

Town of Rocky Hill Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Comprehensive Annual Financial Report

of the

Town of Rocky Hill Connecticut

Fiscal Year Ended June 30, 2013

Prepared by:
Finance Department
Director of Finance
John Mehr

TOWN OF ROCKY HILL, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

TOWN OF ROCKY HILL, CONNECTICUT

JUNE 30, 2013

PRINCIPAL OFFICIALS

TOWN COUNCIL

Timothy Moriarty, Mayor

Nadine Bell
Larrye deBear
Joe J. Kochanek
William MacDonald

Barbara Orsini Surwilo
Philip J. Sylvestro
Frank Szeps
Catherine Vargas

BOARD OF EDUCATION

Raffaella Coler, Chairman

Rene Rivard
Frank Morse
John J. Bedlack
Chris Buckabee

Dilip D. Desai
Brian A. Dillon
Maria Mennella
James Moriarty

GENERAL GOVERNMENT

Town Manager
Town Attorney
Town Clerk
Director of Finance
Assessor
Tax Collector
Town Treasurer
Director of Human Services
Director of Parks and Recreation
Town Engineer
Highway Superintendent
Town Planner
Economic Development
Building Official
Library Director
Police Chief
Fire Chief
Fire Marshal

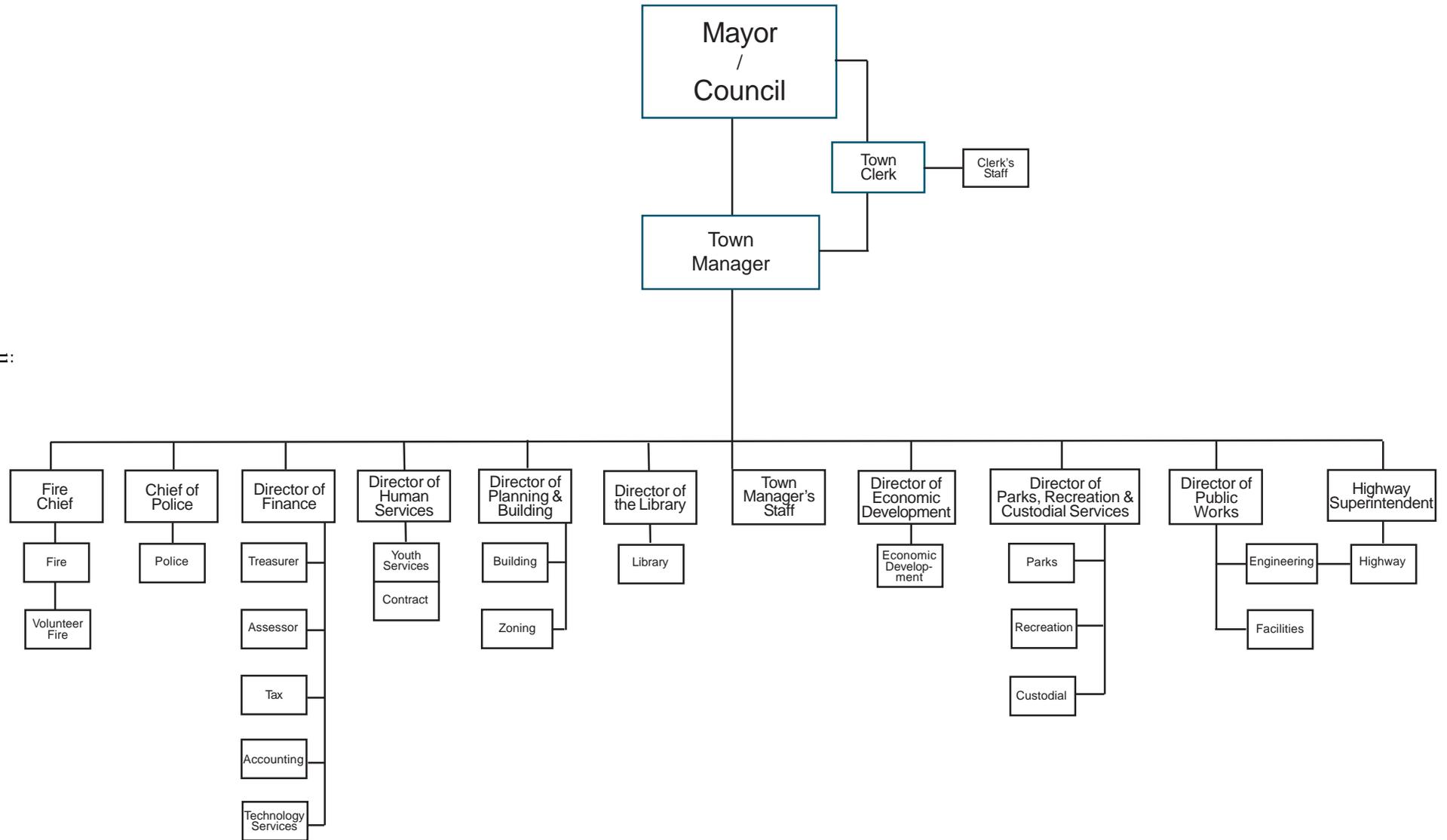
Barbara Gilbert
Rome McGuigan, P.C.
Ronald McNamara
John Mehr
Stuart Topliff
Elaine McKim
Mona McKim
Mark Williams
Lisa Zerio
James Sollmi
Glenn Parent
Kimberly Ricci
Raymond Carpentino
Peter Langlois
Mary Hogan
Michael Custer
Michael Garrahy
Richard Renstrom

EDUCATION

Superintendent of Schools
Director of Finance and Operations

Mark F. Zito, Ed.D.
Charles Zettergren

ORGANIZATIONAL CHART



II:



Town of Rocky Hill

761 OLD MAIN STREET • ROCKY HILL, CONNECTICUT 06067 • (860) 258-2700 • FAX (860) 258-7638

December 10, 2013

To the Town Manager, Finance Committee, Members of the Town Council, Board of Education, Superintendent of Schools, Director of Finance and Operations and the Citizens of The Town of Rocky Hill.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unqualified (clean) opinion on the Town of Rocky Hill's financial statements for the year ended June 30, 2013. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Town of Rocky Hill was settled in 1650 as part of Wethersfield and was incorporated as a separate town in 1843. The Town covers an area of 13.9 square miles with a population of 19,729. It is situated on the west bank of the Connecticut River, eight miles south of Hartford. Major roads that traverse the Town are State Routes 3, 99 and 160 and Interstate 91. The Town is also accessible by water and air transportation. Contiguous towns are Berlin, Glastonbury, Wethersfield, Newington and Cromwell. The Town is empowered to levy a property tax on both real and personal property located within its boundaries. This includes motor vehicles which are garaged or registered as being in the Town.

The Town adopted a Council-Manager form of government in November 1966. The Town Council is the legislative and policy making body of the Town, and consists of nine members elected at-large for two-year terms. The Mayor, one of the nine Council members, is separately elected and presides over all meetings of the Town Council. The Mayor submits recommendations for appointments under the Council's jurisdiction and, as directed by the Council, appoints such special subcommittees of the Council as are needed to effectively conduct the Council's business. The Town's Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments.

The Town provides a full range of services, which include general government services such as Finance, Town Clerk, Tax Collection, Assessment; Public Safety, which includes fire and police protection; physical services for the management, care and maintenance of all public buildings, public roadways, town vehicles and various construction activities; environmental services, which includes the collection of solid waste and recyclable by a

contract vendor; Parks and Recreation; Human and Youth Services; Engineering, Town Planning and Economic Development; Library; and Education, which is under the control of the elected Board of Education, and operates a high school, middle school and two elementary schools.

Upon completion of public hearings, the Town Council has to adopt a town budget and to fix the tax rate in mills by the third Monday in May. If the Town Council fails to adopt a budget by that date, the proposed budget and tax levy recommended by the Town Manager shall be the adopted budget for the town. The annual budget services as the foundation for the Town of Rocky Hill's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within their own department with the Town Manager's approval. Transfers between departments, however, need special approval from the Town Council.

Local Economy

Rocky Hill has many national/international companies located in the Town. It is home to the North American Headquarters of the German company Henkel's Loctite Corporation, an internationally known adhesive manufacturer. Also, SYSCO, a food distributor, has located a regional facility in Town. Other companies include Burris Refrigerator Logistics, Sheraton, Paychex, ISGN (formerly FISERV), Walmart and Kohl's. The Meredith Corporation local television station WFSB, the Hartford area CBS-TV affiliate, relocated to Rocky Hill from Hartford has been broadcasting from Rocky Hill since July of 2007. The Town has developed a 240 plus acre Industrial Park that has a mixture of manufacturing and distributor businesses. There is also a substantial commercial economic presence that includes a number of national retail facilities. Within the Town are a number of State agencies including a State of Connecticut Veterans Home and Hospital which has approximately 600 patients, and the State completed a new addition to the Veterans Home. The CT Lottery is headquartered in Rocky Hill.

The Town's geographical location and access to major highways has helped with its growth. Employment data reflected a labor force of 11,008 for June 2013. The unemployment rate increased from 5.9% to 6.1% in Rocky Hill while the Hartford region decreased from 8.5% to 8.2% for the same period from June 2012 to June 2013. During the past ten years, the unemployment rate increased from 3.9% in Rocky Hill to 6.1 % in June 2013. The number of business establishments and employment has increased steadily since 2001. Between 2001 and 2009, the number of business establishments increased by 16% while employment increased 2%. Between 2009 and 2012, the number of business establishments saw an increase of 22% while employment jumped 7%.

During the 2012 – 2013 fiscal year, the Rocky Hill business community has prospered and plans have emerged for continued growth. Development continues to take place in the Brook Street area of town, primarily on the property of a former nursery. Winstanley Enterprises has 189,000 square feet of flex space in three separate buildings. Burris Refrigerated Logistics has completed phase I of its northeast distribution facility. Brookside Apartments, a 144 unit market rate apartment complex with 8,000 square feet of office space has been approved with ground breaking in October 2012. Currently, one of the apartment buildings did receive a certificate of occupancy and looking at a fall 2013 occupancy. A project that is endorsed by the Town's Redevelopment Agency is the Town Center West development project located on Cromwell Avenue and West Street. This development project will provide 80,000 to 120,000 square feet of retail space, 30,000 square feet of office space, and 4,000 to 7,000 square feet of restaurant space. This project has a 12 to 18 month timeline and has secured all local approvals from all the appropriate planning boards and commissions. The redevelopment of the former Connecticut Foundry property, located along the banks of the Connecticut River, is underway. Approvals from the various land use commissions have been granted. Simoniz, wax and cleaning solvent company, purchased a 125,000 square foot building last year and has completed its build-out of the premise. In addition, Simoniz purchased the abutting four acre parcel for future use. Thirau LLC, a utility service company doing business in the Northeast and New York region, purchased a building and land to relocate from Newington and is nearing completion of its new headquarters. PDQ, an established Rocky Hill business that manufactures aircraft engine

parts, is nearing completion of its expansion that is doubling the current footprint. Arburg Inc., a German manufacturer currently located in Newington, has broke ground to start building its new Rocky Hill headquarters building. On the real estate transaction ledger, KS Partners purchased properties located in Corporate Ridge Office Park and the I-91 Business Park from the New Boston Fund, and in October 2013, a subsidiary of JRK Property Holdings purchased Century Hills Towers luxury apartment complex.

The Town Council has implemented a business development incentive policy to encourage long-term investment in Rocky Hill by providing tax abatements to business that locate within the community or want to expand its operations. WFSB and Burris Refrigerator Logistics are both receiving tax abatements. Simoniz, LLC and Thirau, LLC received tax abatements to relocate in Rocky Hill. Arburg Inc. did receive a partial three year tax abatement for its new building. This program is helpful in attracting new industry and keeping existing businesses.

The Town has completed a comprehensive Town-wide Zoning Regulations and Zoning Map update that encouraged quality development and expansion of the tax base while preserving natural resources. During the year, 37 lots were created through subdivision approval process. The Town did issue permits for 13 single family residences, which includes active adult units. Also, the Town has a number of apartment complexes with the largest being Century Hills with 940 apartments.

Long-Term Financial Planning

Unassigned fund balance in the general fund is 7.46% of total general fund expenditures and falls within the policy guidelines set by the Town Council for budgetary and planning purposes which must be no less than 5% of general fund expenditures. The Town Council has been using the general fund budgeting process to fund the Town's Capital Improvement Program. In February 2006, the Town Council passed a resolution that any funds in the unassigned fund balance from the preceding fiscal year that exceed 6% of general fund expenditures be applied to the capital improvement budget as determined by the Town Council. By budgeting for capital purchases on a yearly basis, the Town Council is trying to be less reliant on referendums. For the 2013 -2014 budget, \$452,000 of unassigned fund balance was applied to the capital improvements budget.

In November of 2012, the Town experienced Tropical Storm Sandy that caused damage and debris cleanup costs, public safety costs, and the opening for one night the town emergency shelter. The Town is handling the costs of this storm within its 2012-2013 town operating budget. The town did not qualify for Federal Emergency Management Agency (FEMA) reimbursement for Sandy. In February of 2013, the Town was affected by a Severe Snow Storm with a record snow fall over a 48 hour period. The Town did receive from FEMA \$89,300 as reimbursement of 75% of eligible costs associated with the snow removal for this event.

Relevant Financial Policies

The State budget for FY 2013 extended the conveyance tax rate on real estate sales paid to municipalities. After much debate, the rate of \$2.50 per \$1,000 of the real estate sales price will continued through June 30, 2013, but then will revert back to \$1.10 per \$1,000. During this fiscal year, the Town received \$419,846 in conveyance tax. If the State had not passed this law, the Town would have received about \$235,100 less in conveyance tax.

The Town did implemented new assessed property values for the October 1, 2008 Grand List based on a State mandated revaluation which impacted the 2009 - 2010 Town Budget. After implementing the new assessed property values, the Town received 83 cases, 15 residential and 68 commercial, challenging the new assessed property values in Superior Court. The Town policy is to minimize the impact that any of these settlements would have on the 2009 - 2010 fiscal year. The Town did settle all these cases resulting in an \$81.0 million reduction to the Grand List. These assessment appeals case settlements were reflected as property value adjustments for the October 2010 and 2011 Grand Lists, therefore, impacting the 2011 - 2012 and 2012 - 2013 Town Budgets. The

Town will be implementing new assessed property values for the October 1, 2013 Grand List per the State mandated revaluation and this will affect the 2013 - 2014 Town Budget.

For the 2011-2012 budget year, all Town employees bargaining and non-bargaining groups as well as certain Board of Education employees agreed not take a salary increase. In the 2012-2013 budget year, the Teacher's Union did agree to a no salary increase for its members.

Major Initiatives

The Town has received a number of CT Small Town Economic Assistance Program (STEAP) State grants to assist with storefront improvements for businesses located on the Silas Deane Highway and for the Silas Deane Streetscape. The last grant was awarded in September of 2010 to the Town for \$250,000 in grant funds to continue the Silas Deane Revitalization Project. The Town did begin construction of Phase One of the Streetscape project for the Silas Deane / Old Main Street section of town in the Spring of 2012 and completed this project in November of 2012. Also, the Town did receive an \$81,500 Department of Energy and Environment Grant for the improvement and expansion of hiking trails at Dividend Park. In the 2012-2013 budget year, the Town did take delivery of two new Ford Police Intercepts, a new Mack Dump Truck for the Highway Department and a new Ford F-250 Pickup Truck for the Parks Department.

The Town received a \$700,000 Small Cities Community Development Block Grant for public housing modernization through the State of Connecticut Department of Economic and Community Development. This grant will be used to rehabilitate private residential senior housing located on Willow Road. Rehabilitation work on this project began in May 2012 with a completion projected to be in the Winter of 2014.

The Town did discontinued pursuing through exercising its power of eminent domain to acquire the Foundry property, 11 acres parcel of land along the Connecticut River, with the intent of making it a public park. However, the Town has signed an agreement with the owner/developer of the property to renovate the parcel as a multi-use with residential development. The Town has committed \$670 thousand towards the demolition of vacant buildings and the remediation of this property. The developer did secure approvals from all the proper boards and commissions. The remediation work on this property started January 2012. In addition, the developers have received local land use board approvals for mixed use residential condominiums for the property.

In June 2012, the voters of Rocky Hill approved a referendum to appropriate \$44.96 million for the modernization and expansion of Rocky Hill High School. The Town has hired an architectural firm and a construction management company for this project. This project is nearing the completion of the design phase. The Town is projecting to receive \$16 million reimbursement from the State of Connecticut for the cost of the high school project.

The Town of Rocky Hill issued general obligation (GO) refunding bonds for \$7.16 million in February 2013. All bond proceeds were used to refund the Town's outstanding 2004 Series B GO bonds. The Town received a net present value savings of \$837 thousand and the first portion of savings will begin in the 2013-2014 budget year. Standard & Poor's Rating Services reviewed the refunding bonds issue and assigned its 'AA' rating with a stable outlook. In addition, after Moody's Investor Service recalibrated its Global Scale Ratings, the Town's bond rating went to Aa2 from Aa3. In December 2012, the Town issued \$2 million in bond anticipated notes (BANS) that mature in August 2013. BAN proceeds are for the high school project. In August 2013, the Town issued \$4.1 million in bond anticipated notes (BANS) that mature in May 2014. BAN proceeds are for the high school project and potential acquisition of farmland and/or passive open space.

On the November 2012 ballot, the voters of Rocky Hill did have two referendum questions. The first is town related and is asking to appropriate \$10 million for the preservation of farmland and passive open space. The second is Metropolitan District Commission (MDC) related, the Town of Rocky Hill is a member town of this eight town water district, and is seeking an appropriation of \$800 million to finance Phase II of the MDC's combined sewer overflow, sanitary sewer overflow and nitrogen removal programs project. The land acquisition referendum was approved by the voters of Rocky Hill and the MDC referendum was approved by the eight member towns. On the November 2013 ballot, there was one referendum question asking to appropriate \$10 million for the Town of Rocky Hill road improvement program and this was approved by the voters.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Rocky Hill for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Town Manager and especially to the Town Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Rocky Hill's finances.

Respectfully submitted,

A handwritten signature in black ink that reads "John R. Mehr". The signature is written in a cursive, flowing style.

John R. Mehr
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Rocky Hill
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Mayor and Town Council
Town of Rocky Hill, 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 Rocky Hill, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Rocky Hill, 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 Rocky Hill, Connecticut, as of June 30, 2013 and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the budgetary comparison information on pages 46 through 49 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 Rocky Hill, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013 on our consideration of the Town of Rocky Hill, 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 Rocky Hill, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 10, 2013

TOWN OF ROCKY HILL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

This discussion and analysis of the Town of Rocky Hill, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2013. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to VI.

Financial Highlights

- Net position of our governmental activities decreased by \$311 thousand or 1.0%.
- During the year, the Town had expenses that were \$311 thousand more than the \$71.2 million generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$71.5 million with no new programs added this year.
- The General Fund reported a fund balance this year of \$5.9 million.
- The resources available for appropriation were \$1.3 million higher than budgeted for in the General Fund and expenditures were \$235 thousand below spending limits.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to VI. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, are one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities as follows:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, health and human services, parks, recreation and facilities, and general administration. Property taxes, charges for services and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Recreation Program Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the state and federal governments). The Town’s funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town’s programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Fiduciary Funds (Exhibits V and VI)* - The Town is the trustee, or fiduciary, for its employees’ pension plans. All of the Town’s fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town’s other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town’s governmental activities net position decreased from \$32.4 million to \$32.1 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**

	Governmental Activities	
	2013	2012
Current and other assets	\$ 17,101,726	\$ 16,087,836
Capital assets, net of accumulated depreciation	46,915,760	48,163,846
Total assets	<u>64,017,486</u>	<u>64,251,682</u>
Long-term debt outstanding	24,313,319	24,277,784
Other liabilities	7,618,446	7,577,148
Total liabilities	<u>31,931,765</u>	<u>31,854,932</u>
Net Position:		
Net investment in capital assets	32,976,165	32,807,146
Restricted	50,402	50,389
Unrestricted	<u>(940,846)</u>	<u>(460,785)</u>
Total Net Position	<u>\$ 32,085,721</u>	<u>\$ 32,396,750</u>

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 from (\$461 thousand) at June 30, 2012 to (\$941 thousand) at the end of this year.

Table 2
CHANGE IN NET POSITION

	Governmental Activities	
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 2,992,512	\$ 3,138,205
Operating grants and contributions	9,416,116	9,277,472
Capital grants and contributions	11,396	77,997
General revenues:		
Property taxes	56,303,034	53,079,656
Grants and contributions not restricted to specific purposes	1,805,935	2,202,670
Unrestricted investment earnings	15,006	14,906
Other general revenues	684,332	649,522
Total revenues	<u>71,228,331</u>	<u>68,440,428</u>
Program expenses:		
General government	12,338,980	11,295,951
Public safety	6,672,755	6,268,705
Public works	6,517,312	6,213,768
Health and human services	684,720	657,948
Parks, recreation and facilities	6,575,904	6,091,351
Library services	972,849	911,926
Education	37,299,006	35,705,568
Interest on long-term debt	477,834	585,860
Total program expenses	<u>71,539,360</u>	<u>67,731,077</u>
Change in Net Position	<u>\$ (311,029)</u>	<u>\$ 709,351</u>

The Town's total revenues were \$71.2 million. The total cost of all programs and services was \$71.5 million. Our analysis below separately considers the operations of governmental activities.

Governmental Activities

More than 79% of the Town's revenues were derived from property taxes, followed by 13% from operating grants and contributions.

Major revenue factors included:

The Town's mill rate increased by 1.4 mills over fiscal year 2012 mill rate with the Net Taxable Grand List increasing only by 0.02%. Property tax revenues for fiscal year 2013 increased 6.1% compared to fiscal year 2012.

Investment earnings remain the same as in the prior fiscal year as the Federal Reserve continued its policies to have lower short-term interest rates. Investment earnings continue to be an insignificant part of the Town's revenue in fiscal year 2013.

Operating grants and contributions increased over the prior fiscal year due to the State of Connecticut increased its on-behalf payments to the Connecticut State Teachers' Retirement System for Rocky Hill teachers over last fiscal year.

Grants and contributions not restricted to a specific programs decreased over the prior fiscal year due smaller reimbursement from FEMA for clean up costs associated with only one disaster declared storm.

Building department fees increased 86% over fiscal year 2012. The collections of real estate conveyance tax increased 123% over the prior fiscal year due to a number of sales of office building properties.

More than 52% of the Town's expenses relate to education, 9% to public safety, 9% to parks, recreation and facilities, 17% to general government and 9% to public works.

Major expense factors included:

Increases in employee wages from the resumption of negotiated step and general wage increases after all Town of Rocky Hill employees bargaining and non-bargaining groups as well as certain Board of Education employees agreed not take a salary increase in the 2011-2012 fiscal year. The cost of employee benefits increased due to a 9.7% increase in health insurance rates.

With town staff, the Town was able to clean up after Hurricane Sandy in October and the severe snow storm in February. The Town did get 75% of eligible snow removal costs for the severe snow storm reimbursed by FEMA.

The winter season turned out to be a warmer that resulted in lower than expected heating expenses. Also, the Town has a third party supplier for "green power" electricity and locked in at a fixed kilowatt rate through January of 2014. This has stabilized the Town's cost of electricity for its operations.

The Town did issue bond anticipation notes during the period to fund the design phase of the high school renovation capital project. Also, the Town did issue refunding bonds in fiscal year 2013 and the savings from this refunding will reduce long-term debt starting in fiscal year 2014.

The Town's legal expenses were higher as the Town challenging, through the court system, the State of Connecticut use of a former Rocky Hill nursing home as part of the State Correction System.

The Town's previous workers compensation insurer, Municipal Interlocal Risk Management Agency (MIRMA), charged Rocky Hill and its other member towns an assessment for worker compensation claim run out for claims occurring from July 1, 2002 through June 30, 2009. The Town expects to make yearly assessment payment as determined by MIRMA's actuarial in the coming fiscal years.

In the 2012-2013 fiscal year, the Teacher's Union agreed to a no salary increase for its members. However, the cost of education increased primarily due to non-teachers negotiated wage settlements, the increase to the cost for employee benefits and the increase of special education transportation costs.

Table 3 presents the cost of each of the Town's five largest programs - education, general government, public works, public safety, and parks, recreation and facilities - 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

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Education	\$ 37,299,006	\$ 35,705,568	\$ 28,125,723	\$ 26,634,137
General government	12,338,980	11,295,951	10,872,356	9,318,320
Public works	6,517,312	6,213,768	6,505,916	6,135,771
Public safety	6,672,755	6,268,705	5,760,567	5,784,190
Parks, recreation and facilities	6,575,904	6,091,351	5,874,770	5,367,393
All others	2,135,403	2,155,734	1,980,004	1,997,592
Total	\$ 71,539,360	\$ 67,731,077	\$ 59,119,336	\$ 55,237,403

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 \$8.7 million, which is an increase from last year's total of \$7.7 million. Included in this year's total change in fund balance is an increase of \$1.6 million in the Town's General Fund. The primary reasons for the General Fund's increase mirror the governmental activities analysis highlighted in Exhibit IV. In addition, these other changes in fund balances should be noted:

The fund balance of the Town of Rocky Hill's Capital Project Fund decreased by \$606 thousand. This was the result of the Town spending \$630 thousand of expenditures for the high school renovation project during the design phase.

General Fund Budgetary Highlights

Tax collections were favorable by \$364 thousand. Charges for Services were favorable by \$374 thousand due to the increase in real estate conveyance tax collected and police private duty. Intergovernmental revenue was favorable by \$287 thousand due to FEMA reimbursement of the clean up costs for the severe snow storm, the State of Connecticut providing reimbursement to the Town for maintaining State roads during Storm Alfred, and a State of Connecticut Municipal Revenue Sharing Grant. Licenses and permits revenue was favorable by \$249 thousand due to the increase in the issuance of building permits.

Interest from investment was unfavorable by \$7 thousand due to the continuing of low short-term interest rates.

Legal expenses were higher than the original budget due to the Town challenging the State of Connecticut use of a former Rocky Hill nursing home as part of the State Correction System.

The Personnel budget was increased to track Town incurred labor, overtime, material and services costs associated with Hurricane Sandy. This budget increase covered \$35 thousand of storm related costs.

Police expenses were higher than the original budget due to the greater use police officers for private duty assignments. Increase request for private duty are coming from the surrounding towns.

Higher motor fuel prices increase operating costs for town vehicles in the police, fire, and highway departments.

The Town budgets for unanticipated and unbudgeted expenditures that occurred during the budget year. For the 2012-2013 budget years, the Town budgeted \$398 thousand for contingency. This provided the Town with a reserve to cover salary increases in labor agreements, increased electric, heating and motor fuel costs and increases in overtime costs associated with snow removal.

The Town's General Fund balance of \$5.9 million reported on Exhibit III differs from the General Fund's budgetary fund balance of \$4.8 million reported in the budgetary comparison in the required supplementary information. This is principally because fund balance includes a \$250 thousand of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes and a \$948 thousand appropriation of fund balance to the 2013-2014 budget.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2013, the Town had \$46.9 million invested in a broad range of capital assets, including land, buildings, park facilities, roads, vehicles and equipment - Table 4. This amount represents a net decrease (including additions and deductions) of \$1.2 million or 2.6%, over last year.

Table 4
CAPITAL ASSETS (Net of Depreciation)

	Governmental	
	Activities	
	<u>2013</u>	<u>2012</u>
Land	\$ 3,837,249	\$ 3,837,249
Buildings and improvements	21,902,307	22,574,494
Furniture, vehicles and equipment	949,637	856,588
Infrastructure	<u>20,226,567</u>	<u>20,895,515</u>
Total	<u><u>\$ 46,915,760</u></u>	<u><u>\$ 48,163,846</u></u>

This year's major additions included (in millions):

New Police Vehicles, Dump Truck, Pickup Truck	\$.2
Various School Building Improvements	.5
Various Road Improvements	<u>.3</u>
Total	<u><u>\$ 1.0</u></u>

The Town's fiscal year 2013-2014 capital budget calls for it to spend \$3.2 million for capital projects, principally for sidewalk improvements, vehicles for various departments, road improvements, grounds improvements for athletic fields, town facilities improvements, school facilities improvements, school security related improvements, microwave radio transmitter, and funding towards Phase II of the Silas Deane streetscape project.

Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-Term Debt

At June 30, 2013, the Town had \$13.0 million in bonds outstanding versus \$14.8 million last year - a decrease of 12.5% - as shown in Table 5.

Table 5
OUTSTANDING DEBT

	Governmental	
	Activities	
	<u>2013</u>	<u>2012</u>
General Obligation Bonds (Backed by the Town)	<u><u>\$ 12,905,000</u></u>	<u><u>\$ 14,750,000</u></u>

The Town of Rocky Hill issued in February 2013 general obligation (GO) refunding bonds for \$7.16 million with all the proceeds being used to refund the Town's 2004 Series B GO bonds outstanding. Standard & Poor's Rating Services reviewed the refunding bonds issue and assigned its 'AA' rating with a stable outlook. Also in 2010, Moody's Investor Service recalibrated its Global Scale Ratings that resulted in the Town's bond rating going to Aa2 from Aa3. The State limits the amount of general obligation debt that cities can issue based 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 \$395 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 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2014 budget and tax rate. One of those factors is the economy and the community's ability to pay for municipal services. As of June 2013, the Town's labor force stood at 11,008 with its unemployment rate being 6.1% compared to 8.2% in the greater Hartford region and 8.2% for the State. The Rocky Hill unemployment rate has increased from the June 2012 rate of 5.9% compared to the State rate that has decreased from 8.4% to 8.2%.

The consumer price index for June 2013 was 1.8% compared to 1.7% for June 2012 and 3.6% for June 2011. The Town has a business development incentive policy that provides tax abatements to help bring new business into the community and retain existing businesses.

These indicators were taken into account when adopting the General Fund Budget for 2013-2014. Amounts available for appropriation in the General Fund are \$66,263,669, an increase of 5.4% over the 2012-2013 budget of \$62,854,027.

For 2013-2014, the Town's Net Taxable Grand List increased by only 0.26% from the prior year. This negligible increase is the result of small reductions in real estate and personal property being offset by an increase in value for motor vehicle assessments. The mill rate used by the Town was 26.6 mills, an increase of 0.7 mills compared to the mill rate used in the 2012-2013 budget year.

The Town appropriated \$948 thousand from fund balance to the 2013-2014 budget. This is an increase of \$948 thousand from the prior year. Of this use of fund balance, \$452 thousand relates to the Town Council resolution that funds in the unassigned fund balance from the preceding fiscal year that exceed 6% of general fund expenditures be applied to the capital improvement budget in the next budget year.

The Town is concerned about any budget problems that the State of Connecticut might have and the impact balancing the State budget might have on the Town. Approximately 8.3% of the Town's budget revenues are derived from revenues received from the State of Connecticut. About 65.2% of the State revenues come to the Town in the form of Educational Cost Sharing Grants (ECS) which assists the Town's school system.

The Town is concerned about the United States as well as the global economy and both its impact on the equities market. Like most towns, Rocky Hill has its pension trusts assets invested with various mutual funds that hold investments in the stock market. The Town has seen these pension trusts assets increase in value by 1.70% from July 1, 2013 to September 30, 2013. However, if the equities markets decline in value, the Town pension trusts have adequate amounts in fixed income account balances so that the trusts will be able to pay its pension obligations over the next couple of years without having to liquidate any of its mutual funds positions.

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, Town of Rocky Hill, 761 Old Main Street, Rocky Hill, Connecticut 06067.

Basic Financial Statements

TOWN OF ROCKY HILL, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 15,376,396
Receivables, net	1,548,565
Inventory	6,571
Net pension assets	69,055
Other assets	101,139
Capital assets not being depreciated	3,837,249
Capital assets being depreciated, net	43,078,511
Total assets	<u>64,017,486</u>
Liabilities:	
Accounts and other payables	1,843,084
Unearned revenue	3,775,362
Notes payable	2,000,000
Noncurrent liabilities:	
Due within one year	1,871,085
Due in more than one year	22,442,234
Total liabilities	<u>31,931,765</u>
Net Position:	
Net investment in capital assets	32,976,165
Restricted for:	
Trust purposes:	
Nonexpendable	50,402
Unrestricted	<u>(940,846)</u>
Total Net Position	<u>\$ 32,085,721</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 12,338,980	\$ 934,158	\$ 532,466	\$	\$ (10,872,356)
Public safety	6,672,755	862,372	49,816		(5,760,567)
Public works	6,517,312			11,396	(6,505,916)
Health and human services	684,720		117,529		(567,191)
Parks, recreation and facilities	6,575,904	687,737	13,397		(5,874,770)
Library services	972,849	27,440	10,430		(934,979)
Education	37,299,006	480,805	8,692,478		(28,125,723)
Debt service	477,834				(477,834)
Total Governmental Activities	<u>\$ 71,539,360</u>	<u>\$ 2,992,512</u>	<u>\$ 9,416,116</u>	<u>\$ 11,396</u>	<u>(59,119,336)</u>
General revenues:					
Property taxes					56,303,034
Grants and contributions not restricted to specific programs					1,805,935
Unrestricted investment earnings					15,006
Miscellaneous					684,332
Total general revenues					<u>58,808,307</u>
Change in net position					(311,029)
Net Position at Beginning of Year					<u>32,396,750</u>
Net Position at End of Year					<u>\$ 32,085,721</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 9,603,743	\$ 4,098,701	\$ 1,673,952	\$ 15,376,396
Receivables, net	1,465,677		82,888	1,548,565
Due from other funds	792,511		360,711	1,153,222
Inventory			6,571	6,571
Total Assets	<u>\$ 11,861,931</u>	<u>\$ 4,098,701</u>	<u>\$ 2,124,122</u>	<u>\$ 18,084,754</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 1,366,764	\$ 135,744	\$ 187,007	\$ 1,689,515
Due to other funds	360,711	594,451	198,060	1,153,222
Deferred revenue	4,263,773		271,382	4,535,155
Notes payable		2,000,000		2,000,000
Total liabilities	<u>5,991,248</u>	<u>2,730,195</u>	<u>656,449</u>	<u>9,377,892</u>
Fund balances:				
Nonspendable			56,973	56,973
Restricted			128,247	128,247
Committed		1,998,760	1,282,453	3,281,213
Assigned	1,198,823			1,198,823
Unassigned	4,671,860	(630,254)		4,041,606
Total fund balances	<u>5,870,683</u>	<u>1,368,506</u>	<u>1,467,673</u>	<u>8,706,862</u>
Total Liabilities and Fund Balances	<u>\$ 11,861,931</u>	<u>\$ 4,098,701</u>	<u>\$ 2,124,122</u>	<u>\$ 18,084,754</u>

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TOWN OF ROCKY HILL, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

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)	\$ 8,706,862
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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	\$ 105,790,164	
Less accumulated depreciation	<u>(58,874,404)</u>	
Net capital assets		46,915,760

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

Net pension asset	69,055
Property tax receivables greater than 60 days	571,393
Interest receivable on property taxes	188,400
Bond issuance costs	101,139

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

Net pension obligation	(1,791,814)
Bonds payable	(12,905,000)
Interest payable on bonds and notes	(153,569)
Compensated absences	(4,357,127)
Capital lease	(427,512)
Bond premium	(602,542)
Deferred charges on refunding	(4,541)
Net OPEB obligation	<u>(4,224,783)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>32,085,721</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes and assessments	\$ 56,453,949	\$	\$	\$ 56,453,949
Intergovernmental	9,052,449	5,285	2,051,771	11,109,505
Charges for services	1,544,079		1,211,625	2,755,704
Income on investments	14,069	687	251	15,007
Miscellaneous	827,777	64,957	152,347	1,045,081
Total revenues	<u>67,892,323</u>	<u>70,929</u>	<u>3,415,994</u>	<u>71,379,246</u>
Expenditures:				
Current:				
General government	2,399,855			2,399,855
Public safety	5,828,716		67,197	5,895,913
Public works	5,573,494			5,573,494
Health and human services	567,584		93,931	661,515
Parks, recreation and facilities	5,544,561		706,486	6,251,047
Library services	912,754		34,447	947,201
Education	33,885,126		1,916,679	35,801,805
Miscellaneous	7,357,111		597,927	7,955,038
Capital outlay	1,473,714	1,527,718		3,001,432
Debt service	2,235,379			2,235,379
Total expenditures	<u>65,778,294</u>	<u>1,527,718</u>	<u>3,416,667</u>	<u>70,722,679</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,114,029</u>	<u>(1,456,789)</u>	<u>(673)</u>	<u>656,567</u>
Other Financing Sources (Uses):				
Transfers in		648,828		648,828
Transfers out	(648,828)			(648,828)
Issuance of capital lease		201,956		201,956
Refunding bonds issued	7,160,000			7,160,000
Premium on refunding bond issuance	619,757			619,757
Payment to refunded bond escrow agent	(7,675,728)			(7,675,728)
Total other financing sources (uses)	<u>(544,799)</u>	<u>850,784</u>	<u>-</u>	<u>305,985</u>
Net Change in Fund Balances	1,569,230	(606,005)	(673)	962,552
Fund Balances at Beginning of Year	<u>4,301,453</u>	<u>1,974,511</u>	<u>1,468,346</u>	<u>7,744,310</u>
Fund Balances at End of Year	<u>\$ 5,870,683</u>	<u>\$ 1,368,506</u>	<u>\$ 1,467,673</u>	<u>\$ 8,706,862</u>

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TOWN OF ROCKY HILL, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances - 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)	\$ 962,552
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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	385,264
Depreciation expense	(1,633,350)

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:

Property tax receivable - accrual basis change	(101,117)
Property tax interest and lien revenue - accrual basis change	(49,798)

Change in net pension assets	17,051
Change in OPEB assets	(29,029)

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 issuance costs, 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 principal payments	1,555,000
Capital lease issued	(201,956)
Capital lease payments	138,478
Refunding bonds issued	(7,160,000)
Premium on refunding	(619,757)
Bond issuance costs	104,029
Payments to bond refunding agent	7,675,728

Some expenses reported in the statement of activities do not require the use of current resources
and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(267,623)
Accrued interest	71,794
Amortization of deferred charge on refunding	12,397
Amortization of issuance costs	(2,890)
Amortization of bond premiums	17,215
Net pension obligation	(42,893)
OPEB obligations	<u>(1,142,124)</u>

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (311,029)</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	Pension Trust Fund	Other Post Employment Benefits Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$	\$	\$ 946,580
Investments:			
Certificate of deposits			190,199
Mutual funds	<u>47,909,509</u>	<u>472,124</u>	<u>199,314</u>
Total assets	<u>47,909,509</u>	<u>472,124</u>	<u>\$ 1,336,093</u>
Liabilities:			
Deposits and amounts due to student groups and participants			\$ 1,311,449
Accounts payable			<u>24,644</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 1,336,093</u>
Net Position:			
Held in Trust for Pension and Other Benefits	<u>\$ 47,909,509</u>	<u>\$ 472,124</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Pension Trust Fund</u>	<u>Other Post Employment Benefits Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 2,076,468	\$ 525,618
Plan members	434,100	
Total contributions	<u>2,510,568</u>	<u>525,618</u>
Investment income:		
Net appreciation in fair value of investments	6,652,098	40,392
Interest and dividends	380,220	14,558
Total investment income	<u>7,032,318</u>	<u>54,950</u>
Less investment expense	192,374	4,113
Net investment income	<u>6,839,944</u>	<u>50,837</u>
Total additions	<u>9,350,512</u>	<u>576,455</u>
Deductions:		
Benefits	2,147,719	425,618
Other expenses	57,150	
Refunds	20,989	
Total deductions	<u>2,225,858</u>	<u>425,618</u>
Net Increase	7,124,654	150,837
Net Position - Beginning of Year	<u>40,784,855</u>	<u>321,287</u>
Net Position - End of Year	<u>\$ 47,909,509</u>	<u>\$ 472,124</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Rocky Hill (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

Rocky Hill, settled in 1650 as part of Wethersfield, was incorporated as a separate Town in May 1843. The Town operates under a Council - Manager form of government. The Town Council is the legislative and policy making body of the Town, and consists of nine members elected at-large for two-year terms. The Mayor (one of the nine Council members) is separately elected and presides over all meetings of the Town Council. The Mayor submits recommendations for appointments under the Council jurisdiction and, as directed by the Council, appoints such special subcommittees of the Council as are needed to effectively conduct the Council's business.

The Town Manager is the Chief Executive and Administrative Officer of the Town and is responsible for the overall management of all departments of the Town except for the Board of Education. The Town Manager is directly responsible to the Town Council for the implementation of policies established by the Council and the appointment and supervision of all department heads and municipal employees, except for the Town Clerk, Clerk of the Town Council and the Town Attorney.

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 pension trust 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures 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. 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 Capital Projects Fund is used to account for the acquisition or construction of major capital facilities.

Additionally, the Town reports the following fund types:

The Pension Trust Fund accounts for the activities of the Town Pension Plans, which accumulates resources for pension benefit payments to qualified Town employees.

The Other Post Employment Benefits Trust Fund accounts for the activities of the Town Post Employment Benefits plans, which accumulates resources for healthcare payments to qualified Town employees.

The Agency Funds account for monies from various self-funding school activity programs and surety bonds.

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 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.

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 for the Town 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." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are assessed as of October 1 and billed at 70% of assessed value on the following July 1. Generally, taxes are due in two installments. Taxes not paid within 30 days of the due date are subject to an interest charge of 1½% per month. As of June 30, liens are placed upon delinquent accounts in accordance with the provisions of the Connecticut General Statutes.

In the governmental fund financial statements, property taxes are recognized when they are available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time does not exceed 60 days.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, except computer hardware (\$1,000), and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 of the Town is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	35
Buildings and improvements	25-50
Vehicles	3-5
Office equipment	3-5
Computer equipment	3-5

H. Compensated Absences

Municipal

Employees earn 12 to 18 days of sick leave per year and 5 to 25 vacation days per year depending on employees' length of service. Upon termination, an employee is entitled to be paid for all unused vacation time and 20% to 50% of sick leave depending on employee's length of service.

Board of Education

Employees earn from 12.5 to 25 days of sick leave per year depending on their bargaining unit. Maximum sick leave accrual also varies by bargaining unit from 70 to 221 days. All employees, with exception of teachers, paraprofessionals and cafeteria workers, earn from 5 to 25 days of vacation leave per year. All vacation days must be used within the fiscal year earned except for five days, which may be carried forward to the next year. Upon termination of employment, employees are paid for all earned and unused vacation leave. Unused sick leave may also be paid subject to the terms and limits of each bargaining unit contract.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

J. 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.

Restricted Net Position - Net position is restricted because restrictions are 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 (Town Council) by adoption of an ordinance prior to the end of the fiscal year. Amounts remain committed until action is taken by the Town Council to remove or revise the limitations.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Finance Director that has been delegated authority to assign amounts by the Town Charter. Assignments exist temporarily and an additional action is not required to be taken for the removal of an assignment.

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.

K. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The budget for the General Fund is authorized annually by the Town on a modified accrual basis of accounting except for encumbrances.

Unencumbered appropriations for the General Fund shall lapse at the end of the fiscal year, unless otherwise provided for by Council resolution. Additional appropriations, up to \$150,000 for each item, can be made by the Town Council. Additional appropriations over \$150,000 require the approval of the electors. The legal level of control on which expenditures may not exceed appropriations is on the departmental level. Transfers between line items within a department may be made by the Town Manager. The Council may, by resolution, transfer any unencumbered appropriation balance or portion from one department, office or agency, except the Board of Education, to another. There were no additional appropriations approved during the fiscal year.

Budgetary accounting uses encumbrance accounting. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all budgeted governmental type funds. Encumbrances outstanding at year end are reported in the GAAP financial statements as reservations of fund balances since they do not constitute expenditures or liabilities.

The differences between the budgetary and GAAP basis of accounting are as follows:

- Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year but are shown as a reservation of fund balance on a GAAP basis.
- State of Connecticut payments on behalf of Town of Rocky Hill teachers for the State Teachers' Retirement System are reported for GAAP purposes only.
- Refunding bond and premium proceeds and payments to escrow agent are reported for GAAP purposes only.

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 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*, \$7,602,827 of the Town’s bank balance of \$8,816,490 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 6,742,544
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>860,283</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 7,602,827</u></u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2013, the Town’s cash equivalents amounted to \$7,057,706. 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.

	<u>Standard & Poor’s</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Cooperative Liquid Assets Securities System (CLASS)	AAAm
State Tax Exempt Proceeds Fund *	

* Not rated

Investments

Investments as of June 30, 2013 in all funds are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)*</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificates of deposit	*	\$ 190,199	\$ <u>150,160</u>	\$ <u>40,039</u>	\$ <u>-</u>
Other investments:					
Pooled open-end mutual funds	N/A	<u>48,580,947</u>			
Total Investments		\$ <u>48,771,146</u>			

* Subject to coverage by Federal Depository Insurance and collateralization

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 limit its investment choices. The pooled open-end mutual funds accounts above are not rated by the nationally recognized statistical rating organizations.

Concentration of Credit Risk - The Town does not have an investment policy that allows for an investment in any one issuer that is in excess of 5% of the Town's total investments.

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, 2013, 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.

4. RECEIVABLES

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

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:			
Interest	\$ 188,400	\$	\$ 188,400
Taxes	839,556		839,556
Accounts	462,721	58,123	520,844
Intergovernmental		<u>24,765</u>	<u>24,765</u>
Gross receivables	<u>1,490,677</u>	<u>82,888</u>	<u>1,573,565</u>
Less allowance for uncollectibles	<u>(25,000)</u>		<u>(25,000)</u>
Net Total Receivables	<u>\$ 1,465,677</u>	<u>\$ 82,888</u>	<u>\$ 1,548,565</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable principal	\$ 571,393	\$
Delinquent property tax receivable interest	188,400	
Property taxes collected in advance		3,492,838
Grant drawdowns prior to meeting all eligibility requirements		<u>282,524</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 759,793</u>	<u>\$ 3,775,362</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,837,249	\$ _____	\$ _____	\$ 3,837,249
Total capital assets not being depreciated	<u>3,837,249</u>	<u>-</u>	<u>-</u>	<u>3,837,249</u>
Capital assets being depreciated:				
Buildings and improvements	49,771,345			49,771,345
Furniture, vehicles and equipment	14,325,363	385,264	(69,115)	14,641,512
Infrastructure	37,540,058			37,540,058
Total capital assets being depreciated	<u>101,636,766</u>	<u>385,264</u>	<u>(69,115)</u>	<u>101,952,915</u>
Less accumulated depreciation for:				
Buildings and improvements	(27,196,851)	(672,187)		(27,869,038)
Furniture, vehicles and equipment	(13,468,775)	(292,215)	69,115	(13,691,875)
Infrastructure	(16,644,543)	(668,948)		(17,313,491)
Total accumulated depreciation	<u>(57,310,169)</u>	<u>(1,633,350)</u>	<u>69,115</u>	<u>(58,874,404)</u>
Total capital assets being depreciated, net	<u>44,326,597</u>	<u>(1,248,086)</u>	<u>-</u>	<u>43,078,511</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,163,846</u>	<u>\$ (1,248,086)</u>	<u>\$ -</u>	<u>\$ 46,915,760</u>

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

Governmental activities:	
General government	\$ 872,916
Public safety	69,207
Public works	255,026
Health and human services	14,609
Parks, recreation and facilities	168,477
Library services	21,858
Education	<u>231,257</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,633,350</u>

Construction Commitments

The Town has active construction projects as of June 30, 2013. The following is a summary of capital projects as of June 30, 2013.

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Project Balance</u>
Capital and nonrecurring	\$ 49,825,956	\$ 3,695,307	\$ 46,130,649

6. INTERFUND RECEIVABLE AND PAYABLE BALANCES

A summary of interfund balances at June 30, 2013 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 594,451
General Fund	Nonmajor Governmental	198,060
Nonmajor Governmental	General Fund	<u>360,711</u>
 Total		 \$ <u><u>1,153,222</u></u>

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions.

Interfund transfers:

	<u>Transfers In</u> <u>Capital</u> <u>Projects Fund</u>
Transfers out:	
General Fund	\$ <u>648,828</u>
 Total	 \$ <u><u>648,828</u></u>

Transfers are used to move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

7. LEASES

Capital Leases

The Town has entered into lease agreements as lessee for financing vehicles, equipment for several Town departments, computers and related equipment for the Board of Education. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Asset:	
Furniture, vehicle and equipment	\$ 799,355
Less accumulated depreciation	<u>(331,379)</u>
 Total	 \$ <u><u>467,976</u></u>

The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at June 30, 2013:

Fiscal Year Ending June 30

2014	\$ 139,853
2015	134,083
2016	114,996
2017	39,639
2018	<u>34,298</u>
Total future minimum lease payments	462,869
Interest on future lease payments	<u>(35,357)</u>
Principal Balance of Future Minimum Payments	<u>\$ 427,512</u>

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 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 payable:					
General obligation bonds	\$ 14,750,000	\$ 7,160,000	\$ (9,005,000)	\$ 12,905,000	\$ 1,245,000
Deferred amounts on refunding	242,666	(225,728)	(12,397)	4,541	
Issuance premium		619,757	(17,215)	602,542	
Total bonds payable	<u>14,992,666</u>	<u>7,554,029</u>	<u>(9,034,612)</u>	<u>13,512,083</u>	<u>1,245,000</u>
Capital leases	364,034	201,956	(138,478)	427,512	124,342
Net pension obligation	1,748,921	246,276	(203,383)	1,791,814	
Compensated absences	4,089,504	690,062	(422,439)	4,357,127	501,743
Net OPEB obligation	<u>3,082,659</u>	<u>1,142,124</u>	<u></u>	<u>4,224,783</u>	<u></u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 24,277,784</u>	<u>\$ 9,834,447</u>	<u>\$ (9,798,912)</u>	<u>\$ 24,313,319</u>	<u>\$ 1,871,085</u>

Compensated absences are generally liquidated by the General Fund. Net pension obligation and net OPEB obligation are liquidated by Pension Trust Fund and Other Post Employment Benefits Trust Fund, respectively.

Bonds payable amounting to \$12,905,000 are secured by the general revenue raising powers of the municipality. There are presently two issues outstanding that bear interest at rates ranging from 2% to 5% with annual maturities in varying amounts until 2025.

A summary of debt service requirements by year for long-term bonded debt is presented below:

<u>Fiscal Year Ending June 30</u>	<u>Principal Total</u>	<u>Interest</u>	<u>Total Requirements</u>
2014	\$ 1,245,000	\$ 413,726	\$ 1,658,726
2015	1,570,000	387,275	1,957,275
2016	1,550,000	343,975	1,893,975
2017	1,350,000	289,375	1,639,375
2018	1,185,000	244,600	1,429,600
2019-2023	4,870,000	615,137	5,485,137
2024-2025	<u>1,135,000</u>	<u>36,825</u>	<u>1,171,825</u>
Total	\$ <u>12,905,000</u>	\$ <u>2,330,913</u>	\$ <u>15,235,913</u>

Refundings

On February 6, 2013, the Town issued \$7,160,000 in general obligation bonds with interest rates ranging from 2.0% to 4.0% to refund \$7,450,000 of outstanding 2004 general obligation bonds. The net proceeds of \$7,675,728 (after payment of issuance costs of \$104,029) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United States of America to provide all future debt service payments on the refunded bonds. The transaction generated a cash flow savings of \$883,943 and a present value savings of \$837,481. The refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The outstanding balance of the defeased bonds as of June 30, 2013 is \$7,450,000 and the escrow balance is \$7,675,728.

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2013 to the following:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 127,021,385	\$ 25,441,019	\$ 101,580,366
Schools	254,042,771	47,140,981	206,901,790
Sewers	211,702,309	32,312,561	179,389,748
Urban renewal	183,475,334		183,475,334
Pension deficit	169,361,847		169,361,847

Total debt outstanding may not exceed seven times annual receipts from taxation (\$395,177,643).

The Town is a member of the Metropolitan District Commission, a quasi-municipal corporation that provides water supply, sewerage collection and disposal facilities for members. Member towns are assessed a portion of the Metropolitan District's budget each year, based on the applicable town's property tax receipts. Total outstanding debt of the Metropolitan District Commission as of June 30, 2013 was \$599,040,844. The Town's share of the debt at June 30, 2013 was 5.78% or \$32,312,561. The estimated percentage is calculated based upon the proration of tax collection from the eight member towns.

Bonds authorized and unissued as of June 30, 2013 are summarized below:

	<u>Authorization</u>	<u>Bonds Issued</u>	<u>Self-Funded Pay Down</u>	<u>Bonds Authorized Unissued</u>
School improvements	\$ 49,912,000	\$ 3,812,800	\$ 40,000	\$ 46,059,200
Various improvements	<u>35,725,000</u>	<u>22,107,200</u>	<u> </u>	<u>13,617,800</u>
Total	<u>\$ 85,637,000</u>	<u>\$ 25,920,000</u>	<u>\$ 40,000</u>	<u>\$ 59,677,000</u>

9. SHORT-TERM DEBT

The following is a summary of bond anticipation note activity for the year ended June 30, 2013:

<u>Project</u>	<u>Issue Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2013</u>
High School Renovation	12/20/12	\$ 2,000,000	1.25%	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000

10. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 6,571	\$ 6,571
Permanent funds			50,402	50,402
Restricted for:				
Grants			128,247	128,247
Committed to:				
General government			544,014	544,014
Recreation programs			439,392	439,392
Library services			42,455	42,455
Public safety			72,084	72,084
Health and human services			107,289	107,289
Education			77,219	77,219
Road improvements		593,687		593,687
Building renovations		879,551		879,551
Vehicle purchases		168,943		168,943
Drainage		6,000		6,000
Technology		79,663		79,663
Consultants - school projects		2,018		2,018
Foundry		49,828		49,828
Revaluation		26,213		26,213
Other general government capital projects		192,857		192,857
Assigned to:				
Subsequent year's budget	947,832			947,832
Education - encumbrances	154,253			154,253
General government - encumbrances	22,186			22,186
Public works - encumbrances	3,617			3,617
Public safety - encumbrances	29,592			29,592
Parks, recreation and facilities - encumbrances	41,343			41,343
Unassigned	<u>4,671,860</u>	<u>(630,254)</u>		<u>4,041,606</u>
Total Fund Balances	<u>\$ 5,870,683</u>	<u>\$ 1,368,506</u>	<u>\$ 1,467,673</u>	<u>\$ 8,706,862</u>

12. CONTINGENT LIABILITIES

A number of claims are presently pending against the Town. It is the opinion of management and legal counsel that the final settlement of these matters will not have a material adverse affect on the financial condition of the Town.

13. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Town provides postretirement health care benefits for Town and Board of Education employees, in accordance with various labor and personnel contracts, to employees meeting specific service and age requirements. The postretirement health care benefits program is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post Employment Benefits Trust Fund. The Town does not issue stand-alone financial statements for this program. The Town and Board of Education postretirement health care benefits plans are single-employer defined benefit plans administered by the Town.

At July 1, 2012, plan membership consisted of the following:

	<u>Town Plan</u>	<u>Board of Education Plan</u>
Active plan members	151	280
Retired members	47	34
Total Participants	<u>198</u>	<u>314</u>

B. Funding Policy

The Town's funding and payment of postemployment benefits for the year ended June 30, 2013 are accounted for in the Other Post Employment Benefits Trust Fund. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

C. 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>Town Retiree Healthcare Plan</u>	<u>Board of Education Retiree Healthcare Plan</u>
Annual required contribution (ARC)	\$ 1,557,365	\$ 157,897
Interest on net OPEB obligation	123,306	(1,161)
Adjustment to annual required contribution	<u>(142,433)</u>	<u>1,797</u>
Annual OPEB cost	1,538,238	158,533
Contributions made	<u>(422,470)</u>	<u>(103,148)</u>
Change in net OPEB obligation	1,115,768	55,385
Net OPEB obligation (asset) at beginning of year	<u>3,082,659</u>	<u>(29,029)</u>
Net OPEB Obligation at End of Year	<u>\$ 4,198,427</u>	<u>\$ 26,356</u>

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 Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the last three fiscal years is presented below.

Town Employees				
Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2011	\$ 1,149,792	\$ 286,424	24.9%	\$ 2,226,445
6/30/2012	1,176,460	320,246	27.2	3,082,659
6/30/2013	1,538,238	422,470	27.5	4,198,427

Board of Education Employees				
Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2011	\$ 136,500	\$ 157,527	115.4%	\$ (12,503)
6/30/2012	155,208	171,734	110.6	(29,029)
6/30/2013	158,533	103,148	65.3	26,356

Schedule of Funding Progress

Town Employees						
Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/08	\$ -	\$ 9,153,251	\$ (9,153,251)	0.0%	\$ N/A	N/A
7/1/10	181,020	11,414,937	(11,233,917)	1.6	9,162,154	(122.61%)
7/1/12	321,287	13,948,210	(13,626,923)	2.3	9,832,453	(138.6)

Board of Education Employees						
Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/08	\$ -	\$ 1,526,950	\$ (1,526,950)	0.0%	N/A	N/A
7/1/10	-	1,319,431	(1,319,431)	0.0	N/A	N/A
7/1/12	-	1,296,253	(1,296,253)	0.0	N/A	N/A

*Data is only presented for three years because there are only three evaluations done since implementing the standard.

Schedule of Employer Contributions

Town Employees		
Year Ended June 30	Annual Required Contribution	Percentage Contributed
2011	\$ 1,154,905	24.8%
2012	1,180,473	27.1
2013	1,557,365	20.7

Board of Education Employees		
Year Ended June 30	Annual Required Contribution	Percentage Contributed
2011	\$ 136,648	115.3%
2012	154,814	110.9
2013	157,897	65.3

Other Postemployment Healthcare Benefit Trust Funds

The Town maintains two postretirement health care benefit plans. The following schedules present the net position held in trust for other postemployment benefits at June 30, 2013 and changes in net position for the year then ended.

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total Healthcare Trust Funds
Assets:			
Investments	\$ 472,124	\$ -	\$ 472,124
Liabilities			-
Net Position:			
Reserved for OPEB Benefits	\$ 472,124	\$ -	\$ 472,124

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total Healthcare Trust Funds
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 422,470	\$ 103,148	\$ 525,618
Investment income:			
Net appreciation in fair value of investments	40,392		40,392
Interest and dividends	14,558		14,558
Total investment income	<u>54,950</u>	<u>-</u>	<u>54,950</u>
Less investment expense	<u>4,113</u>		<u>4,113</u>
Net investment income	<u>50,837</u>	<u>-</u>	<u>50,837</u>
Total additions	473,307	103,148	576,455
Deductions:			
Benefit payments	<u>322,470</u>	<u>103,148</u>	<u>425,618</u>
Net increase	150,837	-	150,837
Net Position Held in Trust for OPEB Benefits at Beginning of Year	<u>321,287</u>	<u>-</u>	<u>321,287</u>
Net Position Held in Trust for OPEB Benefits at End of Year	<u>\$ 472,124</u>	<u>\$ -</u>	<u>\$ 472,124</u>

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, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (ARC) reflects a 30-year open period, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 4% interest rate of return on investments, 2.5% inflation rate, participant annual salary increase of 3.5% and annual payroll growth rate of 2.5%. The annual healthcare cost trend rate is 9% initially with an ultimate rate of 5.0%.

14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Description

The Town is the administrator of four single-employer Public Retirement Systems (PERS) established and administered by the Town to provide pension benefits for its employees. The PERS are considered to be part of the Town’s financial reporting entity and are included in the Town’s financial reports as Pension Trust Funds. The PERS do not issue stand-alone financial statements. The authority of the Town Council established these plans.

The PERS membership, as of the latest actuarial valuation, consisted of the following:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Retirees and beneficiaries currently receiving benefits	115	22	20	7
Terminated plan members entitled to benefits but not yet receiving them	20		85	4
Current employees:				
Vested	142	25	35	16
Nonvested	32	4	31	20
Total	<u>309</u>	<u>51</u>	<u>171</u>	<u>47</u>

The Town’s General Employee Pension System covers all full-time employees not covered under one of the other plans. Employees become participants on the first of September coinciding with or the next September following their completion of six full months of continuous service and attainment of age 18. The normal retirement date is the first day of the month coinciding with age 62 with 5 years of participation. The retirement benefit is 1.25% of average monthly earnings plus .6% of average monthly earnings in excess of \$650, all multiplied by years of credited service (to a maximum of 30 years). Certain employees designated by the Town Council shall receive 1.5% of average monthly earnings plus .6% of average monthly earnings in excess of \$500, all multiplied by years of credited service (to a maximum of 30 years). Average monthly earnings are the employee’s earnings averaged for the highest five years of employment with the Town. The employee’s rate of contribution is 3% of earnings.

The Town’s Police Officers Pension System covers all full-time police officers. Employees become participants on the first of September coinciding with or next following their completion of six full months of continuous service and attainment of age 21. The normal retirement date is the first day of the month coinciding with age 45 with 25 years of continuous service, but no later than age 65. The retirement benefit is 2.5% of average monthly earnings multiplied by years of credited service (to a maximum of 28 years). Average monthly earnings are the employee’s earnings averaged for the highest five years of employment with the Town. The employee’s rate of contribution is 7% of earnings; however, any employee who has been a participant for 28 years shall no longer be required to make a contribution.

The Town's Firefighters Pension System covers all volunteer firefighters who have not attained age 42 at their first day of service. Employees become participants on the first day of service or, if later, attainment of age 19. The normal retirement date is the first day of the month coinciding with age 62 with 20 years of service. The retirement benefit shall be in accordance with the schedule below plus \$5 per month for each year of service in excess of 20 years.

<u>Service Years</u>	<u>Amount</u>
10 years	\$ 50
11 years - 14 years	75
15 years - 19 years	100
20 years or more	315

The Town's Ambulance Pension System covers all volunteer ambulance personnel who perform emergency medical services, administration, public relations or other related duties for the Town. All participants become eligible at the minimum age of 19. The normal retirement date of the plan is the first month following the participant's 62nd birthday or the 5th anniversary of joining the plan, if later. A participant who has reached normal retirement date shall be entitled to receive a retirement according to the following schedule plus \$5 for each year in excess of 20 years:

<u>Service Years</u>	<u>Monthly Benefit</u>
At least 10 years	\$ 50
11 years - 14 years	75
15 years - 19 years	100
20 years or more	315 (plus \$5.00 for each year in excess of 20)

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: All the PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirement. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS.

Method Used to Value Investments: All funds are invested with The Hartford and are reported at fair value.

C. Funding Status and Progress

Employees covered under the General Employees and Police Officers plans are required to contribute 3% and 7% of earnings, respectively, to the PERS. The Firefighters and Ambulance plans are noncontributory. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. The Town Council is the authoritative body governing all plans. Administrative costs for the General Employees, Police Officers and Firefighters plans are financed by each plan. Administrative costs for the Ambulance Pension plan are financed by the General Fund.

D. Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension obligation to the PERS for the current period were as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Annual required contribution	\$ 1,461,942	\$ 571,380	\$ 76,430	\$ 14,998
Interest on net pension obligation	91,006	40,163	(1,228)	(2,316)
Adjustment to annual required contribution	(102,741)	(45,342)	2,409	(4,391)
Annual pension cost	1,450,207	566,201	77,611	8,291
Contributions made	1,203,931	769,584	72,325	30,628
Change in net pension obligation (asset)	246,276	(203,383)	5,286	(22,337)
Net pension obligation (asset) at beginning of year	1,213,409	535,512	(16,378)	(35,626)
Net Pension Obligation (Asset) at End of Year	\$ <u>1,459,685</u>	\$ <u>332,129</u>	\$ <u>(11,092)</u>	\$ <u>(57,963)</u>

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Actuarial Valuation Date	9-1-12	9-1-12	7-1-12	7-1-12
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Aggregate	Aggregate
Amortization Method	Level Dollar	Level Dollar	N/A	N/A
Remaining Amortization Period	30 Years Open	30 Years Open	N/A	N/A
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Actuarial Assumptions:				
Investment rate of return*	7.5%	7.5%	7.5%	6.5%
Projected salary increases*	5.0%	5.0%	N/A	N/A

*No inflation factor included

E. Trend Information

<u>General Employees</u>			
<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
10-11	\$ 1,193,732	85.7%	\$ 1,225,259
11-12	1,192,081	101.0	1,213,409
12-13	1,450,207	83.0	1,459,685

Police Officers

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
10-11	\$ 764,937	92.1%	\$ 540,741
11-12	764,355	100.7	535,512
12-13	566,201	135.9	332,129

Firefighters

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
10-11	\$ 72,325	69.1%	\$ (17,525)
11-12	70,866	98.4	(16,378)
12-13	77,611	93.2	(11,092)

Ambulance

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
10-11	\$ 26,578	134.1%	\$ (13,016)
11-12	9,729	332.3	(35,626)
12-13	8,291	369.4	(57,963)

F. Schedule of Funding Progress and Employer Contributions

Schedule of Funding Progress

General Employees

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
9/1/08	\$ 21,046,139	\$ 24,750,801	\$ (3,704,662)	85.0%	\$ 8,474,681	(43.7)%
9/1/10	22,758,265	28,654,640	(5,896,375)	79.4	9,046,134	(65.2)
9/1/12	24,438,531	32,954,792	(8,516,261)	74.2	9,418,330	(90.4)

Police Officers

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
9/1/08	\$ 13,869,702	\$ 18,028,640	\$ (4,158,938)	76.9%	\$ 2,441,653	170.3%
9/1/10	15,124,745	20,018,744	(4,893,999)	75.6	2,479,447	197.4
9/1/12	15,953,314	18,898,638	(2,945,324)	84.4	2,415,638	121.9

Firefighters

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)*	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)**	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/08	\$ 823,446	\$ 998,352	\$ (174,906)	82.5%	N/A	N/A
7/1/10	777,258	1,156,417	(379,159)	67.2	N/A	N/A
7/1/12	825,858	1,228,997	(403,139)	67.2	N/A	N/A

* As of July 1, 2006 the Actuarial Accrued Liability is determined using the entry age actuarial cost method as required by GASB Statement 50.

** Pay for volunteer firefighters is not available.

Ambulance

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)*	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)**	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/10	\$ 463,331	\$ 481,039	\$ (17,708)	96.32%	N/A	N/A
7/1/11	471,485	506,309	(34,824)	93.12	N/A	N/A
7/1/12	565,042	528,393	(36,649)	106.94	N/A	N/A

* Actuarial Accrued Liability is determined using the entry age actuarial cost method as required by GASB Statement 50.

** Pay for volunteer ambulance is not available.

Schedule of Employer Contributions

General Employees

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 1,183,469	100.00%
2009	1,023,081	115.68
2010	1,023,081	100.00
2011	1,203,931	84.98
2012	1,203,931	100.00
2013	1,461,942	82.35

Police Officers

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 686,764	100.00%
2009	686,764	100.00
2010	704,704	97.45
2011	704,704	100.00
2012	769,584	91.50
2013	571,380	134.69

Firefighters		
Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2008	\$ 54,958	172.05%
2009	41,594	132.23
2010	41,594	120.21
2011	69,719	71.72
2012	69,719	100.00
2012	76,430	94.63

Ambulance		
Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2008	\$ 30,475	100.00%
2009	22,164	106.50
2010	35,635	100.00
2011	27,339	130.34
2012	12,288	263.18
2013	14,998	204.20

Pension Trust Funds

The Town maintains four pension trust funds (Volunteer Ambulance Pension Plan, Firemen's Pension Plan, General Employees' Pension Plan and Police Pension Plan) to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2013 and the changes in net position for the year then ended.

	Pension Trust Funds				
	General Employees' Pension Plan	Police Pension Plan	Firefighters' Pension Plan	Volunteer Ambulance Pension Plan	Total Pension Trust Funds
Assets:					
Investments	\$ 28,128,078	\$ 18,261,364	\$ 955,025	\$ 565,042	\$ 47,909,509
Liabilities					-
Net Position:					
Reserved for Pension Plan Benefits	\$ 28,128,078	\$ 18,261,364	\$ 955,025	\$ 565,042	\$ 47,909,509

	Pension Trust Funds				
	General Employees' Pension Plan	Police Pension Plan	Firefighters' Pension Plan	Volunteer Ambulance Pension Plan	Total Pension Trust Funds
Additions:					
Contributions:					
Employer	\$ 1,203,931	\$ 769,584	\$ 72,325	\$ 30,628	\$ 2,076,468
Employee	294,102	139,998			434,100
Total contributions	<u>1,498,033</u>	<u>909,582</u>	<u>72,325</u>	<u>30,628</u>	<u>2,510,568</u>
Investment income:					
Net appreciation in fair value of investments	3,872,095	2,553,443	144,723	81,837	6,652,098
Interest and dividends	224,489	145,263	6,024	4,444	380,220
Total investment income	<u>4,096,584</u>	<u>2,698,706</u>	<u>150,747</u>	<u>86,281</u>	<u>7,032,318</u>
Less investment expense	111,788	74,049	4,195	2,342	192,374
Net investment income	<u>3,984,796</u>	<u>2,624,657</u>	<u>146,552</u>	<u>83,939</u>	<u>6,839,944</u>
Total additions	<u>5,482,829</u>	<u>3,534,239</u>	<u>218,877</u>	<u>114,567</u>	<u>9,350,512</u>
Deductions:					
Benefit payments	1,187,226	881,708	59,024	19,761	2,147,719
Other expenses	26,950	20,000	8,950	1,250	57,150
Refunds	20,989				20,989
Total deductions	<u>1,235,165</u>	<u>901,708</u>	<u>67,974</u>	<u>21,011</u>	<u>2,225,858</u>
Net increase	4,247,664	2,632,531	150,903	93,556	7,124,654
Net Position Held in Trust for Pension					
Benefits at Beginning of Year	<u>23,880,414</u>	<u>15,628,833</u>	<u>804,122</u>	<u>471,486</u>	<u>40,784,855</u>
Net Position Held in Trust for Pension					
Benefits at End of Year	<u>\$ 28,128,078</u>	<u>\$ 18,261,364</u>	<u>\$ 955,025</u>	<u>\$ 565,042</u>	<u>\$ 47,909,509</u>

G. Teachers' Retirement System

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

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$17,715,983.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The Town does not have any liability for teacher pensions. For the year ended June 30, 2013, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$3,715,396 as payments made by the State of Connecticut on behalf of the Town.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

15. SUBSEQUENT EVENT

On August 15, 2013, the Town issued \$4,100,000 of bond anticipation notes maturing on May 15, 2014 at an interest rate of 1%.

**Required
Supplementary Information**

TOWN OF ROCKY HILL, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Revenues from property taxes	\$ 55,914,758	\$ 55,914,758	\$ 56,171,894	\$ 257,136
Interest and liens fees	175,000	175,000	282,055	107,055
Total property taxes	<u>56,089,758</u>	<u>56,089,758</u>	<u>56,453,949</u>	<u>364,191</u>
Intergovernmental:				
Education:				
Education Cost Sharing Grant	3,487,075	3,487,075	3,481,162	(5,913)
Transportation	47,504	47,504	49,956	2,452
Total education	<u>3,534,579</u>	<u>3,534,579</u>	<u>3,531,118</u>	<u>(3,461)</u>
Other:				
Reimbursement - elderly, veterans and disability exemptions	114,795	114,795	119,344	4,549
State tax-exempt property - in lieu of taxes and Tobacco Grant	606,001	606,001	598,842	(7,159)
LOCIP and Town Aid Road	280,086	280,086	276,946	(3,140)
Pequot Grant	283,740	283,740	276,873	(6,867)
Municipal revenue sharing	185,193	185,193	295,380	110,187
FEMA			89,304	89,304
Miscellaneous grants	45,000	45,000	149,246	104,246
Total other	<u>1,514,815</u>	<u>1,514,815</u>	<u>1,805,935</u>	<u>291,120</u>
Total intergovernmental	<u>5,049,394</u>	<u>5,049,394</u>	<u>5,337,053</u>	<u>287,659</u>
Licenses and permits:				
Building Department	295,000	295,000	543,962	248,962
Business licenses	2,550	2,550	2,454	(96)
Land Use Commission	14,000	14,000	26,580	12,580
Animal licenses	2,000	2,000	1,213	(787)
Other licenses and permits	9,000	9,000	8,299	(701)
Total licenses and permits	<u>322,550</u>	<u>322,550</u>	<u>582,508</u>	<u>259,958</u>
Investment income:				
Interest from investments	<u>21,000</u>	<u>21,000</u>	<u>14,069</u>	<u>(6,931)</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Charges for services:				
Real estate conveyance tax	\$ 149,600	\$ 149,600	\$ 419,846	\$ 270,246
Recording - legal instruments	95,000	95,000	119,219	24,219
Police charges	170,000	170,000	294,941	124,941
Recreation admission and fees	76,725	76,725	35,537	(41,188)
Vital statistics	25,000	25,000	30,163	5,163
Library fines and fees	20,000	20,000	14,565	(5,435)
Fire charges	1,000	1,000	2,868	1,868
All other	40,000	40,000	34,687	(5,313)
Total charges for services	<u>577,325</u>	<u>577,325</u>	<u>951,826</u>	<u>374,501</u>
Fines, forfeitures and penalties:				
Parking fines	11,000	11,000	9,745	(1,255)
Other revenues:				
Telephone access lines	60,000	60,000	63,179	3,179
Refunds and recoveries	20,000	20,000	53,460	33,460
Transit District			7,220	7,220
Sale of assets	3,000	3,000	800	(2,200)
Housing Authority PILOT	20,000	20,000	21,099	1,099
Recycling revenue	80,000	80,000	41,734	(38,266)
Health insurance - COBRA	50,000	50,000	61,021	11,021
Health insurance - employee co-pay	250,000	250,000	302,061	52,061
Workers comp insurance	20,000	20,000	56,321	36,321
Lease - Comm Towers	120,000	120,000	181,550	61,550
Other revenues	160,000	160,000	45,384	(114,616)
Total other revenues	<u>783,000</u>	<u>783,000</u>	<u>833,829</u>	<u>50,829</u>
Total	\$ <u>62,854,027</u>	\$ <u>62,854,027</u>	64,182,979	\$ <u>1,328,952</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	3,715,396
Cancellation of prior year encumbrances are recognized as budgetary revenue	(6,052)
Refunding bonds issued proceeds	7,160,000
Premiums on refunding bonds	<u>619,757</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Exhibit IV

\$ 75,672,080

TOWN OF ROCKY HILL, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
Mayor and Town Council	\$ 49,238	\$ 50,238	\$ 49,957	\$ 281
Town Manager	278,984	312,959	307,687	5,272
Personnel Administration	64,302	100,657	90,316	10,341
Finance and Accounting	444,757	453,157	450,222	2,935
Tax Assessor	286,679	292,429	280,725	11,704
Tax Collector	232,129	231,629	206,234	25,395
Central Services	104,349	104,349	98,033	6,316
Legal expenditures	195,000	304,000	302,881	1,119
Probate Court	27,368	27,368	26,571	797
Registrars of Voters	89,750	89,750	82,675	7,075
Town Clerk	263,259	267,059	264,208	2,851
Open Space and Conservation Commission	6,558	6,558	4,795	1,763
Planning Boards and Commissions	7,325	7,325	1,727	5,598
Town Planner	134,922	150,622	150,043	579
Economic Development	92,830	95,730	94,342	1,388
Total general government	<u>2,277,450</u>	<u>2,493,830</u>	<u>2,410,416</u>	<u>83,414</u>
Public safety:				
Police	4,286,742	4,465,992	4,451,600	14,392
Fire Department	1,039,779	1,033,779	1,016,860	16,919
Building Department	236,143	238,243	236,617	1,626
Volunteer Ambulance Association	143,794	143,879	142,958	921
Total public safety	<u>5,706,458</u>	<u>5,881,893</u>	<u>5,848,035</u>	<u>33,858</u>
Public works:				
Highway Department	1,940,174	2,070,624	2,067,513	3,111
Engineering	391,744	406,244	405,878	366
Sanitation	3,165,862	3,105,862	3,100,103	5,759
Total public works	<u>5,497,780</u>	<u>5,582,730</u>	<u>5,573,494</u>	<u>9,236</u>
Health and human services:				
Public Health	86,200	86,200	86,127	73
Human Services	476,924	485,074	481,457	3,617
Total health and human services	<u>563,124</u>	<u>571,274</u>	<u>567,584</u>	<u>3,690</u>
Parks, recreation and facilities:				
Parks and Recreation	1,504,731	1,538,231	1,518,711	19,520
Facilities - Town	1,534,036	1,532,536	1,530,290	2,246
Facilities - Schools	2,545,751	2,543,751	2,536,903	6,848
Total parks, recreation and facilities	<u>5,584,518</u>	<u>5,614,518</u>	<u>5,585,904</u>	<u>28,614</u>
Library services:				
Cora Belden Public Library	<u>926,152</u>	<u>922,052</u>	<u>912,754</u>	<u>9,298</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Miscellaneous:				
Insurance - employee benefits	\$ 6,367,997	\$ 6,327,722	\$ 6,318,930	\$ 8,792
Insurance - property and liability	1,131,533	1,058,643	1,034,204	24,439
Contingency	397,650			-
Miscellaneous	13,695	13,695	8,977	4,718
Total miscellaneous	<u>7,910,875</u>	<u>7,400,060</u>	<u>7,362,111</u>	<u>37,949</u>
Capital outlays:				
Capital outlay - Town	<u>2,062,385</u>	<u>1,478,397</u>	<u>1,449,213</u>	<u>29,184</u>
Debt service:				
Debt redemption - principal	1,555,000	1,555,000	1,555,000	-
Debt redemption - interest	<u>576,350</u>	<u>576,350</u>	<u>576,350</u>	<u>-</u>
Total debt service	<u>2,131,350</u>	<u>2,131,350</u>	<u>2,131,350</u>	<u>-</u>
Board of Education	<u>30,193,935</u>	<u>30,129,095</u>	<u>30,129,095</u>	<u>-</u>
Transfer to other funds		<u>648,828</u>	<u>648,828</u>	<u>-</u>
Total	\$ <u>62,854,027</u>	\$ <u>62,854,027</u>	62,618,784	\$ <u>235,243</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			3,715,396	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes			(11,087)	
Payments to refunding bond escrow agent			7,675,728	
Refunding bonds issuance cost			<u>104,029</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>74,102,850</u>	

**Combining and Individual
Fund Statements and Schedules**

General Fund

GENERAL FUND

The account for resources traditionally associated with governments that are not required to be accounted for in another fund.

TOWN OF ROCKY HILL, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 9,603,743	\$ 9,626,098
Property taxes receivable, net of allowance for doubtful accounts of \$25,000 in 2013 and 2012	814,556	875,057
Accounts receivable	462,721	779,349
Interest receivable	188,400	238,198
Due from other funds	<u>792,511</u>	<u>657,731</u>
Total Assets	<u>\$ 11,861,931</u>	<u>\$ 12,176,433</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenditures	\$ 1,366,764	\$ 1,276,961
Advance tax collections	3,492,838	5,404,870
Due to other funds	360,711	282,441
Deferred revenues	<u>770,935</u>	<u>910,708</u>
Total liabilities	<u>5,991,248</u>	<u>7,874,980</u>
Fund Balances:		
Assigned	1,198,823	245,955
Unassigned	<u>4,671,860</u>	<u>4,055,498</u>
Total fund balances	<u>5,870,683</u>	<u>4,301,453</u>
Total Liabilities and Fund Balances	<u>\$ 11,861,931</u>	<u>\$ 12,176,433</u>

TOWN OF ROCKY HILL, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2013

Grand List as of October 1,	Uncollected Taxes July 1, 2012	Lawful Corrections		Transfers to Suspense	Adjustments	Net Amount Collectible	Collections				Uncollected Taxes June 30, 2013	
		Additions	Deductions				Taxes	Interest	Lien Fees	Suspense Taxes		Total
2011	\$ 56,108,176 *	\$ 172,791	\$ 187,853		\$ 645	\$ 56,093,759	\$ 55,561,652	\$ 114,152	\$ 945	\$	\$ 55,676,749	\$ 532,107
2010	547,334	110,756	114,157			543,933	319,269	73,521	1,230		394,020	224,664
2009	284,101	26,995	11,644	84,771		214,681	181,205	63,541	576	11,674	256,996	33,476
2008	26,486	905	359		29,632	56,664	41,814	21,058	804	2,860	66,536	14,850
2007	12,986	146	484		4,438	17,086	5,668	2,447	505	799	9,419	11,418
2006	8,306					8,306		278	113		391	8,306
2005	6,931	1,000	1,000			6,931	1,234	1,625	75	300	3,234	5,697
2004	3,604					3,604	2,448	1,605	143	417	4,613	1,156
2003	1,155	122	122			1,155		360	89	232	681	1,155
2002	1,125					1,125		195	47	120	362	1,125
2001	1,125					1,125		192	43	97	332	1,125
2000	1,029					1,029					-	1,029
1999	1,018					1,018					-	1,018
1998	1,218					1,218					-	1,218
1997	1,211	1				1,212					-	1,212
	<u>\$ 57,005,805</u>	<u>\$ 312,716</u>	<u>\$ 315,619</u>	<u>\$ 84,771</u>	<u>\$ 34,715</u>	<u>\$ 56,952,846</u>	<u>\$ 56,113,290</u>	<u>\$ 278,974</u>	<u>\$ 4,570</u>	<u>\$ 16,499</u>	56,413,333	<u>\$ 839,556</u>

Property taxes receivable considered available:

June 30, 2012

(202,547)

June 30, 2013

243,163

Total Property Tax Revenue

\$ 56,453,949

* Includes motor vehicle supplement in the amount of \$456,757

**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each special revenue fund is as follows:

Fund	Funding source	Function
School Cafeteria	Sale of food and grants	School lunch programs
CDBG Small Cities	Federal grant	Income eligible individuals for housing activities
Federal and State School Programs	Federal and state grants	State and federal education prepayment grant
Industrial Park Development	Fees	Development of phase I and II industrial park
Recreation Program	User fee	Recreational activities
Insurance Loss	Claim reimbursements	Insurance property losses
Library Operating	Grants and donations	Library activities
Dog	Fees	Receipts and non-salary disbursements
Asset Forfeiture	Police operations	Drug related activities
Narcotics Enforcement	Grants	Drug enforcement programs (DEP) A20
Human Services	Donations	Volunteer care teams and services for chronically ill and at-risk residents
Miscellaneous Grants	State and federal grants	To account for miscellaneous state and federal grants
Youth Services	Fees and donations	Various youth activities administered through the Youth Services Department
Parks Grants	State grants	State DEP grants for the Parks Amphitheater, Ferry Landing and Skateboard Park projects
Economic Development Grants	State grants	Silas Deane Revitalization project
DECD Willow Road	Federal grants	Federal grant for the renovation of Willow Road

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- Abigail Williams - To account for funds donated from Abigail Williams
- Adelaide Wright - To account for funds donated from Adelaide Wright
- Ruth Wilcox - To account for funds donated from Ruth Wilcox
- Center Cemetery - To account for funds for the maintenance of the Center Cemetery
- Land Preservation Trust - To account for funding capital improvements and nonrecurring expenses on land acquisition

TOWN OF ROCKY HILL, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2013

	<u>Special Revenue</u>								
	<u>School Cafeteria</u>	<u>CDBG Small Cities</u>	<u>Federal and State School Programs</u>	<u>Industrial Park Development</u>	<u>Recreation Program</u>	<u>Insurance Loss</u>	<u>Library Operating</u>	<u>Dog</u>	<u>Asset Forfeiture</u>
ASSETS									
Cash and cash equivalents	\$ 108,389	\$ 107,961	\$ 238,485	\$ 64,637	\$ 489,943	\$ 463,311	\$	\$	\$
Accounts receivable		14,625							
Due from other governments			24,765						
Due from other funds	28,780						45,132	43,455	33,716
Inventory	6,571								
Total Assets	\$ 143,740	\$ 122,586	\$ 263,250	\$ 64,637	\$ 489,943	\$ 463,311	\$ 45,132	\$ 43,455	\$ 33,716
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued payroll	\$ 59,950	\$ 796	\$ 20,882	\$	\$ 36,383	\$ 3,967	\$ 2,677	\$ 5,087	\$
Due to other funds		803		35,992	14,168	18,850			
Deferred revenue			242,368						
Total liabilities	59,950	1,599	263,250	35,992	50,551	22,817	2,677	5,087	-
Fund balances:									
Nonspendable	6,571								
Restricted		120,987							
Committed	77,219			28,645	439,392	440,494	42,455	38,368	33,716
Total fund balance	83,790	120,987	-	28,645	439,392	440,494	42,455	38,368	33,716
Total Liabilities and Fund Balances	\$ 143,740	\$ 122,586	\$ 263,250	\$ 64,637	\$ 489,943	\$ 463,311	\$ 45,132	\$ 43,455	\$ 33,716

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2013

Special Revenue

	<u>Narcotics Enforcement</u>	<u>Human Services</u>	<u>Miscellaneous Grants</u>	<u>Youth Services</u>	<u>Parks Grants</u>	<u>Economic Development Grants</u>	<u>DECD Willow Road</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ 19,556							\$ 1,492,282
Accounts receivable			14,365		13,397		15,736	58,123
Due from other governments								24,765
Due from other funds		46,301	39,484	72,678				309,546
Inventory								6,571
Total Assets	<u>\$ 19,556</u>	<u>\$ 46,301</u>	<u>\$ 53,849</u>	<u>\$ 72,678</u>	<u>\$ 13,397</u>	<u>\$ -</u>	<u>\$ 15,736</u>	<u>\$ 1,891,287</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued payroll	\$	\$ 7,345	\$ 28,590	\$ 4,345	\$ 2,263		\$ 11,722	\$ 184,007
Due to other funds	18,566				5,123			93,502
Deferred revenue			25,000				4,014	271,382
Total liabilities	<u>18,566</u>	<u>7,345</u>	<u>53,590</u>	<u>4,345</u>	<u>7,386</u>	<u>-</u>	<u>15,736</u>	<u>548,891</u>
Fund balances:								
Nonspendable								6,571
Restricted	990		259		6,011			128,247
Committed		38,956		68,333				1,207,578
Total fund balance	<u>990</u>	<u>38,956</u>	<u>259</u>	<u>68,333</u>	<u>6,011</u>	<u>-</u>	<u>-</u>	<u>1,342,396</u>
Total Liabilities and Fund Balances	<u>\$ 19,556</u>	<u>\$ 46,301</u>	<u>\$ 53,849</u>	<u>\$ 72,678</u>	<u>\$ 13,397</u>	<u>\$ -</u>	<u>\$ 15,736</u>	<u>\$ 1,891,287</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2013

	Permanent					Total	Total Nonmajor Governmental Funds
	Abigail Williams	Adelaide Wright	Ruth Wilcox	Center Cemetery	Land Preservation Trust		
ASSETS							
Cash and cash equivalents	\$	\$	\$ 154,943	\$	\$ 26,727	\$ 181,670	\$ 1,673,952
Accounts receivable						-	58,123
Due from other governments						-	24,765
Due from other funds	18,369	5,306		27,490		51,165	360,711
Inventory						-	6,571
Total Assets	\$ 18,369	\$ 5,306	\$ 154,943	\$ 27,490	\$ 26,727	\$ 232,835	\$ 2,124,122
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued payroll	\$	\$	\$	\$ 3,000	\$	\$ 3,000	\$ 187,007
Due to other funds			104,558			104,558	198,060
Deferred revenue						-	271,382
Total liabilities	-	-	104,558	3,000	-	107,558	656,449
Fund balances:							
Nonspendable	18,369	5,306			26,727	50,402	56,973
Restricted						-	128,247
Committed			50,385	24,490		74,875	1,282,453
Total fund balance	18,369	5,306	50,385	24,490	26,727	125,277	1,467,673
Total Liabilities and Fund Balances	\$ 18,369	\$ 5,306	\$ 154,943	\$ 27,490	\$ 26,727	\$ 232,835	\$ 2,124,122

TOWN OF ROCKY HILL, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2013

Special Revenue

	<u>School Cafeteria</u>	<u>CDBG Small Cities</u>	<u>Federal and State School Programs</u>	<u>Industrial Park Development</u>	<u>Recreation Program</u>	<u>Insurance Loss</u>	<u>Library Operating</u>	<u>Dog</u>	<u>Asset Forfeiture</u>
Revenues:									
Intergovernmental revenues	\$ 204,489	\$	\$ 1,241,475	\$	\$	\$	\$ 10,430	\$	\$ 13,210
Charges for services	480,805				652,200		12,875	10,856	
Investment income		160		20	1				
Miscellaneous		1,998				81,297			
Total revenues	<u>685,294</u>	<u>2,158</u>	<u>1,241,475</u>	<u>20</u>	<u>652,201</u>	<u>81,297</u>	<u>23,305</u>	<u>10,856</u>	<u>13,210</u>
Expenditures:									
Current:									
Public safety								6,618	23,500
Health and human services									
Parks, recreation and facilities					693,089				
Library services							34,447		
Education	675,204		1,241,475						
Miscellaneous		5,176				57,286			
Total expenditures	<u>675,204</u>	<u>5,176</u>	<u>1,241,475</u>	<u>-</u>	<u>693,089</u>	<u>57,286</u>	<u>34,447</u>	<u>6,618</u>	<u>23,500</u>
Excess (Deficiency) of Revenues over Expenditures	10,090	(3,018)	-	20	(40,888)	24,011	(11,142)	4,238	(10,290)
Fund Balances at Beginning of Year	<u>73,700</u>	<u>124,005</u>	<u>-</u>	<u>28,625</u>	<u>480,280</u>	<u>416,483</u>	<u>53,597</u>	<u>34,130</u>	<u>44,006</u>
Fund Balances at End of Year	<u>\$ 83,790</u>	<u>\$ 120,987</u>	<u>\$ -</u>	<u>\$ 28,645</u>	<u>\$ 439,392</u>	<u>\$ 440,494</u>	<u>\$ 42,455</u>	<u>\$ 38,368</u>	<u>\$ 33,716</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

Special Revenue

	<u>Narcotics Enforcement</u>	<u>Human Services</u>	<u>Miscellaneous Grants</u>	<u>Youth Services</u>	<u>Parks Grants</u>	<u>Economic Development Grants</u>	<u>DECD Willow Road</u>	<u>Total</u>
Revenues:								
Intergovernmental revenues	\$	\$	\$ 35,759	\$ 12,845	\$ 13,397	\$ 237,611	\$ 282,555	\$ 2,051,771
Charges for services				54,889				1,211,625
Investment income	7							188
Miscellaneous		55,906	846					140,047
Total revenues	<u>7</u>	<u>55,906</u>	<u>36,605</u>	<u>67,734</u>	<u>13,397</u>	<u>237,611</u>	<u>282,555</u>	<u>3,403,631</u>
Expenditures:								
Current:								
Public safety			37,079					67,197
Health and human services		45,768		48,163				93,931
Parks, recreation and facilities					13,397			706,486
Library services								34,447
Education								1,916,679
Miscellaneous						237,611	282,555	582,628
Total expenditures	<u>-</u>	<u>45,768</u>	<u>37,079</u>	<u>48,163</u>	<u>13,397</u>	<u>237,611</u>	<u>282,555</u>	<u>3,401,368</u>
Excess (Deficiency) of Revenues over Expenditures	7	10,138	(474)	19,571	-	-	-	2,263
Fund Balances at Beginning of Year	<u>983</u>	<u>28,818</u>	<u>733</u>	<u>48,762</u>	<u>6,011</u>	<u>-</u>	<u>-</u>	<u>1,340,133</u>
Fund Balances at End of Year	<u>\$ 990</u>	<u>\$ 38,956</u>	<u>\$ 259</u>	<u>\$ 68,333</u>	<u>\$ 6,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,342,396</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Permanent

	Permanent					Total	Total Nonmajor Governmental Funds
	Abigail Williams	Adelaide Wright	Ruth Wilcox	Center Cemetery	Land Preservation Trust	Total	
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	-	\$ 2,051,771
Charges for services						-	1,211,625
Investment income			50		13	63	251
Miscellaneous				12,300		12,300	152,347
Total revenues	<u>-</u>	<u>-</u>	<u>50</u>	<u>12,300</u>	<u>13</u>	<u>12,363</u>	<u>3,415,994</u>
Expenditures:							
Current:							
Public safety						-	67,197
Health and human services						-	93,931
Parks, recreation and facilities						-	706,486
Library services						-	34,447
Education						-	1,916,679
Miscellaneous				15,299		15,299	597,927
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,299</u>	<u>-</u>	<u>15,299</u>	<u>3,416,667</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	50	(2,999)	13	(2,936)	(673)
Fund Balances at Beginning of Year	<u>18,369</u>	<u>5,306</u>	<u>50,335</u>	<u>27,489</u>	<u>26,714</u>	<u>128,213</u>	<u>1,468,346</u>
Fund Balances at End of Year	<u>\$ 18,369</u>	<u>\$ 5,306</u>	<u>\$ 50,385</u>	<u>\$ 24,490</u>	<u>\$ 26,727</u>	<u>\$ 125,277</u>	<u>\$ 1,467,673</u>

**Capital
Projects Fund**

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for acquisition or construction of major capital facilities.

TOWN OF ROCKY HILL, CONNECTICUT

CAPITAL PROJECTS FUND

SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2013

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<u>Fiscal Year</u>	<u>Department</u>	<u>Project Name</u>	<u>Amended Budget</u>	<u>Expended Current Year</u>	<u>Total All Years</u>	<u>Open Purchase Orders</u>	<u>Total Expended</u>	<u>Project Balance</u>
Capital and Nonrecurring - Fund 40:								
1999	Engineering	Sidewalks	\$ 421,409	\$ 6,094	\$ 321,496	\$ -	\$ 321,496	\$ 99,913
1999	Human Services	Elderly/Disable Bus	78,973	-	17,338	-	17,338	61,635
2000	Highway	Road Improvements	863,153	115,526	739,736	-	739,736	123,417
2004	Fire	Fire Department Training Center	99,768	-	58,390	-	58,390	41,378
2005	Engineering	Drainage	8,000	-	2,000	-	2,000	6,000
2005	Town Council	Real Property Acquisition by the Town	350,550	9,613	9,613	-	9,613	340,937
2007	Facilities	Schools - Portable Classrooms	340,118	757	317,498	-	317,498	22,620
2007	Town Council	Fuel Cell Technology	10,000	-	-	-	-	10,000
2007	Fire	Fire Department Vehicles	97,873	-	-	-	-	97,873
2007	Finance	Consultants - School Projects and GASB 43 & 45	137,500	-	135,482	-	135,482	2,018
2008	Parks	Improvements to Athletic Fields and Recreation Facilities	71,388	828	71,388	-	71,388	-
2009	BOE	Repairs and Improvements to Schools	465,881	111,218	314,396	-	314,396	151,485
2010	Facilities	Repairs and Improvements to Cora Belden Library	60,320	4,516	58,588	-	58,588	1,732
2010	Engineering	Road Improvement Project - Old Main Street Goff Brook Bridge	366,400	-	166,043	-	166,043	200,357
2010	Highway	Delivery Van for the Board of Education	21,106	5,553	21,106	-	21,106	-
2010	Facilities	Schools Communication Systems	91,753	5,000	52,040	-	52,040	39,713
2011	Facilities	Repairs and Improvements to Town Buildings	125,202	-	27,773	-	27,773	97,429
2011	Facilities	Town and School Buildings Roofs	92,160	4,200	79,333	-	79,333	12,827
2012	Assessor	Revaluation - October 2013 Grand List	28,911	-	2,698	-	2,698	26,213
2012	Town Council	Foundry	719,963	432,203	670,135	-	670,135	49,828
2013	Town Council	Façade Improvement Program	16,143	-	-	-	-	16,143
2013	Public Safety	Online Electric Permitting	29,950	-	-	-	-	29,950
2013	Facilities	Repairs and Improvements to Fire Stations	45,000	-	-	-	-	45,000
2013	Parks	Grounds Improvements - McVicar Field	150,000	-	-	-	-	150,000
2013	Police	Police Department Vehicle	9,435	-	-	-	-	9,435
2013	Town Council	Streetscape Project - Silas Deane	170,000	-	-	-	-	170,000
Total Capital and Nonrecurring - Fund 40			4,870,956	695,508	3,065,053	-	3,065,053	1,805,903
Rocky Hill High School Renovation - Fund 56:								
2013	Facilities	Renovation as New - Rocky Hill High School	44,955,000	630,254	630,254	-	630,254	44,324,746
Total Capital Projects Fund			\$ 49,825,956	1,325,762	3,695,307	\$ -	\$ 3,695,307	\$ 46,130,649

Fiduciary Funds

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent.

SURETY BONDS - To account for cash bonds posted by contractors, developers and others.

SCHOOL ACTIVITY FUNDS - To account for revenues and expenditures relating to the various student functions and activities.

TOWN OF ROCKY HILL, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2013

WITH COMPARATIVE TOTALS FOR 2012

	<u>Surety Bonds</u>	<u>School Activity</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
Assets:				
Cash and cash equivalents	\$ 750,083	\$ 196,497	\$ 946,580	\$ 912,653
Investments		389,513	389,513	383,897
			<u> </u>	<u> </u>
Total Assets	<u>\$ 750,083</u>	<u>\$ 586,010</u>	<u>\$ 1,336,093</u>	<u>\$ 1,296,550</u>
Liabilities:				
Deposits and amounts due to student groups and participants	\$ 725,439	\$ 586,010	\$ 1,311,449	\$ 1,282,973
Accounts payable	24,644		24,644	13,577
			<u> </u>	<u> </u>
Total Liabilities	<u>\$ 750,083</u>	<u>\$ 586,010</u>	<u>\$ 1,336,093</u>	<u>\$ 1,296,550</u>

TOWN OF ROCKY HILL, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
Surety Bonds				
Assets:				
Cash and cash equivalents	\$ <u>736,267</u>	\$ <u>408,339</u>	\$ <u>394,523</u>	\$ <u>750,083</u>
Liabilities:				
Deposits	\$ 722,690	\$ 397,272	\$ 394,523	\$ 725,439
Accounts payable	<u>13,577</u>	<u>11,067</u>	<u> </u>	<u>24,644</u>
Total Liabilities	\$ <u>736,267</u>	\$ <u>408,339</u>	\$ <u>394,523</u>	\$ <u>750,083</u>
School Activity				
Assets:				
Cash and cash equivalents	\$ 176,386	\$ 781,434	\$ 761,323	\$ 196,497
Investments	<u>383,897</u>	<u>27,925</u>	<u>22,309</u>	<u>389,513</u>
Total Assets	\$ <u>560,283</u>	\$ <u>809,359</u>	\$ <u>783,632</u>	\$ <u>586,010</u>
Liabilities:				
Due to student groups	\$ <u>560,283</u>	\$ <u>809,359</u>	\$ <u>783,632</u>	\$ <u>586,010</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 912,653	\$ 1,189,773	\$ 1,155,846	\$ 946,580
Investments	<u>383,897</u>	<u>27,925</u>	<u>22,309</u>	<u>389,513</u>
Total Assets	\$ <u>1,296,550</u>	\$ <u>1,217,698</u>	\$ <u>1,178,155</u>	\$ <u>1,336,093</u>
Liabilities:				
Deposits and amounts due to student groups and participants	\$ 1,282,973	\$ 1,206,631	\$ 1,178,155	\$ 1,311,449
Accounts payable	<u>13,577</u>	<u>11,067</u>	<u> </u>	<u>24,644</u>
Total Liabilities	\$ <u>1,296,550</u>	\$ <u>1,217,698</u>	\$ <u>1,178,155</u>	\$ <u>1,336,093</u>

**Capital Assets Used in the
Operation of Governmental Funds**

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

The following schedules present only the capital asset balances related to governmental funds. The assets are reported at historical cost or estimated historical cost.

The Town's capitalization policy requires the recording of capital assets with original cost of \$5,000 or more. Infrastructure assets are recorded based on a threshold of \$100,000. Provision for depreciation is not included in the schedules.

TOWN OF ROCKY HILL, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Governmental funds capital assets:		
Land	\$ 3,837,249	\$ 3,837,249
Buildings and improvements	49,771,345	49,771,345
Furniture, fixtures and equipment	14,641,512	14,325,363
Infrastructure	<u>37,540,058</u>	<u>37,540,058</u>
Total	<u>\$ 105,790,164</u>	<u>\$ 105,474,015</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 73,756,363	\$ 73,491,158
Special Revenue Funds	2,229,529	2,178,584
Capital Projects Fund	22,562,635	22,562,636
Fiduciary Funds	52,488	52,488
Donations	<u>7,189,149</u>	<u>7,189,149</u>
Total	<u>\$ 105,790,164</u>	<u>\$ 105,474,015</u>

TOWN OF ROCKY HILL, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2013

	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture Vehicles and Equipment</u>	<u>Infrastructure</u>
General government	\$ 19,318,069	\$ 2,827,749	\$ 13,752,739	\$ 1,411,245	\$ 1,326,336
Public safety	9,794,699		2,881,785	6,912,914	
Public works	39,278,723		431,500	2,633,501	36,213,722
Health and human services	249,089		50,000	199,089	
Parks, recreation and facilities	5,471,809	1,009,500	3,533,505	928,804	
Library	4,081,412		1,895,000	2,186,412	
Schools	<u>27,596,363</u>		<u>27,226,816</u>	<u>369,547</u>	
Total	<u>\$ 105,790,164</u>	<u>\$ 3,837,249</u>	<u>\$ 49,771,345</u>	<u>\$ 14,641,512</u>	<u>\$ 37,540,058</u>

TOWN OF ROCKY HILL, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Funds Capital Assets July 1, 2012	Additions	Deletions	Governmental Funds Capital Assets June 30, 2013
General government	\$ 19,257,663	\$ 60,406	\$	\$ 19,318,069
Public safety	9,791,173	60,864	57,338	9,794,699
Public works	39,048,921	229,802		39,278,723
Health and human services	260,866		11,777	249,089
Parks, recreation and facilities	5,445,562	26,247		5,471,809
Library	4,081,412			4,081,412
Schools	<u>27,588,418</u>	<u>7,945</u>	<u></u>	<u>27,596,363</u>
Total	<u>\$ 105,474,015</u>	<u>\$ 385,264</u>	<u>\$ 69,115</u>	<u>\$ 105,790,164</u>

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF ROCKY HILL, CONNECTICUT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Net investment in capital assets	\$ 32,976	\$ 32,807	\$ 32,265	\$ 31,870	\$ 29,246	\$ 28,540	\$ 27,904	\$ 26,250	\$ 27,998	\$ 19,384
Restricted	50	50	51	132	141	147	147	127	127	125
Unrestricted	(941)	(461)	(628)	(397)	1,397	1,916	2,838	4,946	5,834	8,750
Total Governmental Activities Net Position	\$ <u>32,085</u>	\$ <u>32,396</u>	\$ <u>31,688</u>	\$ <u>31,605</u>	\$ <u>30,784</u>	\$ <u>30,603</u>	\$ <u>31,323</u>	\$ <u>33,959</u>	\$ <u>28,259</u>	\$ <u>31,280</u>

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Note:

Schedule prepared on the accrual basis of accounting.

TOWN OF ROCKY HILL, CONNECTICUT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental activities:										
General government	\$ 12,339	\$ 11,296	\$ 10,208	\$ 10,548	\$ 8,941	\$ 8,704	\$ 8,170	\$ 7,325	\$ 6,788	\$ 6,609
Public safety	6,673	6,269	6,541	6,540	6,719	6,570	6,445	5,812	5,707	5,111
Public works	6,517	6,214	6,079	5,657	6,647	6,393	5,513	6,214	5,864	5,786
Health and human services	684	658	686	603	632	599	565	551	537	453
Parks, recreation and facilities	6,576	6,091	6,340	6,123	6,105	6,656	6,094	5,784	5,336	5,033
Library services	973	912	917	900	933	943	892	855	840	790
Education	37,299	35,706	33,983	33,005	30,795	38,311	28,596	26,670	24,341	23,243
Interest on long-term debt	478	586	636	726	860	932	1,005	1,073	1,222	896
Total governmental activities expenses	<u>71,539</u>	<u>67,732</u>	<u>65,390</u>	<u>64,102</u>	<u>61,632</u>	<u>69,108</u>	<u>57,280</u>	<u>54,284</u>	<u>50,635</u>	<u>47,921</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	934	1,433	600	567	763	833	749	878	706	771
Parks, recreation and facilities	688	658	708	764	772	707	669	625	586	699
Education	481	544	541	585	546	562	543	577	536	491
Other	890	503	615	465	590	1,061	855	1,045	636	911
Operating grants and contributions	9,416	9,277	7,973	8,502	7,404	15,762	6,243	5,544	4,288	4,108
Capital grants and contributions	11	78	185	1,477	67	537	56	1,275	7,276	785
Total governmental activities program revenues	<u>12,420</u>	<u>12,493</u>	<u>10,622</u>	<u>12,360</u>	<u>10,142</u>	<u>19,462</u>	<u>9,115</u>	<u>9,944</u>	<u>14,028</u>	<u>7,765</u>
Net Expense:										
Governmental activities	<u>(59,119)</u>	<u>(55,239)</u>	<u>(54,768)</u>	<u>(51,742)</u>	<u>(51,490)</u>	<u>(49,646)</u>	<u>(48,165)</u>	<u>(44,340)</u>	<u>(36,607)</u>	<u>(40,156)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	56,303	53,080	52,636	50,427	49,055	46,698	44,606	40,098	39,979	36,339
Grants and contributions not restricted to specific purposes	1,806	2,203	1,576	1,523	1,821	1,627	1,796	1,531	1,512	1,482
Unrestricted investment earnings	15	15	27	47	159	536	771	565	386	224
Other general revenues	684	650	612	566	636	499	558	446	430	671
Total governmental activities general revenues and other changes in net position	<u>58,808</u>	<u>55,948</u>	<u>54,851</u>	<u>52,563</u>	<u>51,671</u>	<u>49,360</u>	<u>47,731</u>	<u>42,640</u>	<u>42,307</u>	<u>38,716</u>
Changes in Net Position:										
Governmental Activities	<u>\$ (311)</u>	<u>\$ 709</u>	<u>\$ 83</u>	<u>\$ 821</u>	<u>\$ 181</u>	<u>\$ (286)</u>	<u>\$ (434)</u>	<u>\$ (1,700)</u>	<u>\$ 5,700</u>	<u>\$ (1,440)</u>

Note:

Schedule prepared on the accrual basis of accounting.

TOWN OF ROCKY HILL, CONNECTICUT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:										
Reserved	\$	\$	\$	\$ 210	\$ 250	\$ 201	\$ 313	\$ 158	\$ 136	\$ 78
Unreserved				3,808	3,962	3,995	4,480	3,998	4,179	3,032
Assigned	1,199	246	755							
Unassigned	<u>4,672</u>	<u>4,055</u>	<u>3,494</u>							
Total General Fund	<u>\$ 5,871</u>	<u>\$ 4,301</u>	<u>\$ 4,249</u>	<u>\$ 4,018</u>	<u>\$ 4,212</u>	<u>\$ 4,196</u>	<u>\$ 4,793</u>	<u>\$ 4,156</u>	<u>\$ 4,315</u>	<u>\$ 3,110</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$ 5	\$ 8	\$ 7	\$ 6	\$ 33	\$ 7	\$ 6
Unreserved, reported in:										
Special revenue funds				998	890	890	920	915	918	952
Capital projects funds				1,163	1,876	1,699	1,788	2,301	3,653	(4,196)
Permanent funds				132	141	147	147	133	127	129
Nonspendable	57	57	57							
Restricted	128	132	106							
Committed	3,281	1,279	1,149							
Assigned		1,975	1,430							
Unassigned	<u>(630)</u>									
Total All Other Governmental Funds	<u>\$ 2,836</u>	<u>\$ 3,443</u>	<u>\$ 2,742</u>	<u>\$ 2,298</u>	<u>\$ 2,915</u>	<u>\$ 2,743</u>	<u>\$ 2,861</u>	<u>\$ 3,382</u>	<u>\$ 4,705</u>	<u>\$ (3,109)</u>

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Notes:
 (1) Schedule prepared on the modified accrual basis of accounting.
 (2) Date presented for years prior to the implementation of GASB Statement No. 34 (2004) has been restated to confirm with current governmental funds structure.

TOWN OF ROCKY HILL, CONNECTICUT

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Taxes and assessments	\$ 56,454	\$ 53,019	\$ 52,382	\$ 50,446	\$ 48,912	\$ 46,816	\$ 45,423	\$ 41,265	\$ 40,491	\$ 36,109
Intergovernmental	11,110	11,432	9,700	11,334	9,462	17,954	8,230	7,743	7,862	6,654
Charges for services	2,756	2,167	24,146	2,203	2,256	2,829	2,619	2,881	2,277	2,685
Income on investments	15	15	27	47	159	535	770	565	386	224
Miscellaneous	1,045	1,747	1,000	865	1,124	951	859	768	851	858
Total revenues	<u>71,380</u>	<u>68,380</u>	<u>87,255</u>	<u>64,895</u>	<u>61,913</u>	<u>69,085</u>	<u>57,901</u>	<u>53,222</u>	<u>51,867</u>	<u>46,530</u>
Expenditures:										
General government	2,400	2,464	2,270	2,313	2,066	1,943	1,924	1,793	1,856	1,751
Public safety	5,896	5,527	5,665	5,425	5,291	5,179	5,048	4,848	4,851	4,576
Public works	5,574	5,353	5,257	5,018	5,138	5,015	4,795	4,589	4,405	4,037
Health and human services	662	634	654	621	601	581	546	535	519	455
Parks, recreation and facilities	6,251	5,993	6,115	5,929	5,864	6,413	6,336	5,675	5,763	4,906
Library services	947	897	931	1,475	1,116	939	889	836	809	779
Education	35,802	35,068	33,401	32,863	30,871	38,357	27,707	26,384	24,151	22,890
Miscellaneous	7,955	7,660	6,667	6,440	6,731	6,545	5,797	5,122	4,788	4,119
Capital outlay	3,001	1,688	1,746	2,830	1,212	2,009	2,376	2,659	4,396	4,913
Debt service:										
Debt redemption - principal	1,555	1,765	1,735	1,985	1,995	2,015	1,795	1,365	1,430	1,355
Debt redemption - interest	680	620	627	910	872	942	1,012	1,294	781	929
Total expenditures	<u>70,723</u>	<u>67,669</u>	<u>65,068</u>	<u>65,809</u>	<u>61,757</u>	<u>69,938</u>	<u>58,225</u>	<u>55,100</u>	<u>53,749</u>	<u>50,710</u>
Excess of Revenue over (under) Expenditures	<u>657</u>	<u>711</u>	<u>22,187</u>	<u>(914)</u>	<u>156</u>	<u>(853)</u>	<u>(324)</u>	<u>(1,878)</u>	<u>(1,882)</u>	<u>(4,180)</u>
Other Financing Sources (Uses):										
Payment to refunded bond escrow	(7,676)			(7,316)						(5,296)
Proceeds from capital leases	202	42	491		32	139	440	396		72
Proceeds from bond issues				7,420					10,900	5,265
Proceeds from refunding bond issues	7,160									
Premium on sale of refunding bonds	620									59
Transfers in	649	498	544	330	200	380	297	90	219	418
Transfers out	(649)	(498)	(544)	(330)	(200)	(380)	(297)	(90)	(219)	(418)
Total other financing sources	<u>306</u>	<u>42</u>	<u>491</u>	<u>104</u>	<u>32</u>	<u>139</u>	<u>440</u>	<u>396</u>	<u>10,900</u>	<u>100</u>
Net Change in Fund Balances	<u>\$ 963</u>	<u>\$ 753</u>	<u>\$ 22,678</u>	<u>\$ (810)</u>	<u>\$ 188</u>	<u>\$ (714)</u>	<u>\$ 116</u>	<u>\$ (1,482)</u>	<u>\$ 9,018</u>	<u>\$ (4,080)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>3.2%</u>	<u>3.5%</u>	<u>3.7%</u>	<u>4.6%</u>	<u>4.7%</u>	<u>4.3%</u>	<u>5.0%</u>	<u>5.1%</u>	<u>4.5%</u>	<u>5.0%</u>

Note: Schedule prepared on the modified accrual basis of accounting

TOWN OF ROCKY HILL, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Taxable Value
	Residential	Commercial	Industrial							
2013	\$ 1,316,944,405	\$ 448,547,310	\$ 132,822,760	\$ 116,887,995	\$ 161,670,930	\$ 20,538,675	\$ 2,156,334,725	25.9	\$ 3,080,478,179	70%
2012	1,312,431,885	461,887,329	130,400,970	119,688,923	151,233,698	19,774,679	2,155,868,126	24.5	3,079,811,609	70%
2011	1,305,769,606	513,034,291	133,000,560	120,705,074	146,961,011	19,268,062	2,200,202,480	23.8	3,143,146,400	70%
2010(a)	1,297,344,609	520,267,119	133,573,470	117,172,251	145,262,619	17,177,165	2,196,442,903	22.9	3,137,775,576	70%
2009	991,603,105	348,982,656	77,807,510	106,940,222	146,588,667	15,125,843	1,656,796,317	29.2	2,366,851,881	70%
2008	983,266,190	340,419,825	78,854,310	103,420,525	145,334,447	15,506,911	1,635,788,386	28.4	2,336,840,551	70%
2007	966,457,300	337,036,243	78,617,860	92,917,372	140,842,106	12,579,667	1,603,291,214	28.0	2,290,416,020	70%
2006	955,552,380	322,570,220	79,947,910	97,052,660	133,196,940	12,466,930	1,575,853,180	25.8	2,251,218,829	70%
2005(a)	934,003,310	316,141,360	76,335,670	95,916,190	124,389,870	13,415,080	1,533,371,320	25.8	2,190,530,457	70%
2004	662,050,580	283,620,570	63,082,690	102,213,410	127,437,480	15,039,560	1,223,365,170	29.3	1,747,664,529	70%

Source: Town of Rocky Hill, Department of Finance, Office of Tax Assessor

(a) Revaluation year

TOWN OF ROCKY HILL, CONNECTICUT

PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Town Direct Rates			
	General Town Government Rate	Board of Education Rate	Debt Service Rate	Total Direct Rate
2013	12.276	12.142	1.482	25.900
2012	11.575	11.953	0.972	24.500
2011	11.350	11.497	0.953	23.800
2010 (a)	10.839	10.960	1.102	22.900
2009	14.041	13.713	1.446	29.200
2008	13.827	13.130	1.443	28.400
2007	13.583	12.922	1.495	28.000
2006	12.125	12.262	1.413	25.800
2005 (a)	12.179	12.376	1.245	25.800
2004	13.534	14.225	1.541	29.300

Note: Town of Rocky Hill has no Overlapping Property Tax Rates.

(a) Revaluation year

Source: Town of Rocky Hill, Finance Department

TOWN OF ROCKY HILL, CONNECTICUT

PRINCIPAL PROPERTY TAX PAYERS

2011 AND 2002
(In Thousands)

Taxpayer	October 1, 2011			October 1, 2002		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value (a)	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value (b)
Gallery-Towers Apartments (Century Hills)	\$ 28,699	1	1.33%	\$ 26,530	1	2.17%
Five Hundred Enterprise Drive Trust	26,409	2	1.22%	18,197	3	1.49%
Henkel (Loctite Corporation)	25,728	3	1.19%	23,811	2	1.95%
Burriss Logistics Inc.	25,213	4	1.17%			
RP Glenbrook LLC	18,205	5	0.84%			
Connecticut Light & Power	13,670	6	0.63%	10,491	7	0.86%
Acadia Town Line LLC	13,300	7	0.62%			
Rocky Hill Holdings LLC	12,967	8	0.60%			
Sysco Corporation	12,446	9	0.58%	10,788	5	0.88%
Auxxi Horizon Commons LLC	12,257	10	0.57%			
Ames Department Stores Inc. (c)				17,506	4	1.43%
Corporate Ridge D/D Hotel Limited Prtshp.				10,626	6	0.87%
New Boston Fifty-Five Capital LLC				8,254	8	0.67%
Wiremold Company				7,802	9	0.64%
LM Rocky Hill Land Holdings LP				7,700	10	0.63%
Total	\$ <u>188,894</u>		<u>8.76%</u>	\$ <u>141,705</u>		<u>11.58%</u>

Source: Town of Rocky Hill, Office of Tax Assessor

(a) Based on Net Taxable Grand List of \$2,156,334,725 (amount not rounded)

(b) Based on Net Taxable Grant List of \$1,223,319,420 (amount not rounded)

(c) Ames Department Stores has filed under Chapter 7 of the Bankruptcy Court

TOWN OF ROCKY HILL, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(In Thousands)

<u>Fiscal Year Ended June 30,</u>	<u>Tax Rate In Mills</u>	<u>Taxes Levied For This Fiscal Year</u>	<u>Collected Within The Fiscal Year of Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
			<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2013	25.900	\$ 56,094	\$ 55,562	99.05%	\$ 55,562	99.05%	
2012	24.500	52,820	52,276	98.97%	319	99.57%	
2011	23.800	52,225	51,728	99.05%	464	99.94%	
2010	22.900	50,260	49,919	99.32%	329	99.98%	
2009	29.200	48,907	48,453	99.07%	443	99.98%	
2008	28.400	46,744	46,421	99.31%	317	99.99%	
2007	28.000	45,277	45,037	99.47%	235	99.99%	
2006	25.800	40,935	40,710	99.45%	224	100.00%	
2005	25.800	39,843	39,640	99.49%	202	100.00%	
2004	29.300	36,130	35,380	97.92%	749	100.00%	

TOWN OF ROCKY HILL, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(Thousands, except per capita)

Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	(a) Ratio of Debt to Taxable Assessed Value	(b) Debt Per Capita	(c) Debt Per Personal Income
2013	\$ 13,512	\$ 428	\$ 13,940	0.65%	\$ 707	\$ 228
2012	14,993	364	15,357	0.71%	779	275
2011	16,775	450	17,225	0.78%	872	391
2010	# 18,524	68	18,592	0.85%	988	422
2009	20,501	244	20,745	1.25%	1,100	471
2008	22,485	470	22,955	1.40%	1,220	521
2007	24,484	598	25,082	1.56%	1,332	569
2006	26,260	239	26,559	1.69%	1,416	602
2005	# 27,603	70	27,755	1.81%	1,491	630
2004	18,110	224	18,439	1.51%	995	418

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(a) See Table 5 for taxable assessed value

(b) See Table 14 for population figures

(c) See Table 14 for total personal income

(#) revaluation year

TOWN OF ROCKY HILL, CONNECTICUT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(Thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	(b) Percentage of Estimated Actual Taxable Value of Property	(a) Debt Per Capita
2013	\$ 13,512	0.44%	\$ 685
2012	14,993	0.49%	760
2011	16,775	0.53%	849
2010	# 18,524	0.59%	984
2009	20,501	0.87%	1,087
2008	22,485	0.96%	1,196
2007	24,484	1.07%	1,302
2006	26,260	1.69%	1,416
2005	# 27,603	1.81%	1,491
2004	18,110	1.51%	995

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(a) See Table 14 for population figures

(b) See Table 5 for estimated actual taxable value of property

(#) revaluation year

TOWN OF ROCKY HILL, CONNECTICUT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2013
(In Thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Shares of Direct and Overlapping Debt</u>
Overlapping debt:			
Metropolitan District	\$ 559,041	5.78%	\$ 32,313
Town direct debt	13,940	100.00%	<u>13,940</u>
Total			<u>\$ 46,253</u>

Note: Metropolitan District overlapping debt for each member town is divided among the member towns in proportion to the total revenue each received from property taxation, as averaged over the prior three years. Rocky Hill reports overlapping debt on a net basis.

Source: The Metropolitan District, Hartford, Connecticut and Town of Rocky Hill Finance Department

TOWN OF ROCKY HILL, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2013

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2013	\$ 56,453,949
Reimbursement for revenue loss on:	
Tax relief for elderly - freeze	<u>-</u>
Base	<u>\$ 56,453,949</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2-1/4 times base	\$ 127,021,385				
4-1/2 times base		\$ 254,042,771			
3-3/4 times base			\$ 211,702,309		
3-1/4 times base				\$ 183,475,334	
3 times base					\$ 169,361,847
Total debt limitation	<u>127,021,385</u>	<u>254,042,771</u>	<u>211,702,309</u>	<u>183,475,334</u>	<u>169,361,847</u>
Indebtedness:					
Bonds payable	11,823,219	1,081,781			
Bonds authorized - unissued	13,617,800	46,059,200			
Overlapping debt			<u>32,312,561</u>		
Total indebtedness	<u>25,441,019</u>	<u>47,140,981</u>	<u>32,312,561</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 101,580,366</u>	<u>\$ 206,901,790</u>	<u>\$ 179,389,748</u>	<u>\$ 183,475,334</u>	<u>\$ 169,361,847</u>

Note 1: In no case shall total indebtedness exceed \$395,177,643 or seven times annual receipts from taxation.

Note 2: The Town is a member of the Metropolitan District Commission, a regional sewer and water authority. Total outstanding debt of the Metropolitan District Commission as of June 30, 2013 was \$599,040,844. The Town's share of the debt at June 30, 2013 was 5.78% or \$32,312,561. The estimated percentage is calculated based upon the proration of the tax collection from the eight member towns.

TOWN OF ROCKY HILL, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limitation	\$ 395,178	\$ 370,325	\$ 366,828	\$ 352,762	\$ 342,710	\$ 327,439	\$ 327,439	\$ 318,162	\$ 288,726	\$ 283,726
Total net debt applicable to limit	<u>104,895</u>	<u>85,913</u>	<u>34,912</u>	<u>31,730</u>	<u>29,002</u>	<u>28,946</u>	<u>28,946</u>	<u>28,887</u>	<u>30,924</u>	<u>32,305</u>
Legal Debt Margin	<u>\$ 290,283</u>	<u>\$ 284,412</u>	<u>\$ 331,916</u>	<u>\$ 321,032</u>	<u>\$ 313,708</u>	<u>\$ 298,493</u>	<u>\$ 298,493</u>	<u>\$ 289,275</u>	<u>\$ 257,802</u>	<u>\$ 251,421</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.54%	23.20%	9.52%	8.99%	8.46%	8.84%	8.84%	9.08%	10.72%	11.39%

Source: Comprehensive annual financial report - Schedule of Debt Limitation

Note: See Table 12 for calculation of current year debt limitation.

TOWN OF ROCKY HILL, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

Calendar Year	Population (1)	Per Capita Income (2)	Total Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2013	19,729	\$ 38,180	\$ 61,161	44.0	2,422	6.1%
2012	19,723	36,021	55,798	44.0	2,464	5.9%
2011	19,754	29,701	44,090	40.6	2,532	7.3%
2010	18,827	29,701	44,090	40.6	2,590	7.5%
2009	18,852	29,701	44,090	40.6	2,640	6.6%
2008	18,808	29,701	44,090	40.6	2,622	4.7%
2007	18,835	29,701	44,090	40.6	2,621	3.9%
2006	18,760	29,701	44,090	40.6	2,587	3.6%
2005	18,620	29,701	44,090	40.6	2,557	4.1%
2004	18,528	29,701	44,090	40.6	2,496	4.2%

(1) Source: State of Connecticut, Department of Public Health, Office of Policy, Planning and Evaluation

(2) Source: Department of Commerce, U.S. Census Bureau - American FactFinder

(3) Source: Town of Rocky Hill, Board of Education Academic Year Basis

(4) Source: State of Connecticut Department of Labor

TOWN OF ROCKY HILL, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

Employer	Nature of Business	2013			2004		
		Employees	Rank	Percentage of Total Town Employment(a)	Employees	Rank	Percentage of Total Town Employment(b)
Henkel Corporation (Loctite)	Adhesives and Sealants	500	1	4.83%	365	3	3.70%
Town of Rocky Hill	Municipality	448	2	4.33%	420	2	4.26%
SYSCO Food Services	Food Distribution Warehouse	350	3	3.38%	520	1	5.28%
ISGN (formerly Fiserv and Integrated Loan Serv)	Finance - Loan Processing	340	4	3.29%			
State Veterans Home and Hospital	Hospital	335	5	3.24%	350	4	3.55%
Wal-Mart Store	Retail Store	208	6	2.01%	208	5	2.11%
Burris Logistics	Refrigerated Logistics Warehouse	200	7	1.93%			
McKesson Drug Company	Pharmaceuticals, Warehouse	185	8	1.79%	180	6	1.83%
Paychex	Financial Services	150	9	1.45%			
Connecticut Lottery	State of CT - Lottery	138	10	1.33%			
Nationwide	Insurance				175	7	1.78%
Metropolitan Property & Casualty	Insurance				174	8	1.77%
Connecticut Student Loan	State of CT - Finance				159	9	1.61%
Sheraton Hotel (formerly the Marriott Hotel)	Hotel				121	10	1.23%
Total		2,854		27.60%	2,672		27.11%

Source: Town of Rocky Hill, Economic Development Department

(a) State of Connecticut, Department of Labor - Town employment of 10,342

(b) State of Connecticut, Department of Labor - Town employment of 9,857

TOWN OF ROCKY HILL, CONNECTICUT

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	18	18	18	22	22	22	21	21	22	22
Police	44	43	43	44	44	44	44	44	45	43
Fire	4	4	4	4	4	4	4	4	4	4
Building Department	3	3	3	3	3	3	3	3	3	3
Public Works:										
Engineering	4	4	4	4	4	4	4	4	4	4
Highway	16	15	15	15	15	15	15	15	14	14
Human Services	6	6	6	6	6	6	6	6	6	6
Parks and Recreation	12	12	12	12	12	12	12	13	13	13
Facilities:										
Town	11	9.5	9.5	9.5	9.5	9.5	9.5	10	10	10
Schools	23	24.5	24.5	25.5	25.5	25.5	25.5	26	26	26
Library	11	10	10	10	10	10	10	10	10	10
Education (a)	<u>296</u>	<u>292</u>	<u>291</u>	<u>291</u>	<u>286</u>	<u>286</u>	<u>285</u>	<u>279</u>	<u>275</u>	<u>266</u>
Total	<u>448</u>	<u>441</u>	<u>440</u>	<u>446</u>	<u>441</u>	<u>441</u>	<u>439</u>	<u>434</u>	<u>431</u>	<u>420</u>

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Source: Town of Rocky Hill, Finance Department
 (a) Town of Rocky Hill, Board of Education

TOWN OF ROCKY HILL, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Building Department:										
Permits Issued	1,319	1,424	1,245	1,153	896	1,287	1,537	1,615	1,387	1,506
Certificates of Occupancy	114	146	143	143	112	162	120	163	130	158
Number of Inspections	2,051	1,953	2,352	1,689	1,706	2,348	2,460	2,764	3,334	3,112
Police:										
Total Criminal Arrests	447	379	381	370	349	440	456	541	465	524
Total Town Tickets Issued	301	415	376	335	667	430	550	811	487	457
Medical Calls	2,722	2,813	2,734	2,503	2,421	2,404	2,594	2,403	2,390	2,076
Animal Complaints	256	307	267	274	213	270	323	314	183	225
Police Training Hours	3,462	2,427	3,498	3,753	3,216	4,782	5,067	2,671	2,483	3,355
Fire:										
Emergency responses	639	756	759	616	600	678	687	755	755	630
Inspections	672	958	571	573	500	647	535	750	750	750
Fire Training Man-hours	5,735	5,686	7,601	8,412	8,800	8,300	7,480	7,628	5,280	11,100
Sanitation:										
Commercial Solid Waste (tons)	7,440	5,322	4,879	4,839	5,203	6,592	7,326	7,792	6,981	7,566
Residential Solid Waste (tons)	5,592	5,748	5,975	6,232	6,198	6,602	6,762	6,812	6,595	6,885
Bulky waste (tons)	592	960	927	936	950	966	881	835	739	1,433
Highway Department:										
Snow and Ice Callouts	20	9	38	26	26	20	15	17	25	15
Leaf Pickups (Cubic Yards)	6,887	2,832	7,096	7,204	6,725	6,695	6,735	5,480	6,321	7,770
Catch Basin Repairs	31	21	34	27	27	39	13	22	17	22
Parks and Recreation:										
Number of Programs Offered	985	985	975	975	970	960	950	525	490	490
Number of Participants	10,100	10,100	10,000	10,000	9,700	9,600	9,500	9,000	7,000	7,000
Library:										
Volumes in Collection	59,678	61,235	62,621	65,377	64,369	63,984	70,911	68,240	69,542	69,257
Total Volumes Borrowed	252,186	246,833	261,324	267,098	271,041	284,833	283,483	256,190	254,610	264,280
Human Services:										
Number Elderly/Disabled:										
Individual Bus Trips	10,229	10,928	10,003	9,667	9,799	9,868	10,158	7,841	7,841	6,996

Source: Town of Rocky Hill various Town Departments

TOWN OF ROCKY HILL, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Apparatus	11	11	11	11	11	11	11	11	11	11
Fire Rescue Boat	1	1	1	1	1	1	1	1	1	1
Highway Department										
Streets (miles)	66	66	66	66	66	66	66	66	65	59
Dump Trucks plus Equipment	40	40	40	40	40	40	40	40	40	40
Parks and Recreation:										
Acreage Maintained	180	180	180	180	180	180	180	180	180	180
Number of Parks	7	7	7	7	7	7	7	7	7	7
Baseball Fields	12	12	12	12	12	12	12	12	12	12
Soccer Fields	9	9	9	9	9	9	9	9	9	9
Football Field	1	1	1	1	1	1	1	1	1	1
Skatepark	1	1	1	1	1	1	1	1	0	0
Lacrosse Field	1	1	1	1	1	0	0	0	0	0
Number of Pools	2	2	2	2	2	2	2	2	2	2
Amphitheater	1	1	1	1	1	1	1	1	1	0
Facilities:										
Number of Town Buildings	15	15	15	14	14	14	14	14	14	14
Number of Schools	4	4	4	5	5	5	5	5	5	5
Human Services:										
Mini-buses	3	4	4	4	3	3	3	3	3	3

Source: Town of Rocky Hill, various Town Departments