

Final Official Statement Dated March 16, 2016

NEW MONEY ISSUE: Book-Entry-Only

RATINGS: Moody's Investors Service: "Aa1 / MIG 1"

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



Town of Windsor Locks, Connecticut \$9,550,000 General Obligation Bonds, Issue of 2016

Dated: Date of Delivery

**Due: March 15, 2017 - 2036,
As shown on the inside cover hereof:**

The Bonds will bear interest payable September 15, 2016 and semiannually thereafter on March 15 and September 15 in each year until maturity. The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.

\$2,600,000 General Obligation Bond Anticipation Notes

Dated: March 24, 2016

Due: March 23, 2017

The Notes will be issued in book-entry-only form and will bear interest at such rate or rates per annum as are specified by the successful bidder or bidders in accordance with the Notice of Sale, dated March 8, 2016. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for DTC, New York, New York. See "Book-Entry-Only Transfer System" herein.

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

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds and the Notes will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

The Bonds and Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about March 24, 2016.

Town of Windsor Locks, Connecticut

\$9,550,000

General Obligation Bonds, Issue of 2016

Dated: Date of Delivery

Due: March 15,
as shown below:

<i>Year</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i> ¹	<i>Year</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i> ¹
2017	\$ 480,000	4.000%	0.550%	973653PR3	2027	\$ 475,000	2.000%	2.220%	973653QB7
2018	480,000	4.000%	0.700%	973653PS1	2028*	475,000	3.000%	2.350%	973653QC5
2019	480,000	4.000%	0.870%	973653PT9	2029*	475,000	3.000%	2.480%	973653QD3
2020	480,000	4.000%	1.030%	973653PU6	2030*	475,000	3.000%	2.560%	973653QE1
2021	480,000	4.000%	1.180%	973653PV4	2031*	475,000	3.000%	2.650%	973653QF8
2022	480,000	4.000%	1.340%	973653PW2	2032*	475,000	3.000%	2.800%	973653QG6
2023	480,000	4.000%	1.520%	973653PX0	2033*	475,000	3.000%	2.900%	973653QH4
2024	480,000	4.000%	1.700%	973653PY8	2034	475,000	3.000%	3.000%	973653QJ0
2025*	480,000	4.000%	1.880%	973653PZ5	2035	475,000	3.000%	3.050%	973653QK7
2026	480,000	2.000%	2.000%	973653QA9	2036	475,000	3.000%	3.100%	973653QL5

* Priced assuming redemption on March 15, 2024; however, any such redemption is at the option of the Town.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

\$2,600,000

General Obligation Bond Anticipation Notes

Dated: March 24, 2016
Due: March 23, 2017
CUSIP: 973653QM3¹

Rate: 2.00%
Yield: 0.60%
Underwriter: Eastern Bank

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds 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.

No dealer, broker, salesman or other person has been authorized by the Town of Windsor Locks, 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.

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 in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds and the Notes 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.

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Bond Issue Summary

The information in this Bond Issue Summary and the front 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.

Date of Sale:	Wednesday, March 16, 2016 at 11:30 A.M. (Eastern Time).
Location of Sale:	Town Hall, 50 Church Street, Windsor Locks, Connecticut 06096.
Issuer:	Town of Windsor Locks, Connecticut (the "Town").
Issue:	\$9,550,000 General Obligation Bonds (the "Bonds"), Issue of 2016.
Dated Date:	Date of Delivery
Principal and Interest Due:	Principal due serially March 15, 2017 through March 15, 2036. Interest due March 15 and September 15 in each year until maturity, commencing September 15, 2016.
Purpose:	The Bond proceeds will be used to provide funds for various school and general purpose projects.
Redemption:	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
Security:	The Bonds will be general obligations of the Town of Windsor Locks, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Town received a rating of "Aa1" on the Bonds from Moody's Investors Service ("Moody's").
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See Appendix B - "Opinion of Bond Counsel and Tax Exemption".
Bank Qualification:	The Bonds shall <u>NOT</u> be designated by the Issuer as qualified tax-exempt obligations under the provision of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C-1 to this Official Statement.
Registrar, Certifying Agent, and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Financial Advisor:	Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 878-4945.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut.
Separate CUSIPS:	Separate CUSIP numbers for the Bonds is required. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about March 24, 2016. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Town should be directed to Catherine Cabral, Finance Director, Town Hall, 50 Church Street, Windsor Locks, Connecticut 06096, Telephone: (860) 627-1449 or Mr. Barry J. Bernabe, Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut, Telephone: (203) 283-1110

Note Issue Summary

The information in this Note Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, March 16, 2016 at 11:00 A.M. (Eastern Time).
Location of Sale:	Town Hall, 50 Church Street, Windsor Locks, Connecticut 06096.
Issuer:	Town of Windsor Locks, Connecticut (the "Town").
Issue:	\$2,600,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	March 24, 2016.
Interest Due:	At maturity: March 23, 2017.
Principal Due:	At maturity: March 23, 2017.
Authorization and Purpose:	The Notes are being issued to finance various general purpose, school, and sewer projects. See "Authorization and Purpose" herein.
Redemption:	The Notes are NOT subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town of Windsor Locks, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The Town received a rating of "MIG 1" on the Notes from Moody's Investors Service ("Moody's").
Basis of Award:	Lowest Net Interest Cost (NIC), as of the dated date.
Tax Exemption:	See Appendix B - "Opinion of Bond Counsel and Tax Exemption".
Bank Qualification:	The Notes shall <u>NOT</u> be designated by the Issuer as qualified tax-exempt obligations under the provision of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form set out in Appendix C-2 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Financial Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut. Telephone (203) 283-1110.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about March 24, 2016. Delivery of the Notes will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Town should be directed to Catherine Cabral, Finance Director, Town Hall, 50 Church Street, Windsor Locks, Connecticut 06096, Telephone: (860) 627-1449 or Mr. Barry J. Bernabe, Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut, Telephone: (203) 283-1110

I. Bond and Note Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Windsor Locks, Connecticut (the "Town"), in connection with the issuance and sale of \$9,550,000 General Obligation Bonds, (the "Bonds") and \$2,600,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

The Bonds and Notes are being offered for sale at public bidding. Notices of Sale dated March 8, 2016 have been furnished to prospective bidders. Reference is made to the Notices of Sale, which are included as Appendices D-1 and D-2 for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds or Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. 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, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds or 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.

U.S. Bank National Association will certify and act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds and the Notes.

The presentation of information in this Official Statement 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.

The Town deems this Official Statement to be "final" for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

Financial Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as Financial Advisor to the Town with respect to the issuance of the Bonds and the Notes (the "Financial Advisor"). The information in this Official Statement has been prepared by the Town of Windsor Locks, with the help of the Financial Advisor. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. An agreement between the Town and Phoenix Advisors, LC has been entered into to conform to Municipal Securities Rulemaking Board Rule G-23.

The Bonds

Description of the Bonds

The Bonds will mature on March 15 in each of the years as set forth on the inside cover page hereof. The Bonds will be dated the date of delivery and bear interest at the rates per annum specified on the inside cover page, payable semiannually on March 15 and September 15 in each year until maturity, commencing September 15, 2016. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the last business day of February and August, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

Redemption Provisions

The Bonds maturing on or before March 15, 2024 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2025 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after March 15, 2024 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 prices (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:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
March 15, 2024 and thereafter	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. 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 sufficient 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 of 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 a 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 Cede & Co., as nominee of the Depository Trust Company (“DTC”), is the registered owner of the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its successor 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 contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions 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 or the responsibility of the Town, the Registrar or Paying Agent.

Description of the Notes

The Notes will be dated March 24, 2016 and will be due and payable as to both principal and interest at maturity on March 23, 2017. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected 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”. The Notes are not subject to redemption prior to maturity.

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Notes. The legal opinion for the Notes will be rendered by Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. See Appendix B “Opinion of Bond Counsel and Tax Exemption”.

Authorization and Purpose

The Notes are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town of Windsor Locks, and to borrowing resolutions approved by the voters of the Town.

Project	Aggregate	Maturing	New Money	This Issue:	
	Amount	Notes		The Notes	The Bonds
	Authorized	Due: 3/24/16	or (Paydowns)	Due: 3/23/17	
Road and sidewalk improvements 2012	\$ 1,065,000	\$ 1,017,500	\$ (53,250)	\$ -	\$ 964,250
Roadway infrastructure 2013.....	800,000	800,000	(40,000)	-	760,000
Roadway Infrastructure 2014.....	880,000	880,000	(22,750)	-	857,250
Roadway Infrastructure 2015.....	1,150,000	-	1,001,000	1,001,000	-
Sanitary Sewerage System Improvements.....	140,000	140,000	-	-	140,000
Safety Complex Energy Improvements.....	110,000	-	110,000	-	110,000
Emergency Generator at Safety Complex.....	310,000	310,000	(200,000)	-	110,000
High school ADA Code Improvements.....	250,000	87,500	(4,500)	83,000	-
School ADA Compliance.....	210,000	-	-	-	-
School HVAC Improvements.....	730,000	693,000	(36,500)	191,000	465,500
School Roof Replacements.....	1,455,000	1,452,000	(639,000)	-	813,000
School Windows.....	7,555,000	4,330,000	2,325,000	1,325,000	5,330,000
Total	\$ 14,655,000	\$ 9,710,000	\$ 2,440,000	\$ 2,600,000	\$ 9,550,000

Book-Entry-Only Transfer System

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity 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 regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Bonds or 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 do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds and the 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 Security 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 Bonds and Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and Interest 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 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 Bonds and Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, 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 depository is not obtained, Bond and Note certificates are required to be printed and delivered.

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

DTC Practices

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

Replacement Securities

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

Security and Remedies

The Bonds and 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 Bonds and the Notes when due. Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues. The Town has the power under Connecticut 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 land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. 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 the Town the amount of the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

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

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

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

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

***THE TOWN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR
INTEREST ON ITS BONDS OR NOTES.***

Qualification for Financial Institutions

The Bonds and Notes shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds or the Notes.

Availability of Continuing Information

The Town prepares, in accordance with state law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management, within six months of the end of its fiscal year.

The Town will enter into Continuing Disclosure Agreements with respect to the Bonds and the Notes, substantially in the forms included in Appendices C-1 and C-2 to this Official Statement, to provide or cause to be provided, in accordance with the requirements of the Securities and Exchange Commission Rule 15c2-12 (the “Rule”), (i) for the Continuing Disclosure Agreement for the Bonds, annual financial information and operating data, (ii) timely notices of the occurrence of certain events with respect to the Bonds and Notes within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement for the Bonds. The Underwriter’s obligation to purchase the Bonds and Notes shall be conditioned upon its receiving, at or prior to the delivery of the Bonds and Notes, executed copies of the Continuing Disclosure Agreements.

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

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board’s EMMA system.

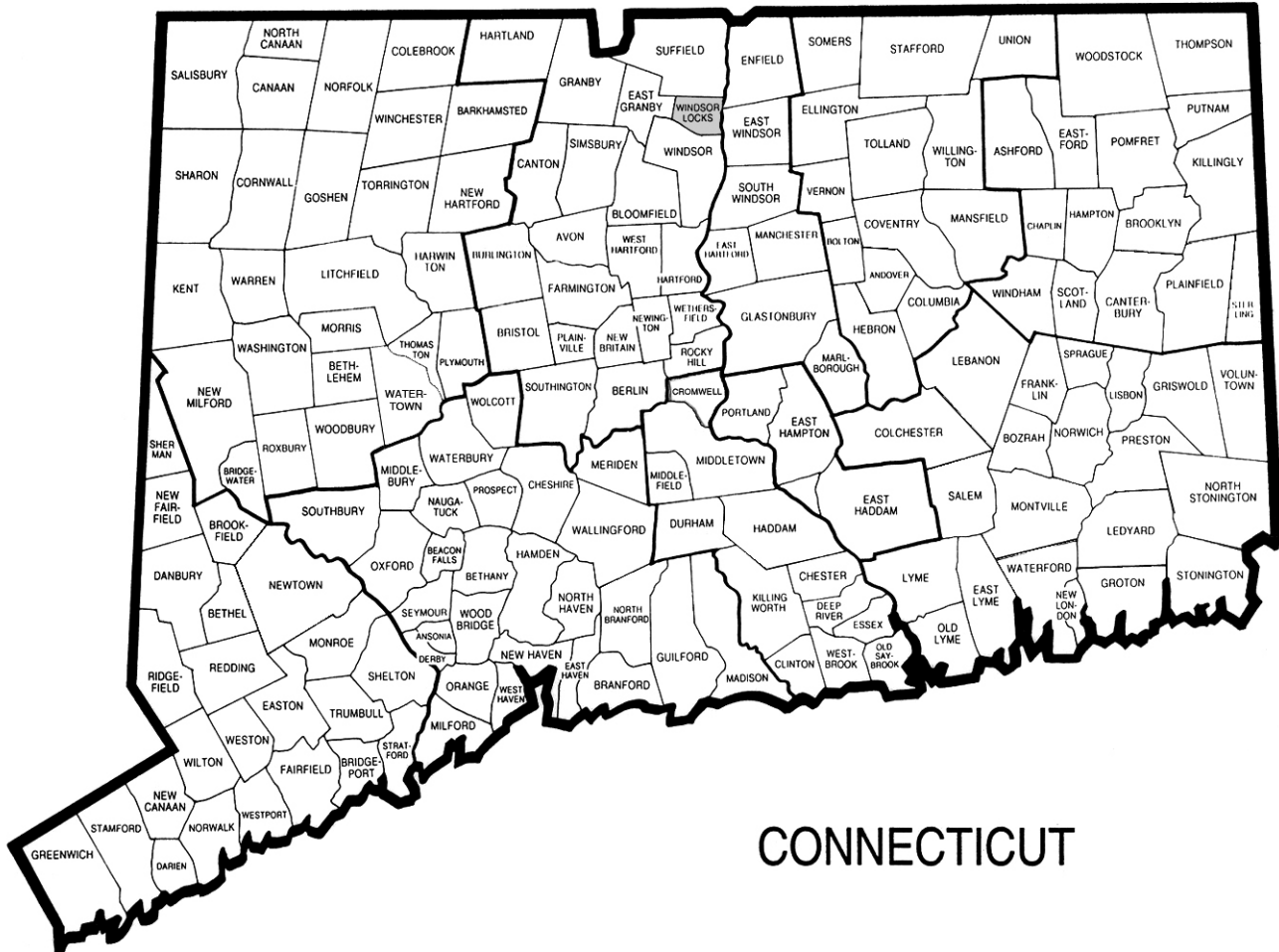
Ratings

The Town received a rating of “Aa1” on the Bonds and “MIG 1” on the Notes from Moody’s Investors Service (“Moody’s”). The Town furnished the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town’s bonds and notes, including the Bonds and the Notes.

Bond Insurance

The Town does not expect to purchase a credit enhancement facility for the Notes.

II. The Issuer



Description of the Municipality

Windsor Locks, settled as part of Windsor in 1663, was incorporated as a separate town in 1854. It covers 9.6 square miles divided approximately as follows: three square miles for Bradley International Airport, three square miles of industrial and commercial zones, and three square miles of residential zone. The Town is located on the west bank of the Connecticut River, 12 miles north of Hartford, Connecticut and 13 miles south of Springfield, Massachusetts.

Interstate Highway 91 traverses Windsor Locks, running from New Haven north through Hartford, onto Massachusetts and Vermont to the Canadian border. State routes 20, 75, 140 and 159 pass through the Town.

Rail service is provided by the north-south ConRail tracks with spurs into Bradley International Airport and two industrial parks adjacent to the airport. The Town is the home of Bradley International Airport, the second largest airport in New England in passenger and cargo volume. The airport is served on a daily basis by 10 major airlines with nonstop transcontinental service as well as domestic and local service carriers. A \$111.0 million expansion for a new terminal building and concourse was recently completed.

Form of Government

Pursuant to its home-rule charter, Windsor Locks has a Town Meeting form of government with a three-member Board of Selectmen and a Board of Finance consisting of six members. Elections are held biennially in November in every odd-numbered year. The inhabitants have the powers and privileges conferred and granted to towns and cities under the Constitution and the General Statutes of the State of Connecticut.

The First Selectman is the full-time chief executive and administrative officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman presides over the Board of Selectmen and has full voting privileges on the Board. The First Selectman, with the approval of the Board of Selectmen, appoints members to various commissions and boards.

The Board of Finance is responsible for proposing annual budgets and special appropriations for approval by the town meeting.

The Town's full-time professional staff includes a Finance Director who is responsible for the coordination of the activities of the accounting staff and treasury management functions of the Town. In addition, the Finance Director is responsible for assisting the Board of Finance in the preparation of the annual budget; the day-to-day administration of the adopted budget; the maintenance of the general ledgers of the various funds and account groups of the Town; financial planning and cost accounting; data processing; financial report preparation; and supervision of the annual independent audit. The Finance Director is also responsible for the investment of all Town funds.

Town Officials

<i>Office</i>	<i>Name</i>	<i>Manner of Selection</i>	<i>Expiration of Term</i>
First Selectman	J. Christopher Kervick	Elected / 2 Years	11/17
Selectman	Denise T. Balboni	Elected / 2 Years	11/17
Selectman	Michelle Hill	Elected / 2 Years	11/17
Finance Director/Deputy Treasurer	Catherine Cabral	Appointed / Indefinite	N/A
Chairman, Board of Finance	Paul Harrington	Elected / 2 Years	11/17
Town Clerk	William R. Hamel	Elected / 4 Years	1/18
Town Treasurer	William R. Hamel	Elected / 2 Years	11/17
Tax Collector	Peter Juszczynski	Elected / 2 Years	11/17
Superintendent of Schools	Susan Bell	Appointed / Indefinite	N/A

Municipal Services

Police Protection: The Windsor Locks Police Department is a full service municipal law enforcement agency that currently has an authorized strength of twenty-seven (27) sworn officers and seven (7) non-sworn positions. The Department strives to provide professional service to the community with 24 hour patrol services and support services such as Detective Division, School Resource Officer (SRO), DARE, Police K-9, and anti-crime patrols. The Police Department is located at the Public Safety Complex at 4 Volunteer Drive, Windsor Locks, Connecticut.

Fire Protection: The Windsor Locks Volunteer Fire Department operates one central station. Apparatus includes four "Class A" pumpers, two aerial trucks, one brush truck and a rescue unit. The department's volunteer force has a staff of 54 which includes eleven officers. The homes of the volunteer force are equipped with radio monitors.

Sewage Disposal: The treatment facility treats approximately 1.2 million gallons of sewage per day. The plant has a total capacity of 2.1 million gallons per day.

Solid Waste: The Town has executed a Service Contract (the “Service Contract”) with Covanta Springfield, LLC for the disposal of solid waste. The Service Contract became effective upon execution, November 2015 and will remain in effect for three years with the option to extend on a year to year basis. The Town’s tipping fee for fiscal year 2016-17 is \$58.75 per ton and will increase by the annual CPI in November of each year.

The Town of Windsor Locks continues to expand its extensive recycling program first begun in July, 1998. The Town began single-stream recycling in 2009.

Water: Windsor Locks is one of seven communities served by the Connecticut Water Company, Northern Division. The entire Northern Division serves 29,773 customers, 5,075 of which are served by 11 miles of pipe in Windsor Locks.

Utilities: Electricity for the Town is provided by the Connecticut Light & Power Company, a subsidiary of Northeast Utilities.

Human Services: The Human Services Department is responsible for providing a wide variety of social services to Town residents of all age groups. Among the programs administered by the department are: general assistance, energy assistance, property tax relief program, and food pantry. Discretionary assistance is also available to those who do not qualify for other programs.

Health Services: Windsor Locks is a member of the North Central Health District with offices in Enfield. Each member town contributes financially to the operation of the district based on its respective population. Numerous services are provided under several programs including Home Health, Community Health, Mental Health, Home Maintenance Management and the Meals on Wheels Program. Within these programs, special services are also available including Hospice, Mental Health After Care, Alzheimer’s, Private Duty Registry, Maternal Child Health, Senior Citizen Health and the Substance Abuse Program.

Senior Citizens: A Senior Citizens Center is available to the residents of Windsor Locks. Various recreational programs as well as a daily lunch program are provided. The Town also has available a mini-bus service for its senior and handicapped citizens.

Educational Services

School Enrollment

<i>School Year</i>	<i>Grades Pre-K - 5</i>	<i>Grades 6 - 8</i>	<i>Grades 9 - 12</i>	<i>Outplaced</i>	<i>Total</i>
<i>Historical</i>					
2006–07	881	403	624	139	2,047
2007–08	839	406	589	150	1,984
2008–09	860	413	574	140	1,987
2009–10	829	442	551	-	1,822
2010–11	827	414	544	-	1,785
2011–12	795	394	558	-	1,747
2012–13	788	372	552	151	1,863
2013–14	807	359	517	26	1,709
2014–15	810	355	457	130	1,752
2015-16	809	348	465	142	1,764
<i>Projected</i>					
2016-17	810	362	514	135	1,821
2017-18	807	360	507	130	1,804
2018-19	805	364	505	130	1,804

Source: Town of Windsor Locks, Board of Education.

School Facilities

School	Grades	Date of Construction (Latest Additions)	Number of Classrooms	Enrollment as of 10/1/2015	Operating Capacity
North School	Pre-K-2	1958 (1997)	28	428	592
South School	3-5	1964 (1997)	29	381	533
Middle School	6-8	1954 (1997)	42	348	648
High School	9-12	1963 (1997)	35	434	1116
Total			134	1,591	2,889

Employee Relations and Collective Bargaining Municipal Employees

	2015-16	2014-15	2013-14	2012-13	2011-12
General Government	85	86	89	86	84
Board of Education	387	393	241	239	245
Total	472	479	330	325	329

Employee Relations

Bargaining Unit	Number of Members	Contract Expiration Date
<u>General Government</u>		
Highway – N.A.G.E., RI-177	16	6/30/2018
Police – International Brotherhood of Police Officers, Local 523	24	6/30/2015 ¹
Water Pollution Control Authority – N.A.G.E., RI-177	7	6/30/2018
Dispatchers – N.A.G.E., RI-194	3	6/30/2015 ¹
Clerical, Town Hall – N.A.G.E., RI-177	13	6/30/2018
Total Organized	63	
Non-Union	22	
Total	85	
<u>Board of Education</u>		
Administrators – Windsor Locks Administrators Association	8	6/30/2017
Teachers – Windsor Locks Teachers Association	183	6/30/2019
Custodians – CT Independent Labor Union, Local 8	13	6/30/2018
Secretaries – Service Employees International Union, Local 531	13	6/30/2017
Nurses- CT Health Care Associates, National Union of Hospital and Health Care Employees.....	5	6/30/2017
Food Service- United Public Service Employee Union	20	6/30/2020
Special Education Paraprofessionals – CT Independent Labor Union, Local 4	54	6/30/2017
Total Organized	296	
Non-Union	91	
Total	387	

¹ In negotiation

Binding Arbitration

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide for 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 the 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 party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a town, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any items 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 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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III. Economic and Demographic Information

Population and Density

Year	Actual Population¹	% Increase	Density²
2014 ³	12,544	0.4%	1,390.7
2010	12,498	3.8%	1,385.6
2000	12,043	-2.5%	1,335.1
1990	12,358	1.4%	1,370.1
1980	12,190	-19.2%	1,351.4
1970	15,080	32.2%	1,671.8
1960	11,411	--	1,265.1

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 9.02 square miles.

³ American Community Survey 2010-2014

Age Distribution of the Population

Age	Town of Windsor Locks		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	592	4.7%	194,338	5.4%
5 to 9 years	533	4.2	217,491	6.1%
10 to 14 years	679	5.4	234,666	6.5%
15 to 19 years	703	5.6	255,499	7.1%
20 to 24 years	726	5.8	234,482	6.5%
25 to 34 years	1,760	14.0	433,145	12.1%
35 to 44 years	1,590	12.7	459,130	12.8%
45 to 54 years	2,218	17.7	563,772	15.7%
55 to 59 years	939	7.5	253,952	7.1%
60 to 64 years	721	5.7	214,499	6.0%
65 to 74 years	1,025	8.2	280,541	7.8%
75 to 84 years	742	5.9	162,971	4.5%
85 years and over	326	2.6	87,567	2.4%
Total.....	12,554	100%	3,592,053	100%
Median Age (Years) 2014.....	42.1		40.3	
Median Age (Years) 2010..... ¹	43.0		38.5	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2010-2014

Income Distribution

Income	Town of Windsor Locks		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	35	1.1%	30,584	3.4%
10,000 - 14,999.....	103	3.2	18,591	2.1%
15,000 - 24,999.....	127	3.9	46,537	5.2%
25,000 - 34,999.....	234	7.2	56,473	6.3%
35,000 - 49,999.....	290	9.0	85,206	9.5%
50,000 - 74,999.....	616	19.1	140,776	15.6%
75,000 - 99,999.....	648	20.1	129,656	14.4%
100,000 - 149,999.....	777	24.1	184,327	20.5%
150,000 - 199,999.....	224	6.9	93,100	10.3%
200,000 and over.....	174	5.4	114,307	12.7%
Total.....	3,228	100.0%	899,557	100.0%

Source: American Community Survey 2010-2014

Income Levels

	Town of Windsor Locks	State of Connecticut
Per Capita Income, 2014.....	\$ 35,129	\$ 38,480
Median Family Income, 2014.....	\$ 85,066	\$ 88,217
Median Household Income, 2014	\$ 67,222	\$ 69,899

Source: American Community Survey 2010-2014

Educational Attainment Years of School Completed Age 25 and Over

	Town of Windsor Locks		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	248	2.7%	106,784	4.3%
9th to 12th grade.....	562	6.1	150,227	6.1
High School graduate.....	3,270	35.4	677,887	27.6
Some college, no degree.....	1,949	21.1	431,807	17.6
Associate's degree	1,044	11.3	180,321	7.3
Bachelor's degree.....	1,408	15.2	506,662	20.6
Graduate or professional degree.....	840	9.1	401,889	16.4
Total.....	9,247	100.0%	2,455,577	100.0%
Total high school graduate or higher (%).....	91.3%		89.5%	
Total bachelor's degree or higher (%).....	24.1%		37.0%	

Source: American Community Survey 2010-2014

Major Employers

Employer	Type of Business	Approximate Number of Employees
Bradley International Airport	Airport	4,200
UTC Aerospace System	Aerospace manufacturing	4,000
C&S Distributors	Warehouse	500
Town of Windsor Locks	Municipality	472
United Parcel Service	Delivery service warehouse	450
Ahlstrom Corporation	Specialty paper products	400
Bombardier Aircraft Services	Aircraft maintenance	300
Health New England	Healthcare	200
Windsor Marketing Group	Marketing service	150
Enterprise Car Rental	Car Rentals	80

Employment by Industry Employed Persons 16 Years and Over

Sector	Town of Windsor Locks		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	17	0.2%	7,413	0.4%
Construction.....	316	4.6	97,974	5.5
Manufacturing.....	887	12.9	191,057	10.8
Wholesale trade.....	243	3.5	44,195	2.5
Retail trade.....	798	11.6	191,267	10.8
Transportation warehousing, and utilities....	507	7.4	65,068	3.7
Information.....	77	1.1	41,905	2.4
Finance, insurance, real estate, and leasing..	713	10.4	161,926	9.2
Professional, scientific, management, administrative, and waste management.....	638	9.3	197,880	11.2
Education, health and social services.....	1,112	16.1	467,574	26.5
Arts, entertainment, recreation, accommodation and food services.....	986	14.3	154,005	8.7
Other services (except public admin.).....	269	3.9	80,179	4.5
Public Administration.....	324	4.7	66,491	3.8
Total Labor Force, Employed.....	6,887	100%	1,766,934	100.0%

Source: American Community Survey 2010-2014

Employment Data

<i>Period</i>	<i>Town of Windsor Locks</i>		<i>Percentage Unemployed</i>		
	<i>Employed</i>	<i>Unemployed</i>	<i>Town of Windsor Locks</i>	<i>Enfield Labor Market</i>	<i>State of Connecticut</i>
December 2015.....	6,969	364	5.0	4.7	5.0
Annual Average					
2015.....	6,974	405	5.5	5.3	5.6
2014.....	6,689	454	6.4	6.1	6.7
2013.....	6,520	536	7.6	7.3	7.9
2012.....	6,445	625	8.8	8.1	8.3
2011.....	6,654	606	8.3	8.5	8.8
2010.....	6,642	680	9.3	9.0	9.0
2009.....	6,551	638	8.9	8.2	8.2
2008.....	6,712	415	5.8	5.4	5.7
2007.....	6,739	326	4.6	4.6	4.6
2006.....	6,650	299	4.3	4.5	4.4

Source: State of Connecticut, Department of Labor.

Commute to Work

	<i>Town of Windsor Locks</i>		<i>State of Connecticut</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Drove alone	5,831	86.0%	1,364,472	78.7%
Car pools	760	11.2	142,105	8.2
Used public transportation	77	1.1	81,585	4.7
Walked	10	0.1	52,655	3.0
Used other means	53	0.8	20,514	1.2
Worked at home	53	0.8	73,467	4.2
Total	6,784	100.0%	1,734,798	100.0%
Mean travel to work (minutes)		22.5		25.1

Source: American Community Survey 2010-2014

Age Distribution of Housing

<i>Year Built</i>	<i>Town of Windsor Locks</i>		<i>State of Connecticut</i>	
	<i>Units</i>	<i>Percent</i>	<i>Units</i>	<i>Percent</i>
1939 or earlier.....	952	17.3%	334,290	22.4%
1940 to 1969.....	2,784	50.7	536,618	36.0
1970 to 1979.....	344	6.3	200,288	13.4
1980 to 1989.....	682	12.4	193,794	13.0
1990 to 1999.....	185	3.4	113,875	7.6
2000 or 2009.....	500	9.1	104,093	7.0
2010 or later.....	49	0.9	7,423	0.5
Total Housing Units.....	5,496	100.0%	1,490,381	100.0%

Source: American Community Survey 2010-2014

Housing Inventory

Housing Units	Town of Windsor Locks		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	4,031	73.3%	882,955	59.2%
1-unit, attached.....	367	6.7	79,922	5.4
2 units.....	228	4.1	120,070	8.1
3 or 4 units.....	381	6.9	133,452	9.0
5 to 9 units.....	119	2.2	81,574	5.5
10 to 19 units.....	177	3.2	55,609	3.7
20 or more units.....	187	3.4	124,683	8.4
Mobile home.....	6	0.1	11,819	0.8
Boat, RV, van, etc.....	-	-	297	0.0
Total Inventory.....	5,496	100.0%	1,490,381	100.0%

Source: American Community Survey 2010-2014

Housing Vacancy Rates

Housing Units	Town of Windsor Locks		State of Connecticut	
	Units	Percent	Units	Percent
Occupied housing units	5,224	95.1%	1,356,206	91.0%
Vacant housing units	272	4.9%	134,175	9.0%
Total units	5,496	100.0%	1,490,381	100.0%
Homeowner vacancy rate		0.7		1.7
Rental vacancy rate		7.5		6.9

Source: American Community Survey 2010-2014

Owner Occupied Housing Values

Specified Owner-Occupied Units	Town of Windsor Locks		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	124	3.0%	24,122	2.6%
\$50,000 to \$99,000.....	66	1.6	26,438	2.9
\$100,000 to \$149,999.....	432	10.5	72,756	8.0
\$150,000 to \$199,000.....	1,396	34.0	137,797	15.1
\$200,000 to \$299,999.....	1,572	38.3	257,364	28.2
\$300,000 to \$499,999.....	485	11.8	243,882	26.7
\$500,000 to \$999,999.....	18	0.4	109,918	12.0
\$1,000,000 or more.....	15	0.4	40,766	4.5
Total.....	4,108	100.0%	913,043	100.0%
Median Value.....	\$202,100		\$274,500	

Source: American Community Survey 2010-2014

Building Permits

<i>Ending 6/30</i>	<i>Residential</i>		<i>Commercial / Industrial</i>		<i>Other</i>		<i>All Categories</i>	
	<i>No.</i>	<i>Value</i>	<i>No.</i>	<i>Value</i>	<i>No.</i>	<i>Value</i>	<i>No.</i>	<i>Value</i>
2016 ¹	189	\$4,242,750	20	\$15,828,938	343	\$ 6,354,931	552	\$26,426,619
2015	346	6,017,867	45	4,588,449	507	4,240,952	898	14,847,268
2014	246	4,173,474	52	5,953,339	415	3,789,331	713	13,916,144
2013	320	5,868,792	51	1,236,790	579	2,425,582	950	9,531,164
2012	292	3,704,388	72	6,069,470	458	3,077,213	822	12,851,071
2011	264	2,563,161	36	6,130,245	394	2,819,562	694	11,512,968
2010	242	4,975,949	45	10,853,136	404	3,166,377	691	18,995,462
2009	291	4,289,188	54	16,006,231	421	4,242,284	766	24,537,703
2008	273	6,013,181	47	11,121,009	427	4,498,126	747	21,632,316
2007	330	6,073,789	51	2,564,352	598	3,155,539	979	11,793,680

¹ This represents building permits from 7/1/15 to 2/19/16

Number and Size of Households

<i>Household Characteristics</i>	<i>Town of Windsor Locks</i>		<i>State of Connecticut</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Persons in households	12,499	—	3,472,533	—
Persons per household (average)	2.39	—	2.56	—
Persons per family (average)	3.07	—	3.15	—
 Family households	3,228	61.8%	899,557	66.3%
Non-family households	1,996	38.2%	456,649	33.7%
All households	5,224	100.0%	1,356,206	100.0%
 <i>Family households by type</i>				
Married couple	2,339	72.5%	664,328	73.9%
Female householders, no spouse ...	612	19.0%	175,928	19.6%
Other	277	8.6%	59,301	6.6%
Total family households	3,228	100.0%	899,557	100.0%
 <i>Non-family households by type</i>				
Householders living alone	1,706	85.5%	378,669	82.9%
Other	290	14.5%	77,980	17.1%
Total non-family households	1,996	100.0%	456,649	100.0%

Source: American Community Survey 2010-2014

IV. Tax Base Data

Property Tax – Assessments

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 and a revaluation by physical inspection no later than ten years from the preceding physical inspection. Since the Town completed its last revaluation effective as of October 1, 2013, a physical revaluation will be required for the assessment year commencing October 1, 2017. The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion onto the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year the Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

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 official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions are then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles which were registered after the October 1 assessment date, but before the following August 1. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

Property Tax - Collection Procedure

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real and personal property taxes are billed in the following July and are payable in two installments on July 1 and January 1. Motor vehicle supplemental bills are payable on January 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lienied each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Delinquent motor vehicle and personal property tax accounts that are deemed uncollectible are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate liens become uncollectible 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as a deferred revenue.

Effective October 1, 2015, Public Act No. 15-244 (the “Act”), allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at (i) 32.00 mills for the 2015 assessment year and (ii) 29.36 mills for the 2016 assessment year and thereafter. The Act also diverts a portion of state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The City’s motor vehicle tax rates for the current 2014 assessment year is 26.79 mills.

Comparative Assessed Valuations

Grand List of 10/1	Residential	Commercial & Industrial	Personal	Motor	Gross Taxable	Less Exemptions	Net Taxable	Percent Change
	Real Property (%)	Real Property (%)	Property (%)	Vehicle (%)	Grand List (000's)	(000's)	Grand List (000's)	
2015	40.4	22.6	21.2	15.8	\$ 1,394,821	\$ 147,585	\$ 1,247,236	5.9%
2014	42.9	21.3	22.4	13.5	1,338,047	160,752	1,177,295	-3.4%
2013 ¹	42.6	21.8	20.4	15.2	1,364,824	146,477	1,218,347	-4.1%
2012	46.5	22.6	18.4	12.5	1,410,980	141,149	1,269,831	0.4%
2011	50.6	25.2	8.8	15.4	1,386,837	122,058	1,264,779	2.1%
2010	51.3	25.9	9.4	13.4	1,357,056	118,518	1,238,538	0.2%
2009	52	25.1	11	11.9	1,360,972	125,283	1,235,689	-

¹ Revaluation.

Property Tax Levies and Collections

Fiscal Year Ending 6/30	Grand List of 10/1	Net Taxable Grand List (000s)	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 2/1/2016 ¹
2016 ¹	2014	\$1,208,431	26.79	\$ 32,374	IN COLLECTION		
2015	2013	1,218,347	26.23	32,739	98.0%	2.0%	0.99%
2014	2012	1,269,831	29.06	32,307	98.2%	1.8%	0.55%
2013 ²	2011	1,264,779	28.63	31,296	97.9%	2.1%	0.25%
2012	2010	1,238,538	28.15	29,699	97.8%	2.2%	0.15%
2011	2009	1,235,689	26.87	29,417	98.1%	1.9%	0.12%
2010	2008	1,259,892	21.65	27,675	97.7%	2.3%	0.12%
2009	2007	1,152,817	23.57	27,793	97.9%	2.1%	0.07%

¹ Subject to audit.

² Revaluation.

Sources: Tax Collector’s Office, Town of Windsor Locks.

Property Tax Receivable

Fiscal Year Ending 6/30	Town of Windsor Locks	
	Current Year	Total
2015	\$574,417	\$1,085,179
2014	611,263	1,295,184
2013	661,964	1,577,913
2012	661,810	1,407,694
2011	552,648	1,143,546
2010	360,339	1,184,789
2009	595,648	1,129,060

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
United Technologies Corporation	Manufacturing	\$ 46,608,801	3.96%
PV Holding Corp.....	Car rental	45,879,100	3.90%
Connecticut Light & Power Company	Utility	26,294,440	2.23%
EAN Holdings LLC	Car rental	25,800,614	2.19%
Hertz Vehicles LLC.....	Car rental	22,720,640	1.93%
Algonquin Windsor Locks LLC.....	Utility	22,363,416	1.90%
AREH Windsor Locks LLC.....	Car rental	21,770,200	1.85%
LPRI Ella Grosso Tpk LLC.....	Valet parking	15,727,910	1.34%
American Honda Motor Co.	Warehousing	14,053,120	1.19%
Ahlstrom Nonwovens LLC.....	Manufacturing	13,873,890	1.18%
Total		\$255,092,131	21.67%

¹ Based on October 1, 2014 Net Taxable Grand List of \$1,177,295,000.

Source: Tax Assessor, Town of Windsor Locks

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V. Debt Summary

Principal Amount of Indebtedness As of March 24, 2016 (Pro Forma)

Long-Term Debt ¹			Amount of Original Issue	Outstanding After This Issue	Final Maturity
Dated	Purpose	Rate %			
05/31/03	CWF.....	2.00	\$ 1,715,669	\$ 605,741	2022
10/01/13	General Purpose.....	2.00-4.00	2,775,000	2,405,000	2028
10/01/13	School.....	2.00-4.00	1,965,000	1,695,000	2028
07/01/14	General Purpose.....	2.00-3.00	3,400,000	2,965,000	2024
07/01/14	School.....	2.00-3.00	3,185,000	2,785,000	2024
Total Outstanding.....			\$ 13,040,669	\$ 10,455,741	
<u>This Issue</u>					
03/24/16	General Purpose.....	2.00-4.00	\$ 2,801,500	\$ 2,801,500	2036
03/24/16	School.....	2.00-4.00	6,608,500	6,608,500	2036
03/24/16	Sewer.....	2.00-4.00	140,000	140,000	2036
Sub-Total This Issue.....			9,550,000	9,550,000	
Total.....			\$ 22,590,669	\$ 20,005,741	

¹ Excludes Refunded Bonds.

Short-Term Debt As of March 24, 2016 (Pro Forma)

Project	Aggregate Amount Authorized	This Issue: The Notes Due: 3/23/17
Roadway Infrastructure 2015.....	\$ 1,150,000	\$ 1,001,000
High school ADA Code Improvements.....	250,000	83,000
School HVAC Improvements.....	730,000	191,000
School Windows.....	7,555,000	1,325,000
Total	\$ 9,685,000	\$ 2,600,000

**Annual Bonded Debt Maturity Schedule
As of March 24, 2016
(Pro Forma)**

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Payments	<u>This Issue: The Bonds</u>	Total Principal	Cumulative Principal Retired %
2016 ¹	\$ 30,432	\$ 66,894	\$ 97,326	\$ -	\$ 30,432	0.15%
2017	1,652,522	279,333	1,931,855	480,000	2,132,522	10.81%
2018	1,619,389	235,813	1,855,202	480,000	2,099,389	21.31%
2019	1,121,294	192,504	1,313,798	480,000	1,601,294	29.31%
2020	848,238	160,783	1,009,021	480,000	1,328,238	35.95%
2021	850,221	136,297	986,518	480,000	1,330,221	42.60%
2022	843,645	114,527	958,172	480,000	1,323,645	49.21%
2023	745,000	93,131	838,131	480,000	1,225,000	55.34%
2024	745,000	72,356	817,356	480,000	1,225,000	61.46%
2025	740,000	51,263	791,263	480,000	1,220,000	67.56%
2026	315,000	35,831	350,831	480,000	795,000	71.53%
2027	315,000	26,184	341,184	475,000	790,000	75.48%
2028	315,000	16,144	331,144	475,000	790,000	79.43%
2029	315,000	5,513	320,513	475,000	790,000	83.38%
2030	-	-	-	475,000	475,000	85.75%
2031	-	-	-	475,000	475,000	88.13%
2032	-	-	-	475,000	475,000	90.50%
2033	-	-	-	475,000	475,000	92.88%
2034	-	-	-	475,000	475,000	95.25%
2035	-	-	-	475,000	475,000	97.63%
2036	-	-	-	475,000	475,000	100.00%
Total.....	\$10,455,741	\$ 1,486,573	\$11,942,314	\$ 9,550,000	\$ 20,005,741	

¹ Excludes principal payments of \$2,090,259 and interest payments of \$268,998 made between July 1, 2015 and March 24, 2016.

Overlapping/Underlying Debt

The Town of Windsor Locks does not have any overlapping or underlying debt.

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

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**Debt Statement
As of March 24, 2016
(Pro Forma)**

Long-Term Debt Outstanding:

General Purpose (Includes this Issue).....	\$ 8,171,500
Schools (Includes this Issue).....	11,088,500
Sewer (Includes this Issue).....	745,741
Total Long-Term Debt	20,005,741
Short-Term Debt (Includes this issue to mature on 3/23/17).....	2,600,000
Total Direct Debt	22,605,741
Less: School Construction Grants Receivable (As of June 30, 2015) ¹	(604,741)
Total Direct Net Debt	22,001,000
Overlapping/Underlying Debt	-
Total Overall Net Debt	\$22,001,000

¹ The State of Connecticut will reimburse the Town for eligible principal and interest costs over the life of bonds issued for projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.

**Current Debt Ratios
As of March 24, 2016
(Pro Forma)**

Population ¹	12,544
Net Taxable Grand List (10/1/2014)	\$ 1,177,295,000
Estimated Full Value (NTGL/70%)	\$ 1,681,850,000
Equalized Net Taxable Grand List (10/1/13) ²	\$ 1,741,395,744
Money Income per Capita (2014) ¹	\$ 35,129

	Total Direct Debt: \$22,605,741	Total Overall Net Debt: \$22,001,000
Debt per Capita.....	\$1,802.12	\$1,753.91
Ratio to Net Taxable Grand List.....	1.92%	1.87%
Ratio to Estimated Full Value.....	1.34%	1.31%
Ratio to Equalized Grand List.....	1.30%	1.26%
Debt per Capita to Money Income per Capita.....	5.13%	4.99%

¹ American Community Survey 2010-2014

² Office of Policy and Management, State of Connecticut.

Bond Authorization

The Town of Windsor Locks 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 procedural requirements of the Town Charter. Bond and note issues are authorized by the Town Meeting upon the recommendation of the Town Council and the Board of Finance.

Temporary Financing

The Town of Windsor Locks has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. 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 temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a) and 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 for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from certain 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).

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of 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 Past Pension 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, and late payment of taxes) and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt to be paid from a funded sinking fund.

**Statement of Debt Limitation
As of March 24, 2016
(Pro Forma)**

Total Tax Collections (including interest and lien fees)

For the year ended June 30, 2015 \$ 32,853,380

Reimbursement For Revenue Loss:

Tax relief for elderly..... -

Base for Debt Limitation Computation..... \$ 32,853,380

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 73,920,105	-	-	-	-
4 1/2 times base.....	-	\$ 147,840,210	-	-	-
3 3/4 times base.....	-	-	\$ 123,200,175	-	-
3 1/4 times base.....	-	-	-	\$ 106,773,485	-
3 times base.....	-	-	-	-	\$ 98,560,140
Total Debt Limitation.....	\$ 73,920,105	\$ 147,840,210	\$ 123,200,175	\$ 106,773,485	\$ 98,560,140

Indebtedness:

Bonds Outstanding.....	5,370,000	4,480,000	605,741	-	-
Bonds (This Issue).....	2,801,500	6,608,500	140,000	-	-
Notes (This Issue).....	1,001,000	1,599,000	-	-	-
Debt Authorized But Unissued	1,101,500	682,483	-	-	-
Total Indebtedness.....	10,274,000	13,369,983	745,741	-	-

Less:

State School Grants Receivable ¹..... - (604,741) - - -

Total Net Indebtedness..... 10,274,000 12,765,242 745,741 - -

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS..... \$ 63,646,105 \$ 135,074,968 \$ 122,454,434 \$ 106,773,485 \$ 98,560,140

¹ The State of Connecticut will reimburse the Town for eligible principal and interest costs over the life of bonds issued for projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$229,973,660.

**Authorized but Unissued Debt
As of March 24, 2016
(Pro Forma)**

Project	Aggregate Amount Authorized	Grants Applied / Previously Bonded	Previous Paydowns	Maturing Notes Due: 3/24/16	New Money or (Paydowns)	This Issue:		Authorized but Unissued
						The Notes Due: 3/23/17	The Bonds	
Road and sidewalk improvements 2012	\$ 1,065,000	\$ -	\$ 47,500	\$ 1,017,500	\$ (53,250)	\$ -	\$ 964,250	\$ -
Roadway infrastructure 2013.....	800,000	-	-	800,000	(40,000)	-	760,000	-
Roadway Infrastructure 2014.....	880,000	-	-	880,000	(22,750)	-	857,250	-
Roadway Infrastructure 2015.....	1,150,000	-	-	-	1,001,000	1,001,000	-	149,000
Sanitary Sewerage System Improvements.....	140,000	-	-	140,000	-	-	140,000	-
Safety Complex Energy Improvements.....	110,000	-	-	-	110,000	-	110,000	-
Emergency Generator at Safety Complex.....	310,000	-	-	310,000	(200,000)	-	110,000	-
Fire Pumper.....	687,500	-	-	-	-	-	-	687,500
South Center Street Improvements.....	3,200,000	2,775,000	160,000	-	-	-	-	265,000
Windsor Locks HS 2015 ADA Improvements....	375,000	-	-	-	-	-	-	375,000
Various School Projects.....	1,720,000	1,618,517	50,000	-	-	-	-	51,483
High school ADA Code Improvements.....	250,000	-	2,500	87,500	(4,500)	83,000	-	160,000
School ADA Compliance.....	210,000	114,000	-	-	-	-	-	96,000
School HVAC Improvements.....	730,000	-	37,000	693,000	(36,500)	191,000	465,500	-
School Roof Replacements.....	1,455,000	565,687	3,000	1,452,000	(639,000)	-	813,000	-
School Windows.....	7,555,000	900,000	-	4,330,000	2,325,000	1,325,000	5,330,000	-
Total	\$ 20,637,500	\$ 5,973,204	\$ 300,000	\$ 9,710,000	\$ 2,440,000	\$ 2,600,000	\$ 9,550,000	\$ 1,783,983

Ratios of Net Long-Term Debt to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Estimated Full Value ¹ (000s)	Net Long-Term Debt ² (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population ³	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ⁴ (%)
2015	\$ 1,218,347	\$ 1,740,496	\$ 11,880	0.98%	0.68%	12,544	\$ 947	2.70%
2014	1,269,831	1,814,044	13,760	1.08%	0.76%	12,544	1,097	3.12%
2013	1,264,779	1,806,827	11,557	0.91%	0.64%	12,544	921	2.62%
2012	1,238,538	1,769,340	13,358	1.08%	0.75%	12,544	1,065	3.03%
2011	1,235,689	1,765,270	15,181	1.23%	0.86%	12,544	1,210	3.45%

¹ Assessment Ratio: 70%.

² Long-Term debt less school building construction grants receivable.

³ U.S. Department of Commerce, Bureau of Census, American Community Survey 2010-2014.

⁴ Money Income per Capita: American Community Survey 2010-2014 data; \$35,933 used for all calculations.

Ratio of Total General Fund Debt Service Expenditures To Total General Fund Expenditures and Transfers Out Last Five Fiscal Years

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures ¹	Ratio of General Fund Debt Service To Total General Fund Expenditures
2014	\$ 2,392,870	\$ 47,993,322	4.99%
2013	2,377,967	46,367,574	5.13%
2012	2,516,127	46,983,205	5.36%
2011	2,450,377	44,566,183	5.50%
2010	2,007,638	44,629,127	4.50%
2009	2,099,394	44,849,826	4.68%

¹ GAAP basis of accounting. Includes Transfers out.

Source: Annual Audited Financial Statements.

VI. Financial Administration

Fiscal Year

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

Basis of Accounting

The Town's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The Town's accounting records are maintained on a modified accrual basis, with major revenues recorded when earned and expenditures recorded when incurred. The accounting policies of the Town conform to generally accepted accounting principles as applied to governmental units. (See Appendix A – "Audited Financial Statements, Notes to Financial Statements" herein.)

Budget Procedure

The Town's fiscal year begins on the first day of July and ends on the 30th day of June. In accordance with the Town Charter, the Board of Finance prepares the budget for approval by the Town's Annual Budget Meeting. The Town's Charter outlines the budget adoption procedures. A brief summary of the procedures follows:

On or before December 1 each year, the Board of Finance provides all offices, boards and commissions with budget guidelines for the upcoming fiscal year. All budget requests from every board and commission which is dependent upon the Town budget for any portion of its operating income are submitted to the Board of Finance by February 14.

The Board of Finance may require meetings with the chairman and/or members of offices, boards and commissions to explain their requests. Also, any chairman or member of any office, board or commission is entitled to a hearing with respect to budgets. The Board of Finance revises the preliminary budget as it deems advisable and prepares the overall Town budget to be recommended to the annual budget meeting.

A public hearing is held not less than two weeks before the date of the budget meeting. The annual budget meeting is held on the third Tuesday of May each year. The procedure for adopting the annual budget is by a majority vote of qualified voters present and voting. Such vote is taken by paper ballot provided by the clerk of the meeting. In the event the proposed budget is not adopted by the annual budget meeting, the meeting adjourns to a referendum vote to be held in fourteen days.

Immediately upon approval of the budget, the Board of Finance establishes the tax rate and notifies the tax collector. An official copy of the budget is filed by the Board of Finance with the Town Clerk within five days of approval.

Generally, all unencumbered appropriations lapse at year-end, except those for the capital projects funds. Encumbered appropriations are carried forward. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Effective October 1, 2015, Public Act No. 15-244 (the "Act"), creates certain disincentives to the increasing of general budget expenditures by municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the amount of the municipal revenue sharing grant (which is created by the Act) for those municipalities whose increases in general budget expenditures, with certain exceptions, exceed the spending limits specified in the Act. Each fiscal year, OPM must reduce the municipal revenue sharing grant paid to a municipality if the annual increase in its general budget expenditures is equal to or greater than 2.5 percent or the inflation rate, whichever is greater. The reduction in the municipal revenue sharing grant will generally equal 50 cents for every dollar the municipality spends over the expenditure cap. However, for municipalities that taxed motor vehicles at more than 32 mills for the 2013 assessment year (for taxes levied in fiscal year 2015), the reduction shall not be more than the portion of the grant that exceeds the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills. (See "Property Tax Assessments" herein.)

The Act requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the increased spending limits, and if so, the amount by which the limit was exceeded.

Under the Act, municipal spending does not include expenditures:

1. for debt service, special education, or costs to implement court orders or arbitration awards;
2. associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or
3. for any municipal revenue sharing grant the municipality disburses to a district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for fiscal year 2017 disbursements, or 29.36 mills, for fiscal year 2018 disbursements and thereafter.

Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management. The Town is in full compliance with said provisions.

Pensions

Town employees, excluding teachers, participate in the Municipal Employees Retirement System (“MERS”). MERS is a cost-sharing, multiple-employer public retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut’s financial reporting entity and is included in the State’s financial reports as a pension trust fund.

Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. All benefits vest after five years of continuous service. Members who retire after age 55 with ten years of continuous service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life. Publicly available financial reports on MERS may be found at www.osc.ct.gov.

All Town teachers participate in the State of Connecticut Teachers’ Retirement System, a cost-sharing plan under Section 10.183 of the General Statutes of the State of Connecticut. The Town is not required to and does not contribute to the plan. Publicly available information may be found at www.ct.gov.

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 10” herein.

Other Post-Employment Benefits (OPEB)

The Town and Board of Education provide post-retirement benefits in accordance with various labor and personnel contracts to employees who meet specific service and age requirements. As of July 1, 2013 there were 392 participants in the plan (352 active employees and 40 retired members).

The Town's annual OPEB cost is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year ended June 30, 2014, \$356,156 actually contributed to the plan and changes in the Town's net OPEB obligation.

The Town has received from Hooker & Holcombe, Inc. actuarial valuations prepared as of July 1, 2013 for the Town OPEB Plan and the Board of Education OPEB Plan. The Town anticipates receiving actuarial valuations prepared as of July 1, 2015 for the Town OPEB Plan and the Board of Education OPEB Plan in April of 2016.

	Retiree Health Plan
Annual Required Contribution (ARC).....	\$ 386,014
Interest on Net OPEB Obligation.....	77,376
Adjustment to Annual Required Contribution.....	(81,234)
Annual OPEB Cost.....	382,156
Contributions Made.....	356,970
Increase in Net OPEB Obligation.....	25,186
Net OPEB Obligation, Beginning of Year.....	1,031,678
Net OPEB Obligation, End of Year.....	\$ 1,056,864

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented below.

Fiscal Year Ended	AOC	Actual Contributions	% of AOC Contributed	OPEB Obligation
6/30/2010	\$ 608,365	\$ 374,536	61.56%	\$499,736
6/30/2011	441,141	330,534	74.93%	610,343
6/30/2012	451,913	222,980	49.34%	839,276
6/30/2013	372,243	179,841	48.31%	1,031,678
6/30/2014	382,156	356,970	93.41%	1,056,864
6/30/2015	345,816	525,885	152.07%	876,795

The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Process

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$ -	\$ 5,248,420	\$ 5,248,420	0.0%	\$ 23,806,952	22.0%
7/1/2009	374,934	4,105,823	3,730,889	9.1%	24,096,139	15.5%
7/1/2011	1,065,348	3,924,205	2,858,857	27.1%	23,952,238	11.9%
7/1/2013	1,550,968	4,038,637	2,487,669	38.4%	22,136,805	11.2%
7/1/2015 ¹	2,092,160	n/a	n/a	n/a	n/a	n/a

¹ Budgeted amounts.

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 11” herein for more information.

Investment Policies and Practices

The Town Charter and Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government and money market mutual funds.

The Town’s new investment practices are in compliance with its Charter and the Connecticut General Statutes.

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Comparative Balance Sheets – General Fund

	<i>Actual</i> <i>6/30/2015</i>	<i>Actual</i> <i>6/30/2014</i>	<i>Actual</i> <i>6/30/2013</i>	<i>Actual</i> <i>6/30/2012</i>	<i>Actual</i> <i>6/30/2011</i>
Assets					
Cash and Cash Equivalents.....	\$ 8,357,174	\$ 7,032,478	\$ 6,635,150	\$ 3,418,055	\$ 3,766,604
Investments.....	4,289,897	5,651,435	5,588,591	5,553,592	5,997,558
Receivables:					
Property taxes	1,021,675	1,238,588	1,119,938	1,034,746	848,096
Other	55,905	92,136	76,793	26,973	52,789
Intergovernmental	782,040	930,119	1,369,342	2,905,239	1,628,781
Due from Other Funds.....	1,249,153	1,300,165	132,364	324,436	614,479
Other Assets.....	-	-	-	-	-
Total assets	15,755,844	16,244,921	14,922,178	13,263,041	12,908,307
Liabilities and Fund Balances					
Accounts payable	963,386	1,494,817	1,294,934	1,207,003	892,520
Deferred revenue	-	-	2,050,286	2,331,848	2,432,926
Unearned revenue	232,154	-	-	-	-
Due to other funds.....	557,088	337,280	291,981	104,060	433,907
Total liabilities	1,752,628	1,832,097	3,637,201	3,642,911	3,759,353
Deferred Inflows of Resources					
Advance Property Tax Collections.....	\$ 48,571	\$ 13,612	\$ -	\$ -	\$ -
Unavailable Revenue.....	1,488,052	1,888,413	-	-	-
Total Deferred Inflows	1,536,623	1,902,025	-	-	-
Fund Balances					
Nonspendable.....	-	-	-	-	-
Restricted.....	-	-	-	-	-
Committed.....	-	-	-	-	-
Assigned.....	1,642,681	636,260	1,084,965	151,165	197,984
Unassigned.....	10,823,912	11,874,539	10,200,012	9,468,965	8,950,970
Reserved.....	-	-	-	-	-
Undesignated.....	-	-	-	-	-
Total fund balance	12,466,593	12,510,799	11,284,977	9,620,130	9,148,954
Total liabilities and fund balance	15,755,844	16,244,921	14,922,178	13,263,041	12,908,307
Analysis of General Fund Balance					
Operating revenues	\$ 49,251,423	\$ 50,171,300	\$ 47,899,212	\$ 47,322,569	\$ 45,227,861
Fund balance as a percent of operating revenues	25.31%	24.94%	23.56%	20.33%	20.23%
Unassigned fund balance as a percent of operating revenues	21.98%	23.67%	21.29%	20.01%	19.79%

General Fund Revenues and Expenditures
Five Year Summary of Audited Revenues and Expenditures (GAAP Basis)
And Estimated Actuals and Adopted Budget (Budgetary Basis)

	Budget 6/30/2016¹	Actual 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012	Actual 6/30/2011
Revenues:						
Property Taxes	\$ 32,551,704	\$ 33,342,550	\$ 32,868,278	\$ 31,479,654	\$ 29,941,636	\$ 29,739,882
Intergovernmental.....	11,745,848	14,563,701	15,923,535	15,521,733	16,318,822	14,469,734
Charges for Services.....	784,831	1,035,064	1,047,418	787,024	888,129	713,082
Investment Income.....	95,000	76,620	106,795	63,945	106,154	162,101
Other Revenue.....	66,001	233,488	225,274	46,856	67,828	143,062
Total.....	45,243,384	49,251,423	50,171,300	47,899,212	47,322,569	45,227,861
Expenditures:						
General Government	2,057,229	2,297,535	2,028,051	1,641,764	1,830,434	1,665,489
Public Safety	4,609,376	4,407,138	4,461,665	4,094,162	3,923,478	4,001,008
Public Works	2,365,778	2,422,258	2,558,060	2,447,025	3,798,731	2,318,266
Health & Welfare.....	432,883	407,271	363,402	343,991	373,837	364,845
Recreation	844,095	839,250	839,578	795,622	757,070	774,576
Benefits & Insurance.....	3,002,005	2,788,515	2,740,272	2,630,761	2,664,566	2,527,293
Education	29,336,822	32,258,906	32,609,424	31,350,999	30,503,362	29,185,597
Debt Service	2,333,150	2,689,101	2,392,870	2,377,967	2,516,127	2,450,377
Total.....	44,981,338	48,109,974	47,993,322	45,682,291	46,367,605	43,287,451
Excess (Deficiency) of Revenues						
Over Expenditures.....	262,046	1,141,449	2,177,978	2,216,921	954,964	1,940,410
Other financing sources (uses):						
Bond Premium Issuance.....	-	398,160	138,138	-	-	-
Refunding Bond Issuance.....	-	6,585,000	-	-	-	-
Payments to Escrow Agent.....	-	(6,889,215)	-	-	-	-
Transfers In.....	140,654	164,344	133,196	133,209	131,912	93,047
Transfers Out.....	(1,442,270)	(1,443,944)	(1,223,490)	(685,283)	(615,700)	(1,278,732)
Total Other financing sources (uses).....	(1,301,616)	(1,185,655)	(952,156)	(552,074)	(483,788)	(1,185,685)
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses.....	(1,039,570)	(44,206)	1,225,822	1,664,847	471,176	754,725
Fund Balance, Beginning of Year.....	12,466,593	12,510,799	11,284,977	9,620,130	9,148,954	8,394,229
Fund Balance, End of Year.....	\$ 11,427,023	\$ 12,466,593	\$ 12,510,799	\$ 11,284,977	\$ 9,620,130	\$ 9,148,954

¹ Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

Intergovernmental Revenues

Fiscal Year Ended 6/30	Intergovernmental Revenues	Total General Fund Revenues And Transfers	Percent
2014	\$15,923,535	\$51,394,790	30.98%
2013	15,521,733	48,584,495	31.95%
2012	16,318,822	47,938,269	34.04%
2011	14,469,734	46,506,593	31.11%
2010	14,162,353	44,771,420	31.63%
2009	14,907,575	46,489,473	32.07%

Source: Annual Audited Financial Statements.

VII. Legal And Other Information

Litigation

The Town of Windsor Locks, its officers, employees, boards, and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings, and other miscellaneous claims. It is the opinion of the Town Attorney that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the Town which would have a material adverse effect on the Town's financial position.

Documents Furnished At Delivery

The original purchaser(s) will be furnished the following documents when the Bonds and the Notes, respectively, are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the Notes or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the First Selectman, the Treasurer, and the Finance Director which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were awarded for 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 statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A Receipt for the purchase price of the Bonds and the Notes, respectively.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes, respectively, in substantially the forms attached hereto as Appendices C-1 and C-2 to this Official Statement.
6. The Town of Windsor Locks has prepared an Official Statement for the Bonds and the Notes which is dated March 16, 2016. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder(s) of the Bonds twenty-five (25) copies, and the Notes five (5) copies, of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder(s) at the office of the Town's financial advisor no later than seven business days of the bid opening. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds and the Notes are received, the copies of the final Official Statement will include an additional cover page and other pages indicating the interest rates, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, and any changes on the Securities. The purchasers shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchasers.

A record of the proceedings taken by the Town in authorizing the Bonds and the Notes will be kept on file at offices of U.S. Bank National Association, and may be examined upon reasonable request.

Concluding Statement

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF WINDSOR LOCKS, CONNECTICUT

By: /s/ *J. Christopher Kervick*

J. Christopher Kervick, *First Selectman*

By: /s/ *William R. Hamel*

William R. Hamel, *Treasurer*

By: /s/ *Catherine Cabral*

Catherine Cabral, *Finance Director*

Dated: March 16, 2016

Appendix A

2015 Financial Statements

Excerpted from the Town's Comprehensive Annual Financial Report

The following includes the General Purpose Financial Statements of the Town of Windsor Locks, Connecticut for the fiscal year ended June 30, 2015. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Managing Director, Phoenix Advisors, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

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Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Windsor Locks, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As discussed in Note 13 to the financial statements, during the fiscal year ended June 30, 2015, the Town adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The net position of the Town has been restated to recognize the net pension liability required in implementing both GASB No. 68 and GASB No. 71. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the budgetary comparison information on pages 51 through 57 and the pension schedules on pages 58 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Windsor Locks, Connecticut, as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 30, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2014 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2016 on our consideration of the Town of Windsor Locks, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Windsor Locks, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
January 26, 2016

**TOWN OF WINDSOR LOCKS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Management of the Town of Windsor Locks, Connecticut (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015. Please read it in conjunction with the Town's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$80.2 million (net position). Of this amount, \$20.5 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government-wide basis, during the year the Town's total net position increased by \$4.9 million (6.4%) from \$75.3 million to \$80.2 million. The majority of the increase is attributable to the capital assets. There were new GASB Statements affecting the financials due to added pension liabilities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13.9 million, an increase of \$107 thousand in comparison with the prior year.
- At the end of the close of the current fiscal year, unassigned fund balance for the General Fund was \$10.8 million, or 21.8% of total General Fund expenditures and transfers out.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise 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 in addition to the basic financial statements themselves.

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 a private-sector business.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues, since the Town does not operate any business-type activities. The governmental activities of the Town include general government, public safety, public works, health and welfare, recreation and education.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town'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 Town'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 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 balance for the General Fund, Sewer Administration Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided as required supplementary information.

Proprietary Funds

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its medical insurance benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary type funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position from a year ago increased from \$75.4 million due to added liabilities required by GASB for pension activity to \$80.2 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

TABLE 1
NET POSITION
In Thousands

	Governmental Activities	
	2015	2014 As Restated
Current and other assets	\$ 33,793	\$ 28,782
Capital assets, net of accumulated depreciation	77,809	74,193
Total assets	<u>111,602</u>	<u>102,975</u>
Deferred outflows of resources	<u>1,133</u>	<u>819</u>
Long-term debt outstanding	19,542	21,452
Other liabilities	11,967	6,965
Total liabilities	<u>31,509</u>	<u>28,417</u>
Deferred inflows of resources	<u>1,004</u>	<u>14</u>
Net Position:		
Net investment in capital assets	59,748	55,783
Restricted	4	4
Unrestricted	<u>20,470</u>	<u>19,576</u>
Total Net Position	<u>\$ 80,222</u>	<u>\$ 75,363</u>

Net position of the Town's governmental activities increased by 6.4%. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed to \$19.5 million at June 30, 2014 as restated due to new GASB requirements related to pensions and increased to \$20.5 million at the end of this year.

TABLE 2
CHANGE IN NET POSITION
In Thousands

	Governmental Activities	
	2015	2014
Revenues:		
Program revenues:		
Charges for services:	\$ 4,292	\$ 4,176
Operating grants and contributions	14,009	14,432
Capital grants and contributions	2,689	27
General revenues:		
Property taxes	33,050	32,932
Grants and contributions not restricted to specific purposes	4,484	4,482
Investment income	105	136
Miscellaneous	264	253
Total revenues	<u>58,893</u>	<u>56,438</u>
Expenses:		
General government	2,615	2,399
Public safety	5,482	5,253
Public works	4,971	5,336
Health and welfare	524	455
Recreation	1,226	1,206
Education	38,715	38,296
Interest on long-term debt	501	484
Total program expenses	<u>54,034</u>	<u>53,429</u>
Increase in Net Position	\$ <u>4,859</u>	\$ <u>3,009</u>

The Town's total revenues were \$58.9 million. The total cost of all programs and services was \$54.0 million. Our analysis below considers the operations of governmental activities.

Governmental Activities

Approximately 56.2% of the revenues were derived from property taxes, followed by 23.8% from operating grants and contributions, 12.2% from other grants and 7.3% charges for services. The remaining 0.5% was derived from investment earnings and miscellaneous revenue.

Major revenue factors included:

- Operating and capital grants increased by \$2.2 million.
- Prior year property tax revenue attributed to an increase of \$741 thousand allowing for an overall increase of \$118 thousand.
- Charges for services increased by \$116 thousand.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. However, there were a couple of exceptions noted below.

- Conservative efforts by public works, public safety, and general government due to a spending freeze added to a positive position from budget to actual.
- A new landfill/refuse contract was negotiated allowing for savings in expenditures as well as a bond refinancing.
- Property, liability, and worker's compensation averaged a 0.9% increase. The Town has a self insured medical program and this year our medical insurance expenditures increased by 6.6%.
- The cost of education services increased due to negotiated wage settlements, employee health insurance cost increases, special education cost.

Table 3 presents the cost of each of the Town's largest programs - general government, public safety, public works, health and welfare, recreation and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3
GOVERNMENTAL ACTIVITIES
In Thousands**

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
General government	\$ 2,615	\$ 2,399	\$ (303)	\$ (707)
Public safety	5,482	5,253	5,137	4,943
Public works	4,971	5,336	(194)	2,935
Health and welfare	524	455	416	341
Recreation	1,226	1,206	790	730
Education	38,715	38,296	26,717	26,098
Interest	501	484	479	454
Totals	<u>\$ 54,034</u>	<u>\$ 53,429</u>	<u>\$ 33,042</u>	<u>\$ 34,794</u>

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$13.9 million, which is an increase from last year's total of \$13.8 million. Approximately \$7.2 million (51.5%) of this total amount constitutes unassigned fund balance, which is available for spending at the Town's discretion. \$1.6 million (11.7%) is assigned as encumbrances and subsequent years appropriations. \$4.7 million (34.0%) is committed to designated use. The remainder of fund balance is restricted or non-spendable to indicate that it is not available for spending because it has already been obligated for permanently restricted endowments inventory (\$384 thousand).

General Fund Budgetary Highlights

The General Fund is the operating fund of the Town. At the end of the current fiscal year, total fund balance and unassigned fund balance of the General Fund was \$12.4 million and \$10.8 million, respectively.

There has been a designated use of fund balance for next year's capital expenditures and debt reduction in the amount of \$1,038,570, while unassigned fund balance was \$10,823,912. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 21.8% of total General Fund expenditures and transfers out.

The fund balance of the Town's General Fund decreased by \$44.2 thousand during the current fiscal year. The key factor was a decrease in Town expenses for the budget year and revenue.

Sewer Administration Fund

The fund balance increased by approximately \$99.9 thousand due to an increase in revenue and decrease in expenditures. \$103 thousand of the transfer to the General Fund was for debt service.

Capital Projects Fund

This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities. Appropriations are made annually by the Board of Finance and citizen referendum pursuant to the Town Charter. Expenditures for capital projects and equipment for 2014-15 were \$3.1 million.

The Town is continuing renovations and upgrade projects for Town Hall. The Town continues with sewer and road reconstruction projects. There have been various sidewalk improvements. A commitment was received from the State Department of Transportation for an engineering design regarding the train platform located in the center of Town.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the Town had invested in a broad range of capital assets, including land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles, furniture and fixtures and infrastructure (roads, sewer lines, sidewalks) on a gross basis of \$122.9 and \$77.8 million net of accumulated depreciation.

TABLE 4
CAPITAL ASSETS (Net of Depreciation)
In Thousands

		Governmental Activities	
		2015	2014
Land	\$	3,724	\$ style="text-align: right;">3,694
Construction in progress		3,051	4,974
Land improvements		1,935	1,936
Buildings		7,360	7,509
Building improvements		29,268	27,706
Machinery and equipment		5,256	5,124
Vehicles		3,179	2,383
Furniture and fixtures		159	164
Infrastructure		23,877	20,703
Totals	\$	<u>77,809</u>	\$ style="text-align: right;"> <u>74,193</u>

This year's major additions included:

- Completion of Fernwood/Northwood Streets Project
- Board of Education Roof Projects
- Various Road and Sewer projects

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2015, the Town had bonded debt outstanding of \$11.9 million. All of this debt comprises debt backed by the full faith and credit of the Town.

The Town's total debt decreased by a net of \$1.9 million. The Town upgraded to an "AA+" rating from an "AA" rating assigned by Standard & Poor's and maintains an "Aa1" rating from Moody's Investors Service for general obligation debt. The State limits the amount of general obligation debt that towns can issue on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$231.6 million State-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The November 2015 unemployment rate for the Town is currently 4.6%, which is a decrease from a rate of 5.8% a year ago. This compares favorably to the State's average unemployment rate of 5.1% as of November 2015. Recessionary trends are consistent with national indices.

All of these factors were considered in preparing the Town's budget for the 2015 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund decreased by approximately \$1,050 thousand.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 50 Church Street, Windsor Locks, Connecticut 06096-2348.

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 25,286,937
Investments	5,516,316
Receivables, net	2,978,708
Inventories	11,012
Capital assets:	
Assets not being depreciated	6,774,576
Assets being depreciated, net	71,034,306
Total assets	<u>111,601,855</u>
Deferred Outflows of Resources:	
Pension contributions subsequent to the measurement date	902,297
Deferred charge on refunding	231,185
Total deferred outflows of resources	<u>1,133,482</u>
Liabilities:	
Accounts and other payables	1,839,087
Bond anticipation note payable	9,710,000
Unearned revenue	417,272
Noncurrent liabilities:	
Due within one year	2,482,769
Due in more than one year	17,059,551
Total liabilities	<u>31,508,679</u>
Deferred Inflows of Resources:	
Differences between pension projected and actual investment activity	955,687
Advance property tax collections	48,571
Total deferred inflows of resources	<u>1,004,258</u>
Net Position:	
Net investment in capital assets	59,747,920
Restricted for trust purposes:	
Nonexpendable	3,835
Unrestricted	<u>20,470,645</u>
Total Net Position	<u>\$ 80,222,400</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 2,614,652	\$ 417,445	\$ 2,500,020	\$	\$ 302,813
Public safety	5,481,742	276,867	67,325		(5,137,550)
Public works	4,970,938	2,212,932	263,475	2,688,938	194,407
Health and welfare	523,740	76,924	30,605		(416,211)
Recreation	1,226,055	436,271			(789,784)
Education	38,714,925	871,933	11,125,646		(26,717,346)
Interest on long-term debt	501,122		22,295		(478,827)
Total Governmental Activities	<u>\$ 54,033,174</u>	<u>\$ 4,292,372</u>	<u>\$ 14,009,366</u>	<u>\$ 2,688,938</u>	<u>(33,042,498)</u>
General revenues:					
Property taxes					33,049,562
Grants and contributions not restricted to specific programs					4,484,260
Unrestricted investment earnings					104,462
Miscellaneous					263,861
Total general revenues					<u>37,902,145</u>
Change in net position					4,859,647
Net Position at Beginning of Year, as Restated					<u>75,362,753</u>
Net Position at End of Year					<u>\$ 80,222,400</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WINDSOR LOCKS, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General</u>	<u>Sewer Administration</u>	<u>Capital Projects</u>	<u>Special Education Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 8,357,174	\$ 687,904	\$ 8,274,233	\$ 756,253	\$ 978,078	\$ 19,053,642
Investments	4,289,897	1,222,584			3,835	5,516,316
Receivables, net	1,859,620	311,563		45,417	201,405	2,418,005
Due from other funds	1,249,153		319,365		237,723	1,806,241
Inventories					11,012	11,012
Total Assets	<u>\$ 15,755,844</u>	<u>\$ 2,222,051</u>	<u>\$ 8,593,598</u>	<u>\$ 801,670</u>	<u>\$ 1,432,053</u>	<u>\$ 28,805,216</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 963,386	\$ 16,411	\$ 56,700	\$ 90,235	\$ 154,581	\$ 1,281,313
Bond anticipation notes payable			9,710,000			9,710,000
Due to other funds	557,088	87,892	229,390	568,091	148,498	1,590,959
Unearned revenue	232,154			140,552	44,566	417,272
Total liabilities	<u>1,752,628</u>	<u>104,303</u>	<u>9,996,090</u>	<u>798,878</u>	<u>347,645</u>	<u>12,999,544</u>
Deferred Inflows of Resources:						
Advance property tax collections	48,571					48,571
Unavailable revenue - property taxes	883,311					883,311
Unavailable revenue - long-term receivable	604,741					604,741
Unavailable revenue - special assessments		307,826				307,826
Total deferred inflows of resources	<u>1,536,623</u>	<u>307,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,844,449</u>
Fund Balances:						
Nonspendable					14,012	14,012
Restricted				2,792	367,258	370,050
Committed		1,809,922	2,237,630		703,138	4,750,690
Assigned	1,642,681					1,642,681
Unassigned	10,823,912		(3,640,122)			7,183,790
Total fund balances	<u>12,466,593</u>	<u>1,809,922</u>	<u>(1,402,492)</u>	<u>2,792</u>	<u>1,084,408</u>	<u>13,961,223</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,755,844</u>	<u>\$ 2,222,051</u>	<u>\$ 8,593,598</u>	<u>\$ 801,670</u>	<u>\$ 1,432,053</u>	<u>\$ 28,805,216</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2015

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

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

Fund balances - total governmental funds (Exhibit III)	\$ 13,961,223
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 122,853,305	
Less accumulated depreciation	<u>(45,044,423)</u>	
Net capital assets		77,808,882

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

Property tax receivables greater than 60 days	883,311
Interest and lien receivable on property taxes	355,215
Assessments receivable	307,826
Interest and lien receivable on assessments	139,431
Receivable from the state for school construction projects	604,741
Deferred outflow related to pension contributions subsequent to the measurement date	902,297

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.

5,642,838

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(13,025,214)
Interest payable on bonds and notes	(116,542)
Compensated absences	(1,187,469)
Capital leases	(1,350,565)
Net pension liability	(2,984,777)
Deferred inflow related to differences between pension projected and actual investment act	(955,687)
OPEB obligation	(876,795)
Heart and hypertension	(117,500)
Deferred charge on refunding	<u>231,185</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 80,222,400</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General</u>	<u>Sewer Administration</u>	<u>Capital Projects</u>	<u>Special Education Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 33,342,550	\$	\$	\$	\$	\$ 33,342,550
Intergovernmental	14,563,701		327,848	2,889,503	956,548	18,737,600
Charges for services	1,035,064	1,908,829		302,785	979,927	4,226,605
Contributions					14,546	14,546
Income on investments	76,620	20,051	2,441		5,350	104,462
Other revenues	233,488	582	24,242		1,741	260,053
Total revenues	<u>49,251,423</u>	<u>1,929,462</u>	<u>354,531</u>	<u>3,192,288</u>	<u>1,958,112</u>	<u>56,685,816</u>
Expenditures:						
Current:						
General government	2,297,535				179,804	2,477,339
Public safety	4,407,138				295,058	4,702,196
Public works	2,422,258	1,561,492			88,536	4,072,286
Health and welfare	407,271				91,780	499,051
Recreation	839,250				311,273	1,150,523
Employee benefits and insurance	2,788,515					2,788,515
Education	32,258,906			3,189,496	788,211	36,236,613
Capital outlay			3,037,035			3,037,035
Debt service	2,689,101		120,342			2,809,443
Total expenditures	<u>48,109,974</u>	<u>1,561,492</u>	<u>3,157,377</u>	<u>3,189,496</u>	<u>1,754,662</u>	<u>57,773,001</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,141,449</u>	<u>367,970</u>	<u>(2,802,846)</u>	<u>2,792</u>	<u>203,450</u>	<u>(1,087,185)</u>
Other Financing Sources (Uses):						
Issuance of capital leases			1,100,000			1,100,000
Refunding bond issuance	6,585,000					6,585,000
Premium on refunding bond issuance	398,160					398,160
Payments to escrow agent	(6,889,215)					(6,889,215)
Transfers in	164,344		1,577,634			1,741,978
Transfers out	(1,443,944)	(268,028)			(30,006)	(1,741,978)
Total other financing sources (uses)	<u>(1,185,655)</u>	<u>(268,028)</u>	<u>2,677,634</u>	<u>-</u>	<u>(30,006)</u>	<u>1,193,945</u>
Net Change in Fund Balances	(44,206)	99,942	(125,212)	2,792	173,444	106,760
Fund Balances at Beginning of Year	<u>12,510,799</u>	<u>1,709,980</u>	<u>(1,277,280)</u>	<u>-</u>	<u>910,964</u>	<u>13,854,463</u>
Fund Balances at End of Year	<u>\$ 12,466,593</u>	<u>\$ 1,809,922</u>	<u>\$ (1,402,492)</u>	<u>\$ 2,792</u>	<u>\$ 1,084,408</u>	<u>\$ 13,961,223</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 106,760
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	6,135,744
Depreciation expense	(2,516,059)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus the change in net position differs from the change in fund balance by the cost of the assets sold.	(4,038)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(249,978)
Property tax receivable - accrual basis change	(150,383)
Property tax interest and lien receivable - accrual basis change	(142,605)
Sewer assessment receivable - accrual basis change	35,673
Sewer assessment interest and lien receivable - accrual change	19,811
Change in deferred outflow related to pension contributions subsequent to the measurement date	102,620

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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and note principal payments	1,908,897
Capital lease proceeds	(1,100,000)
Capital lease payments	352,640
Refunding bond issuance	(6,585,000)
Premium on refunding bond issuance	(398,160)
Payments to escrow agent	6,889,215

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 the governmental funds:

Amortization of premium	48,450
Compensated absences	(331,061)
OPEB obligation	180,069
Accrued interest	30,768
Amortization of deferred charge on refunding	(32,434)
Net pension liability	1,189,646
Deferred inflow related to differences between pension projected and actual investment activity	(955,687)

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.

324,759

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>4,859,647</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2015

	Governmental Activities Internal Service Fund
Assets:	
Current:	
Cash and cash equivalents	\$ 6,233,295
Accounts receivable	<u>66,057</u>
Total assets	<u>6,299,352</u>
Liabilities:	
Accounts payable	116,232
Claims payable	325,000
Due to other funds	<u>215,282</u>
Total liabilities	<u>656,514</u>
Net Position:	
Unrestricted	<u><u>\$ 5,642,838</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:	
Premiums	\$ <u>5,469,856</u>
Operating Expenses:	
Claims	4,373,131
Administration	<u>777,515</u>
Total operating expenses	<u>5,150,646</u>
Operating Income	319,210
Nonoperating Revenue:	
Income on investments	<u>5,549</u>
Change in Net Position	324,759
Net Position at Beginning of Year	<u>5,318,079</u>
Net Position at End of Year	\$ <u><u>5,642,838</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 5,480,854
Cash payments to providers of benefits and administration	(5,017,496)
Net cash provided by operating activities	<u>463,358</u>
Cash Flows from Investing Activities:	
Income on investments	<u>5,549</u>
Net Increase in Cash and Cash Equivalents	468,907
Cash and Cash Equivalents at Beginning of Year	<u>5,764,388</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>6,233,295</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 319,210
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in due from other funds	1,994
Decrease in accounts receivable	9,004
Increase in claims and accounts payable	147,232
Decrease in due to other funds	<u>(14,082)</u>
Net Cash Provided by Operating Activities	\$ <u><u>463,358</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2015

	OPEB Trust Fund	Student Activity Fund
Assets:		
Cash and cash equivalents	\$	\$ 225,854
Investments	2,092,160	
Accounts receivable	91,733	
Total assets	<u>2,183,893</u>	<u>\$ 225,854</u>
Liabilities:		
Accounts and other payables		<u>\$ 225,854</u>
Net Position:		
Held in Trust for OPEB Benefits	<u>\$ 2,183,893</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF WINDSOR LOCKS, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION - OPEB TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>OPEB Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 525,885
Employee	<u>282,298</u>
Total contributions	808,183
Investment income:	
Net appreciation in fair value of investments	<u>36,745</u>
Total additions	844,928
Deductions:	
Benefits	<u>649,550</u>
Net Increase	195,378
Net Position Held in Trust for OPEB Benefits at Beginning of Year	<u>1,988,515</u>
Net Position Held in Trust for OPEB Benefits at End of Year	<u><u>\$ 2,183,893</u></u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Windsor Locks, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town of Windsor Locks was incorporated in 1854, under the General Statutes of the State of Connecticut. The Town adopted a Town Charter effective January 5, 1981, which was revised on December 2, 1993. The form of government includes a Board of Selectmen consisting of a First Selectman, who is the chief administrative and executive official of the Town, and two other members. The Board of Selectmen and the Town Meeting have the legislative power of the Town, and may enact ordinances consistent with the General Statutes of the State of Connecticut and specific provisions of the Town Charter. The Board of Education, which is not a separate legal entity, is responsible for the operation of the public school system.

Additionally, the Charter includes a Board of Finance and a Treasurer. The Board of Finance is responsible for presenting fiscal operating budgets for Town approval. The Treasurer receives all money belonging to the Town and makes expenditures based upon the appropriate authority.

B. 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 nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Agency funds do not have a measurement focus but are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The Sewer Administration Fund accounts for sewer services provided to certain residents of the Town. The major source of revenue is sewer assessment charges.

The Capital Projects Fund accounts for the financial revenues to be used for major capital asset construction and/or purchases. The major sources of revenue are grants, capital leases and bond issuances.

The Special Education Grants Fund accounts for education programs not included in the general fund budget. The major source of revenue for this fund is education grants.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for risk financing activities for medical insurance benefits as allowed by GASB Statement No. 10.

The OPEB Trust Fund accounts for the activities of the Windsor Locks other postemployment benefits for town retirees and their beneficiaries.

The Agency Fund is used to account for monies held on behalf of students.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the 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 property taxes.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to customers for medical insurance benefits. Operating expenses for the internal service fund include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." An amount of \$63,504 has been established as an allowance for uncollectible taxes. At June 30, 2015, this represents 6% of all property taxes receivable.

In the fund financial statements, all property taxes receivable at June 30, 2015, which have not been collected within 60 days of June 30, have been recorded as deferred revenue since they are not considered to be available to finance expenditures of the current fiscal year. Taxes collected during the 60-day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date. Payments not received within one month after the due date become delinquent, with interest charged at 1-1/2% per month.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

F. 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 government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	75
Building improvements	75
Land improvements	20
Roads	25-50
Sidewalks	25
Sewer plant	50
Sewer lines	70
Storm drains	70
Vehicles	8
Office equipment	5-10

G. 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 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. The Town also reports deferred outflows of resources related to pension contributions subsequent to the actuarial measurement date. These amounts are deferred and recognized in pension expense in the subsequent year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow related to differences between expected and actual earnings on pension plan investments. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining services lives of all employees that are provided with benefits through the pension plan (active employees and inactive

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

employees). The Town also reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax receivables represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, long-term receivables and special assessments. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

H. Compensated Absences

Employees are paid by prescribed formula for absence due to vacation or sickness. For certain Town employees and Board of Education employees, vacation time and sick time may be accumulated and paid upon death or retirement, up to certain limits.

I. 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.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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 are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

K. Fund Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Restricted Net Position

Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Windsor Locks Board of Finance and Town Meeting). Amounts can be committed, modified or rescinded by resolution of the Board of Finance or vote at Town Meeting.

Assigned Fund Balance

This includes 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 by the Town Charter (Windsor Locks Finance Director and Board of Education Business Manager).

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

L. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. On or before February 1 of each year, each officer and the head of each office, board or commission supported wholly or in part from Town funds, files a detailed estimate of the expenditures to be made and revenues to be collected in the ensuing year with the Board of Finance.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

The Board of Finance then prepares a proposed general Town budget and tax mill rate, holds a public hearing and presents the budget to the annual Town budget meeting, at which time it is legally adopted.

Funds for any additional appropriations less than \$10,000 or any emergency appropriations shall be drawn as directed by the Board of Finance from any available fund balance, an approved contingency fund or funds received or to be received from State, Federal or other sources.

Additional appropriations in excess of \$10,000 (except for emergency situations) require Town Meeting approval. Appropriations for capital expenditures in excess of \$200,000, to be funded by borrowing, require a referendum.

There were \$493,701 additional appropriations made from fund balance during the year.

Formal budgetary integration is employed as a management control device during the year.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

The Board of Education, which is not a separate legal entity but a department of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and Town Meeting approval (in excess of \$10,000 in the aggregate for the year).

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Fund Deficits

The Capital Projects Fund has a fund deficit of \$1,402,492, which will be financed by permanent financing or General Fund transfers.

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 Statute 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

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are 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.

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$13,250,641 of the Town's bank balance of \$13,731,957 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,900,577
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,350,064</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 13,250,641</u></u>

Cash Equivalents

At June 30, 2015, the Town's cash equivalents amounted to \$12,916,951. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Money Market Funds*	

*Not rated

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Investments

As of June 30, 2015, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
Interest-bearing investments:					
Certificates of deposit	*	\$ 5,516,316	\$ -	\$ 5,516,316	\$ -
Other investments:					
Mutual funds	n/a	2,092,160			
Total Investments		\$ 7,608,476			

*Subject to coverage by Federal Depository Insurance and collateralization.

Interest Rate Risk

The Town limits their maximum final stated maturities to five years, unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further its investment choices.

Concentration of Credit Risk

At the time of acquisition, no more than 10% of the overall portfolio may be invested in deposits with a single bank, unless the deposits are fully insured or fully collateralized, or in repurchase agreements for a period longer than two days conducted through a single dealer.

Custodial Credit Risk

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 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 does not have a policy for custodial credit risk. At June 30, 2015, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

4. RECEIVABLES

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

	<u>General</u>	<u>Sewer Administration</u>	<u>Special Education Grants</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 1,085,179	\$	\$	\$	\$ 1,085,179
Accounts	55,905	3,736		88,266	147,907
Sewer assessments		312,327			312,327
Intergovernmental	<u>782,040</u>	<u></u>	<u>45,417</u>	<u>179,196</u>	<u>1,006,653</u>
Gross receivables	1,923,124	316,063	45,417	267,462	2,552,066
Less allowance for uncollectibles	<u>(63,504)</u>	<u>(4,500)</u>	<u></u>	<u></u>	<u>(68,004)</u>
Net Total Receivables	\$ <u>1,859,620</u>	\$ <u>311,563</u>	\$ <u>45,417</u>	\$ <u>267,462</u>	\$ <u>2,484,062</u>

Note: Above does not include accrued interest and liens on property taxes of \$355,215 and sewer use charges of \$139,431.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 3,694,247	\$	\$ 29,500	\$	\$ 3,723,747
Construction in progress	4,974,027	(3,206,685)	1,283,487		3,050,829
Total capital assets not being depreciated	<u>8,668,274</u>	<u>(3,206,685)</u>	<u>1,312,987</u>	<u>-</u>	<u>6,774,576</u>
Capital assets being depreciated:					
Buildings	14,750,314		50,000		14,800,314
Building improvements	36,578,803	2,360,471			38,939,274
Land improvements	2,785,796		90,634		2,876,430
Machinery and equipment	13,145,847		710,277	(20,924)	13,835,200
Vehicles	5,132,119		1,118,647	(19,464)	6,231,302
Furniture and fixtures	222,874		7,595		230,469
Infrastructure	35,473,922	846,214	2,845,604		39,165,740
Total capital assets being depreciated	<u>108,089,675</u>	<u>3,206,685</u>	<u>4,822,757</u>	<u>(40,388)</u>	<u>116,078,729</u>
Less accumulated depreciation for:					
Buildings	(7,241,331)		(198,713)		(7,440,044)
Building improvements	(8,872,513)		(798,982)		(9,671,495)
Land improvements	(850,370)		(91,405)		(941,775)
Machinery and equipment	(8,022,005)		(576,265)	18,832	(8,579,438)
Vehicles	(2,749,015)		(320,748)	17,518	(3,052,245)
Furniture and fixtures	(58,564)		(12,974)		(71,538)
Infrastructure	(14,770,916)		(516,972)		(15,287,888)
Total accumulated depreciation	<u>(42,564,714)</u>	<u>-</u>	<u>(2,516,059)</u>	<u>36,350</u>	<u>(45,044,423)</u>
Total capital assets being depreciated, net	<u>65,524,961</u>	<u>3,206,685</u>	<u>2,306,698</u>	<u>(4,038)</u>	<u>71,034,306</u>
Governmental Activities Capital Assets, Net	<u>\$ 74,193,235</u>	<u>\$ -</u>	<u>\$ 3,619,685</u>	<u>\$ (4,038)</u>	<u>\$ 77,808,882</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 186,034
Public safety	286,154
Public works	1,030,339
Recreation	50,637
Education	<u>962,895</u>
Total	<u>\$ 2,516,059</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2015 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Administration Fund	\$ 87,892
	Capital Projects Fund	229,390
	Special Education Grants	568,091
	Internal Service Funds	215,282
	Nonmajor Governmental Funds	148,498
		<u>1,249,153</u>
Capital Projects	General Fund	319,365
Nonmajor Governmental Funds	General Fund	<u>237,723</u>
		<u>\$ 1,806,241</u>

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances.

	<u>Transfers In</u>		<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Projects</u>	
Transfers out:			
General Fund	\$	\$ 1,443,944	\$ 1,443,944
Sewer Administration Fund	134,338	133,690	268,028
Nonmajor Governmental	<u>30,006</u>		<u>30,006</u>
Total Transfers In	<u>\$ 164,344</u>	<u>\$ 1,577,634</u>	<u>\$ 1,741,978</u>

All transfers represent routine transactions that occur annually to move resources from one fund to another.

TOWN OF WINDSOR LOCKS, CONNECTICUT
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7. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and serial notes payable:					
General obligation bonds	\$ 13,760,000	\$ 6,585,000	\$ 8,465,000	\$ 11,880,000	\$ 2,030,000
Clean water notes	754,897		88,897	666,000	90,691
Bond premiums	129,504	398,160	48,450	479,214	
Total	<u>14,644,401</u>	<u>6,983,160</u>	<u>8,602,347</u>	<u>13,025,214</u>	<u>2,120,691</u>
Capital leases	603,205	1,100,000	352,640	1,350,565	250,875
Net pension liability	4,174,423		1,189,646	2,984,777	
OPEB obligation	1,056,864		180,069	876,795	
Compensated absences	856,408	362,166	31,105	1,187,469	111,203
Heart and hypertension claims	<u>117,500</u>			<u>117,500</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 21,452,801</u>	<u>\$ 8,445,326</u>	<u>\$ 10,355,807</u>	<u>\$ 19,542,320</u>	<u>\$ 2,482,769</u>

The following is a summary of bond and note issues at June 30, 2015:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2015</u>
Bonds/notes:					
Town:					
General obligation	11/1/2009	8/1/2024	2.0-4.0	\$ 5,518,350	\$ 370,213
General obligation	10/4/2013	10/1/2028	2.0-4.1	2,775,000	2,587,658
Refunding bond	7/1/2014	8/1/2024	2.0-3.0	3,400,000	3,400,000
Schools:					
Refunding bond	3/15/2003	3/15/2016	2.125-4.0	6,630,000	450,000
General obligation	11/1/2009	8/1/2024	2.0-4.0	816,650	54,787
General obligation	10/4/2013	10/1/2028	2.0-4.1	1,965,000	1,832,342
Refunding bond	7/1/2014	8/1/2024	2.0-3.0	3,185,000	3,185,000
Sewer:					
Clean water loan	5/31/2003	5/31/2022	2.0	1,715,669	<u>666,000</u>
					<u>\$ 12,546,000</u>

TOWN OF WINDSOR LOCKS, CONNECTICUT
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All long-term liabilities are generally liquidated by the General Fund except for sewer notes, which are liquidated by the Sewer Administration Fund.

The following is a summary of long-term debt principal and interest maturities:

Year Ending June 30,	Bonds		Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,030,000	\$ 325,506	\$ 90,691	\$ 12,492	\$ 2,120,691	\$ 337,998
2017	1,560,000	268,656	92,522	10,661	1,652,522	279,317
2018	1,525,000	227,006	94,389	8,794	1,619,389	235,800
2019	1,025,000	185,606	96,294	6,888	1,121,294	192,494
2020	750,000	155,831	98,238	4,945	848,238	160,776
2021-2025	3,730,000	463,667	193,866	3,901	3,923,866	467,568
2026-2029	1,260,000	83,672			1,260,000	83,672
Total	<u>\$ 11,880,000</u>	<u>\$ 1,709,944</u>	<u>\$ 666,000</u>	<u>\$ 47,681</u>	<u>\$ 12,546,000</u>	<u>\$ 1,757,625</u>

Refunded Bonds

The government issued \$6,585,000 in general obligation bonds with interest rates ranging from 2.0% to 3.0%. The proceeds were used to advance refund \$6,645,000 of outstanding 2005 and 2009 general obligation bonds that had interest rates ranging from 2.25% to 5.00%. The net proceeds of \$6,889,215 (including a \$398,160 premium and after payment of \$93,945 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2005 and 2009 general obligation bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$244,215. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 2005 and 2009 general obligation bonds to reduce its total debt service payments by \$357,551 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$349,374.

The Town has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2015, \$3,825,000 of the defeased debt is outstanding, and \$3,888,436 is held by an escrow agent in an irrevocable trust fund to provide all future debt service payments on the refunded bonds.

TOWN OF WINDSOR LOCKS, CONNECTICUT
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Bond Anticipation Notes

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2015:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
10-4-13	7-1-14	1.25	\$ 4,510,000	\$	4,510,000	\$ -
7-1-14	6-25-15	1.50		2,580,000	2,580,000	-
7-1-14	6-25-15	1.75		1,930,000	1,930,000	-
2-26-15	6-25-15	0.75		1,020,000	1,020,000	-
6-25-15	3-24-16	1.50		9,710,000		9,710,000
			<u>\$ 4,510,000</u>	<u>\$ 15,240,000</u>	<u>\$ 10,040,000</u>	<u>\$ 9,710,000</u>

Capital Projects

As of June 30, 2015, the Town had authorized unissued bonds of \$14,208,983 available to fund capital projects.

Debt Limit

The Town's indebtedness does not exceed the legal debt limitations as established by Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limitation</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 74,444,805	\$ 10,427,871	\$ 64,016,934
Schools	148,889,610	14,916,371	133,973,239
Sewers	124,074,675	806,000	123,268,675
Urban renewal	107,531,385		107,531,385
Pension deficit	99,259,740		99,259,740

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$231.6 million.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivables of - for bond principal are reflected as deductions in the computation of net indebtedness.

TOWN OF WINDSOR LOCKS, CONNECTICUT
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Capital Leases

The Town has entered into capital lease agreements for the purchase of a catch-basin vacuum truck, a dump truck, a pay loader and a fire truck.

The assets acquired through capital leases are as follows:

	<u>Amount</u>
Asset:	
Equipment	\$ 2,481,839
Less accumulated depreciation	<u>239,586</u>
 Total	 <u><u>\$ 2,242,253</u></u>

The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the minimum lease payments as of June 30, 2015:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 278,987
2017	278,988
2018	187,480
2019	120,342
2020	120,342
Thereafter	<u>481,369</u>
Total minimum lease payments	1,467,508
Less amount representing interest	<u>(116,943)</u>
 Present Value of Future Minimum Lease Payment	 <u><u>\$ 1,350,565</u></u>

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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8. FUND BALANCE

The components of fund balance for governmental funds at June 30, 2015 are as follows:

	<u>General Fund</u>	<u>Sewer Administration Fund</u>	<u>Capital Projects Fund</u>	<u>Education Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Endowment	\$	\$	\$	\$	3,000	\$ 3,000
Inventories					11,012	11,012
Restricted for:						
Grants				2,792	367,258	370,050
Committed to:						
Sewer assessment		1,809,922				1,809,922
Capital projects			2,237,630			2,237,630
General government					835	835
Public safety					83,452	83,452
Public works					456,454	456,454
Health and welfare					96,025	96,025
Education					16,307	16,307
Recreation					50,065	50,065
Assigned to:						
Future years budget	1,038,570					1,038,570
General government - encumbrances	130					130
Public safety - encumbrances	14,105					14,105
Public works - encumbrances	723					723
Recreation - encumbrances	450					450
Education - encumbrances	588,703					588,703
Unassigned	<u>10,823,912</u>		<u>(3,640,122)</u>			<u>7,183,790</u>
Total Fund Balances	\$ <u>12,466,593</u>	\$ <u>1,809,922</u>	\$ <u>(1,402,492)</u>	\$ <u>2,792</u>	\$ <u>1,084,408</u>	\$ <u>13,961,223</u>

Encumbrances of \$604,111 are contained in the above table in the assigned category of the General Fund.

9. RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; public official liabilities; police liability; heart and hypertension claims; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Town purchases commercial insurance for all risks of loss except medical insurance. The Town established an internal service fund, the medical insurance fund, to account for and finance the retained risk of loss for the Town's medical benefits claims.

A third party administers the medical insurance plan for which the Town pays a fee. The medical insurance fund provides coverage for most Town employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$100,000. During the year, deductibles paid by the Town were insignificant. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from amounts held in the prior year.

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The medical insurance fund is substantially funded by the Town's General Fund based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported is based on the requirements of GASB Statements No. 10 and 30, which require a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

An analysis of the activity in the claims liability is as follows:

Medical Insurance Fund	Balance July 1	Current Year Claims And Changes In Estimates	Claims Payments	Balance June 30
2013-2014	\$ 272,055	\$ 4,052,110	\$ 4,030,165	\$ 294,000
2014-2015	294,000	4,373,131	4,342,131	325,000

The Town has Connecticut Interlocal Risk Management Agency (CIRMA) for workers compensation coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA retains \$1,000,000 per occurrence. To limit liability, the Town has additional umbrella coverage provided by CIRMA in variable amounts per occurrence.

10. PENSION PLANS

Municipal Employees' Retirement System

A. Plan Description

All full-time employees except teachers who are eligible to participate in the State of Connecticut Teachers' Retirement System, participate in the Municipal Employees' Retirement System (MERS). MERS 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 MERS benefits, member contribution rates and other plan provisions. MERS 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.

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 5 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.

TOWN OF WINDSOR LOCKS, CONNECTICUT
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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 1 1/2% 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 5 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. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement - Service Connected

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, 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. 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 - Non-Service Connected

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.

Death Benefit

Employees who are eligible for service, disability or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and reduced 50% joint and survivor allowance.

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.

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 MERS not met by member contributions.

TOWN OF WINDSOR LOCKS, CONNECTICUT
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D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Town reports a total liability of \$2,984,777 for government-wide financials in Exhibit I for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. 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, 2015, the Town's proportion was 1.253%. Due to this year being the first year of implementation, the increase or decrease in proportion from June 30, 2014 is not available.

For the year ended June 30, 2015, the Town recognized pension expense of \$539,034 in Exhibit II. At June 30, 2015, the Town reported deferred inflow of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$	\$ 955,687
Town contributions subsequent to the measurement date	<u>902,297</u>	<u></u>
Total	<u>\$ 902,297</u>	<u>\$ 955,687</u>

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

<u>Year Ending June 30,</u>	
2016	\$ 238,921
2017	238,921
2018	238,921
2019	<u>238,924</u>
Total	<u>\$ 955,687</u>

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	4.25-11.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

TOWN OF WINDSOR LOCKS, CONNECTICUT
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The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

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 target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core fixed income	8.0%	1.3%
Inflation linked bond fund	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	3.0%	.4%
Total	100.0%	

F. Discount Rate

The discount rate used to measure the total pension liability was 8.00%. 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.

G. 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 discount rate of 8.00%, 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 (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Town's proportionate share of the net pension liability	\$ 6,061,187	\$ 2,984,777	\$ 380,339

H. Plan Fiduciary Net Position

The audited amounts as presented in the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2014 have been adjusted to be in accordance with the requirements of GASB Nos. 67 and 68. The adjustment to the contribution receivable increased the net position as previously reported from \$2,175,433,000 to \$2,262,724,000. The net pension liability at June 30, 2014 has been calculated using the adjusted amounts.

Teachers' Retirement Plan

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 multiple-employer 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.

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 3 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.

Employer (School Districts)

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

TOWN OF WINDSOR LOCKS, CONNECTICUT
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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.

Employees

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

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

At June 30, 2015, 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		<u>35,980,325</u>
Total	\$	<u><u>35,980,325</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized pension expense and revenue of \$2,699,553 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

TOWN OF WINDSOR LOCKS, CONNECTICUT
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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 target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Mutual equity	25.0%	7.3%
Developed markets ISF	20.0%	7.5%
Emerging markets ISF	9.0%	8.6%
Core fixed income	13.0%	1.7%
Emerging market debt	4.0%	4.8%
High yield	2.0%	3.7%
Inflation linked bonds	6.0%	1.3%
Liquidity fund	6.0%	.7%
Real estate	5.0%	5.9%
Private investment	10.0%	10.9%
Total	100.0%	

F. Discount Rate

The discount rate used to measure the total pension liability was 8.50%. 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.

G. 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.

H. 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.

11. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

A. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

B. Plan Description

The RHP is a single-employer defined benefit healthcare plan administered by the Town of Windsor Locks. The RHP provides medical benefits to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

At July 1, 2013, plan membership consisted of the following:

	Retiree Health Plan
Retired members and their spouses	40
Active plan members	<u>352</u>
Total Participants	<u><u>392</u></u>

C. Funding Policy

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

The cost per month for Town employees receiving coverage is \$604 per month for retiree only coverage and \$1,257 per month for retiree and spouse coverage.

Board of Education Employees

The cost per month for Board of Education employees receiving coverage is \$596 per month for retiree only coverage and \$1,242 per month for retiree and spouse coverage.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

For the year ended June 30, 2015, plan members contributed \$282,298, and claims and benefits paid were \$686,600. Employer contributions were \$434,152. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

D. Annual OPEB Cost and Net OPEB Obligations

The Town's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation:

	<u>Retiree Health Plan</u>
Annual required contribution (ARC)	\$ 349,769
Interest on net OPEB obligation	79,265
Adjustment to annual required contribution	<u>(83,218)</u>
Annual OPEB cost	345,816
Contributions made	<u>525,885</u>
Decrease in net OPEB obligation	(180,069)
Net OPEB obligation at beginning of year	<u>1,056,864</u>
Net OPEB Obligation at End of Year	<u><u>\$ 876,795</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2013, 2014 and 2015 are presented below.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/13	\$ 372,243	\$ 179,841	48.31 %	\$ 1,031,678
6/30/14	382,156	356,970	93.41	1,056,864
6/30/15	345,816	525,885	152.07	876,795

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contribution	Percentage of ARC Contributed
6/30/13	\$ 375,382	\$ 179,841	47.91 %
6/30/14	386,014	356,970	92.48
6/30/15	349,769	525,885	150.35

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$	\$ 5,248,420	\$ 5,248,420	%	\$ 23,806,952	22 %
7/1/2009	374,934	4,105,823	3,730,889	9	24,096,139	15
7/1/2011	1,065,348	3,924,205	2,858,857	27	23,952,238	12
7/1/2013	1,550,968	4,038,637	2,487,669	38	22,136,805	11

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 9% initially, reduced by decrements of 1% to an ultimate rate of 5% for 2021 and later. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized each year over a constant 30 year period, as a level dollar amount.

TOWN OF WINDSOR LOCKS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

12. CONTINGENT LIABILITIES

The Town is a defendant in various lawsuits. It is the opinion of Town officials that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town that would materially adversely affect its financial position.

13. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68:

Net position balance at June 30, 2014, as previously reported	\$	78,737,499
Adjustments:		
Record net pension liability per GASB No. 68		(4,174,423)
Record deferred outflow of resources related to contributions subsequent to the plan measurement date per GASB No. 71		<u>799,677</u>
Net Position Balance at July 1, 2014, as Restated	\$	<u><u>75,362,753</u></u>

TOWN OF WINDSOR LOCKS, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property Taxes:				
Current taxes	\$ 31,181,221	\$ 31,181,221	\$ 30,959,954	\$ (221,267)
Supplemental taxes	1,600,000	1,600,000	1,113,443	(486,557)
Prior year taxes	300,000	300,000	755,914	455,914
Interest and lien fees	150,000	150,000	429,158	279,158
Telephone access line	48,000	48,000	48,108	108
Housing authority in lieu of tax	26,000	26,000	35,973	9,973
Total property taxes	<u>33,305,221</u>	<u>33,305,221</u>	<u>33,342,550</u>	<u>37,329</u>
Intergovernmental:				
General government:				
Property Tax Relief			481,893	481,893
In lieu of tax, State Property	3,499,196	3,499,196	3,414,378	(84,818)
Elderly circuit breaker	140,000	140,000	130,731	(9,269)
Totally Disabled Grants	300	300	402	102
Capital improvement program	80,590	80,590		(80,590)
Veterans' Exemptions	13,000	13,000	13,069	69
Office of Emergency Management	6,000	6,000	6,250	250
Off Track Betting/Teletheater	500,000	500,000	483,694	(16,306)
Mashantucket Pequot/Mohegan Grant	447,248	447,248	444,189	(3,059)
Municipal Revenue Sharing	1,794,444	1,794,444	1,794,444	-
Senior Center Transportation Grant	5,500	5,500	14,368	8,868
Youth Services	14,000	14,000	14,000	-
Total general government	<u>6,500,278</u>	<u>6,500,278</u>	<u>6,797,418</u>	<u>297,140</u>
Education:				
Educational Cost Sharing	5,200,794	5,200,794	4,714,276	(486,518)
School Building Grants	272,273	272,273	272,274	1
School Transportation	73,394	73,394	80,180	6,786
Special Education	1	1		(1)
Total education	<u>5,546,462</u>	<u>5,546,462</u>	<u>5,066,730</u>	<u>(479,732)</u>
Total intergovernmental	<u>12,046,740</u>	<u>12,046,740</u>	<u>11,864,148</u>	<u>(182,592)</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services:				
Conveyance tax	\$ 100,000	\$ 100,000	\$ 121,166	\$ 21,166
Town Clerk's Office	90,000	90,000	93,668	3,668
Building permits	200,000	200,000	217,755	17,755
Zoning Board of Appeals	1,500	1,500	826	(674)
Planning and Zoning	5,000	5,000	3,533	(1,467)
Other licenses and permits	2,500	2,500	9,907	7,407
Trash haulers permits	1,800	1,800	300.00	(1,500)
Assessors Office	300	300	339.00	39
Inland Wetland fees	1,000	1,000	832	(168)
False alarm fines	500	500		(500)
Tobacco valley probate cost share	16,800	16,800	13,965	(2,835)
Superior Court	11,000	11,000	11,820	820
Parking tickets	25,000	25,000	3,585	(21,415)
CONA program fees	3,500	3,500		(3,500)
Airplane registration fees	52,000	52,000	49,790	(2,210)
Tuitions	4,000	4,000	4,238	238
Park Revolving Fund	159,230	159,230	190,000	30,770
Police accident reports	1,200	1,200	1,803	603
Senior Citizen Mini-bus fee	3,200	3,200	4,130	930
Rent from schools	2,500	2,500	2,675	175
Tower rental	75,000	75,000	107,925	32,925
Town auction	1	1		(1)
Total charges for services	<u>756,031</u>	<u>756,031</u>	<u>838,257</u>	<u>82,226</u>
Investment Income:				
Income on investments	<u>90,000</u>	<u>90,000</u>	<u>76,620</u>	<u>(13,380)</u>
Other Revenues:				
Miscellaneous receipts	40,001	40,001	242,601	202,600
Recycling program	24,000	24,000	19,825	(4,175)
Workers' Compensation	12,000	12,000	25,069	13,069
Total other revenues	<u>76,001</u>	<u>76,001</u>	<u>287,495</u>	<u>211,494</u>
Total revenues	<u>46,273,993</u>	<u>46,273,993</u>	<u>46,409,070</u>	<u>135,077</u>

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TOWN OF WINDSOR LOCKS, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources:				
Transfers from other funds:				
Sewer administration fund	\$ 130,634	\$ 130,634	\$ 134,338	\$ 3,704
Police reimbursement	30,000	30,000	30,000	-
James DeForest Phelps fund	50	50	6	(44)
Total other financing sources	<u>160,684</u>	<u>160,684</u>	<u>164,344</u>	<u>3,660</u>
Total	<u>\$ 46,434,677</u>	<u>\$ 46,434,677</u>	46,573,414	<u>\$ 138,737</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			2,699,553	
The Town does not budget for the issuance of bond premiums revenues.			398,160	
The Town does not budget for refunding bond issuance.			6,585,000	
The Board of Education does not budget for charges for services revenues received, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.			176,982	
Cancellation of prior year encumbrances are recognized as budgetary revenue.			<u>(34,182)</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			<u>\$ 56,398,927</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
General government:				
Auditing Services	\$ 30,900	\$ 30,900	\$ 25,700	\$ 5,200
Board of Assessment Appeals	1,108	1,108	848	260
Board of Assessors	149,054	157,650	154,903	2,747
Board of Finance	6,145	8,645	8,018	627
Board of Selectmen	160,199	164,821	164,369	452
Building Official	230,179	232,736	227,697	5,039
Capital Improvement Advisory Commission	626	626	329	297
Conservation Commission	2,937	2,937	2,745	192
Contingency Fund	300,000	129,139		129,139
Economic Development Commission	28,507	28,507	27,351	1,156
Finance Department	239,159	239,159	238,422	737
General expense all buildings	27,750	27,750	25,469	2,281
Historical Commission	557	557	329	228
Holiday observance	3,000	3,000	3,000	-
Human Resource	52,532	53,913	52,759	1,154
Information Technologies	84,370	84,369	60,792	23,577
Inland/Wetlands Agency	3,589	3,589	2,678	911
Municipal associations	20,300	20,300	20,091	209
Planning and Zoning Commission	12,441	12,543	8,722	3,821
Probate Court	21,500	21,500	18,208	3,292
Registrar of Voters	45,713	45,713	41,721	3,992
Senior Center	84,497	88,290	86,621	1,669
Tax Collector	161,817	247,013	246,455	558
Town Clerk	133,360	134,597	133,239	1,358
Town Counsel	81,000	550,950	532,157	18,793
Town Engineer	50,000	50,000	47,377	2,623
Town Office Building	159,672	159,704	156,121	3,583
Town Treasurer	200	200	200	-
Zoning Board of Appeals	5,052	5,052	3,906	1,146
Total general government	<u>2,096,164</u>	<u>2,505,268</u>	<u>2,290,227</u>	<u>215,041</u>
Public safety:				
Ambulance Association	9,000	9,000	9,000	-
Fire	387,728	387,728	326,660	61,068
Fire Marshal	68,101	68,101	64,955	3,146
Marine services	300	300		300
Nine bay garage/safety complex	2,440	2,440	949	1,491
Office of Emergency Management	27,000	27,338	25,056	2,282
Police	3,317,665	3,321,590	3,165,776	155,814
Animal control	6,055	6,055	5,368	687
Safety Complex	168,092	168,092	165,827	2,265
Water main/street lighting	648,000	648,000	631,972	16,028
Total public safety	<u>4,634,381</u>	<u>4,638,644</u>	<u>4,395,563</u>	<u>243,081</u>

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TOWN OF WINDSOR LOCKS, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>
Public works:				
Landfill/refuse removal	\$ 1,018,308	\$ 1,018,308	\$ 905,732	\$ 112,576
Public Works Department	1,429,380	1,429,381	1,365,302	64,079
Public Works Garage	27,270	30,891	28,811	2,080
Snow removal	61,500	108,468	108,108	360
Spring Street Garage	8,740	8,740	8,042	698
Total public works	<u>2,545,198</u>	<u>2,595,788</u>	<u>2,415,995</u>	<u>179,793</u>
Health and welfare:				
Commission on Needs of the Aging	197,602	198,303	193,746	4,557
Outside services	112,585	112,585	103,334	9,251
Social services	59,085	59,085	52,329	6,756
Youth Service Bureau	58,314	58,314	55,682	2,632
Total health and welfare	<u>427,586</u>	<u>428,287</u>	<u>405,091</u>	<u>23,196</u>
Recreation:				
Parks and recreation	388,913	417,956	395,098	22,858
Public library	438,700	438,700	438,700	-
Total recreation	<u>827,613</u>	<u>856,656</u>	<u>833,798</u>	<u>22,858</u>
Employee benefits and insurance:				
Employee benefits	2,623,644	2,623,644	2,354,251	269,393
Insurance and bonds	480,970	480,970	434,264	46,706
Total employee benefits and insurance	<u>3,104,614</u>	<u>3,104,614</u>	<u>2,788,515</u>	<u>316,099</u>
Education	<u>29,336,822</u>	<u>29,336,822</u>	<u>29,335,080</u>	<u>1,742</u>
Debt service:				
Bond redemption	2,462,473	2,369,192	2,094,993	274,199
Interest	406,882	500,163	500,163	-
Total debt service	<u>2,869,355</u>	<u>2,869,355</u>	<u>2,595,156</u>	<u>274,199</u>
Total expenditures	<u>45,841,733</u>	<u>46,335,434</u>	<u>45,059,425</u>	<u>1,276,009</u>

(Continued on next page)

TOWN OF WINDSOR LOCKS, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>
Other financing uses:				
Transfers to other funds:				
Capital Improvement Fund	\$ 1,443,944	\$ 1,443,944	\$ 1,443,944	\$ -
Total	\$ 47,285,677	\$ 47,779,378	46,503,369	\$ 1,276,009
Budgetary expenditures are different than GAAP expenditures because:				
Transfers are recorded for budget purposes only.				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			2,699,553	
The Town does not budget for payments to refunding bond escrow agent.			6,889,215	
The Town does not budget for refunding bond issuance costs.			93,945	
The Board of Education does not budget for charges for services revenues received, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes.			176,982	
The Town does not budget for accrued payroll.			48,186	
Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for GAAP financial statement reporting purposes, while encumbrances are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			31,883	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 56,443,133	

TOWN OF WINDSOR LOCKS, CONNECTICUT
SEWER ADMINISTRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sewer use charges and interest	\$ 1,933,358	\$ 1,933,358	\$ 1,842,346	\$ (91,012)
Fees	26,750	26,750	66,483	39,733
Investment income	12,500	12,500	20,051	7,551
Miscellaneous			582	582
Total revenues	<u>1,972,608</u>	<u>1,972,608</u>	<u>1,929,462</u>	<u>(43,146)</u>
Expenditures:				
Salaries	608,556	601,990	592,456	9,534
Fringe benefits	293,035	287,259	283,921	3,338
Overtime	38,500	42,383	42,383	-
Audit and legal fees	14,150	17,381	17,381	-
Chemicals/chlorine	77,401	82,713	82,713	-
Contingency	10,000	8,009	8,009	-
Electricity	188,342	175,342	174,933	409
Equipment rental/hauling	8,266	6,266	6,080	186
Fuel, oil, natural gas	25,700	22,700	21,157	1,543
Gasoline and diesel	15,188	11,188	9,085	2,103
Insurance	46,306	47,735	47,735	-
Lab equipment	24,250	24,645	24,645	-
Manholes	2,500	2,500.00	2,500	-
Mechanical maintenance	37,000	64,554	63,950	604
Outside services	23,961	24,119	24,119	-
Safety training	2,500	500	222	278
Sewer line maintenance	11,200	19,799	19,799	-
Sludge disposal	85,057	77,057	76,392	665
Supplies	37,425	31,425	31,091	334
Telephone	5,494	5,494	5,061	433
User fee administration	11,162	11,162	11,117	45
Vehicle parts, repairs	6,500	8,272	8,272	-
Water	8,729	8,729	8,471	258
Total expenditures	<u>1,581,222</u>	<u>1,581,222</u>	<u>1,561,492</u>	<u>19,730</u>
Excess of Revenues over Expenditures	391,386	391,386	367,970	(23,416)
Other financing uses:				
Transfers out	<u>(268,028)</u>	<u>(268,028)</u>	<u>(268,028)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 123,358</u>	<u>\$ 123,358</u>	99,942	<u>\$ (23,416)</u>
Fund Balance at Beginning of Year			<u>1,709,980</u>	
Fund Balance at End of Year			<u>\$ 1,809,922</u>	

TOWN OF WINDSOR LOCKS, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST FISCAL YEAR

	2015
Town's proportion of the net pension liability	1.25%
Town's proportionate share of the net pension liability	\$ 2,984,777
Town's covered-employee payroll	\$ 6,192,516
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.20%
Plan fiduciary net position as a percentage of the total pension liability	90.48%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2012.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market

TOWN OF WINDSOR LOCKS, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS - MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actuarially determined contribution	\$ 340,234	\$ 373,433	\$ 409,809	\$ 423,637	\$ 464,813	\$ 617,037	\$ 700,489	\$ 732,126	\$ 799,677	\$ 902,297
Contributions in relation to the actuarially determined contribution	<u>340,234</u>	<u>373,433</u>	<u>409,809</u>	<u>423,637</u>	<u>464,813</u>	<u>617,037</u>	<u>700,489</u>	<u>732,126</u>	<u>799,677</u>	<u>902,297</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 4,107,931	\$ 4,585,770	\$ 5,099,667	\$ 5,108,753	\$ 5,151,809	\$ 5,368,347	\$ 5,325,278	\$ 5,396,456	\$ 5,676,638	\$ 6,192,516
Contributions as a percentage of covered employee payroll	8.28%	8.14%	8.04%	8.29%	9.02%	11.49%	13.15%	13.57%	14.09%	14.57%

Notes to Schedule

Valuation date: June 30, 2014
Measurement date: June 30, 2014
Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three 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	27 years
Asset valuation method	5 years smoothed market (20% write up)
Inflation	3.25%
Salary increases	4.25% - 11%, including inflation
Investment rate of return	8%, net of investment related expense
Changes in assumptions	In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

TOWN OF WINDSOR LOCKS, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST FISCAL YEAR

	2015
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>35,980,325</u>
Total	<u>\$ 35,980,325</u>
Town's covered-employee payroll	\$ 14,344,121
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

Notes to Schedule

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

Appendix B

Opinion of Bond Counsel and Tax Exemption

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APPENDIX B - OPINION OF BOND COUNSEL AND TAX EXEMPTION

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

BOND COUNSEL OPINION

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

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

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Windsor Locks
Windsor Locks, Connecticut

We have represented the Town of Windsor Locks, Connecticut as Bond Counsel in connection with the issuance by the Town of \$9,550,000 General Obligation Bonds, Issue of 2016, dated as of March 24, 2016 and \$2,600,000 Bond Anticipation Notes, dated as of March 24, 2016.

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

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds and Notes is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds and Notes have executed written representations and agreements on behalf of the Town relating to compliance with such provisions of the Code to ensure that the interest on the Bonds and Notes will be excluded from gross income for Federal income tax purposes.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds and Notes, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds and Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and (2) the Bonds and Notes are not "private activity bonds" and

interest on the Bonds and Notes is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax.

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

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

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

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

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

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

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

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

STATE OF CONNECTICUT TAX ON INTEREST.

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

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

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

ORIGINAL ISSUE DISCOUNT.

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

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

ORIGINAL ISSUE PREMIUM.

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

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

GENERAL.

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

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

Appendix C-1

Form of Continuing Disclosure Agreement for Bonds

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APPENDIX C-1 - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS

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

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of March 24, 2016 by the Town of Windsor Locks, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$9,550,000 General Obligation Bonds, Issue of 2016, dated as of March 24, 2016 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Issuer dated March 16, 2016 prepared in connection with the Bonds.

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

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

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

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

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2016) as follows:

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

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

(A) amounts of the gross and the net taxable grand list applicable to the fiscal year,

(B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,

- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the 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; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Finance Director, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Finance Director is Town Office Building, 50 Church Street, Windsor Locks, Connecticut 06096.

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 LOCKS

By: _____
J. Christopher Kervick
First Selectman

By: _____
William R. Hamel
Treasurer

Appendix C-2

Form of Continuing Disclosure Agreement for Notes

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APPENDIX C-2 - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR NOTES

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

Continuing Disclosure Agreement For Notes

This Continuing Disclosure Agreement for Notes ("Agreement") is made as of March 24, 2016 by the Town of Windsor Locks, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$2,600,000 Bond Anticipation Notes, dated as of March 24, 2016 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

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

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

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

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

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

Section 2. Notice of Certain Events.

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

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

- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

Section 3. Use of Agents.

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

Section 4. Termination.

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

Section 5. Enforcement.

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's Finance Director, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the Finance Director is Town Office Building, 50 Church Street, Windsor Locks, Connecticut 06096.

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 LOCKS

By: _____
J. Christopher Kervick
First Selectman

By: _____
William R. Hamel
Treasurer

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Appendix D-1

Notice of Sale - Bonds

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NOTICE OF SALE
\$9,550,000
Town of Windsor Locks, Connecticut
General Obligation Bonds
(BOOK-ENTRY)

ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor Locks, Connecticut at Town Hall, 50 Church Street, Windsor Locks, Connecticut, until **11:30 A.M. Eastern Time on WEDNESDAY,**

MARCH 16, 2016

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

\$9,550,000 General Obligation Bonds, Issue of 2016
Payable annually on March 15 as follows:

\$480,000 in 2017 through 2026
\$475,000 in 2027 through 2036

The Bonds will be dated March 24, 2016, with interest payable on September 15, 2016 and thereafter semiannually on each March 15th and September 15th.

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

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

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

Redemption. Bonds maturing on March 15, 2025 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after March 15, 2024, at any time, either in whole or in part, in such amounts and in such

order of maturity (but by lot within a maturity) as the Town may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption prices, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Prices</u>
March 15, 2024 and thereafter	100%

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

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

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

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

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

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

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

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

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

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

Official Statement. The Town of Windsor Locks has prepared a preliminary Official Statement for the Bond issue which is dated March 8, 2016. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser 25 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's financial advisor, Phoenix Advisors, LLC, Milford, Connecticut, by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement. The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C-1 to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds. The winning

bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for Bonds.

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

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

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about March 24, 2016 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

More Information. For more information regarding this issue and the Town reference is made to the Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Barry J. Bernabe, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 283-1110) or from Ms. Catherine Cabral, Finance Director, Town of Windsor Locks, Town Hall, 50 Church Street, Windsor Locks, Connecticut 06096 (telephone: (860) 627-1449).

J. CHRISTOPHER KERVICK,
First Selectman

WILLIAM R. HAMEL,
Treasurer

March 8, 2016

Appendix D-2

Notice of Sale and Bid Form - Notes

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NOTICE OF SALE
\$2,600,000
Town of Windsor Locks, Connecticut
Bond Anticipation Notes
(BOOK-ENTRY)

TELEPHONE PROPOSALS, SEALED PROPOSALS and ELECTRONIC BIDS via PARITY® will be received by the Town of Windsor Locks, Connecticut at Town Hall, 50 Church Street, Windsor Lock, Connecticut until **11:00 A.M. Eastern Time on WEDNESDAY,**

MARCH 16, 2016

for the purchase of \$2,600,000 Bond Anticipation Notes of the Town of Windsor Locks, dated March 24, 2016, maturing on March 23, 2017 (the "Notes").

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

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

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

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

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

Sealed Proposals Bidding Procedure. All sealed proposals for the purchase of the Notes shall be submitted on forms furnished by the Town and submitted at the time and place indicated above. All proposals must be enclosed in sealed envelopes marked on the outside, in substance, "Proposal for Windsor Locks Notes." All proposals should be addressed to Ms. Catherine Cabral, Finance Director, Town of Windsor Locks, 50 Church Street, Windsor Locks, Connecticut 06096.

Telephone Proposals Bidding Procedure. Telephone bids for the purchase of the Notes will be received on behalf of the Town by telephone call to an authorized agent of Phoenix Advisors, LLC, the Town's financial advisor, at (203) 283-1110.

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

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

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

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

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

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

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

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

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

Official Statement. The Town of Windsor Locks has prepared a preliminary Official Statement for the Note issue which is dated March 8, 2016. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1) but it is subject to revision or amendment. The Town will make available to each winning purchaser 5 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser(s) at the office of the Town's financial advisor, Phoenix Advisors, LLC, Milford, Connecticut, by the delivery of the Notes or by the seventh business day after the day bids on the Notes are received if earlier. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement. The Town will enter into a Continuing Disclosure Agreement with respect to the Notes, substantially in the form attached as Appendix C-2 to the Official Statement (the "Continuing Disclosure Agreement for Notes"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, timely notice of the occurrence of certain events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for Notes.

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

Reoffering Prices. IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE NOTES THE REOFFERING PRICES AT

WHICH A SUBSTANTIAL PORTION OF THE NOTES WERE SOLD. The successful bidder may specify that the Bonds as “not reoffered” if the successful bidder certifies that it purchased the specified Bonds for its own account (or the account of a related party) without any present intention of reoffering such Notes to any other investor.

Delivery Date and Payment. The Notes will be delivered against payment in immediately available Federal funds through the facilities of The Depository Trust Company, New York, New York on March 24, 2016.

More Information. For more information regarding this issue and the Town reference is made to Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Barry J. Bernabe, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 283-1110) or from Ms. Catherine Cabral, Finance Director, Town of Windsor Locks, Town Hall, 50 Church Street, Windsor Locks, Connecticut 06096 (telephone: (860) 627-1449).

J. CHRISTOPHER KERVICK,
First Selectman

WILLIAM HAMEL,
Treasurer

March 8, 2016

PROPOSAL FOR NOTES

March 16, 2016

Ms. Catherine Cabral
Finance Director
Town of Windsor Locks
Town Hall
50 Church Street
Windsor Locks, Connecticut 06460

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated March 8, 2016 which is hereby made a part of this proposal, we hereby offer to purchase the principal amount of the Notes specified below at the interest rate per annum plus the premium, if any, specified below, and to pay therefor said principal amount, premium, if any, (not to exceed false months interest on the principal amount bid for), and interest accrued on said Notes to the date of their delivery, if any. The following is our computation of the net interest rate, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

Of the \$2,600,000 Bond Anticipation Notes of the Town of Windsor Locks, dated March 24, 2016, maturing March 23, 2017, we bid the following:

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

Name of Bidder: _____

Address of Bidder: _____

Signature of Officer or
Authorized Agent of Bidder: _____

Telephone Number: _____

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