461,968	446,671	442,215	482,627	542,943	562,992	599,123	508,741	612,987	618,141
Investment Income Net of Investment Expenses	6,060,428	(11,909,991)	18,447,607	2,308,600	1,723,470	4,142,017	8,123,992	(1,271,297)	930,735	9,135,242
Benefit Payments	(5,674,249)	(5,193,571)	(5,011,174)	(4,626,390)	(4,188,153)	(3,798,705)	(3,622,844)	(3,481,301)	(3,211,082)	(3,111,600)
Administrative Expenses	(20,751)	(22,855)	(21,540)	(19,880)	(19,237)	(19,427)	(15,179)	(19,145)	(13,367)	(57,760)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>3,326,289</b>	<b>(14,166,160)</b>	<b>15,946,318</b>	<b>(338,820)</b>	<b>(600,273)</b>	<b>2,083,205</b>	<b>6,139,834</b>	<b>(3,236,463)</b>	<b>(682,349)</b>	<b>7,895,783</b>
<b>Fiduciary Net Position, Beginning</b>	<b>70,312,746</b>	<b>84,478,906</b>	<b>68,532,588</b>	<b>68,871,408</b>	<b>69,471,681</b>	<b>67,388,476</b>	<b>61,248,642</b>	<b>64,485,105</b>	<b>65,167,454</b>	<b>57,271,671</b>
<b>Fiduciary Net Position, Ending (b)</b>	<b>73,639,035</b>	<b>70,312,746</b>	<b>84,478,906</b>	<b>68,532,588</b>	<b>68,871,408</b>	<b>69,471,681</b>	<b>67,388,476</b>	<b>61,248,642</b>	<b>64,485,105</b>	<b>65,167,454</b>
<b>Net Pension Liability, Ending = (a) - (b)</b>	<b>\$ 39,458,147</b>	<b>\$ 37,331,254</b>	<b>\$ 16,480,094</b>	<b>\$ 28,613,045</b>	<b>\$ 18,421,694</b>	<b>\$ 14,525,582</b>	<b>\$ 12,997,691</b>	<b>\$ 15,375,257</b>	<b>\$ 8,117,919</b>	<b>\$ 4,487,635</b>
<b>Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>65.11%</b>	<b>65.32%</b>	<b>83.68%</b>	<b>70.55%</b>	<b>78.90%</b>	<b>82.71%</b>	<b>83.83%</b>	<b>79.93%</b>	<b>88.82%</b>	<b>93.56%</b>
<b>Covered Payroll</b>	<b>\$ 10,265,576</b>	<b>\$ 10,844,689</b>	<b>\$ 11,383,383</b>	<b>\$ 12,192,970</b>	<b>\$ 12,839,197</b>	<b>\$ 13,489,831</b>	<b>\$ 14,057,983</b>	<b>\$ 14,982,909</b>	<b>\$ 15,744,445</b>	<b>\$ 15,947,178</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>384.37%</b>	<b>344.24%</b>	<b>144.77%</b>	<b>234.67%</b>	<b>143.48%</b>	<b>107.68%</b>	<b>92.46%</b>	<b>102.62%</b>	<b>51.56%</b>	<b>28.14%</b>

**TOWN OF WINDSOR, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
DEFINED BENEFIT PENSION PLAN  
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,498,893	\$ 2,492,047	\$ 2,089,539	\$ 1,516,196	\$ 1,340,704	\$ 1,196,328	\$ 1,054,742	\$ 1,026,539	\$ 998,378	\$ 1,311,760
Contributions in Relation to the Actuarially Determined Contribution	2,498,893	2,513,586	2,089,210	1,516,223	1,340,704	1,196,328	1,054,742	1,026,539	998,378	1,311,760
Contribution Deficiency (Excess)	\$ -	\$ (21,539)	\$ 329	\$ (27)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 10,265,576	\$ 10,844,689	\$ 11,383,383	\$ 12,192,970	\$ 12,839,197	\$ 13,489,831	\$ 14,057,983	\$ 14,982,909	\$ 15,744,445	\$ 15,947,178
Contributions as a Percentage of Covered Payroll	24.34%	23.18%	18.35%	12.44%	10.44%	8.87%	7.50%	6.85%	6.34%	8.23%

Notes to Schedule:

Valuation Date July 1, 2022  
 Measurement Date June 30, 2023  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:  
 Actuarial Cost Method Entry Age Normal  
 Amortization Method Level Percentage of Payroll, Closed  
 Remaining Amortization Period 21 Years  
 Asset Valuation Method 5-Year Nonsymptotic  
 Inflation 2.75%  
 Salary Increases 3.50%  
 Investment Rate of Return 6.50%  
 Retirement Age Graded Based on Age and Service  
 Turnover Crocker-Sarason T9 Table  
 Mortality PubG-2010 Mortality Table with generational projection per the MP-2021 Ultimate scale.

**TOWN OF WINDSOR, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
DEFINED BENEFIT PENSION PLAN  
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Income	8.87 %	(14.41)%	27.63 %	3.44 %	2.54 %	6.27 %	13.56 %	(2.01)%	1.45 %	16.25 %

**TOWN OF WINDSOR, CONNECTICUT  
SCHEDULE OF CONTRIBUTIONS  
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (CMERS)  
LAST EIGHT FISCAL YEARS\***

Measurement Period Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 1,188,609	\$ 1,315,634	\$ 1,256,375	\$ 1,155,964	\$ 967,336	\$ 961,140	\$ 846,628	\$ 839,857
Contribution in Relation to the Actuarially Determined Contribution	<u>1,188,609</u>	<u>1,315,634</u>	<u>1,256,375</u>	<u>1,155,964</u>	<u>967,336</u>	<u>961,140</u>	<u>846,628</u>	<u>839,857</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,333,352	\$ 5,414,320	\$ 4,728,064	\$ 5,614,438	\$ 6,429,162	\$ 5,644,057	\$ 5,533,389	\$ 5,759,928
Contributions as a Percentage of Covered Payroll	22.29%	24.30%	26.57%	20.59%	15.05%	17.03%	15.30%	14.58%

## Notes to Schedule:

Valuation date: June 30, 2022

Measurement date: June 30, 2022

The actuarially determined contributions are calculated as of June 30, for the fiscal year ending two years after the valuation date.

## Methods and Assumptions Used to Determine

## Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, Closed
Single Equivalent Amortization Period	20 Years
Asset Valuation Method	5 Years Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.50% - 10.00%, Including Inflation
Investment Rate of Return	7%, Net of Investment Related Expense
Changes in Assumptions	In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase 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, 2017.

\*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)**  
**LAST EIGHT FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016
Town's Proportion of the Net Pension Liability	2.98%	2.98%	2.83%	3.34%	3.90%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension (Asset) Liability	\$ 13,425,682	\$ 7,017,968	\$ 9,207,890	\$ 10,432,669	\$ 10,340,925	\$ (2,671,406)	\$ (1,930,679)	\$ (3,332,712)
Town's Covered Payroll	\$ 5,414,320	\$ 4,612,745	\$ 5,477,500	\$ 6,303,100	\$ 6,429,162	\$ 5,644,057	\$ 5,533,389	\$ 5,533,389
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	247.97%	152.14%	168.10%	165.52%	160.84%	-47.33%	-34.89%	-60.23%
System Fiduciary Net Position as a Percentage of the Total Pension Liability	68.71%	82.59%	71.18%	72.69%	88.29%	91.68%	88.29%	92.72%

\*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  
LAST EIGHT FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016
Town's Proportion of the Net Pension Liability	0.0%	0.0%	0.0%	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	135,564,421	114,169,195	144,151,481	129,818,072	100,097,275	100,735,001	106,276,198	81,836,695
<b>Total</b>	<b>\$ 135,564,421</b>	<b>\$ 114,169,195</b>	<b>\$ 144,151,481</b>	<b>\$ 129,818,072</b>	<b>\$ 100,097,275</b>	<b>\$ 100,735,001</b>	<b>\$ 106,276,198</b>	<b>\$ 81,836,695</b>
Town's Covered Payroll	\$ 34,094,836	\$ 34,425,054	\$ 33,295,322	\$ 33,378,186	\$ 32,860,661	\$ 31,929,411	\$ 30,775,321	\$ 30,419,140
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
System Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06%	60.77%	49.24%	52.00%	55.93%	55.93%	52.26%	59.50%

Notes to Schedule:

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
Single Equivalent Amortization Period	27.8 Years
Asset Valuation Method	4-Year Smoothed Fair Value
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

\*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 CHANGES IN THE TOWN'S OPEB LIABILITY AND RELATED RATIOS**  
**LAST SEVEN FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability:							
Service Cost	\$ 1,512,675	\$ 2,507,979	\$ 2,319,974	\$ 1,401,671	\$ 1,558,808	\$ 1,748,526	\$ 3,120,950
Interest	1,868,852	1,426,938	1,402,659	1,788,534	1,815,793	2,759,843	2,392,644
Differences Between Expected and Actual Experience	-	2,710,392	-	(8,095,084)	-	(28,316,996)	-
Changes in Assumptions	1,166,912	(16,668,125)	558,316	17,878,056	2,501,477	(4,622,454)	(9,283,999)
Benefit Payments, Including Refunds of Member Contributions	(2,355,305)	(2,156,483)	(1,597,777)	(1,445,946)	(1,626,427)	(1,476,204)	(1,960,939)
Net Change in Total OPEB Liability	2,193,134	(12,179,299)	2,683,172	11,527,231	4,249,651	(29,907,285)	(5,731,344)
Total Pension Liability, Beginning	52,447,169	64,626,468	61,943,296	50,416,065	46,166,414	76,073,699	81,805,043
Total OPEB Liability, Ending (a)	54,640,303	52,447,169	64,626,468	61,943,296	50,416,065	46,166,414	76,073,699
Fiduciary Net Position:							
Employer Contributions	3,105,306	2,906,483	2,322,777	2,170,946	2,226,427	1,976,204	2,410,939
Investment Income (Loss) Net of Investment Expenses	581,820	(959,354)	1,177,365	132,951	163,760	94,245	122,469
Benefit Payments, Including Refunds of Member Contributions	(2,355,305)	(2,156,484)	(1,597,777)	(1,445,946)	(1,626,427)	(1,476,204)	(1,960,939)
Administrative Expenses	(1,842)	(1,868)	(1,627)	(1,402)	(1,255)	(1,117)	(989)
Net Change in Plan Fiduciary Net Position	1,329,979	(211,223)	1,900,738	856,549	762,505	593,128	571,480
Fiduciary Net Position, Beginning	5,239,536	5,450,759	3,550,021	2,693,472	1,930,967	1,337,839	766,359
Fiduciary Net Position, Ending (b)	6,569,515	5,239,536	5,450,759	3,550,021	2,693,472	1,930,967	1,337,839
Net OPEB Liability, Ending = (a) - (b)	\$ 48,070,788	\$ 47,207,633	\$ 59,175,709	\$ 58,393,275	\$ 47,722,593	\$ 44,235,447	\$ 74,735,860
Fiduciary Net Position as a Percentage of Total OPEB Liability	12.02 %	9.99 %	8.43 %	5.73 %	5.34 %	4.18 %	1.76 %
Covered Payroll	\$ 50,017,968	\$ 43,755,414	\$ 43,755,414	\$ 46,133,025	\$ 46,133,025	\$ 45,660,809	\$ 45,660,809
Net OPEB Liability as a Percentage of Covered Payroll	96.11 %	107.89 %	135.24 %	126.58 %	103.45 %	96.88 %	163.68 %

\* This schedule is intended to show 10 years of information. Additional information will be added as it becomes available.

**TOWN OF WINDSOR, CONNECTICUT  
SCHEDULE OF CONTRIBUTIONS  
OPEB PLAN  
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 3,372,281	\$ 3,256,104	\$ 3,095,939	\$ 3,571,873	\$ 3,360,296	\$ 5,250,156	\$ 4,883,931	\$ 6,762,112	\$ 6,299,617	\$ 7,831,000
Contributions in Relation to the Actuarially Determined Contribution	3,105,305	2,906,483	2,322,777	2,170,946	2,226,427	1,976,204	2,410,939	2,593,319	2,595,904	2,240,000
Contribution Deficiency (Excess)	<u>\$ 266,976</u>	<u>\$ 349,621</u>	<u>\$ 773,162</u>	<u>\$ 1,400,927</u>	<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>
Covered Payroll	\$ 50,017,968	\$ 43,755,414	\$ 46,133,025	\$ 46,133,025	\$ 46,133,025	\$ 45,660,809	\$ 45,660,809	\$ 44,515,553	\$ 44,515,553	N/A
Contributions as a Percentage of Covered Payroll	6.21%	6.64%	5.03%	4.71%	4.83%	4.33%	5.28%	5.83%	5.83%	N/A

(1) Actuarially Determined Contributions prior to fiscal year ended June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule:

Valuation Date July 1, 2021  
Measurement Date June 30, 2023  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Amortization Period	22 Years
Asset Valuation Method	Market Value
Inflation	2.60%
Healthcare Cost Trend Rates	Varies by Group
Salary Increases	Varies by Group
Investment Rate of Return	5.00%, Net of OPEB Plan Investment Expense, Including Inflation
Mortality	Pub-2010 Mortality Tables with the MP-2021 Ultimate Improvement Scale

\*This schedule is intended to show 10 years of information. Additional information will be added as it becomes available.

**TOWN OF WINDSOR, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OPEB PLAN  
LAST SEVEN FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2018
Annual Money-Weighted Rate of Return, Net of Investment Income*	9.72 %	(15.47)%	27.55 %	3.89 %	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**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREE HEALTH PLAN**  
**LAST FIVE FISCAL YEARS\***

	2023	2022	2021	2020	2019
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	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	<u>11,872,334</u>	<u>12,438,525</u>	<u>21,500,199</u>	<u>20,245,862</u>	<u>20,010,108</u>
Total	<u>\$ 11,872,334</u>	<u>\$ 12,438,525</u>	<u>\$ 21,500,199</u>	<u>\$ 20,245,862</u>	<u>\$ 20,010,108</u>
Town's Covered Payroll	\$ 34,094,836	\$ 33,949,276	\$ 33,949,276	\$ 33,378,187	\$ 30,992,792
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46%	6.11%	2.50%	2.08%	1.49%

## Notes to Schedule:

## Changes in Benefit Terms

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

## Changes of Assumptions

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;

Long-term health care cost trend rates were updated; and

The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial Cost Method  
Amortization Method  
Remaining Amortization Period  
Asset Valuation Method  
Investment Rate of Return  
Price Inflation

Entry Age  
Level Percent of Payroll Over an Open Period  
30 Years  
Fair Value of Assets  
3.00%, Net of Investment Related Expense, Including Price Inflation  
2.50%

\*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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM  
CURRENT FISCAL YEAR\***

	2023
Total LOSAP Liability:	
Service Cost	\$ 8,458
Interest on Total Pension Liability	27,029
Difference Between Expected and Actual Experience	12,817
Effect of Assumption Changes or Inputs	201,796
Benefit Payments	<u>(22,260)</u>
Net Change in Total LOSAP Liability	227,840
Total LOSAP Liability - Beginning	<u>743,612</u>
Total LOSAP Liability - Ending	<u><u>\$ 971,452</u></u>
Covered Payroll	N/A
Town Net LOSAP Liability as a Percentage of Covered Payroll	N/A

## Notes:

The Town does not have a trust to pay related benefits for the LOSAP plan.

\*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**APPENDIX B – FORM OF OPINION OF BOND COUNSEL – THE BONDS**

June \_\_\_, 2024

Town of Windsor  
275 Broad Street  
Windsor, CT 06095

We have acted as Bond Counsel in connection with the issuance by the Town of Windsor, Connecticut (the “Town”), of its \$ \_\_\_\_\_ General Obligation Bonds, Issue of 2024 (the “Bonds”) dated June \_\_\_, 2024. In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to 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 pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion 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 is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Bonds.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

## APPENDIX C – FORM OF OPINION OF BOND COUNSEL – THE NOTES

June \_\_, 2024

Town of Windsor  
275 Broad Street  
Windsor, CT 06095

We have acted as Bond Counsel in connection with the issuance by the Town of Windsor, Connecticut (the “Town”), of its \$ \_\_\_\_\_ General Obligation Bond Anticipation Notes (the “Notes”) dated June \_\_, 2024. In such capacity, we have examined a record of proceedings of the Town authorizing the Notes, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Notes are duly certified by U.S. Bank Trust Company, National Association, the Notes will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to 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 pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

In rendering the below opinions regarding the federal treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

In our opinion, under existing statutes and court decisions, (i) interest on the Notes is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We are further of the opinion 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 is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Notes.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

Respectfully,

PULLMAN & COMLEY, LLC

## APPENDIX D – 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 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.*

### **Continuing Disclosure Agreement**

This Continuing Disclosure Agreement (“Agreement”) is made as of June \_\_, 2024 by the Town of Windsor, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Issue of 2024, dated as of June \_\_, 2024 (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 \_\_, 2024 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, 2024) 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, 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, CONNECTICUT

By: \_\_\_\_\_  
PETER P. SOUZA  
Town Manager

By: \_\_\_\_\_  
JAMES R. BOURKE  
Finance Director

## APPENDIX E – 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 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**

This Continuing Disclosure Agreement (“Agreement”) is made as of June \_\_, 2024 by the Town of Windsor, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of \$ \_\_\_\_\_ Bond Anticipation Notes, dated as of June \_\_, 2024 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;
- (f) unscheduled draws on credit enhancements reflecting financial difficulties;
- (d) substitution of credit or liquidity providers, or their failure to perform;
- (g) 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;
- (h) modifications to rights of holders of the Notes, if material;
- (i) Note calls, if material, and tender offers;
- (j) Note defeasances;
- (k) release, substitution, or sale of property securing repayment of the Notes, if material;
- (l) rating changes;
- (m) bankruptcy, insolvency, receivership or similar event of the Issuer;

(n) 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;

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

(p) 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

(q) 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, 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, CONNECTICUT

By: \_\_\_\_\_  
PETER P. SOUZA  
Town Manager

By: \_\_\_\_\_  
JAMES R. BOURKE  
Finance Director

**APPENDIX F – NOTICE OF SALE – THE BONDS**

**NOTICE OF SALE**

**TOWN OF WINDSOR, CONNECTICUT  
\$8,810,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024  
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the TOWN OF WINDSOR, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on TUESDAY,

JUNE 11, 2024

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$8,810,000 General Obligation Bonds, Issue of 2024, dated June 27, 2024 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on June 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2025	590,000	2033	585,000
2026	590,000	2034	585,000
2027	590,000	2035	585,000
2028	590,000	2036	585,000
2029	590,000	2037	585,000
2030	590,000	2038	585,000
2031	590,000	2039	585,000
2032	585,000		

The Bonds will bear interest commencing December 15, 2024 and semiannually thereafter on June 15 and December 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

**Optional Redemption**

The Bonds maturing on or before June 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing on June 15, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on or after June 15, 2030, 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 Issuer may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
June 15, 2030 and thereafter	100.0%

**Nature of Obligation**

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to 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 pursuant to provisions of the Connecticut General Statutes, as amended.

**Bank Qualification**

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## Registration

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 Issuer or its agent to DTC or its nominee as registered owner of the Bonds. 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 Issuer 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. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer 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 Issuer as of the close of business on the record date preceding each interest payment date.

## Record Date

The record dates for the Bonds will be the last business day of May and November in each year.

## Proposals

Each bid must be for the entire \$8,810,000 of the Bonds. 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 of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than two (2) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY**® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

## Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on 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 bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

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 Issuer further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

### **CUSIP Numbers**

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

### **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®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: [parity@i-deal.com](mailto:parity@i-deal.com)). The Issuer 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 Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Issuer 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 Issuer 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 Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY®, the use of PARITY® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

**Disclaimer.** Each of **PARITY®** prospective electronic bidders shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer 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 Issuer or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Issuer is using **PARITY®** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice 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 Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the 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 shall control.

For the purpose of the electronic bidding process, the time maintained on **PARITY®** shall constitute the official time.

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

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

## **Delivery, Payment and Closing Requirements**

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“Bond Counsel”) (see “Bond Counsel Opinion” below); (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 Issuer 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 Issuer 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.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about June 27, 2024 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

## **Bond Counsel Opinion**

The legality of the issue will be passed upon by Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

## **Establishment of Issue Price**

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: [grybacki@pullcom.com](mailto:grybacki@pullcom.com) and (2) the Municipal Advisor at Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: [Mark.Chapman@munistat.com](mailto:Mark.Chapman@munistat.com) (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

**Notification of Contact Information of Winning Bidder.** Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

**Competitive Sale Rule.** The Issuer intends that the provisions of Treasury Regulations 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 Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost (“TIC”), as set forth in this Notice of Sale.

**Competitive Sale Rule Met.** The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

**Competitive Sale Rule Not Met.** In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) 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 (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party 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 third-party distribution agreement, as applicable, to (A) 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 Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case 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 third-party 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 third-party distribution agreement to (A) 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 Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case 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 (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

**Definitions.** For purposes of this “Establishment of Issue Price” section:

- (1) “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.
- (2) “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.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “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 definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

## **Official Statement**

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated May 31, 2024 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [www.munistat.com](http://www.munistat.com), and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: [Mark.Chapman@munistat.com](mailto:Mark.Chapman@munistat.com). The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

## **Continuing Disclosure Agreement**

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix D. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF WINDSOR, CONNECTICUT

PETER P. SOUZA  
Town Manager

JAMES R. BOURKE  
Finance Director

May 31, 2024

**ATTACHMENT A**

**ISSUE PRICE CERTIFICATE**

*(If Competitive Sale Rule Met)*

TOWN OF WINDSOR, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2024  
Dated June 27, 2024

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF WINDSOR, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about June 27, 2024, the Bonds at a price of par (\$ \_\_\_\_\_), plus an aggregate net premium of \$ \_\_\_\_\_ and less an underwriter’s discount of \$ \_\_\_\_\_, resulting in an aggregate net purchase price of \$ \_\_\_\_\_.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of June 11, 2024 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] 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 [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***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 fifty percent (50%) common ownership, directly or indirectly.

(c) “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 definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of June \_\_, 2024.

**[UNDERWRITER]**

By: \_\_\_\_\_

Name:

Title:

**Schedule A to Issue Price Certificate**

<u>Maturity, June 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2025	590,000		
2026	590,000		
2027	590,000		
2028	590,000		
2029	590,000		
2030	590,000		
2031	590,000		
2032	585,000		
2033	585,000		
2034	585,000		
2035	585,000		
2036	585,000		
2037	585,000		
2038	585,000		
2039	585,000		

**Schedule B to Issue Price Certificate**

## APPENDIX G – NOTICE OF SALE – THE NOTES

### NOTICE OF SALE

#### TOWN OF WINDSOR, CONNECTICUT \$1,360,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES OPTION FOR NO BOOK ENTRY

NOTICE IS GIVEN that TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the TOWN OF WINDSOR, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

JUNE 11, 2024

(the “Sale Date”) for the purchase of the Issuer’s \$1,360,000 General Obligation Bond Anticipation Notes (the “Notes”). Telephone bids will be received by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

#### The Notes

The Notes are expected to be dated June 27, 2024 and will mature and be payable to the registered owner on June 26, 2025 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

#### Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to 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 pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

#### Bank Qualification

The Notes SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

#### Registration

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(s), 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 Issuer 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 Issuer 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. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

### **Option For No Book-Entry.**

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Issuer as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in non-book-entry form, or to be designated as Certifying Agent, Registrar and Paying Agent for such Notes, shall indicate this preference to the Issuer at the time of the submission of the bid. The Issuer reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, the winning bidder, and any subsequent registered owner of the Notes, shall not impose on or charge the Issuer any costs or expenses of any re-registration or transfer of Notes from time to time, including any costs of counsel or of converting the Notes to book-entry only form, or for any costs or expenses of services as Certifying Agent, Registrar and Paying Agent for the Notes if the winning bidder is so designated. The terms and covenants of the Notes issued in non-book-entry form shall be the same as if the Notes were issued in book-entry form, except as required to reflect that the Notes are non-book-entry and the designation of the purchaser as Certifying Agent, Registrar and Paying Agent.

### **Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms**

Each bid for the purchase of the Notes must, (i) if submitted by telephone, provide the information in the form of the Proposal for Notes attached hereto, or (ii) if submitted electronically, be in accordance with the requirements prescribed herein. Except as required under “Option For No Book-Entry” above, a proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, except one such proposal for a part may include the odd \$160,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

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 Issuer further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

### **Electronic Bidding Procedures**

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of *PARITY*<sup>®</sup>. Subscription to i-Deal LLC’s BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**<sup>®</sup> shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**<sup>®</sup>, the bidder represents and warrants to the Issuer 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 Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY<sup>®</sup>, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY<sup>®</sup>, the use of PARITY<sup>®</sup> facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**<sup>®</sup> as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**<sup>®</sup>, including any fee charged, may be obtained from **PARITY**<sup>®</sup>, 1359 Broadway, 36<sup>th</sup> Street, 2<sup>nd</sup> Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: [www.parity@i-deal.com](mailto:www.parity@i-deal.com)).

For purposes of the telephone bidding process and the electronic bidding process, the time as maintained by **PARITY**<sup>®</sup> shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under "Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms" above, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

**Disclaimer.** Each **PARITY**<sup>®</sup> prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**<sup>®</sup> for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor **PARITY**<sup>®</sup> 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 Issuer nor **PARITY**<sup>®</sup> 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**<sup>®</sup>. The Issuer is using **PARITY**<sup>®</sup> as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of **PARITY**<sup>®</sup> 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**<sup>®</sup> are the sole responsibility of the bidders; and the Issuer 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**<sup>®</sup> at (212) 849-5021.

#### **Telephone Bidding Procedures**

Telephone bids will be received until 11:00 A.M. (E.T.) on the Sale Date by an authorized agent of Munistat Services, Inc., the Issuer's municipal advisor. All telephone bids must be made to (860) 810-9786 and be completed by 11:00 A.M. (E.T.) on the Sale Date. Bidders should be prepared to provide the information set forth in the "Proposal for Notes" attached hereto.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer's sole discretion, will not be reviewed or honored by the Issuer.

#### **CUSIP Numbers**

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

## **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

Unless otherwise provided for herein, the Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

## **Delivery, Payment and Closing Requirements**

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“Bond Counsel”); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, 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 Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer 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.

Unless otherwise provided for herein, the Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about June 27, 2024 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

## **Bond Counsel Opinion**

The legality of the issue will be passed upon by Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix C to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”. In rendering such legal opinion, Pullman & Comley, LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the Notes, and further, will assume compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement.

## **Establishment of Issue Price**

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”) relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: grybacki@pullcom.com and (2) the Municipal Advisor at Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

**Notification of Contact Information of Winning Bidder.** Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

**Competitive Sale Rule.** The Issuer intends that the provisions of Treasury Regulations 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 Rule”) because:

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

**Competitive Sale Rule Met.** The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price. If the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale of such Maturity to the Public, then the winning bidder shall provide Bond Counsel and the Municipal Advisor a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes.

**Competitive Sale Rule Not Met.** In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) 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 (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (A) (I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date, and (B) those Maturities that the winning bidder is purchasing for its own account and not with a view to distribution or resale of such Maturity to the Public. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party 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 third-party distribution agreement, as applicable, to (A) 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 Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case 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 third-party 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 third-party distribution agreement to (A) 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 Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case 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 (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

**Definitions.** For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “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.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “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 definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

## Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated May 31, 2024 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [www.munistat.com](http://www.munistat.com), and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: [Mark.Chapman@munistat.com](mailto:Mark.Chapman@munistat.com). The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

## Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix E. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF WINDSOR, CONNECTICUT

PETER P. SOUZA  
Town Manager

JAMES. R. BOURKE  
Finance Director

May 31, 2024

(See attached for form of Proposal for Notes)

**PROPOSAL FOR NOTES**

Peter P. Souza, Town Manager  
James R. Bourke, Finance Director  
Town of Windsor  
c/o Munistat Services, Inc.  
**Telephone No. (860) 810-9786**

Windsor Town Officials:

Subject to the provisions of the Notice of Sale dated May 31, 2024, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$1,360,000 General Obligation Bond Anticipation Notes of the Town of Windsor, Connecticut (the "Issuer"), dated June 27, 2024 and maturing on June 26, 2025 (the "Notes"), specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$1,360,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

For \$ \_\_\_\_\_ of the Notes, bearing an interest rate of \_\_\_\_\_ % per annum, we bid par plus a premium of \$ \_\_\_\_\_. The net interest cost to the Issuer is \_\_\_\_\_ % (six decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: June 11, 2024

\_\_\_\_\_  
(Name of Bidder)

\_\_\_\_\_  
(Mailing Address)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Facsimile Number)

\_\_\_\_\_  
(E-mail Address)

We request that the Notes not be issued in book-entry form, but be registered in the name of the bidder, as provided in the Notice of Sale.

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