

Town of Rocky Hill Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

Comprehensive Annual Financial Report

of the

Town of Rocky Hill Connecticut

For the Year Ended June 30, 2019

Prepared by:
Town Manager
John Mehr

TOWN OF ROCKY HILL, CONNECTICUT
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Introductory Section

TOWN OF ROCKY HILL, CONNECTICUT

JUNE 30, 2019

PRINCIPAL OFFICIALS

TOWN COUNCIL

Joseph Kochanek, Mayor

William O'Sullivan, Deputy Mayor
Edward Charamut
Mukesh Desai
Christopher Duff

John Emmanuel
Allan Greenspan
Jeffrey Levine
Mimi Theroux

BOARD OF EDUCATION

Frank Morse, Chairman

Brian A. Dillon, Vice Chairman
Rene Rivard, Secretary
Jennifer Allison
Laurie Boske

Dilip D. Desai
Barry Goldbertg
Kimberly Kehoe
Maria Mennella

GENERAL GOVERNMENT

Town Manager
Town Attorney
Interim Director of Finance
Town Treasurer
Town Clerk
Assessor
Tax Collector
Director of Human Resources and Legal Compliance
Director of Human, Youth, and Senior Services
Economic Development
Director of Information Technology
Director of Parks and Recreation
Director of Facilities and Custodial Services
Director of Community Development Services
Town Engineer
Town Planner
Building Official
Highway Superintendent
Library Director
Police Chief
Fire Chief
Fire Marshal

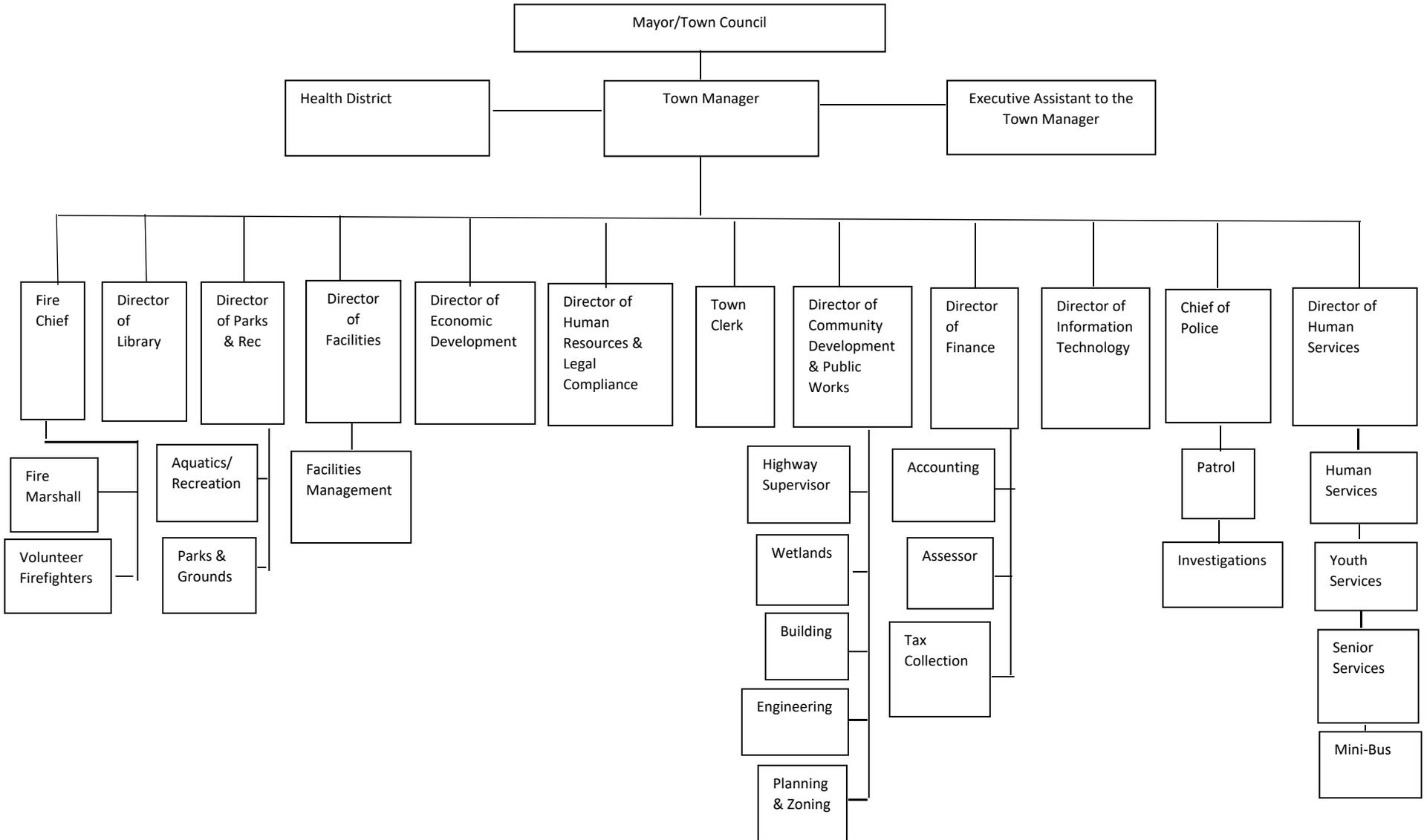
John Mehr
Murtha Cullina LLC
John Mehr
Mona McKim
Sandra Wieleba
Stuart Topliff
Elaine McKim
Dana McGee
Melissa Hicks
Raymond Carpentino
John Nowakowski
Craig Bowman
Phil Cyr
James Sollmi
Stephen Sopelak
Kimberly Ricci
Peter Langlois
Joseph Lentini
Mary Hogan
Michael Custer
Michael Garrahy
Richard Renstrom

EDUCATION

Superintendent of Schools
Assistant Superintendent for Finance & Operations

Mark F. Zito, Ed.D.
Charles Zettergren

ORGANIZATIONAL CHART





Town of Rocky Hill

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

December 19, 2019

To the 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, 2019.

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 unmodified (clean) opinion on the Town of Rocky Hill's financial statements for the year ended June 30, 2019. 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 20,145. 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, Senior 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, a middle school, an intermediate 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 Burriss Refrigerator Logistics, MTU Engineering, Sheraton, Paychex, AECOM, Wal-Mart Department Store, Simoniz and Regus. The Meredith Corporation local television station WFSB, the Hartford area CBS-TV affiliate, relocated to Rocky Hill from Hartford and has been broadcasting from Rocky Hill since July of 2007. Rocky Hill is home to six business parks, including the Town's 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 fourteen quasi State agencies including a State of Connecticut Veterans Home and Hospital which has approximately 600 patients, the Connecticut State Lottery headquarters, and the Office of the Chief State's Attorney.

The Town's geographical location and access to major highways has helped with its growth. Employment data reflected a labor force of 11,749 for June 2019. The unemployment rate remains stable, decreasing slightly from 3.4% in June 2018 to 3.0% in June 2019, shadowing the greater Hartford regions drop in the unemployment rate from 4.5% to 3.9% during the same time period. Rocky Hill's unemployment rate has steadily decreased from a high of 7.3% in 2010 to the current 3.0% in June 2019. Rocky Hill's major employers include the Henkel Corporation, the Town and Board of Education, SYSCO Food Services, State Veterans Home and Hospital, and Burriss Logistics. According to the Connecticut Economic Resource Center (CERC), the number of business establishments increased from 1,366 to 1,425 employing 18,470 in 2019. The Town continues to maintain a balanced mix of retail, manufacturing and light industry and its top ten taxpayers represented about 9.25% of the total assessed value on the October 1, 2017 grand list.

Development has been taking place in the Brook Street area of town, primarily on the property of a former nursery. Winbrook Business Park has 189,000 square feet of flex space in three separate buildings, and includes Tesla (formerly Solar City), and a northeast distribution facility of Burriss Refrigerated Logistics. Altere Apartments, a 144 unit market rate apartment complex is completed and is fully occupied. Currently under construction is a Capital Region Education Council (CREC) STEM Magnet School, an Academy of Aerospace and Engineering for pre-kindergarten to fifth grade students. The STEM school is anticipated to open in 2020. Surrounding towns will have the opportunity to send their students to this school. 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 consists of 70,000 square feet of retail, office and restaurant space. In addition to the 70,000 square feet of commercial space, 144 of one and two bedroom luxury rental apartments have been constructed and are fully occupied. Phase One has been completed with 144 apartment units and 22,000 square feet of commercial use. Phase Two will begin spring of 2020 with an anticipated additional 20,000 square feet of commercial space. The redevelopment of the former Connecticut Foundry property (now called River's Edge), is underway. River's Edge is a mixed-use development consisting of 77 condominium units and 8,000 square feet of retail, office, and restaurant space located along the banks of the Connecticut River. Construction has been delayed due to State review requirements and environmental remediation issues. However, the Town expects the environmental clean-up to be well underway during the spring of 2020. Arburg, Inc. a German manufacturer relocated from Newington to their newly constructed 25,000 square foot Rocky Hill facility built in 2015. Arburg Inc. recently received approval for a 25,000 square foot addition and construction has begun with completion anticipated by the first quarter of 2020. Town staff have been working cooperatively with the owner and prospective developers of the former Ames site. While the property remains available, Town plans incorporate the site into the anchor for the future Town Center.

During the 2018-19 fiscal year, the Town had the completion and the opening of 72,000 square feet of CTStor, a self storage facility, the completion of a 50,000 square foot addition to Simoniz, the opening of a new 52,000 square foot orthopedic care and surgery center, the opening of a 65,000 square foot Hampton Inn and Suites with 90 rooms, and five new restaurants. A 16,000 square foot medical office building is pending approval before the Planning and Zoning Commission. A 126 room hotel and restaurant purpose development is currently appealing a Planning and Zoning Commission decision against this development.

The Town Council has implemented a business development incentive policy to encourage long-term investment in Rocky Hill by providing tax abatements to businesses that locate within the community or want to expand their operations. Several businesses, including WFSB, Burriss Refrigerator Logistics, Simoniz, and most recently a Hampton Inn/Suites, Arburg, and a medical office building, are receiving tax abatements. These abatements are structured so as to fix assessment and tax revenue at their current values and abate a specified percentage of the increase in assessed value. This program is helpful in attracting new industry and keeping existing businesses. Starting in the winter of 2018 through to present, the Economic Development Commission and their staff developed a market strategy focused on advanced manufacturing, IT services, medical service and retail. Along these lines, a new "logo" was developed along with the phrase "Rocky Hill – Make New History Here".

In 2015, the Town adopted an update to the Plan of Conservation and Development. In July 2017, the Planning and Zoning Commission completed a comprehensive update to the Town Zoning Regulations and Zoning Map. During the year, 1 lot was created through subdivision approval process. The Town did issue permits for 14 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 6.62% 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 2019 - 2020 budget, \$275 thousand of unassigned fund balance was applied to the capital improvements budget.

Relevant Financial Policies

The Town of Rocky Hill has completed a revaluation of all properties that are part of the October 1, 2018 Grand List. Revaluation is performed every five years, per State law, with the purpose of to determine the current fair market value of all town properties. The grand list with these new assessment values will be used in the 2019 -2020 budget year to determine property tax revenue. The Town does expect to have an increase in the number assessment appeals cases. The Town policy is to minimize the impact that any of these settlements would have in the current fiscal year. Any of these assessment appeals cases that are settled, the settlement will impact future grand lists and budget years.

As part of past union contract negotiations, all Town five general employees' union contracts, non-bargaining employees, and the police union contract have in place a Defined Contribution Pension Plan for member employees. Depending on the date of hire, all newly hired employees will be put into the defined contribution plan. The general employees and non-bargaining employees will contribute six (6) percent of their salary and the Town will match at three (3) percent of salary. The police union employees will contribute seven (7) percent of their salary and the Town will match at five (5) percent of salary.

Every two years the Town has an Actuarial Valuation performed on the General Employees and Police Officers Defined Benefit Pension Plans. The actuarial valuations completed as of September 1, 2018 on these two plans resulted in the total recommended contribution for these plans for the 2019 - 2020 budget year be \$635,919. This is \$231,951 less than the amount the Town budgeted for in the 2018 – 2019 budget year based on the September 1, 2016 valuation. This reduction is a result of the Town making its yearly recommended pension contribution on a regular basis, of the pension plans assets growth, and of the new hires going into a Defined Contribution Pension Plan.

In the 2019-2019 budget year, the Town did set aside \$945,000 towards the upgrades, improvements of the municipal and school projects, including the elevator upgrade, new playground equipment at one of the elementary schools, and air conditioning at the middle school.

In November 2015, the voters of Rocky Hill approved a referendum for changes, amendments, and provisions made by the 2015 Charter Revision Commission to the Rocky Hill Town Charter and approved by the Town Council. The revised Town Charter took effect on December 3, 2015. The last time the Town Charter was revised was December 1989.

Major Initiatives

The Town has received a number of Connecticut Small Town Economic Assistance Program (STEAP) grants and a Connecticut Main Street Investment Grant totaling \$2.1 million to assist with storefront improvements for businesses located on the Silas Deane Highway and for the Silas Deane Streetscape. The Town's construction of Phase One of the Streetscape project for the Silas Deane/Old Main Street section of town was completed in November of 2012. Phase Two of the Silas Deane Streetscape project was completed this past September 2019. Phase Three of the Silas Deane Streetscape is being funded by an 80%/20% federal grant, which is currently under design. Phase Three will go to bid around the beginning of 2020 with construction beginning the spring of 2020. The Town also received from the State a grant for \$800,000 to construct a "Miracle Field" for special needs children at Elm Ridge Park that was completed and dedicated in September 2016.

The Town received a \$700,000 Small Cities Community Development Block Grant in 2012 for public housing modernization through the State of Connecticut Department of Economic and Community Development. This grant was used to rehabilitate private residential senior housing located on Willow Road and work was completed in the winter of 2014. In 2016, the Town was awarded an \$800,000 Small Cities Community Development Block Grant for the rehabilitation of a second senior housing project located on School Street. The project was completed April 2018.

The Town discontinued pursuing, through exercising its power of eminent domain, the Foundry property, an 11 acre 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 multi-use with residential development. The Town has committed \$670,000 towards the demolition of vacant buildings and the remediation of this property. Now called River's Edge, the developer has received all approvals from local land use boards and final plans have been filed in the land use records. The remediation work on this property started in January 2012 and is ongoing.

The Town Council approved entering into an agreement with Solar City (now Tesla) to lease 15 acres in the Town's Industrial Park for Solar City to construct a 3 megawatt photo voltaic facility. Some of this solar power generated will be utilized by the Town and is projected to reduce its annual utility costs for electricity by as much as \$200,000 per year. The land lease payments from Solar City will generate \$90,000 of revenue per year. The solar project is completed and electricity production started April 4, 2018.

The Town has been experiencing an increase student enrollment at its elementary schools. For the school year starting September 2017, the Town purchased and installed two modular classrooms at one of its elementary schools during the 2017 school summer break at a cost of \$339,000. In the summer of 2019, the Town with the opening of the new Moser Intermediate School, will be purchasing three of the eleven modular classrooms it was leasing at a cost of \$209,000. The remaining eight modular classrooms were returned to the vendor. During the 2015-2016 period, the Town completed \$2.2 million of the school improvement projects that included: the installation of a new boiler and water heater at the middle school; the replacement of the track surface and surrounding fencing at the high school football field; the installation of fire sprinklers and an elevator at an elementary school; and the renovation of a lavatory at the elementary school. During the 2016-2017 period, the Town began phase one of three to install an air conditioning system at the middle school. This project was scheduled for work to be done over three budget years at a cost of \$2.0 million scheduled and was completed in the summer of 2019. Also in the 2016-2017 fiscal year, new playground equipment was installed at an elementary school. For public safety, in September of 2016 the Town completed the renovation of the police dispatch center with the installation of new furniture and radio equipment. In November of 2016, the Town completed the upgrading of the police jail cells. In June 2019, the fire department completed their downsizing of their fleet by acquiring six new fire trucks while disposing of nine fire trucks. These public safety projects are part of the November 2015 referendum for public safety appropriations approved by the voters of Rocky Hill.

In a referendum vote held in June 2012, the voters of Rocky Hill approved an appropriation in the amount of \$44.955 million for the modernization and expansion of the Rocky Hill High School. The Town has hired an architectural firm and a construction manager for this project. In February 2014, the State General Assembly passed legislation approving up to \$5.045 million additional grant funding for the Rocky Hill High School Project. The Rocky Hill Town Council approved this Legislation thus making the high school "renovate as new" a \$50 million project. The Town has awarded 18 trade contracts and has entered into a Guaranteed Maximum Price Agreement with Construction Manager O & G Industries, Inc. of Torrington, CT in the amount of \$44.1 million. Construction began in September

2014 and this project was completed in September 2017. While still in punch list/close out phase, the high school has been turned over to the Board of Education. The Town is awaiting the State of Connecticut Office of School Construction Grants to perform a close out audit for this project which the Town is expecting approximately \$21.0 million in a school construction grant.

In addition, the voters approved an appropriation of \$10 million for the preservation of farmland and passive open space in a referendum vote in November 2012. Since 2013, the Town in partnership with the State Department of Agriculture, has preserved 393 acres of farmland and open space (including a property located on the shores of the Connecticut River) at a total cost of \$7.6 million, of which \$3.9 million was Town Bond funds. The Town is currently working towards the purchase of additional farmland and open space.

A \$10 million referendum for road improvements was passed on November 5, 2013. Road improvements began in the summer of 2014 with a \$1.5 million bridge replacement over Goff Brook that was completed in the fall of 2014 and with \$2 million road improvements paving projects (Phase One) of seven miles that was completed in 2014. In the summer of 2015, Phase Two started with five miles of road paving projects being completed. For the summer of 2016, the Town completed eleven miles of road paving projects as part of Phase Three. For the summer of 2017, the Town completed four miles of road paving projects (eleven roads) as part of Phase Four. For the summer of 2018, the Town completed five miles of road paving projects (thirteen roads) as part of Phase Five. For the summer of 2019, the Town completed six miles of road paving projects (twenty-three roads) as part of Phase Six.

In November 2015, the voters of Rocky Hill did approve a referendum for public safety appropriations of \$6.45 million for fire department vehicles and equipment, and for the police department to replace its radio dispatch equipment and to make improvements to the police station.

On the November 2016 ballot, the voters of Rocky Hill did approve two referendum questions. The first is for a \$48.35 million appropriation and bond authorization (expected to be paid from an estimated \$17.25 million state grant and \$31.1 million Town general obligation bonds) for the demolition of the former Moser School building and the construction of a new intermediate school for fourth and fifth grade students in its place. This project was completed for the start of the school year in September 2019. When this project is finally closed out, the Town expects that the total project cost for the new Moser Intermediate School will be in the \$38 to \$39 million range. The Town is estimating to receive \$12.5 million in school construction grants from the State of Connecticut Office of School Construction Grants based on the revised estimated cost for the intermediate school project. The second is for a \$1.3 million appropriation to purchase street lights and poles in the Town to install energy efficient lighting and to finance the appropriation with general obligation bonds, lease, or other financing available to the Town. At its November 19, 2018 meeting the Rocky Hill Town Council pursuant to section 811 of the Town Charter repealed the \$1.3 million street light replacement and street light pole purchase appropriation and bond authorization.

In November 2018, the voters of Rocky Hill did approve a referendum for Community Senior Center appropriations of \$10.5 million for upgrade and redesign improvements to the Center. In April 2019, the Town hired an architectural firm to complete the design phase of the project and plan to start the construction phase in Spring 2020. The Town expects to have this project completed by the end of Summer 2021. The total construction budget is approximately \$7.9 million.

In November 2019, the voters of Rocky Hill did approve two referendum questions. A \$10 million referendum for road improvements and a \$7.2 million referendum to purchase 84.5 acres of farmland known as Straska Farm for the purpose of open space and farmland preservation. The Town will be acquiring these 84.5 acres of farmland before January 31, 2020.

As of June 30, 2019, the Town had \$33 million of bond anticipation notes (BANS) maturing in July. In July 2019, the Town issued \$30.75 million 20-year general obligation (GO) bonds relating to five capital projects at a 2.33% true interest cost. Standard and Poor's did maintain the Town's rating for this bond issue at AA+ / Stable. Also in July, the Town issued \$2.25 million in BANS with a net interest cost (NIC) of 1.44% to mature in July 2020. In December 2019, the Town issued \$7.2 million 20-year general obligation (GO) bonds relating to the 84.5 acres of farmland acquisition referendum that was approved by the voters in November 2019 at a 2.22% true interest cost. Standard and Poor's did maintain the Town's rating for this bond issue at AA+ / Stable.

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, 2018.

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 on 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 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
Town Manager / Interim Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

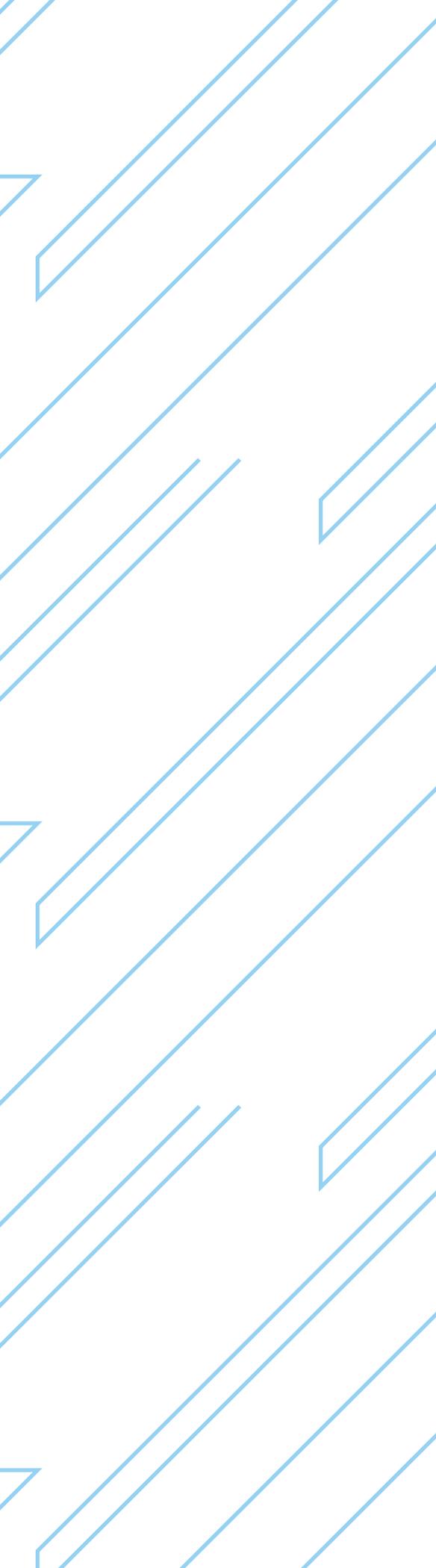
Town of Rocky Hill
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO



Financial Section

Independent Auditors' Report

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Rocky Hill, Connecticut, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 19, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2018 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2018 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Rocky Hill, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Rocky Hill, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 19, 2019

**TOWN OF ROCKY HILL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to VI.

Financial Highlights

- On a government-wide basis, the assets of the Town of Rocky Hill exceeded its liabilities for fiscal year 2018-19 by \$34.2 million.
- Net position of our governmental activities increased by \$4.9 million or 16.9%.
- Total cost of all of the Town's programs was \$88.4 million with the start-up of the new Senior/Community Center project added this year.
- The Town's governmental funds (general fund, special revenue funds, capital projects and permanent funds) had a combined fund balance of (\$14.8) million. The negative balance was due to the timing of capital project expenditures which were offset by a long term bond issue in July 2019 of \$30.8 million.
- The General Fund reported a fund balance for this year of \$5.8 million. The Unassigned Fund Balance for the General Fund was \$5.1 million or 6.6% of current year budgetary expenditures.
- The resources available for appropriation were \$666 thousand higher than budgeted for and expenditures were \$187 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 the 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. The 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 increased from \$29.2 million to \$34.2 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town’s governmental activities.

**Table 1
NET POSITION**

	Governmental Activities	
	2019	2018
Current and other assets	\$ 33,438,633	\$ 29,208,221
Capital assets, net of accumulated depreciation	<u>133,488,706</u>	<u>109,348,469</u>
Total assets	<u>166,927,339</u>	<u>138,556,690</u>
Deferred outflows of resources	<u>4,083,641</u>	<u>2,163,614</u>
Long-term debt outstanding	78,637,936	81,683,537
Other liabilities	<u>37,930,738</u>	<u>13,829,166</u>
Total liabilities	<u>116,568,674</u>	<u>95,512,703</u>
Deferred inflows of resources	<u>20,274,707</u>	<u>15,992,058</u>
Net Position:		
Net investment in capital assets	52,282,953	51,072,118
Restricted	70,860	70,792
Unrestricted	<u>(18,186,214)</u>	<u>(21,927,367)</u>
Total Net Position	<u>\$ 34,167,599</u>	<u>\$ 29,215,543</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 (\$21.9) million at June 30, 2018 to (\$18.2) million at the end of this year.

Table 2
CHANGE IN NET POSITION

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 3,300,626	\$ 3,653,472
Operating grants and contributions	10,364,574	15,484,557
Capital grants and contributions	7,772,723	1,238,164
General revenues:		
Property taxes	68,566,199	66,116,567
Grants and contributions not restricted to specific purposes	1,442,727	1,693,843
Unrestricted investment earnings	433,832	165,252
Other general revenues	1,475,059	776,429
Total revenues	<u>93,355,740</u>	<u>89,128,284</u>
Program expenses:		
General government	10,529,125	9,634,023
Public safety	11,127,890	9,940,069
Public works	9,233,193	9,486,046
Health and human services	688,086	727,579
Parks, recreation and facilities	5,161,060	4,778,594
Library services	1,105,388	1,242,538
Education	48,713,404	51,097,061
Interest on long-term debt	1,845,538	2,112,000
Total program expenses	<u>88,403,684</u>	<u>89,017,910</u>
Change in Net Position	4,952,056	110,374
Beginning Net Position	<u>29,215,543</u>	<u>29,105,169</u>
Ending Net Position	<u>\$ 34,167,599</u>	<u>\$ 29,215,543</u>

The Town's total revenues were \$93.4 million. The total cost of all programs and services was \$88.4 million. Our analysis below separately considers the operations of governmental activities.

Governmental Activities

For governmental activities, approximately 73.5% of the revenues were derived from property taxes, followed by 21.0% in other intergovernmental revenues.

Major revenue factors included:

- Property tax revenues recorded during fiscal year 2019 reflect a .8 mill increase in the mill rate for the current levy and the impact of a 1.5% increase in the grand list. Property tax revenues for fiscal year 2019 increased 3.7% or \$2.4 million compared to fiscal year 2018.
- Charges for services were \$353 thousand lower than the prior year due to lower than anticipated property recording and building permit fees.

- Operating grants reflected a decrease of \$5.1 million mainly due to a decrease of \$5.4 million in the State Teacher Retirement and OPEB calculations due to a change in actuarial assumptions offset by an increase in Education Cost Sharing grant of \$617 thousand. Also, in this comparison, the prior year reflected a one-time grant for a bridge project of \$428 thousand.
- Capital grants and contributions reflected an increase of \$6.5 million over the previous year due to the continued progress of the Moser Intermediate School construction grant offset by the completion of the High School project in the prior year.
- Other General Revenues increased by \$699 thousand due to increase in recognition of bond premium revenue and an increase in miscellaneous revenue sources such as health insurance copayments.
- Investment income increased by \$269 thousand over the previous year due to interest rate increase and timing of fund investments.
- Overall governmental revenue increased by \$4.2 million due to a net increase in capital grant program reimbursements of \$6.5 million and an increase of property tax revenue of \$2.4 million offset by a decrease in the State Teacher Retirement and OPEB of \$5.4 million.

More than 55.1% of the Town's expenses relate to education, 12.6% to public safety, 5.8% to parks, recreation and facilities, 11.9% to general government and 10.4% to public works.

Major expense factors included:

- The overall decrease in governmental expenditures was impacted by various increases and decreases within other Town operations. The total of governmental expenses decreased in the amount of \$614 thousand.
- The decrease in the amount of \$2.4 million in the Board of Education expenses reflects an increase in the operational needs of 2018-19 fiscal year offset by a decrease in the calculation for the State OPEB due to actuarial assumption changes.
- The increase in General Government in the amount of \$895 thousand includes an increase in Group Insurance costs and adding a full time Town Clerk.
- Public Safety expenses increased by \$1.2 million due to the depreciation expense of previously acquired Fire Apparatus, an additional Police Department position and contractual increases.
- Parks, Recreation and Facilities expenses increased by \$382 thousand which reflects an increase in utility costs, tree care, grounds improvements and other operational needs.
- All other expenses decreased by \$443 thousand as a result of the reduction in capital expenditures in comparison to the previous fiscal year. The prior year included one-time costs for portable classrooms of \$339 thousand.
- As part of the maintenance program, the Town completed phase III of the air conditioning project at the middle school. Also, funds were set aside for planning of the upgrade of science labs. In addition, the Town purchased three new police vehicles, one new 6 wheel dump truck and a wide area mower.

The General Employees and the Police Officers Defined Benefit Pension Plans had an actuarial review completed as of September 2018, as a result the total recommended contribution for these plans for the 2018-2019 fiscal year was reduced by 24% compared to the prior year.

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	
	2019	2018	2019	2018
Education	\$ 48,713,404	\$ 51,097,061	\$ 30,751,348	\$ 34,910,215
General government	10,529,125	9,634,023	9,573,034	8,213,693
Public works	9,233,193	9,486,046	9,058,642	8,979,102
Public safety	11,127,890	9,940,069	9,601,748	8,513,049
Parks, recreation and facilities	5,161,060	4,778,594	4,436,571	4,056,987
All others	3,639,012	4,082,117	3,544,418	3,968,671
Total	\$ 88,403,684	\$ 89,017,910	\$ 66,965,761	\$ 68,641,717

Town Funds Financial Analysis

Governmental Funds

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

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of (\$14.8) million, which is a decrease from last year's total of \$7.2 million.

The largest change in fund balance was a decrease in the Capital Projects by \$20.5 million. This decrease is the result of the ongoing school capital projects and the timing of reimbursement of State grants which were offset by the issuance of \$30.7 million in long term bonds in July 2019. There was also a decrease of \$1.2 million in the Nonmajor Governmental Funds due to payment of debt service from premium available in debt service fund balance.

The General Fund fund balance reflects a decrease by \$348 thousand which was offset by an Assigned fund balance amount of \$1.3 million for the 2018-19 fiscal year. As a result, the unexpended portion of the Assigned amount increased the unassigned fund balance at year end. (Exhibit A-1)

General Fund Budgetary Highlights

During this year, actual revenues and other financing sources on a budgetary basis were \$76.8 million, which was unfavorable by \$649 thousand. The Town used only \$348 thousand of the total \$1.3 million appropriation from fund balance for a financing source.

Tax collections were favorable by \$402 thousand due to a tax sale conducted which increased collections in both current and past due accounts. Intergovernmental revenue was slightly unfavorable by \$153 thousand due to the elimination of Elderly/Disabled Tax Relief Program/Grant and delayed funding from the State for the Town Aid Road grant. Other revenues were favorable by \$90 thousand. The overall increase in other revenues was impacted by various increases and decreases which includes workers compensation reimbursements and a member equity distribution from insurance carrier. Investment income was \$324 thousand over budget.

On the expenditures side, the Town finished the fiscal year with expenditures of \$187 thousand lower than budget. The Town budgets for unanticipated and unbudgeted expenditures that occurred during the budget year. For the 2018-19 budget year, the Town budgeted \$450 thousand for contingency. This provided the Town with a reserve to cover salary increases in labor agreements, retirement benefits, increased electric, heating and motor fuel costs and increases in overtime costs associated with snow removal. The Town also experienced a significant decrease in employee benefits costs.

The Town's total General Fund balance of \$5.8 million reported on Exhibit III includes the Unassigned General Fund balance of \$5.1 million, \$393 thousand of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes and a \$275 thousand appropriation of fund balance to the 2019-20 budget.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2019, the Town had \$133.5 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 increase (including additions and deductions) of \$24.1 million or 22.1% over last year.

Table 4
CAPITAL ASSETS (Net of Depreciation)

	Governmental	
	Activities	
	2019	2018
Land	\$ 6,646,329	\$ 6,646,329
Buildings and improvements	22,744,690	23,520,468
Furniture, vehicles and equipment	5,771,914	7,151,363
Infrastructure	18,091,054	18,815,034
Construction in progress	80,234,719	53,215,275
Total	<u>\$ 133,488,706</u>	<u>\$ 109,348,469</u>

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

New Police Vehicles, Public Works Vehicle and Payloader	\$ 1.0
Construction - Rocky Hill High School Project	1.1
Construction - Intermediate School	25.9
Less: Depreciation	<u>(3.9)</u>
Total	<u>\$ 24.1</u>

The Town's fiscal year 2018-19 capital budget calls for it to spend \$1.8 million for capital projects, principally for sidewalk improvements, vehicles for various departments, road improvements, town facilities improvements and school facilities improvements

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

Long-Term Debt

At June 30, 2019, the Town had \$47.3 million in bonds outstanding versus \$50.5 million last year - a decrease of 6.3% - as shown in Table 5.

**Table 5
OUTSTANDING DEBT**

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
General Obligation Bonds (Backed by the Town)	<u>\$ 47,345,000</u>	<u>\$ 50,515,000</u>

The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on the type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$461 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 2019 budget and tax rate. One of those factors is the economy and the community's ability to pay for municipal services. As of June 2019, the Town's labor force stood at 11,395 with its unemployment rate being 3.0% compared to 3.6% in the greater Hartford region and 3.6% for the State. The Rocky Hill unemployment rate has decreased from the June 2018 rate of 4.1% compared to the greater Hartford region and States rate that have also decreased from 5.2% and 5.1% respectively.

The consumer price index for June 2019 was 1.6 % compared to 2.9% for June 2018 and 1.6% for June 2017. 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 2019-20. Amounts available for appropriation in the General Fund are \$80.7 million, a 4.28 percent increase over the 2018-19 budget of \$77.4 million. The increase in the 2019-20 Budget includes the hiring of a full time Public Works Road Maintainer and a Parks Grounds Maintainer.

For 2019-20, the Town's October 2018 Net Taxable Grand List increased by 5.5% from the prior year. This increase is the result of new assessed property value based on a state mandated revaluation. The mill rate used by the Town was 32.5 mills, an increase of 0.1 mills over 2018-19 budget year.

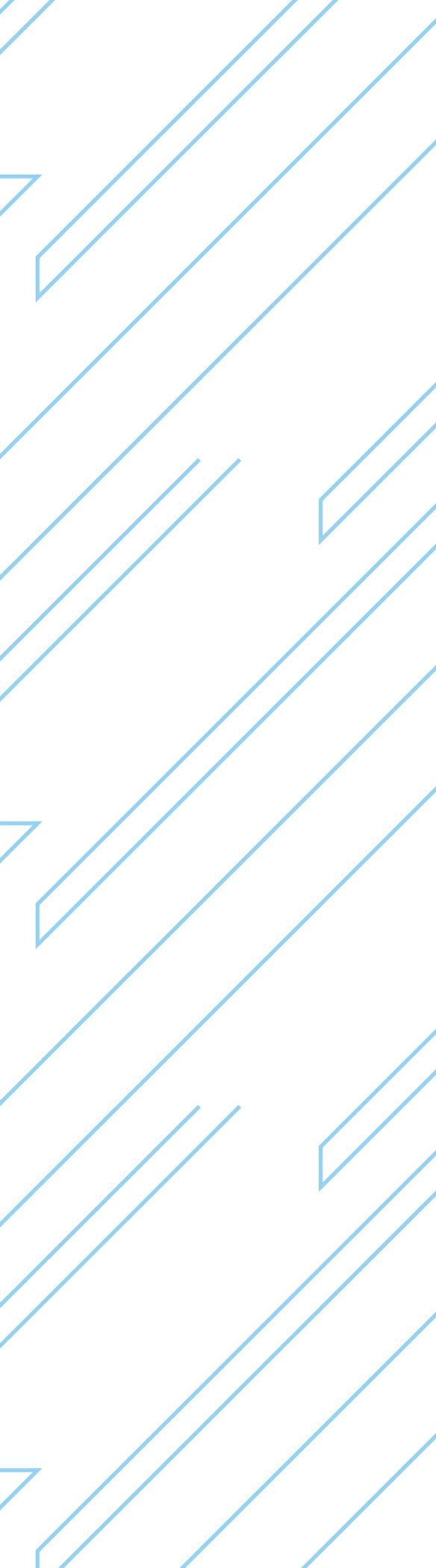
The Town is concerned about any budget problems that the State of Connecticut might have and the impact balancing the State budget might have on the Town. Approximately 7.7% of the Town's budget revenues are derived from revenues received from the State of Connecticut. About 75.0% of the State revenues come to the Town in the form of Educational Cost Sharing Grant (ECS) which assists the Town's school system.

The Town appropriated \$275 thousand from fund balance to the 2019-20 budgets. This is a decrease of \$1.0 million from the prior year. The use of \$275 thousand of fund balance relates to the Town Council resolution that funds in the assigned 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's defined benefit plan has been closed to new participants since 2014. 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 4.08% from July 1, 2018 to June 30, 2019. However, if the equities markets decline in value, the Town pension trusts maintains adequate amounts in fixed income securities accounts so that the trusts will be able to pay its pension obligations over a three to six month period without having to liquidate any of its mutual stock 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, 2019

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 30,566,913
Receivables, net	1,267,441
Inventory	11,996
Net pension assets	1,592,283
Capital assets not being depreciated	86,881,048
Capital assets being depreciated, net	46,607,658
Total assets	<u>166,927,339</u>
Deferred Outflows of Resources:	
Deferred outflows related to pension	2,762,514
Deferred outflows related to OPEB	1,321,127
Total deferred outflows of resources	<u>4,083,641</u>
Liabilities:	
Accounts and other payables	4,018,453
Unearned revenue	912,285
Bond anticipation notes payable	33,000,000
Noncurrent liabilities:	
Due within one year	3,913,501
Due in more than one year	74,724,435
Total liabilities	<u>116,568,674</u>
Deferred Inflows of Resources:	
Deferred charge on refunding	5,405
Advance property tax collections	7,879,223
Deferred inflows related to pension	3,786,702
Deferred inflows related to OPEB	8,603,377
Total deferred inflows of resources	<u>20,274,707</u>
Net Position:	
Net investment in capital assets	52,282,953
Restricted for:	
Trust purposes:	
Nonexpendable	70,860
Unrestricted	<u>(18,186,214)</u>
Total Net Position	<u>\$ 34,167,599</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, 2019**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Net Position
		Charges for Services	Operating Grants and Contributions	
				Governmental Activities
Governmental activities:				
General government	\$ 10,529,125	\$ 584,095	\$ 371,996	\$ (9,573,034)
Public safety	11,127,890	1,343,876	182,266	(9,601,748)
Public works	9,233,193			(9,058,642)
Health and human services	688,086		64,307	(623,779)
Parks, recreation and facilities	5,161,060	724,489		(4,436,571)
Library services	1,105,388	23,414	6,873	(1,075,101)
Education	48,713,404	624,752	9,739,132	(30,751,348)
Interest on long-term debt	1,845,538			(1,845,538)
Total Governmental Activities	\$ 88,403,684	\$ 3,300,626	\$ 10,364,574	\$ 7,772,723
				(66,965,761)
General revenues:				
Property taxes				68,566,199
Grants and contributions not restricted to specific programs				1,442,727
Unrestricted investment earnings				433,832
Miscellaneous				1,475,059
Total general revenues				<u>71,917,817</u>
Change in net position				4,952,056
Net Position at Beginning of Year				<u>29,215,543</u>
Net Position at End of Year				<u>\$ 34,167,599</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ROCKY HILL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 25,141,025	\$ 2,099,960	\$ 1,808,194	\$ 29,049,179
Receivables, net	772,206		495,235	1,267,441
Due from other funds	571,175	8,751,843	2,538,549	11,861,567
Inventory			11,996	11,996
Total Assets	<u>\$ 26,484,406</u>	<u>\$ 10,851,803</u>	<u>\$ 4,853,974</u>	<u>\$ 42,190,183</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 958,814	\$ 1,711,539	\$ 114,392	\$ 2,784,745
Due to other funds	11,290,392		571,175	11,861,567
Unearned revenue			912,285	912,285
Bond anticipation notes payable		33,000,000		33,000,000
Total liabilities	<u>12,249,206</u>	<u>34,711,539</u>	<u>1,597,852</u>	<u>48,558,597</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	569,868			569,868
Advance property tax collections	7,879,223			7,879,223
Total deferred inflows of resources	<u>8,449,091</u>	<u>-</u>	<u>-</u>	<u>8,449,091</u>
Fund Balances:				
Nonspendable			82,856	82,856
Restricted			145,753	145,753
Committed		3,263,143	3,067,385	6,330,528
Assigned	668,386			668,386
Unassigned	5,117,723	(27,122,879)	(39,872)	(22,045,028)
Total fund balances	<u>5,786,109</u>	<u>(23,859,736)</u>	<u>3,256,122</u>	<u>(14,817,505)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 26,484,406</u>	<u>\$ 10,851,803</u>	<u>\$ 4,853,974</u>	<u>\$ 42,190,183</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

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)	\$ (14,817,505)
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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	\$ 203,810,304	
Less accumulated depreciation	<u>(70,321,598)</u>	
Net capital assets		133,488,706

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

Net pension asset	1,592,283
Property tax receivables greater than 60 days	443,207
Interest receivable on property taxes	126,661
Deferred outflows related to pension	2,762,514
Deferred outflows related to OPEB	1,321,127

Internal service funds are used by management to charge the costs of
risk management to individual funds. The assets and liabilities of
the internal service funds are reported with governmental activities
in the statement of net position.

906,337

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

Net pension liability	(4,165,076)
Bonds payable	(47,345,000)
Interest payable on bonds and notes	(622,311)
Compensated absences	(4,110,715)
Capital lease	(657,357)
Bond premium	(3,627,991)
Deferred charge on refunding	(5,405)
Net OPEB liability	(17,687,511)
Total OPEB liability	(1,044,286)
Deferred inflows related to OPEB	(8,603,377)
Deferred inflows related to pension	<u>(3,786,702)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 34,167,599</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, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes and assessments	\$ 68,994,399	\$	\$	\$ 68,994,399
Intergovernmental	8,868,613	7,652,392	2,953,893	19,474,898
Charges for services	990,903		2,116,950	3,107,853
Income on investments	433,539	210	83	433,832
Miscellaneous	1,205,323	43,784	82,286	1,331,393
Total revenues	<u>80,492,777</u>	<u>7,696,386</u>	<u>5,153,212</u>	<u>93,342,375</u>
Expenditures:				
Current:				
General government	2,664,972		6,550	2,671,522
Public safety	6,969,341		872,550	7,841,891
Public works	7,083,253		150,413	7,233,666
Health and human services	656,842		48,307	705,149
Parks, recreation and facilities	3,880,725		686,525	4,567,250
Library services	1,023,351		23,019	1,046,370
Education	44,999,956		2,796,408	47,796,364
Miscellaneous	7,547,315		408,676	7,955,991
Capital outlay	1,332,786	29,157,233		30,490,019
Debt service	4,182,491	41,466	1,816,722	6,040,679
Total expenditures	<u>80,341,032</u>	<u>29,198,699</u>	<u>6,809,170</u>	<u>116,348,901</u>
Excess (Deficiency) of Revenues over Expenditures	<u>151,745</u>	<u>(21,502,313)</u>	<u>(1,655,958)</u>	<u>(23,006,526)</u>
Other Financing Sources (Uses):				
Transfers in		499,643		499,643
Transfers out	(499,643)			(499,643)
Premium on bond anticipation notes			409,763	409,763
Issuance of capital lease		522,706		522,706
Total other financing sources (uses)	<u>(499,643)</u>	<u>1,022,349</u>	<u>409,763</u>	<u>932,469</u>
Net Change in Fund Balances	(347,898)	(20,479,964)	(1,246,195)	(22,074,057)
Fund Balances at Beginning of Year	<u>6,134,007</u>	<u>(3,379,772)</u>	<u>4,502,317</u>	<u>7,256,552</u>
Fund Balances at End of Year	<u>\$ 5,786,109</u>	<u>\$ (23,859,736)</u>	<u>\$ 3,256,122</u>	<u>\$ (14,817,505)</u>

(Continued on next page)

**TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

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)	\$ (22,074,057)
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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	28,049,698
Depreciation expense	(3,909,461)

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	(320,988)
Property tax interest and lien revenue - accrual basis change	(107,212)
Changes in deferred outflows related to pension	598,900
Changes in deferred outflows related to OPEB	1,321,127
Change in net pension assets	(388,773)

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	3,170,000
Capital lease issued	(522,706)
Capital lease payments	355,962

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	156,504
Accrued interest	767,571
Amortization of deferred charge on refunding	(144)
Amortization of bond premiums	257,714
Net pension liability	(3,120,538)
Net OPEB liability	2,900,942
Total OPEB liability	(152,277)
Changes in deferred inflows related to OPEB	(4,526,777)
Changes in deferred inflows related to pension	2,123,767

The net income of the internal service funds is reported with governmental activities.	<u>372,804</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 4,952,056</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	Governmental Activities <u>Internal Service Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,517,734
Liabilities:	
Current liabilities:	
Accounts and other payables	<u>611,397</u>
Net Position:	
Unrestricted	<u>\$ 906,337</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Governmental Activities Internal Service Fund
	<u> </u>
Operating Revenues:	
Charges for services	\$ 6,534,157
Operating Expenses:	
Benefits and claims	<u>6,161,353</u>
Operating Income	<u>372,804</u>
Change in Net Position	372,804
Net Position at Beginning of Year	<u>533,533</u>
Net Position at End of Year	<u>\$ 906,337</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from charges for services and other	\$ 6,534,157
Payments to vendors	<u>(6,081,258)</u>
Net cash provided by (used in) operating activities	<u>452,899</u>
Net Increase (Decrease) in Cash and Cash Equivalents	452,899
Cash and Cash Equivalents at Beginning of Year	<u>1,064,835</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,517,734</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ 372,804
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Increase (decrease) in accounts payable	<u>80,095</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 452,899</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	<u>Pension and OPEB Trust Funds</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 904,258	\$ 877,030
Investments:		
Mutual funds	70,681,520	190,191
Accounts receivable		<u>20,550</u>
Total assets	<u>71,585,778</u>	<u>\$ 1,087,771</u>
Liabilities:		
Deposits and amounts due to student groups and participants		<u>\$ 1,087,771</u>
Net Position:		
Net position restricted for pensions and OPEB benefits	<u>\$ 71,585,778</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Pension and OPEB Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,538,827
Plan members	<u>551,395</u>
Total contributions	<u>2,090,222</u>
Investment income:	
Net change in fair value of investments	(790,278)
Interest and dividends	<u>4,817,756</u>
Total investment income	4,027,478
Less investment expense	<u>177,938</u>
Net investment income	<u>3,849,540</u>
Total additions	<u>5,939,762</u>
Deductions:	
Benefits	4,050,111
Other expenses	<u>74,443</u>
Total deductions	<u>4,124,554</u>
Noncurrent liabilities:	1,815,208
Net Position at Beginning of Year	<u>69,770,570</u>
Net Position at End of Year	<u>\$ 71,585,778</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of 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, except for interfund services provided and used.

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

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

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

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 Internal Service Fund is used to account for the activities related to the medical and dental health coverage for all eligible Board of Education employees.

The Pension and OPEB Trust Funds account for the activities of the Town Pension Plans and Other Post Employment Benefits Plans, which accumulate resources for pension benefit and healthcare payments to qualified Town employees.

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

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.

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

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

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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. The Town did not report any prepaid items in the current year.

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 acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**TOWN OF ROCKY HILL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

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. Deferred Outflows/Inflows of Resources

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

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

I. Compensated Absences

Municipal

Employees earn 12 to 18 days of sick leave per year. Employees earn from 5 to 25 days of vacation depending on the bargaining unit per fiscal year. All vacation days must be used within the fiscal year; however, 10 days can be carried forward to be used within 6 months after the end of that fiscal year period. Upon termination, an employee is entitled to be paid for all unused vacation time. Depending on the employee date of hire, upon termination an employee could be entitled to be paid for unused sick time at 20% to 60% of its value depending on the 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.

J. 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 are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

K. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

M. Net Pension Liability (Asset)

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

N. 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

This represents 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.

O. 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.

P. Use of Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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 \$300,000 for each item, can be made by the Town Council. Additional appropriations over \$300,000 require the approval of the electors. The legal level of control on which expenditures may not exceed appropriations is on the Functional level. Transfers between line items within a department may be made by the Town Manager. The Town overexpended the budgets for the general government and transfers out functions by \$626 and \$499,643, respectively.

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 additional appropriations of \$27,392 from fund balance 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 assignments of fund balance since they do not constitute expenditures or liabilities.

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 an assignment of fund balance on a GAAP basis.
- State of Connecticut expenditures for the Town of Rocky Hill teachers for the State Teachers' Retirement System for Pension and OPEB benefits are reported for GAAP purposes only.

B. Fund Deficit

At June 30, 2019, the Town reported a deficit fund balance of \$23,859,736 in the Capital Projects Fund. The Town plans to address this deficit in subsequent years when the bond anticipation note is converted to a bond, with the recognition of the bond issuance proceeds, and intergovernmental revenue. In addition, the Town reported a deficit fund balance of \$9,790 in the Miscellaneous Grants Fund. This deficit is the net effect of surplus funds recognized for donation for Community Policing. This surplus is currently offset by the recognition of expenditures to prepare blighted property purchased by the Town for sale in the upcoming fiscal year which will offset this deficit. The Town also reported a deficit fund balance of \$30,082 in the Silas Deane Streetscape Phase III Fund. The Town plans to address this deficit in accordance with the State Department of Transportation Master Agreement for this project when the Town funds their 20% municipal share.

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

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

A. 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*, \$29,610,782 of the Town's bank balance of \$32,709,066 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 26,477,181
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>3,133,601</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 29,610,782</u>

B. 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, 2019, the Town's cash equivalents amounted to \$666,077. 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

C. Investments

Investments as of June 30, 2019 in all funds are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Pooled open-end mutual funds	N/A	\$ <u>70,871,711</u>
Total Investments		<u>\$ 70,871,711</u>

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.

**TOWN OF ROCKY HILL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

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, 2019, 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.

Fair Value Disclosure

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2019:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
Mutual funds	\$ <u>70,871,711</u>	\$ <u>70,871,711</u>	\$ <u>-</u>	\$ <u>-</u>

Mutual funds are classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

4. RECEIVABLES

Receivables as of year end for the Town's major funds and nonmajor governmental and fiduciary 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	\$ 126,661	\$	\$ 126,661
Taxes	556,047		556,047
Accounts	114,498	296,248	410,746
Intergovernmental		219,537	219,537
Gross receivables	<u>797,206</u>	<u>515,785</u>	<u>1,312,991</u>
Less allowance for uncollectibles	<u>(25,000)</u>		<u>(25,000)</u>
Net Total Receivables	<u>\$ 772,206</u>	<u>\$ 515,785</u>	<u>\$ 1,287,991</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 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	\$ 6,646,329	\$	\$	\$ 6,646,329
Construction in progress	<u>53,215,275</u>	<u>27,019,444</u>		<u>80,234,719</u>
Total capital assets not being depreciated	<u>59,861,604</u>	<u>27,019,444</u>	<u>-</u>	<u>86,881,048</u>
Capital assets being depreciated:				
Buildings and improvements	53,968,892	7,655		53,976,547
Furniture, vehicles and equipment	22,459,435	1,022,599	(141,189)	23,340,845
Infrastructure	39,611,864			39,611,864
Total capital assets being depreciated	<u>116,040,191</u>	<u>1,030,254</u>	<u>(141,189)</u>	<u>116,929,256</u>
Less accumulated depreciation for:				
Buildings and improvements	(30,448,424)	(783,433)		(31,231,857)
Furniture, vehicles and equipment	(15,308,072)	(2,402,048)	141,189	(17,568,931)
Infrastructure	(20,796,830)	(723,980)		(21,520,810)
Total accumulated depreciation	<u>(66,553,326)</u>	<u>(3,909,461)</u>	<u>141,189</u>	<u>(70,321,598)</u>
Total capital assets being depreciated, net	<u>49,486,865</u>	<u>(2,879,207)</u>	<u>-</u>	<u>46,607,658</u>
Governmental Activities Capital Assets, Net	<u>\$ 109,348,469</u>	<u>\$ 24,140,237</u>	<u>\$ -</u>	<u>\$ 133,488,706</u>

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Governmental activities:	
General government	\$ 427,752
Public safety	1,565,407
Public works	889,821
Health and human services	11,313
Parks, recreation and facilities	337,123
Library services	17,000
Education	<u>661,045</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>3,909,461</u></u>

Construction Commitments

The Town has active construction projects as of June 30, 2019. The following is a summary of capital projects as of June 30, 2019.

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Project Balance</u>
Capital and nonrecurring	\$ 8,403,336	\$ 5,268,480	\$ 3,134,856
Road improvements	10,000,000	9,209,245	790,755
Land acquisition	10,000,000	2,502,493	7,497,507
Rocky Hill High School renovation	50,000,000	49,703,509	296,491
Intermediate school construction	48,350,000	30,561,045	17,788,955
Community/ Senior Center	<u>10,500,000</u>	<u>40,292</u>	<u>10,459,708</u>
 Total Capital Projects	 \$ <u><u>137,253,336</u></u>	 \$ <u><u>97,285,064</u></u>	 \$ <u><u>39,968,272</u></u>

6. INTERFUND RECEIVABLE AND PAYABLE BALANCES

A summary of interfund balances at June 30, 2019 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 571,175
Capital Projects Fund	General Fund	8,751,843
Nonmajor Governmental	General Fund	<u>2,538,549</u>
 Total		 \$ <u><u>11,861,567</u></u>

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

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Interfund transfers:

Transfers Out	Transfers In
	Capital Projects Fund
General Fund	\$ <u>499,643</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	\$ 1,524,522
Less accumulated depreciation	<u>(607,956)</u>
Total	<u>\$ 916,566</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, 2019:

Fiscal Year Ending June 30,

2020	\$ 316,302
2021	212,775
2022	101,720
2023	<u>79,126</u>
Total future minimum lease payments	709,923
Interest on future lease payments	<u>(52,566)</u>
Principal Balance of Future Minimum Payments	<u>\$ 657,357</u>

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2019 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	\$ 50,515,000	\$	\$ (3,170,000)	\$ 47,345,000	\$ 3,135,000
Issuance premium	<u>3,885,705</u>		<u>(257,714)</u>	<u>3,627,991</u>	
Total bonds payable	54,400,705	-	(3,427,714)	50,972,991	3,135,000
Capital leases	490,613	522,706	(355,962)	657,357	291,740
Net pension liability	1,044,538	3,120,538		4,165,076	
Compensated absences	4,267,219	174,293	(330,797)	4,110,715	486,761
Total OPEB liability	892,009	152,277		1,044,286	
Net OPEB liability	<u>20,588,453</u>		<u>(2,900,942)</u>	<u>17,687,511</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 81,683,537</u>	<u>\$ 3,969,814</u>	<u>\$ (7,015,415)</u>	<u>\$ 78,637,936</u>	<u>\$ 3,913,501</u>

Compensated absences are generally liquidated by the General Fund. Net pension liability and net OPEB liability are liquidated primarily from the General Fund.

Bonds payable amounting to \$47,345,000 are secured by the general revenue raising powers of the municipality. There are presently three issues outstanding that bear interest at rates ranging from 2% to 5% with annual maturities in varying amounts until 2037.

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>
2020	\$ 3,135,000	\$ 1,743,887	\$ 4,878,887
2021	3,080,000	1,600,462	4,680,462
2022	3,095,000	1,458,512	4,553,512
2023	3,055,000	1,314,925	4,369,925
2024	3,055,000	1,188,337	4,243,337
2025-2029	13,715,000	4,162,810	17,877,810
2030-2034	13,200,000	1,823,998	15,023,998
2035-2037	<u>5,010,000</u>	<u>225,450</u>	<u>5,235,450</u>
Total	<u>\$ 47,345,000</u>	<u>\$ 13,518,381</u>	<u>\$ 60,863,381</u>

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2019 to the following:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 148,029,901	\$ 32,127,800	\$ 115,902,101
Schools	296,059,802	70,505,975	225,553,827
Sewers	246,716,501	55,702,516	191,013,985
Urban renewal	213,820,968		213,820,968
Pension deficit	197,373,201		197,373,201

Total debt outstanding may not exceed seven times annual receipts from taxation (\$460,537,469).

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, 2019 was \$922,227,080. The Town's share of the debt at June 30, 2019 was 6.04% or \$55,702,516. 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, 2019 are summarized below:

	<u>Authorization</u>	<u>Bonds Issued</u>	<u>Grants Received</u>	<u>Bonds Authorized Unissued</u>
School improvements	\$ 98,350,000	\$ 31,000,000	\$ 27,692,983	\$ 39,657,017
Various improvements	<u>30,500,000</u>	<u>9,600,000</u>		<u>20,900,000</u>
Total	<u>\$ 128,850,000</u>	<u>\$ 40,600,000</u>	<u>\$ 27,692,983</u>	<u>\$ 60,557,017</u>

9. SHORT-TERM DEBT

The following is a summary of bond anticipation note activity for the year ended June 30, 2019:

<u>Project</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2019</u>
School Projects	12/20/2017	8/1/2018	\$ 4,000,000	2.00%	\$ 4,000,000	\$	\$ 4,000,000	\$ -
School Projects	6/12/2018	8/1/2018	4,000,000	2.25%	4,000,000		4,000,000	-
Various Projects	7/18/2018	7/30/2019	18,000,000	3.00% - 4.00%		18,000,000		18,000,000
Various Projects	1/16/2019	7/30/2019	15,000,000	3.00%		15,000,000		15,000,000
								<u>\$ 33,000,000</u>

**TOWN OF ROCKY HILL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

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.

Board of Education Insurance Fund

The Board of Education Insurance Fund (the Fund) was established during fiscal year ended June 30, 2018 to provide medical and dental health coverage for all eligible Board of Education employees. The Fund is substantially funded by the Board of Education portion of the General Fund based upon estimates for the number of employees and type of coverage (single or family) as well as trends in the costs of coverage and costs of administration. The program’s general objectives are to provide the members of the health insurance program with lower costs for coverage and to develop a systematic method to control health costs through wellness initiatives.

The claims liability of \$611,397 reported in the Internal Service Fund at June 30, 2019 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. A schedule of changes in the claims liability for the years ended June 30, 2019 is as follows:

	Claims Payable July 1,		Claims and Changes in Estimates		Claims Paid		Claims Payable June 30,
	<u> </u>		<u> </u>		<u> </u>		<u> </u>
2017-2018	\$	-	\$ 5,864,052	\$	5,332,750	\$	531,302
2018-2019		531,302	6,161,353		6,081,258		611,397

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2019 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 11,996	\$ 11,996
Permanent funds			70,860	70,860
Restricted for:				
Parks, recreation and facilities grants			4,706	4,706
Community development grants			141,047	141,047
Committed to:				
General government			515,030	515,030
Recreation programs			227,964	227,964
Library services			29,356	29,356
Public safety			169,049	169,049
Health and human services			281,730	281,730
Education			368,936	368,936
Debt service payments			1,475,320	1,475,320
Other general government capital projects		3,263,143		3,263,143
Assigned to:				
Subsequent year's budget	275,000			275,000
Education - encumbrances	384,064			384,064
General government - encumbrances	1,192			1,192
Public safety - encumbrances	5,840			5,840
Parks, recreation and facilities - encumbrances	2,290			2,290
Unassigned	<u>5,117,723</u>	<u>(27,122,879)</u>	<u>(39,872)</u>	<u>(22,045,028)</u>
Total Fund Balances	<u>\$ 5,786,109</u>	<u>\$ (23,859,736)</u>	<u>\$ 3,256,122</u>	<u>\$ (14,817,505)</u>

Encumbrances of \$393,386 at June 30, 2019 are contained in the above table in the assigned category of the General Fund.

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 effect on the financial condition of the Town.

13. OTHER POSTEMPLOYMENT BENEFITS

Town and Board of Education Plans

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.

Management of the post employment benefits plan is vested with the Town Manager and Director of Finance. Policy oversight is provided by the Town Council.

At July 1, 2018, plan membership consisted of the following:

	Town Retiree Healthcare Plan	Board of Eucation Retiree Healthcare Plan
	<u> </u>	<u> </u>
Active plan members	142	356
Retired members	<u>45</u>	<u>10</u>
Total Participants	<u><u>187</u></u>	<u><u>366</u></u>

B. Funding Policy

The Town’s funding and payment of postemployment benefits for the year ended June 30, 2019 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. Investments

Investment Policy

OPEB Benefits Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Town Manager and the Finance Director. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio through a balance of asset classes through the use of mutual funds. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.40% for the Town Retiree Healthcare Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

D. Total / Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2019. The components of the total / net OPEB liability of the Town at June 30, 2019 were as follows:

	<u>Town Retiree Healthcare Plan</u>	<u>Board of Education Retiree Healthcare Plan*</u>
Total OPEB liability	\$ 19,777,856	\$ 1,044,286
Plan fiduciary net position	<u>2,090,345</u>	<u></u>
Net OPEB Liability	<u>\$ 17,687,511</u>	<u>\$ 1,044,286</u>
Plan fiduciary net position as a percentage of the total OPEB liability	10.57%	0.00%

*The Town did not fund the Board of Education Retiree Healthcare Plan during the year ended June 30, 2019. The Town intends to fund the Board of Education healthcare Plan during the next year, and the additional disclosures will be included then.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>Town Retiree Healthcare Plan</u>	<u>Board of Education Retiree Healthcare Plan</u>
Inflation	2.50 %	2.00 %
Salary increases	3.50	3.50
Investment rate of return	3.85	3.5
Healthcare cost trend rate	declining to 4.75% in 2024 and beyond	7.00% in 2019 declining to 5.00% in 2022 and beyond
Mortality	RPH-2014 Total Dataset mortality table projected using scale MP- 2018	RPH-2014 Total Dataset mortality table projected using scale MP- 2018

The actuarial assumptions used in the July 1, 2018 valuation were based on general assumptions for the plan, as an actuarial experience study has not been performed to date.

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2019 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1 %	0.35 %
Balanced / Asset Allocation	<u>99</u>	3.50
Total	<u><u>100</u></u>	

Discount Rate

The discount rate used to measure the Town Retiree Healthcare Plan Net OPEB liability was 3.85%, and it was based on a rate that blends the long term expected rate of return with the index rate. The discount rate used to measure the Board of Education Retiree Healthcare Plan Net OPEB liability was 3.50%, and the discount rate was based on the S&P Municipal Bond 20 Year High Grade Index.

Sensitivity of the Total/Net OPEB Liability to Changes in the Discount Rate

The following presents the total/net OPEB liability of the Town, calculating using the current discount rate as well as what the Town’s total/net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease 2.85%</u>	<u>Current Discount Rate 3.85%</u>	<u>1% Increase 4.85%</u>
Town Retiree Healthcare Plan	\$ <u>21,405,508</u>	\$ <u>17,687,511</u>	\$ <u>14,760,471</u>
	<u>1% Decrease 2.50%</u>	<u>Current Discount Rate 3.50%</u>	<u>1% Increase 4.50%</u>
Board of Education Retiree Healthcare Plan	\$ <u>1,087,547</u>	\$ <u>1,044,286</u>	\$ <u>943,044</u>

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Sensitivity of the Total / Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total / net OPEB liability of the Town, calculating using the current healthcare cost trend rates, as well as what the Town's total / net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (7.00% declining to 3.75%)	Healthcare Cost Trend Rates (8.00% declining to 4.75%)	1% Increase (9.00% declining to 5.75%)
Town Retiree Healthcare Plan	\$ <u>14,167,588</u>	\$ <u>17,687,511</u>	\$ <u>22,414,564</u>
	1% Decrease (6.00% declining to 4.00%)	Healthcare Cost Trend Rates (7.00% declining to 5.00%)	1% Increase (8.00% declining to 6.00%)
Board of Education Retiree Healthcare Plan	\$ <u>909,323</u>	\$ <u>1,044,286</u>	\$ <u>1,205,138</u>

**TOWN OF ROCKY HILL, CONNECTICUT
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E. Changes in the Total and Net OPEB Liability

Town Retiree Healthcare Plan

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2018	\$ 22,377,825	\$ 1,789,372	\$ 20,588,453
Changes for the year:			
Service cost	1,082,023		1,082,023
Interest on total OPEB liability	757,195		757,195
Changes of benefit terms	1,586		1,586
Differences between expected and actual experience	(5,417,065)		(5,417,065)
Changes in assumptions	1,373,722		1,373,722
Employer contributions		597,430	(597,430)
Expected investment income		73,901	(73,901)
Investment gains		27,072	(27,072)
Benefit payments	(397,430)	(397,430)	-
Net changes	<u>(2,599,969)</u>	<u>300,973</u>	<u>(2,900,942)</u>
Balances as of June 30, 2019	\$ <u>19,777,856</u>	\$ <u>2,090,345</u>	\$ <u>17,687,511</u>

Board of Education Retiree Healthcare Plan

	Increase (Decrease)
	Total OPEB Liability (a)
Balances as of July 1, 2018	\$ <u>892,009</u>
Changes for the year:	
Service cost	67,094
Interest on total OPEB liability	38,287
Difference between expected and actual experience	37,349
Changes in assumptions or other inputs	29,389
Benefit payments	(19,842)
Net changes	<u>152,277</u>
Balances as of June 30, 2019	\$ <u>1,044,286</u>

**TOWN OF ROCKY HILL, CONNECTICUT
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F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Town recognized OPEB expense of \$966,412 and \$107,845, for the Town Retiree Healthcare Plan, and the Board of Education Retiree Healthcare Plan, respectively. At June 30, 2019, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	
	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan
Net difference between projected and actual earning on pension plan investments	\$	\$ 47,610
Changes of assumptions or other inputs	1,247,460	26,057
Total	\$ 1,247,460	\$ 73,667

	Deferred Inflows of Resources	
	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan
Net difference between projected and actual earning on pension plan investments	\$ 66,414	\$ 14,868
Difference between actual and expected experience	4,919,172	36,510
Changes of assumptions or other inputs	3,566,413	51,378
Total	\$ 8,551,999	\$ 51,378

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

<u>Year Ending June 30</u>	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan
2020	\$ (800,491)	\$ 2,464
2021	(800,491)	2,464
2022	(800,488)	2,464
2023	(785,568)	2,470
2024	(780,156)	2,792
Thereafter	(3,337,345)	9,635

**TOWN OF ROCKY HILL, CONNECTICUT
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G. OPEB 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, 2019 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	\$ 2,090,345	\$ -	\$ 2,090,345
Accounts receivable			-
Total assets	<u>2,090,345</u>	<u>-</u>	<u>2,090,345</u>
Net Position:			
Restricted for OPEB Benefits	<u>\$ 2,090,345</u>	<u>\$ -</u>	<u>\$ 2,090,345</u>

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total Healthcare Trust Funds
Additions:			
Contributions:			
Employer	\$ 597,430	\$ 19,842	\$ 617,272
Investment income:			
Net depreciation in fair value of investments	102,332		102,332
Interest and dividends	26,585		26,585
Total investment income	128,917	-	128,917
Less investment expense	27,944		27,944
Net investment income	100,973	-	100,973
Total additions	698,403	19,842	718,245
Deductions:			
Benefit payments	397,430	19,842	417,272
Net increase	300,973	-	300,973
Net Position Restricted for OPEB Benefits at Beginning of Year	<u>1,789,372</u>		<u>1,789,372</u>
Net Position Restricted for OPEB Benefits at End of Year	<u>\$ 2,090,345</u>	<u>\$ -</u>	<u>\$ 2,090,345</u>

Other Post Employment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

C. Eligibility

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

Credited Service

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

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

Employees

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>13,413,903</u>
Total	<u>\$ 13,413,903</u>

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

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of \$(4,456,091) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

**TOWN OF ROCKY HILL, CONNECTICUT
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The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

G. Discount Rate

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

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

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

I. Other Information

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

14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Town Pension Plans

A. Plan Description and Benefits Provided

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.

**TOWN OF ROCKY HILL, CONNECTICUT
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The overall responsibility for all four pension plans rests with the Town Council, which consists of nine publicly elected officials. The management duties of these four pension plans rest with the Trustee, which is the Town Manager. To assist and guide the Trustee in the interpretation and administration of three of the plans, the Town Manager appoints members to a Pension Committee for each plan to serve without compensation and meet on a regular schedule basis and/or on an as need basis. The makeup of the pension committee for each plan is as follows:

- General Employees - at least five members are appointed;
- Police Officers - at least three members are appointed;
- Firefighters - at least five members are appointed;

For the Ambulance plan, the Town Manager functions as the plan administrator. The primary responsibility of the administrator is to administer the Ambulance Plan for the benefit of the participants and their beneficiaries.

The PERS membership at July 1, 2018 consisted of the following:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Retirees and beneficiaries currently receiving benefits	159	28	23	8
Terminated plan members entitled to benefits but not yet receiving them	26		103	15
Current employees:				
Vested	133	27	37	15
Nonvested	<u> </u>	<u> 4</u>	<u> 34</u>	<u> 28</u>
Total	<u> 318</u>	<u> 59</u>	<u> 197</u>	<u> 66</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.

**TOWN OF ROCKY HILL, CONNECTICUT
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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 2.8% of average monthly earnings multiplied by years of credited service (to a maximum of 25 years). Average monthly earnings are the employee's earnings averaged for the highest three 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 25 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

Financial statements are prepared using the accrual basis of accounting for the four defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

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. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u> General Employee's, Firefighters, Ambulance and Police Officers
U.S. Equity - Large Cap	22.00%
U.S. Equity - Small/Mid-Cap	11.50%
Non-U.S. Equity - Developed	13.50%
Non-U.S. Equity - Emerging	6.50%
U.S. Corporate Bonds - Core	16.00%
U.S. Corporate Bonds - High Yield	4.50%
Non-U.S. Debt - Developed	2.00%
Real Estate	7.00%
Hedge Funds	14.50%
Commodities	2.50%

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Actuarial Assumptions

The Town's net pension liability (asset) was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation date as listed below using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Actuarial Valuation Date	9-1-18	9-1-18	7-1-18	7-1-18
Actuarial Assumptions:				
Investment rate of return	7.0%	7.0%	7.0%	7.0%
Projected salary increases	3.00%	4.5%	N/A	N/A
Inflation	2.29%	2.29%	2.29%	2.29%
Mortality	SOA RP- 2014 Total Dataset Mortality with MP-2018 Scaling	SOA RP- 2014 Total Dataset Mortality with MP- 2018 Scaling	SOA RP- 2014 Total Dataset Mortality, adjusted to 2006, with MP-2018 Scaling	SOA RP- 2014 Total Dataset Mortality, adjusted to 2006, with MP-2018 Scaling

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following tables:

<u>General Employees/Police Officers/Firefighters/Ambulance</u>	<u>Long-Term Expected Rate of Return</u>
<u>Asset Class</u>	
U.S. Equity - Large Cap	5.91%
U.S. Equity - Small/Mid-Cap	7.07%
Non-U.S. Equity - Developed	6.85%
Non-U.S. Equity - Emerging	9.17%
U.S. Corporate Bonds - Core	2.12%
U.S. Corporate Bonds - High Yield	4.00%
Non-U.S. Debt - Developed	1.49%
Real Estate	5.52%
Hedge Funds	4.22%
Commodities	3.91%

**TOWN OF ROCKY HILL, CONNECTICUT
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Discount Rate

The discount rate used to measure the total pension liabilities were as follows:

	<u>Discount Rate</u>
General Employees	7.00%
Police Officers	7.00%
Firefighters	7.00%
Ambulance	7.00%

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

**TOWN OF ROCKY HILL, CONNECTICUT
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F. Changes in Net Pension Liability

	General Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 41,382,136	\$ 40,610,560	\$ 771,576
Changes for the year:			
Service cost	884,102		884,102
Interest on total pension liability	2,881,955		2,881,955
Differences between expected and actual experience	1,440,376		1,440,376
Changes in assumptions	(100,009)		(100,009)
Employer contributions		526,785	(526,785)
Employee contributions		256,258	(256,258)
Net investment income (loss)		2,229,614	(2,229,614)
Benefit payments, including refund to employee contributions	(2,228,595)	(2,228,595)	-
Administrative expenses		(26,260)	26,260
Net changes	<u>2,877,829</u>	<u>757,802</u>	<u>2,120,027</u>
Balances as of June 30, 2019	<u>\$ 44,259,965</u>	<u>\$ 41,368,362</u>	<u>\$ 2,891,603</u>

	Police Officers' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 23,313,081	\$ 25,189,951	\$ (1,876,870)
Changes for the year:			
Service cost	446,332		446,332
Interest on total pension liability	1,618,025		1,618,025
Differences between expected and actual experience	262,525		262,525
Changes in assumptions	(34,495)		(34,495)
Employer contributions		341,085	(341,085)
Member contributions		295,137	(295,137)
Net investment income (loss)		1,398,828	(1,398,828)
Benefit payments, including refund to employee contributions	(1,311,721)	(1,311,721)	-
Administrative expenses		(27,250)	27,250
Net changes	<u>980,666</u>	<u>696,079</u>	<u>284,587</u>
Balances as of June 30, 2019	<u>\$ 24,293,747</u>	<u>\$ 25,886,030</u>	<u>\$ (1,592,283)</u>

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Firefighters' Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2018	\$ 1,700,291	\$ 1,427,329	\$ 272,962
Changes for the year:			
Service cost	20,523		20,523
Interest on total pension liability	118,136		118,136
Changes of benefit terms	719,925		719,925
Differences between expected and actual experience	8,135		8,135
Changes in assumptions	(3,909)		(3,909)
Employer contributions		47,740	(47,740)
Net investment income (loss)		78,270	(78,270)
Benefit payments, including refund to employee contributions	(67,463)	(67,463)	-
Administrative expenses		(14,364)	14,364
Net changes	<u>795,347</u>	<u>44,183</u>	<u>751,164</u>
Balances as of June 30, 2019	\$ <u>2,495,638</u>	\$ <u>1,471,512</u>	\$ <u>1,024,126</u>

Volunteer Ambulance Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2018	\$ 649,172	\$ 753,358	\$ (104,186)
Changes for the year:			
Service cost	13,084		13,084
Interest on total pension liability	45,496		45,496
Changes of benefit terms	316,592		316,592
Differences between expected and actual experience	21,410		21,410
Changes in assumptions	(1,818)		(1,818)
Employer contributions		5,945	(5,945)
Net investment income (loss)		41,855	(41,855)
Benefit payments, including refund to employee contributions	(25,060)	(25,060)	-
Administrative expenses		(6,569)	6,569
Net changes	<u>369,704</u>	<u>16,171</u>	<u>353,533</u>
Balances as of June 30, 2019	\$ <u>1,018,876</u>	\$ <u>769,529</u>	\$ <u>249,347</u>

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

The following presents the net pension liability of the General Employees, Police Officers, Firefighters and Ambulance pension plans, calculated using the discount rate of 7.00%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%), or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees Net Pension Liability (Asset) \$	7,720,956	\$ 2,891,603	\$ (1,230,799)
Police Officer's Net Pension Liability (Asset)	1,692,566	(1,592,283)	(4,296,650)
Firefighters Net Pension Liability	1,408,975	1,024,126	713,239
Ambulance Net Pension Liability	406,211	249,347	121,285

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the Town recognized pension expense of \$235,324, \$338,854, \$797,521 and \$336,501 for the General Employees, Police Officers, Firefighters and Volunteer Ambulance pension plans, respectively. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>				
	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,160,147	\$ 207,026	\$ 27,775	\$ 46,030	\$ 1,440,978
Changes in assumptions	627,930	612,302	40,080	41,224	1,321,536
Total	\$ 1,788,077	\$ 819,328	\$ 67,855	\$ 87,254	\$ 2,762,514
	<u>Deferred Inflows of Resources</u>				
	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,899,959	\$ 331,769	\$ 30,676	\$ 67,158	\$ 2,329,562
Changes in assumptions	515,036	170,145	7,321	3,566	696,068
Net difference between projected and actual earning on pension plan investments	470,951	270,131	10,663	9,327	761,072
Total	\$ 2,885,946	\$ 772,045	\$ 48,660	\$ 80,051	\$ 3,786,702

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
2020	\$ (581,824)	\$ 96,188	\$ 9,388	\$ 2,079
2021	(1,023,649)	(225,325)	(8,714)	(6,866)
2022	97,775	43,794	6,481	1,574
2023	373,322	102,218	10,178	4,706
2024	36,507	24,846	1,482	2,705
Thereafter		5,562	380	3,005

G. Combining Statement of Net Position - June 30, 2019

	<u>Pension Trust Funds</u>				<u>Retiree Healthcare OPEB Trust Funds</u>	<u>Total Pension and OPEB Trust Funds</u>
	<u>General Employees' Pension Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>	<u>Volunteer Ambulance Pension Plan</u>		
Assets:						
Cash and cash equivalents	\$ 519,497	\$ 380,227	\$ 1,989	\$ 2,545		\$ 904,258
Investments	40,848,865	25,505,803	1,469,523	766,984	2,090,345	70,681,520
Total Assets	<u>41,368,362</u>	<u>25,886,030</u>	<u>1,471,512</u>	<u>769,529</u>	<u>2,090,345</u>	<u>71,585,778</u>
Liabilities:						
Net Position:						
Restricted for Pensions and OPEB	\$ <u>41,368,362</u>	\$ <u>25,886,030</u>	\$ <u>1,471,512</u>	\$ <u>769,529</u>	\$ <u>2,090,345</u>	\$ <u>71,585,778</u>

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

H. Combining Statement of Changes in Plan Net Position - Year ended June 30, 2019

	Pension Trust Funds				Retiree Healthcare OPEB Trust Funds	Total Pension and OPEB Trust Funds
	General Employees' Pension Plan	Police Pension Plan	Firefighters' Pension Plan	Volunteer Ambulance Pension Plan		
Additions:						
Contributions:						
Employer	\$ 526,785	\$ 341,085	\$ 47,740	\$ 5,945	\$ 617,272	\$ 1,538,827
Employee	256,258	295,137				551,395
Total contributions	<u>783,043</u>	<u>636,222</u>	<u>47,740</u>	<u>5,945</u>	<u>617,272</u>	<u>2,090,222</u>
Investment income:						
Net depreciation in fair value of investments	(720,463)	(171,085)	4,235	(5,297)	102,332	(790,278)
Interest and dividends	3,053,498	1,610,882	77,715	49,076	26,585	4,817,756
Total investment income	2,333,035	1,439,797	81,950	43,779	128,917	4,027,478
Less investment expense	103,421	40,969	3,680	1,924	27,944	177,938
Net investment income	<u>2,229,614</u>	<u>1,398,828</u>	<u>78,270</u>	<u>41,855</u>	<u>100,973</u>	<u>3,849,540</u>
Total additions	<u>3,012,657</u>	<u>2,035,050</u>	<u>126,010</u>	<u>47,800</u>	<u>718,245</u>	<u>5,939,762</u>
Deductions:						
Benefit payments	2,228,595	1,311,721	67,463	25,060	417,272	4,050,111
Other expenses	26,260	27,250	14,364	6,569		74,443
Total deductions	<u>2,254,855</u>	<u>1,338,971</u>	<u>81,827</u>	<u>31,629</u>	<u>417,272</u>	<u>4,124,554</u>
Net increase	757,802	696,079	44,183	16,171	300,973	1,815,208
Net Position Restricted for Pensions at Beginning of Year	<u>40,610,560</u>	<u>25,189,951</u>	<u>1,427,329</u>	<u>753,358</u>	<u>1,789,372</u>	<u>69,770,570</u>
Net Position Restricted for Pensions and OPEB, at End of Year	<u>\$ 41,368,362</u>	<u>\$ 25,886,030</u>	<u>\$ 1,471,512</u>	<u>\$ 769,529</u>	<u>\$ 2,090,345</u>	<u>\$ 71,585,778</u>

Connecticut Teachers Retirement System - Pension

A. Plan Description

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

B. Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

**TOWN OF ROCKY HILL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

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

C. Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

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

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

Employees

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

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

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

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

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>67,101,102</u>
Total	\$	<u><u>67,101,102</u></u>

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

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$7,530,913 in Exhibit II.

E. Actuarial Assumptions

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

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

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

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

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

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

**TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (Non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Cash	6.0%	0.4%
Total	100.0%	

F. Discount Rate

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

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

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

H. Other Information

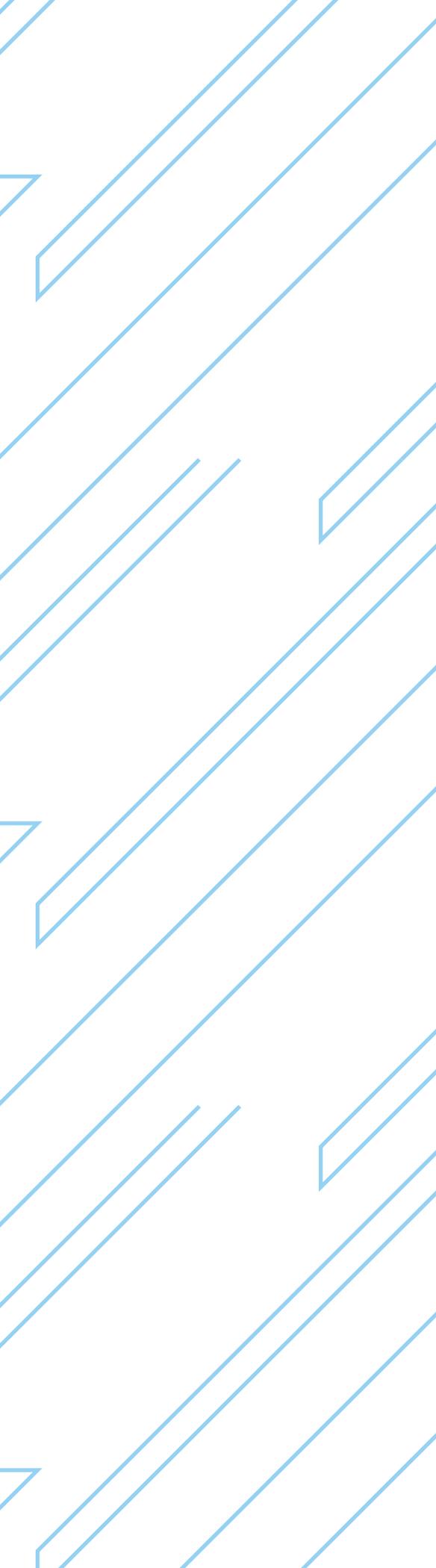
Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

15. DEFINED CONTRIBUTION PLAN

The Town provides pension benefits for its employees through a defined contribution plan, dependent on date of hire. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Town matches contributions into the plan on a discretionary basis. Town matching contributions were \$92,976 for the year ended June 30, 2019.

16. SUBSEQUENT EVENTS

On July 16, 2019, the Town issued \$30,750,000 of general obligation bonds and \$2,250,000 of general obligation bond anticipation notes for the High School Renovation Project, Preserve Land Acquisition, Road Improvement Program, New Intermediate School and Senior Community Center. The bonds carry interest at 3.00% to 4.00% and mature serially from 2021 to 2039, while the notes carry interest at 2.00% and mature on July 29, 2020. Additionally, on December 18, 2019, the Town issued \$7,200,000 of general obligation bonds for the Farmland Purchase. The bonds carry interest at 2.125% to 5.00% and mature serially from 2021 to 2040.



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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes:				
Revenues from property taxes	\$ 68,342,444	\$ 68,342,444	\$ 68,639,112	\$ 296,668
Interest and liens fees	250,000	250,000	355,287	105,287
Total property taxes	<u>68,592,444</u>	<u>68,592,444</u>	<u>68,994,399</u>	<u>401,955</u>
Intergovernmental:				
Education:				
Education Cost Sharing Grant	<u>4,347,629</u>	<u>4,347,629</u>	<u>4,351,064</u>	<u>3,435</u>
Other:				
Reimbursement - elderly, veterans and disability exemptions	124,742	124,742	11,458	(113,284)
State tax-exempt property - in lieu of taxes and Tobacco Grant	468,906	468,906	512,303	43,397
LOCIP and Town Aid Road	477,292	477,292	387,147	(90,145)
Pequot Grant	213,545	213,545	213,545	-
Municipal revenue sharing	284,329	284,329	286,801	2,472
Miscellaneous grants	30,000	30,000	31,473	1,473
Total other	<u>1,598,814</u>	<u>1,598,814</u>	<u>1,442,727</u>	<u>(156,087)</u>
Total intergovernmental	<u>5,946,443</u>	<u>5,946,443</u>	<u>5,793,791</u>	<u>(152,652)</u>
Licenses and permits:				
Building Department	560,000	560,000	611,866	51,866
Business licenses	400	400	1,517	1,117
Land Use Commission	10,000	10,000	11,470	1,470
Animal licenses	1,400	1,400	2,169	769
Other licenses and permits	7,300	7,300	7,944	644
Total licenses and permits	<u>579,100</u>	<u>579,100</u>	<u>634,966</u>	<u>55,866</u>
Investment income:				
Interest from investments	<u>110,000</u>	<u>110,000</u>	<u>433,539</u>	<u>323,539</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for services:				
Real estate conveyance tax	\$ 200,000	\$ 200,000	\$ 198,320	\$ (1,680)
Recording - legal instruments	120,000	120,000	80,196	(39,804)
Vital statistics	27,000	27,000	42,505	15,505
Landlord fee	10,000	10,000		(10,000)
Library fines and fees	7,000	7,000	5,953	(1,047)
Fire charges	1,500	1,500	1,525	25
All other	39,500	39,500	24,458	(15,042)
Total charges for services	<u>405,000</u>	<u>405,000</u>	<u>352,957</u>	<u>(52,043)</u>
Fines, forfeitures and penalties:				
Parking fines	<u>3,500</u>	<u>3,500</u>	<u>2,980</u>	<u>(520)</u>
Other revenues:				
Telephone access lines	64,600	64,600	49,753	(14,847)
Refunds and recoveries	30,000	30,000	111,324	81,324
Transit District	8,000	8,000	7,756	(244)
Sale of assets	10,000	10,000	8,639	(1,361)
Housing Authority PILOT	24,093	24,093	25,539	1,446
Recycling revenue	31,000	31,000	35,906	4,906
Workers comp insurance	4,000	4,000	36,380	32,380
Lease - Comm Towers	215,000	215,000	206,088	(8,912)
Solar energy	90,000	90,000	90,000	-
Other revenues	12,649	12,649	8,152	(4,497)
Total other revenues	<u>489,342</u>	<u>489,342</u>	<u>579,537</u>	<u>90,195</u>
Total Revenues	76,125,829	76,125,829	76,792,169	666,340
Other financing sources:				
Use of Fund Balance	<u>1,315,504</u>	<u>1,315,504</u>		<u>(1,315,504)</u>
Total	\$ <u>77,441,333</u>	\$ <u>77,441,333</u>	76,792,169	\$ <u>(649,164)</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

Pension plan

7,530,913

OPEB plan

(4,456,091)

The Town budgets for certain revenues as credits to expenditure accounts
which are reported as revenues under GAAP

657,261

Cancellation of prior year encumbrances are recognized as budgetary
revenue

(31,475)

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

\$ 80,492,777

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General government:				
Mayor and Town Council	\$ 31,683	\$ 31,683	\$ 29,781	\$ 1,902
Town Manager	227,425	239,325	238,147	1,178
Personnel Administration	200,800	217,100	216,539	561
Finance and Accounting	546,332	523,532	517,343	6,189
Tax Assessor	371,559	384,559	384,315	244
Tax Collector	265,969	266,969	300,113	(33,144)
Central Services	73,298	67,798	57,883	9,915
Legal expenditures	201,500	241,500	238,862	2,638
Probate Court	31,000	31,000	31,240	(240)
Registrars of Voters	91,300	93,300	93,115	185
Town Clerk	244,950	244,950	242,598	2,352
Town Planner	199,847	199,847	197,075	2,772
Economic Development	123,975	123,975	119,153	4,822
Total general government	<u>2,609,638</u>	<u>2,665,538</u>	<u>2,666,164</u>	<u>(626)</u>
Public safety:				
Police	5,420,931	5,454,131	5,444,875	9,256
Fire Department	1,098,854	1,115,266	1,070,975	44,291
Building Department	339,998	339,998	334,514	5,484
Volunteer Ambulance Association	122,955	123,455	123,405	50
Total public safety	<u>6,982,738</u>	<u>7,032,850</u>	<u>6,973,769</u>	<u>59,081</u>
Public works:				
Highway Department	2,260,412	2,328,912	2,326,502	2,410
Engineering	580,170	580,170	522,587	57,583
Sanitation	4,096,619	4,235,119	4,234,164	955
Total public works	<u>6,937,201</u>	<u>7,144,201</u>	<u>7,083,253</u>	<u>60,948</u>
Health and human services:				
Public Health	120,715	120,715	120,714	1
Human Services	608,253	539,753	536,128	3,625
Total health and human services	<u>728,968</u>	<u>660,468</u>	<u>656,842</u>	<u>3,626</u>
Parks, recreation and facilities:				
Parks and Recreation	1,759,182	1,680,182	1,672,341	7,841
Facilities	2,112,945	2,233,325	2,208,384	24,941
Total parks, recreation and facilities	<u>3,872,127</u>	<u>3,913,507</u>	<u>3,880,725</u>	<u>32,782</u>
Library services:				
Cora Belden Public Library	<u>1,062,386</u>	<u>1,026,886</u>	<u>1,023,351</u>	<u>3,535</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous:				
Insurance - employee benefits	\$ 5,684,959	\$ 5,514,959	\$ 5,512,577	\$ 2,382
Insurance - property and liability	1,000,892	967,892	961,475	6,417
Contingency	450,000	420,000	416,002	3,998
Total miscellaneous	<u>7,135,851</u>	<u>6,902,851</u>	<u>6,890,054</u>	<u>12,797</u>
Capital outlays:				
Capital outlay - Town	<u>1,814,750</u>	<u>1,814,750</u>	<u>1,502,157</u>	<u>312,593</u>
Debt service:				
Debt redemption - principal	3,170,000	3,170,000	3,170,000	-
Debt redemption - interest	805,945	815,945	815,120	825
Total debt service	<u>3,975,945</u>	<u>3,985,945</u>	<u>3,985,120</u>	<u>825</u>
Board of Education	<u>42,321,729</u>	<u>42,321,729</u>	<u>42,120,285</u>	<u>201,444</u>
Transfers to other funds:				
Transfer to other funds			<u>499,643</u>	<u>(499,643)</u>
Total	<u>\$ 77,441,333</u>	<u>\$ 77,468,725</u>	<u>77,281,363</u>	<u>\$ 187,362</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

Pension plan

7,530,913

OPEB plan

(4,456,091)

The Town budgets for certain revenues as credits to expenditure accounts which are reported as revenues under GAAP

657,261

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

(172,771)

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

\$ 80,840,675

TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 884,102	\$ 838,947	\$ 937,961	\$ 1,002,384	\$ 1,035,972	\$ 1,048,535
Interest	2,881,955	2,830,147	2,915,241	2,980,336	2,914,496	2,669,474
Differences between expected and actual experience	1,440,376		(2,952,420)	(2,983,587)	(1,141,889)	
Changes of assumptions	(100,009)	(840,542)		2,850,690		
Benefit payments, including refunds of member contributions	<u>(2,228,595)</u>	<u>(2,026,995)</u>	<u>(2,008,118)</u>	<u>(1,959,261)</u>	<u>(1,640,714)</u>	<u>(1,338,800)</u>
Net change in total pension liability	2,877,829	801,557	(1,107,336)	1,890,562	1,167,865	2,379,209
Total pension liability - beginning	<u>41,382,136</u>	<u>40,580,579</u>	<u>41,687,915</u>	<u>39,797,353</u>	<u>38,629,488</u>	<u>36,250,279</u>
Total pension liability - ending	<u>44,259,965</u>	<u>41,382,136</u>	<u>40,580,579</u>	<u>41,687,915</u>	<u>39,797,353</u>	<u>38,629,488</u>
Plan fiduciary net position:						
Contributions - employer	526,785	526,785	526,785	1,340,000	1,462,942	1,462,942
Contributions - member	256,258	274,495	280,589	293,620	301,208	299,540
Net investment income	2,229,614	3,477,800	4,652,994	229,847	1,066,924	5,400,306
Benefit payments, including refunds of member contributions	<u>(2,228,595)</u>	<u>(2,026,995)</u>	<u>(2,008,118)</u>	<u>(1,959,261)</u>	<u>(1,640,714)</u>	<u>(1,338,800)</u>
Administrative expense	<u>(26,260)</u>	<u>(23,100)</u>	<u>(39,000)</u>	<u>(33,257)</u>	<u>(29,950)</u>	<u>(15,100)</u>
Net change in plan fiduciary net position	757,802	2,228,985	3,413,250	(129,051)	1,160,410	5,808,888
Plan fiduciary net position - beginning	<u>40,610,560</u>	<u>38,381,575</u>	<u>34,968,325</u>	<u>35,097,376</u>	<u>33,936,966</u>	<u>28,128,078</u>
Plan fiduciary net position - ending	<u>41,368,362</u>	<u>40,610,560</u>	<u>38,381,575</u>	<u>34,968,325</u>	<u>35,097,376</u>	<u>33,936,966</u>
Town's Net Pension Liability - Ending	<u>\$ 2,891,603</u>	<u>\$ 771,576</u>	<u>\$ 2,199,004</u>	<u>\$ 6,719,590</u>	<u>\$ 4,699,977</u>	<u>\$ 4,692,522</u>
Plan fiduciary net position as a percentage of the total pension liability	93.47%	98.14%	94.58%	83.88%	88.19%	87.85%
Covered payroll	8,315,553	\$ 8,772,402	\$ 8,772,402	\$ 8,438,036	\$ 9,669,472	\$ 9,418,330
Town's net pension liability as a percentage of covered payroll	34.77%	8.80%	25.07%	79.63%	48.61%	49.82%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
POLICE OFFICERS
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 446,332	\$ 431,962	\$ 445,450	\$ 490,958	\$ 455,914	\$ 387,545
Interest	1,618,025	1,583,659	1,560,520	1,534,059	1,524,104	1,424,973
Changes of benefit terms					(794,661)	
Differences between expected and actual experience	262,525	(228,321)	(317,608)	(34,994)	(487,985)	
Changes of assumptions	(34,495)			973,735	553,775	
Benefit payments, including refunds of member contributions	<u>(1,311,721)</u>	<u>(1,311,721)</u>	<u>(1,225,514)</u>	<u>(1,189,696)</u>	<u>(1,013,729)</u>	<u>(882,022)</u>
Net change in total pension liability	980,666	475,579	462,848	1,774,062	237,418	930,496
Total pension liability - beginning	<u>23,313,081</u>	<u>22,837,502</u>	<u>22,374,654</u>	<u>20,600,592</u>	<u>20,363,174</u>	<u>19,432,678</u>
Total pension liability - ending	<u>24,293,747</u>	<u>23,313,081</u>	<u>22,837,502</u>	<u>22,374,654</u>	<u>20,600,592</u>	<u>20,363,174</u>
Plan fiduciary net position:						
Contributions - employer	341,085	341,085	341,085	559,822	523,044	571,380
Contributions - member	295,137	194,089	307,145	224,786	182,435	152,513
Net investment income	1,398,828	2,154,051	2,874,438	32,949	683,677	3,540,920
Benefit payments, including refunds of member contributions	<u>(1,311,721)</u>	<u>(1,311,721)</u>	<u>(1,225,514)</u>	<u>(1,189,696)</u>	<u>(1,013,729)</u>	<u>(882,022)</u>
Administrative expense	<u>(27,250)</u>	<u>(18,550)</u>	<u>(35,800)</u>	<u>(38,050)</u>	<u>(27,950)</u>	<u>(11,800)</u>
Net change in plan fiduciary net position	696,079	1,358,954	2,261,354	(410,189)	347,477	3,370,991
Plan fiduciary net position - beginning	<u>25,189,951</u>	<u>23,830,997</u>	<u>21,569,643</u>	<u>21,979,832</u>	<u>21,632,355</u>	<u>18,261,364</u>
Plan fiduciary net position - ending	<u>25,886,030</u>	<u>25,189,951</u>	<u>23,830,997</u>	<u>21,569,643</u>	<u>21,979,832</u>	<u>21,632,355</u>
Town's Net Pension Liability (Asset) - Ending	<u>\$ (1,592,283)</u>	<u>\$ (1,876,870)</u>	<u>\$ (993,495)</u>	<u>\$ 805,011</u>	<u>\$ (1,379,240)</u>	<u>\$ (1,269,181)</u>
Plan fiduciary net position as a percentage of the total pension liability	106.55%	108.05%	104.35%	96.40%	106.70%	106.23%
Covered payroll	\$ 3,278,451	\$ 3,283,573	\$ 3,283,573	\$ 3,249,728	\$ 2,446,151	\$ 2,028,338
Town's net pension liability as a percentage of covered payroll	-48.57%	-57.16%	-30.26%	24.77%	-56.38%	-62.57%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 20,523	\$ 20,592	\$ 17,550	\$ 15,979	\$ 18,274	\$ 18,274
Interest	118,136	113,783	106,814	108,315	98,621	93,504
Changes of benefit terms	719,925					
Differences between expected and actual experience	8,135		35,751	(65,336)	(23,854)	
Changes of assumptions	(3,909)	(5,909)		85,364	102,470	
Benefit payments, including refunds of member contributions	(67,463)	(65,003)	(62,250)	(65,963)	(62,034)	(61,619)
Net change in total pension liability	795,347	63,463	97,865	78,359	133,477	50,159
Total pension liability - beginning	1,700,291	1,636,828	1,538,963	1,460,604	1,327,127	1,276,968
Total pension liability - ending	<u>2,495,638</u>	<u>1,700,291</u>	<u>1,636,828</u>	<u>1,538,963</u>	<u>1,460,604</u>	<u>1,327,127</u>
Plan fiduciary net position:						
Contributions - employer	47,740	47,740	47,740	81,500	76,500	76,500
Net investment income	78,270	117,403	159,761	478	46,075	198,508
Benefit payments, including refunds of member contributions	(67,463)	(65,003)	(62,250)	(65,963)	(62,034)	(61,619)
Administrative expense	(14,364)	(14,300)	(15,632)	(18,700)	(8,900)	(5,500)
Other						
Net change in plan fiduciary net position	44,183	85,840	129,619	(2,685)	51,641	207,889
Plan fiduciary net position - beginning	1,427,329	1,341,489	1,211,870	1,214,555	1,162,914	955,025
Plan fiduciary net position - ending	<u>1,471,512</u>	<u>1,427,329</u>	<u>1,341,489</u>	<u>1,211,870</u>	<u>1,214,555</u>	<u>1,162,914</u>
Town's Net Pension Liability - Ending	\$ <u>1,024,126</u>	\$ <u>272,962</u>	\$ <u>295,339</u>	\$ <u>327,093</u>	\$ <u>246,049</u>	\$ <u>164,213</u>
Plan fiduciary net position as a percentage of the total pension liability	58.96%	83.95%	81.96%	78.75%	83.15%	87.63%
Covered payroll **	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Town's net pension liability as a percentage of covered payroll **	N/A	N/A	N/A	N/A	N/A	N/A

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

** Pay for volunteer firefighters is not available

TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AMBULANCE
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 13,084	\$ 13,129	\$ 13,293	\$ 11,691	\$ 12,451	\$ 11,777
Interest	45,496	43,456	44,258	31,978	33,110	34,346
Changes of benefit terms	316,592					
Differences between expected and actual experience	21,410		(43,777)	37,229	(22,659)	(24,908)
Changes of assumptions	(1,818)	(2,342)		58,156		
Benefit payments, including refunds of member contributions	<u>(25,060)</u>	<u>(25,060)</u>	<u>(25,060)</u>	<u>(27,319)</u>	<u>(27,050)</u>	<u>(25,920)</u>
Net change in total pension liability	369,704	29,183	(11,286)	111,735	(4,148)	(4,705)
Total pension liability - beginning	<u>649,172</u>	<u>619,989</u>	<u>631,275</u>	<u>519,540</u>	<u>523,688</u>	<u>528,393</u>
Total pension liability - ending	<u>1,018,876</u>	<u>649,172</u>	<u>619,989</u>	<u>631,275</u>	<u>519,540</u>	<u>523,688</u>
Plan fiduciary net position:						
Contributions - employer	5,945	5,945	5,945		10,000	28,419
Net investment income (loss)	41,855	64,806	87,204	(2,599)	27,187	112,461
Benefit payments, including refunds of member contributions	<u>(25,060)</u>	<u>(25,060)</u>	<u>(25,060)</u>	<u>(27,319)</u>	<u>(27,050)</u>	<u>(25,920)</u>
Administrative expense	<u>(6,569)</u>	<u>(8,000)</u>	<u>(9,143)</u>	<u>(1,500)</u>	<u>(750)</u>	<u>(1,250)</u>
Net change in plan fiduciary net position	16,171	37,691	58,946	(31,418)	9,387	113,710
Plan fiduciary net position - beginning	<u>753,358</u>	<u>715,667</u>	<u>656,721</u>	<u>688,139</u>	<u>678,752</u>	<u>565,042</u>
Plan fiduciary net position - ending	<u>769,529</u>	<u>753,358</u>	<u>715,667</u>	<u>656,721</u>	<u>688,139</u>	<u>678,752</u>
Town's Net Pension Asset - Ending	\$ <u>249,347</u>	\$ <u>(104,186)</u>	\$ <u>(95,678)</u>	\$ <u>(25,446)</u>	\$ <u>(168,599)</u>	\$ <u>(155,064)</u>
Plan fiduciary net position as a percentage of the total pension liability	75.53%	116.05%	115.43%	104.03%	132.45%	129.61%
Covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A
Town's net pension liability as a percentage of covered payroll **	N/A	N/A	N/A	N/A	N/A	N/A

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

** Pay for volunteer ambulance is not available

**TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 446,336	\$ 526,785	\$ 674,581	\$ 1,414,908	\$ 1,421,628	\$ 1,461,942	\$ 1,461,942	\$ 1,203,931	\$ 1,203,931	\$ 1,023,081
Contributions in relation to the actuarially determined contribution	<u>526,785</u>	<u>526,785</u>	<u>526,785</u>	<u>1,340,000</u>	<u>1,462,942</u>	<u>1,462,942</u>	<u>1,450,207</u>	<u>1,203,931</u>	<u>1,023,081</u>	<u>1,023,081</u>
Contribution Deficiency (Excess)	\$ <u>(80,449)</u>	\$ <u>-</u>	\$ <u>147,796</u>	\$ <u>74,908</u>	\$ <u>(41,314)</u>	\$ <u>(1,000)</u>	\$ <u>11,735</u>	\$ <u>-</u>	\$ <u>180,850</u>	\$ <u>-</u>
Covered payroll	\$ 8,315,553	\$ 8,772,402	\$ 8,772,402	\$ 8,438,036	\$ 9,669,472	\$ 9,418,330	\$ 9,418,330	\$ 9,046,134	\$ 9,046,134	\$ 8,474,681
Contributions as a percentage of covered payroll	6.33%	6.01%	6.01%	15.88%	15.13%	15.53%	15.40%	13.31%	11.31%	12.07%

Notes to Schedule

Valuation date: September 1, 2018
Measurement date: June 30, 2019
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
Amortization method: Level percentage of payroll, closed
Remaining amortization period: 25 years
Asset valuation method: 5-year asset average, subject to a 20% corridor around the market value of assets
Inflation: 2.29%
Salary increases: 3.00%
Investment rate of return: 7.00%
Retirement age: Graduated rates ages 62-70
Mortality: SOA RP-2014 Total Dataset Mortality with MP-2018 scaling

**TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 205,672	\$ 329,372	\$ 355,298	\$ 499,336	\$ 484,928	\$ 571,380	\$ 571,380	\$ 769,584	\$ 704,704	\$ 704,704
Contributions in relation to the actuarially determined contribution	341,085	341,085	341,085	559,822	523,044	571,380	769,584	769,584	704,704	704,704
Contribution Deficiency (Excess)	<u>\$ (135,413)</u>	<u>\$ (11,713)</u>	<u>\$ 14,213</u>	<u>\$ (60,486)</u>	<u>\$ (38,116)</u>	<u>\$ -</u>	<u>\$ (198,204)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,278,451	\$ 3,283,573	\$ 3,283,573	\$ 3,249,728	\$ 2,446,151	\$ 2,028,338	\$ 2,415,638	\$ 2,479,447	\$ 2,479,447	\$ 2,441,653
Contributions as a percentage of covered payroll	10.40%	10.39%	10.39%	17.23%	21.38%	28.17%	31.86%	31.04%	28.42%	28.86%

Notes to Schedule

Valuation date: September 1, 2018
 Measurement date: June 30, 2019
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level percentage of payroll, closed, with amortization bases created in accordance with the funding policy
- Remaining amortization period: 25 years
- Asset valuation method: Five-year asset average, subject to a 20% corridor around the market value of assets
- Inflation: 2.29%
- Salary increases: 4.50%
- Investment rate of return: 7.00%
- Retirement age: Normal Retirement Age
- Mortality: SOA RP-2014 Total Dataset Mortality with MP-2018 scaling

**TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 28,163	\$ 44,740	\$ 44,740	\$ 49,697	\$ 49,697	\$ 76,430	\$ 76,430	\$ 69,719	\$ 69,719	\$ 41,594
Contributions in relation to the actuarially determined contribution	<u>47,740</u>	<u>47,740</u>	<u>47,740</u>	<u>81,500</u>	<u>76,500</u>	<u>76,500</u>	<u>72,325</u>	<u>69,719</u>	<u>50,000</u>	<u>50,000</u>
Contribution Deficiency (Excess)	\$ <u>(19,577)</u>	\$ <u>(3,000)</u>	\$ <u>(3,000)</u>	\$ <u>(31,803)</u>	\$ <u>(26,803)</u>	\$ <u>(70)</u>	\$ <u>4,105</u>	\$ <u>-</u>	\$ <u>19,719</u>	\$ <u>(8,406)</u>
Covered payroll*	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Pay for volunteer firefighters is not available

Notes to Schedule

Valuation date: July 1, 2018
 Measurement date: June 30, 2019
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
 Amortization method: Level dollar amount, closed, with amortization bases created in accordance with funding policy
 Remaining amortization period: 25 years
 Asset valuation method: Five-year smoothed, subject to a 20% corridor around the market value of assets
 Inflation: 2.29%
 Salary increases: N/A
 Investment rate of return: 7.00%, net of pension plan investment expenses
 Retirement age: Normal Retirement Age
 Mortality: SOA RP-2014 Total Dataset Mortality, adjusted to 2006, with MP-2018 Scaling

**TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS
AMBULANCE
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 3,312	\$ 5,945	\$ 5,945	\$ -	\$ -	\$ 6,286	\$ 14,998	\$ 12,288	\$ 27,339	\$ 35,635
Contributions in relation to the actuarially determined contribution	<u>5,945</u>	<u>5,945</u>	<u>5,945</u>	<u>-</u>	<u>10,000</u>	<u>28,419</u>	<u>30,628</u>	<u>32,339</u>	<u>35,635</u>	<u>35,635</u>
Contribution Deficiency (Excess)	\$ <u>(2,633)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(10,000)</u>	\$ <u>(22,133)</u>	\$ <u>(15,630)</u>	\$ <u>(20,051)</u>	\$ <u>(8,296)</u>	\$ <u>-</u>
Covered payroll *	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Pay for volunteer ambulance is not available

Notes to Schedule

Valuation date: July 1, 2018

Measurement date: June 30, 2019

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Collective Aggregate Cost Method
Amortization method	Level dollar amount, closed, with amortization bases created in accordance with funding policy
Remaining amortization period	30 years, open
Asset valuation method	Market value
Inflation	2.29%
Investment rate of return	7.00%, net of pension plan investment expenses
Retirement age	Normal retirement age
Mortality	SOA RP-2014 Total Dataset Mortality, adjusted to 2006, with MP-2018 scaling

**TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF PENSION INVESTMENT RETURNS
LAST SIX FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense:						
General Employees	5.60%	9.20%	13.58%	0.68%	3.20%	19.11%
Police Officers	5.65%	9.24%	13.56%	0.17%	3.21%	19.49%
Firefighters	5.57%	8.99%	13.51%	0.13%	4.07%	20.81%
Ambulance	5.65%	9.25%	13.59%	-0.15%	3.97%	19.74%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST FIVE FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>67,101,102</u>	<u>66,408,496</u>	<u>70,061,472</u>	<u>51,725,859</u>	<u>47,810,191</u>
Total	<u>\$ 67,101,102</u>	<u>\$ 66,408,496</u>	<u>\$ 70,061,472</u>	<u>\$ 51,725,859</u>	<u>\$ 47,810,191</u>
Town's covered payroll	\$ 23,082,923	\$ 21,094,706	\$ 20,294,620	\$ 19,584,545	\$ 18,725,185
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

Notes to Schedule

Changes in benefit terms Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.

Actuarial cost method Entry age
Amortization method Level percent of salary, closed
Remaining amortization period 17.6 years
Asset valuation method 4-year smoothed market
Investment rate of return 8.00%, net of investment-related expense

TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
TOWN RETIREE HEALTHCARE PLAN
LAST THREE FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 1,082,023	\$ 1,496,837	\$ 1,109,463
Interest	757,195	819,109	817,864
Changes of benefit terms	1,586		
Differences between expected and actual experience	(5,417,065)		
Changes of assumptions	1,373,722	(4,383,463)	
Benefit payments	<u>(397,430)</u>	<u>(451,411)</u>	<u>(392,917)</u>
Net change in total OPEB liability	(2,599,969)	(2,518,928)	1,534,410
Total OPEB liability - beginning	<u>22,377,825</u>	<u>24,896,753</u>	<u>23,362,343</u>
Total OPEB liability - ending	<u>19,777,856</u>	<u>22,377,825</u>	<u>24,896,753</u>
Plan fiduciary net position:			
Contributions - employer	597,430	651,411	592,917
Expected investment income	73,901	134,676	169,676
Investment gains	27,072		
Benefit payments	<u>(397,430)</u>	<u>(451,411)</u>	<u>(392,917)</u>
Net change in plan fiduciary net position	300,973	334,676	369,676
Plan fiduciary net position - beginning	<u>1,789,372</u>	<u>1,454,696</u>	<u>1,085,020</u>
Plan fiduciary net position - ending	<u>2,090,345</u>	<u>1,789,372</u>	<u>1,454,696</u>
Net OPEB Liability - Ending	<u>\$ 17,687,511</u>	<u>\$ 20,588,453</u>	<u>\$ 23,442,057</u>
Plan fiduciary net position as a percentage of the total OPEB liability	10.57%	8.00%	5.84%
Covered payroll	\$ 10,950,470	\$ 10,233,690	\$ 9,984,088
Net OPEB liability as a percentage of covered payroll	161.52%	201.18%	234.79%

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

**TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN RETIREE HEALTHCARE PLAN
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution (1)	\$ 995,621	\$ 1,154,905	\$ 1,180,473	\$ 1,557,365	\$ 1,653,224	\$ 1,634,879	\$ 1,725,195	\$ 2,071,627	\$ 1,256,429	\$ 1,438,645
Contributions in relation to the actuarially determined contribution	<u>176,609</u>	<u>286,424</u>	<u>320,246</u>	<u>422,470</u>	<u>1,621,435</u>	<u>1,589,774</u>	<u>1,664,245</u>	<u>592,917</u>	<u>651,411</u>	<u>597,430</u>
Contribution Deficiency (Excess)	<u>\$ 819,012</u>	<u>\$ 868,481</u>	<u>\$ 860,227</u>	<u>\$ 1,134,895</u>	<u>\$ 31,789</u>	<u>\$ 45,105</u>	<u>\$ 60,950</u>	<u>\$ 1,478,710</u>	<u>\$ 605,018</u>	<u>\$ 841,215</u>
Covered payroll	\$ N/A	\$ 9,162,154	\$ 9,162,154	\$ 9,832,453	\$ 9,832,453	\$ 9,515,627	\$ 9,515,627	\$ 9,984,088	\$ 10,233,690	\$ 10,950,470
Contributions as a percentage of covered payroll	0.00%	3.13%	3.50%	4.30%	16.49%	16.71%	17.49%	5.94%	6.37%	5.46%

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: July 1, 2018

Measurement date: June 30, 2019

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Amortization period	30 years
Asset valuation method	Market value of assets
Inflation	2.50%
Healthcare cost trend rates	8.00% initial, decreasing to an ultimate rate of 4.75% in 2024
Salary increases	3.50%, average, including inflation
Investment rate of return	3.85%, net of pension plan investment expense, including inflation
Retirement age	Retirement rates are for Town employees start at 2% at age 55 increasing to 100% at age 70 and above, for Police the retirement rates start at 50% at age 46 increasing to 100% at age 65 and above.
Mortality	RPH-2014 total dataset mortality table projected with projection scale MP-2018

Other Information:

The mortality table has been updated to the RPH-2014 total dataset mortality table projected using scale MP-2018. The healthcare cost trend was reset to 8.0% in 2018, grading down to an ultimate rate of 4.75% in years 2024 and later.

**TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
TOWN RETIREE HEALTHCARE PLAN
LAST THREE FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	5.40%	9.25%	15.15%

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

TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS*

	<u>2019</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 67,094	\$ 59,592
Interest	38,287	29,067
Changes of benefit terms		
Differences between expected and actual experience	37,349	
Changes of assumptions and other inputs	29,389	(47,460)
Benefit payments	<u>(19,842)</u>	<u>(36,302)</u>
Net change in total OPEB liability	152,277	4,897
Total OPEB liability - beginning	<u>892,009</u>	<u>887,112</u>
Total OPEB Liability - Ending	<u>\$ 1,044,286</u>	<u>\$ 892,009</u>
Covered payroll	\$ N/A	\$ N/A
Total OPEB liability as a percentage of covered payroll	0.00%	0.00%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

For the July 1, 2018 valuation the discount rate was reduced from 3.87% to 3.50%

**TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
BOARD OF EDUCATION RETIREE HEALTHCARE PLAN
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution (1)	\$ 163,928	\$ 136,648	\$ 154,814	\$ 157,897	\$ 164,998	\$ 180,143	\$ 188,380	\$ 139,217	\$ 139,217	\$ -
Contributions in relation to the actuarially determined contribution	<u>155,404</u>	<u>157,527</u>	<u>171,734</u>	<u>103,148</u>	<u>59,260</u>	<u>60,816</u>	<u>60,201</u>	<u>34,624</u>	<u>36,302</u>	<u>19,842</u>
Contribution Deficiency (Excess)	\$ <u>8,524</u>	\$ <u>(20,879)</u>	\$ <u>(16,920)</u>	\$ <u>54,749</u>	\$ <u>105,738</u>	\$ <u>119,327</u>	\$ <u>128,179</u>	\$ <u>104,593</u>	\$ <u>102,915</u>	\$ <u>(19,842)</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: July 1, 2018

Measurement date: June 30, 2019

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	30 years
Asset valuation method	Market value of assets
Inflation	2.00%
Healthcare cost trend rates	7.0% initial, decreasing to an ultimate rate of 5.0% in 2022 and after.
Salary increases	3.5%, average, including inflation
Investment rate of return	3.50%, net of pension plan investment expense, including inflation
Retirement age	Retirement rates are assumed starting at 2.0% at ages 55-59 increasing to 100% at ages 70 and above.
Mortality	RPH-2014 total dataset mortality table projected with projection scale MP-2018

Other Information:

The mortality table has been updated to the RPH-2014 total dataset mortality table projected using scale MP-2016. The healthcare cost trend rate was reset to 9.0% in 2016, grading down to an ultimate rate of 5.0% in years 2020 and later.

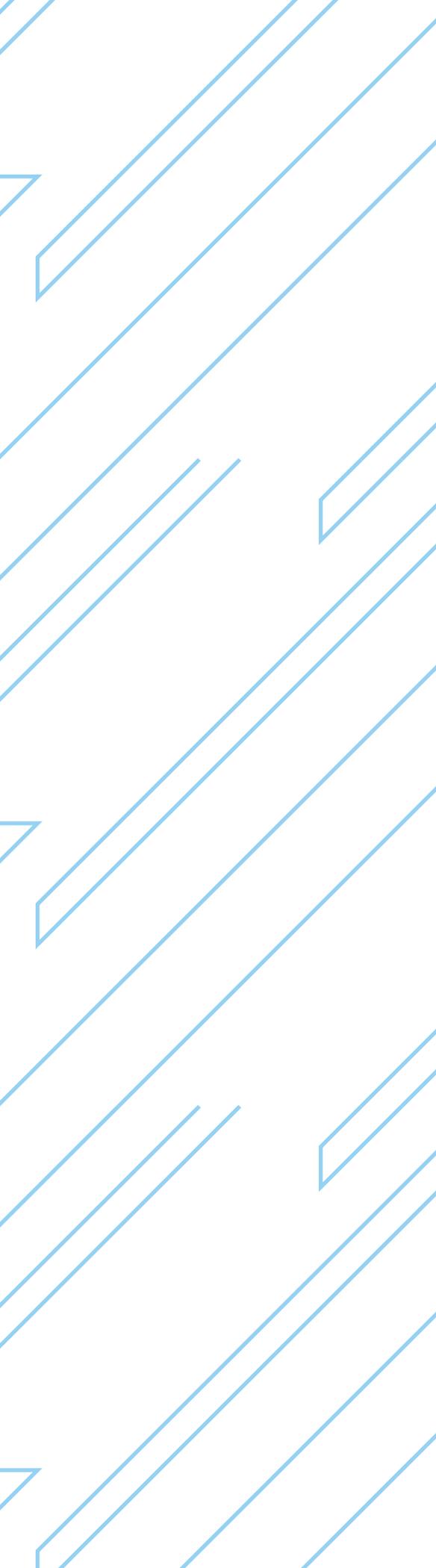
TOWN OF BLUM, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST TWO FISCAL YEARS*

	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>13,413,903</u>	<u>17,092,784</u>
Total	<u>\$ 13,413,903</u>	<u>\$ 17,092,784</u>
Town's covered payroll	\$ 23,082,923	\$ 21,094,706
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

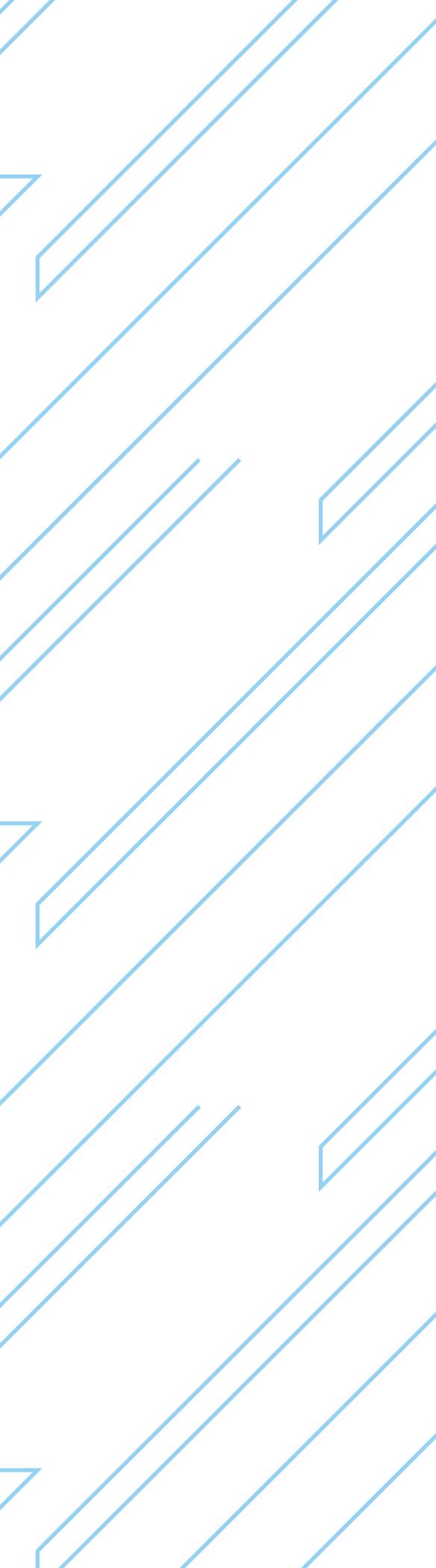
Notes to Schedule

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

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



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.

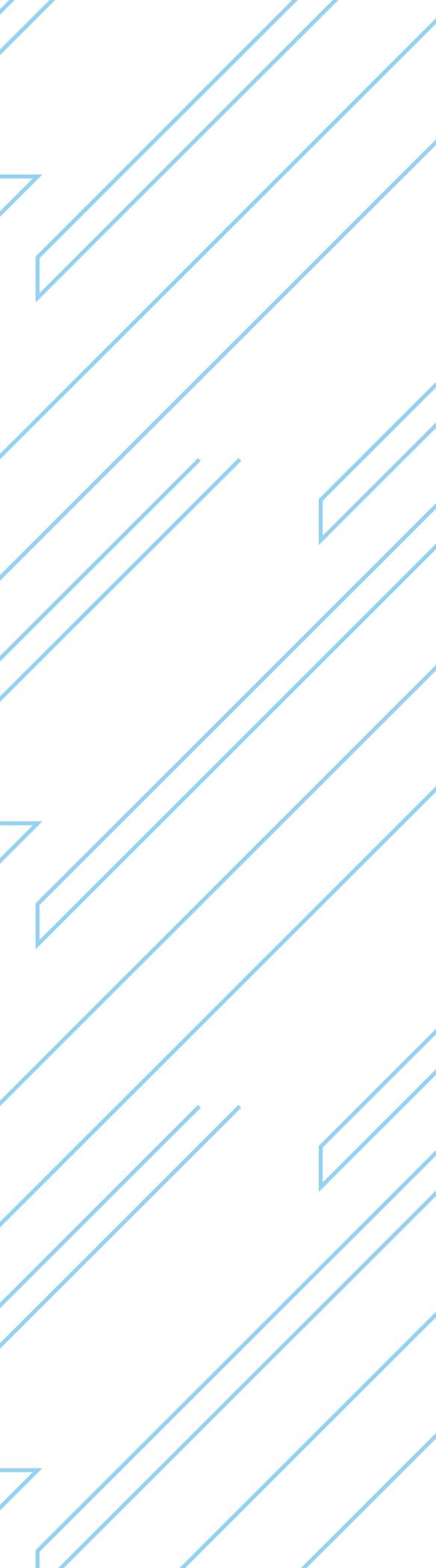
**TOWN OF ROCKY HILL, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 25,141,025	\$ 20,842,748
Property taxes receivable, net of allowance for doubtful accounts of \$25,000 in 2019 and 2018	531,047	999,222
Accounts receivable	114,498	274,763
Interest receivable	126,661	233,873
Due from other funds	<u>571,175</u>	<u>1,192,901</u>
Total Assets	<u>\$ 26,484,406</u>	<u>\$ 23,543,507</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenditures	\$ 958,814	\$ 1,374,567
Due to other funds	11,290,392	9,035,415
Unearned revenue		1,722
Total liabilities	<u>12,249,206</u>	<u>10,411,704</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	569,868	998,068
Advance property tax collections	<u>7,879,223</u>	<u>5,999,728</u>
Total deferred inflows of resources	<u>8,449,091</u>	<u>6,997,796</u>
Fund Balances:		
Assigned for:		
Subsequent year's budget	275,000	1,315,504
Encumbrances	393,386	252,090
Unassigned	<u>5,117,723</u>	<u>4,566,413</u>
Total fund balances	<u>5,786,109</u>	<u>6,134,007</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 26,484,406</u>	<u>\$ 23,543,507</u>

**TOWN OF ROCKY HILL, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2019**

Grand List as of October 1,	Uncollected Taxes July 1, 2018	Lawful Corrections		Transfers to Suspense	Net Amount Collectible	Collections				Uncollected Taxes June 30, 2019	
		Additions	Deductions			Taxes	Interest	Lien Fees	Suspense Taxes		Total
2017	\$ 68,631,677 *	\$ 107,954	\$ 367,291	\$	\$ 68,372,340	\$ 68,009,821	\$ 131,692	\$ 1,326	\$	\$ 68,142,839	\$ 362,519
2016	607,837	22,583	63,790		566,630	448,136	93,360	8,244		549,740	118,494
2015	266,036	49,741	37,725	81,833	196,219	175,392	57,607	5,469	8,526	246,994	20,827
2014	58,941	766,933	753,576		72,298	62,990	26,485	288	9,840	99,603	9,308
2013	34,292	37,446	26,434		45,304	35,890	15,379	216	4,292	55,777	9,414
2012	23,897		80		23,817	12,971	10,554	168	2,588	26,281	10,846
2011	14,545		78		14,467	5,792	4,187	144	2,500	12,623	8,675
2010	6,954		15		6,939	1,151		72	1,353	2,576	5,788
2009	5,559	240			5,799	1,145		48	889	2,082	4,654
2008	4,089	223			4,312	778		24	589	1,391	3,534
2007	1,479	369			1,848	453		24		477	1,395
2006	317	276			593				1,203	1,203	593
	<u>\$ 69,655,623</u>	<u>\$ 985,765</u>	<u>\$ 1,248,989</u>	<u>\$ 81,833</u>	<u>\$ 69,310,566</u>	<u>\$ 68,754,519</u>	<u>\$ 339,264</u>	<u>\$ 16,023</u>	<u>\$ 31,780</u>	<u>69,141,586</u>	<u>\$ 556,047</u>
Property taxes receivable considered available:											
June 30, 2018											(235,027)
June 30, 2019											<u>87,840</u>
Total Property Tax Revenue											<u>\$ 68,994,399</u>

* Includes motor vehicle supplement in the amount of \$827,415



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
Local Transportation Capital Improvement Program	State grants	Pavement rehabilitation for Old Forge Road
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
Town Clerk	Town clerk fees	Town clerk activities
Police Private Duty	Police Operations	Highway Construction Safety
Ruth Wilcox	Donations	Educational library materials
Silas Deane Streetscape Phase III	Federal Grants	Silas Deane Revitalization project

Debt Service Fund

The debt service fund is used to account for bond premiums for the payment of future debt service interest payments.

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
- 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, 2019**

	Special Revenue										
	School Cafeteria	CDBG Small Cities	Federal and State School Programs	Industrial Park Development	Recreation Program	Insurance Loss	Library Operating	Dog	Asset Forfeiture	Narcotics Enforcement	Human Services
ASSETS											
Cash and cash equivalents	\$ 383,394	\$ 141,850	\$ 606,160	\$	\$ 493,823	\$	\$	\$	\$	\$ 992	\$
Accounts receivable											
Due from other governments	77,389		27,242								
Due from other funds				28,666		400,161	29,406	41,897	108,152		175,234
Inventory	11,996										
Total Assets	\$ 472,779	\$ 141,850	\$ 633,402	\$ 28,666	\$ 493,823	\$ 400,161	\$ 29,406	\$ 41,897	\$ 108,152	\$ 992	\$ 175,234
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued payroll	\$ 70,268	\$	\$ 22,704	\$	\$ 15,948	\$	\$ 50	\$ 53	\$ 635	\$	\$
Due to other funds		803			58,737					992	
Unearned revenue	21,579		610,698		191,174						
Total liabilities	91,847	803	633,402	-	265,859	-	50	53	635	992	-
Fund balances:											
Nonspendable	11,996										
Restricted		141,047									
Committed	368,936			28,666	227,964	400,161	29,356	41,844	107,517		175,234
Unassigned											
Total fund balances	380,932	141,047	-	28,666	227,964	400,161	29,356	41,844	107,517	-	175,234
Total Liabilities and Fund Balances	\$ 472,779	\$ 141,850	\$ 633,402	\$ 28,666	\$ 493,823	\$ 400,161	\$ 29,406	\$ 41,897	\$ 108,152	\$ 992	\$ 175,234

(Continued on next page)

**TOWN OF ROCKY HILL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019**

	Special Revenue									Total
	Miscellaneous Grants	Youth Services	Local Transportation Capital Improv. Program	Parks Grants	Economic Development Grants	Town Clerk	Police Private Duty	Ruth Wilcox	Silas Deane Streetscape Phase III	
ASSETS										
Cash and cash equivalents	\$		\$	\$	\$	\$	\$	\$ 155,036	\$	\$ 1,781,255
Accounts receivable		409		42,375			131,097		101,817	275,698
Due from other governments					114,906					219,537
Due from other funds		107,780	88,834			29,752				1,009,882
Inventory										11,996
Total Assets	\$	409	\$ 107,780	\$ 88,834	\$ 42,375	\$ 114,906	\$ 29,752	\$ 131,097	\$ 155,036	\$ 3,298,368
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued payroll	\$	\$ 1,284	\$ 0	\$	\$	\$	\$	\$	\$	\$ 110,942
Due to other funds		10,199		37,669	114,906		111,409	104,558	131,899	571,172
Unearned revenue			88,834							912,285
Total liabilities	\$	10,199	1,284	88,834	37,669	114,906	-	111,409	104,558	1,594,399
Fund balances:										
Nonspendable										11,996
Restricted				4,706						145,753
Committed		106,496				29,752	19,688	50,478		1,586,092
Unassigned		(9,790)							(30,082)	(39,872)
Total fund balances	\$	(9,790)	106,496	-	4,706	-	29,752	19,688	50,478	1,703,969
Total Liabilities and Fund Balances	\$	409	\$ 107,780	\$ 88,834	\$ 42,375	\$ 114,906	\$ 29,752	\$ 131,097	\$ 155,036	\$ 3,298,368

(Continued on next page)

**TOWN OF ROCKY HILL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019**

	<u>Debt Service</u>		<u>Permanent</u>			<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service</u>	<u>Abigail Williams</u>	<u>Adelaide Wright</u>	<u>Center Cemetery</u>	<u>Land Preservation Trust</u>		
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$ 26,939	\$ 26,939	\$ 1,808,194
Accounts receivable						-	275,698
Due from other governments						-	219,537
Due from other funds	1,475,320	18,369	5,306	29,672		53,347	2,538,549
Inventory						-	11,996
Total Assets	<u>\$ 1,475,320</u>	<u>\$ 18,369</u>	<u>\$ 5,306</u>	<u>\$ 29,672</u>	<u>\$ 26,939</u>	<u>\$ 80,286</u>	<u>\$ 4,853,974</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued payroll	\$	\$	\$	\$ 3,450	\$	\$ 3,450	\$ 114,392
Due to other funds					3	3	571,175
Unearned revenue						-	912,285
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,450</u>	<u>3</u>	<u>3,453</u>	<u>1,597,852</u>
Fund balances:							
Nonspendable		18,369	5,306	20,249	26,936	70,860	82,856
Restricted						-	145,753
Committed	1,475,320			5,973		5,973	3,067,385
Unassigned						-	(39,872)
Total fund balances	<u>1,475,320</u>	<u>18,369</u>	<u>5,306</u>	<u>26,222</u>	<u>26,936</u>	<u>76,833</u>	<u>3,256,122</u>
Total Liabilities and Fund Balances	<u>\$ 1,475,320</u>	<u>\$ 18,369</u>	<u>\$ 5,306</u>	<u>\$ 29,672</u>	<u>\$ 26,939</u>	<u>\$ 80,286</u>	<u>\$ 4,853,974</u>

**TOWN OF ROCKY HILL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue									
	School Cafeteria	CDBG Small Cities	Federal and State School Programs	Industrial Park Development	Recreation Program	Insurance Loss	Library Operating	Dog	Asset Forfeiture	Narcotics Enforcement
Revenues:										
Intergovernmental revenues	\$ 555,165	\$	\$ 1,758,081	\$	\$	\$	\$ 6,873	\$	\$ 67,804	\$
Charges for services	624,752				690,977		17,461	8,701		
Investment income										
Miscellaneous					31,622	15,158				
Total revenues	<u>1,179,917</u>	<u>-</u>	<u>1,758,081</u>	<u>-</u>	<u>722,599</u>	<u>15,158</u>	<u>24,334</u>	<u>8,701</u>	<u>67,804</u>	<u>-</u>
Expenditures:										
Current:										
General government										
Public safety								812	21,143	
Public works										
Health and human services										
Parks, recreation and facilities					681,369					
Library services							23,019			
Education	1,038,327		1,758,081							
Debt service										
Miscellaneous						24,680				
Total expenditures	<u>1,038,327</u>	<u>-</u>	<u>1,758,081</u>	<u>-</u>	<u>681,369</u>	<u>24,680</u>	<u>23,019</u>	<u>812</u>	<u>21,143</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	141,590	-	-	-	41,230	(9,522)	1,315	7,889	46,661	-
Other Financing Sources (Uses):										
Premium on bond anticipation notes										
Net Change in Fund Balances	141,590	-	-	-	41,230	(9,522)	1,315	7,889	46,661	-
Fund Balances at Beginning of Year	239,342	141,047	-	28,666	186,734	409,683	28,041	33,955	60,856	-
Fund Balances at End of Year	<u>\$ 380,932</u>	<u>\$ 141,047</u>	<u>\$ -</u>	<u>\$ 28,666</u>	<u>\$ 227,964</u>	<u>\$ 400,161</u>	<u>\$ 29,356</u>	<u>\$ 41,844</u>	<u>\$ 107,517</u>	<u>\$ -</u>

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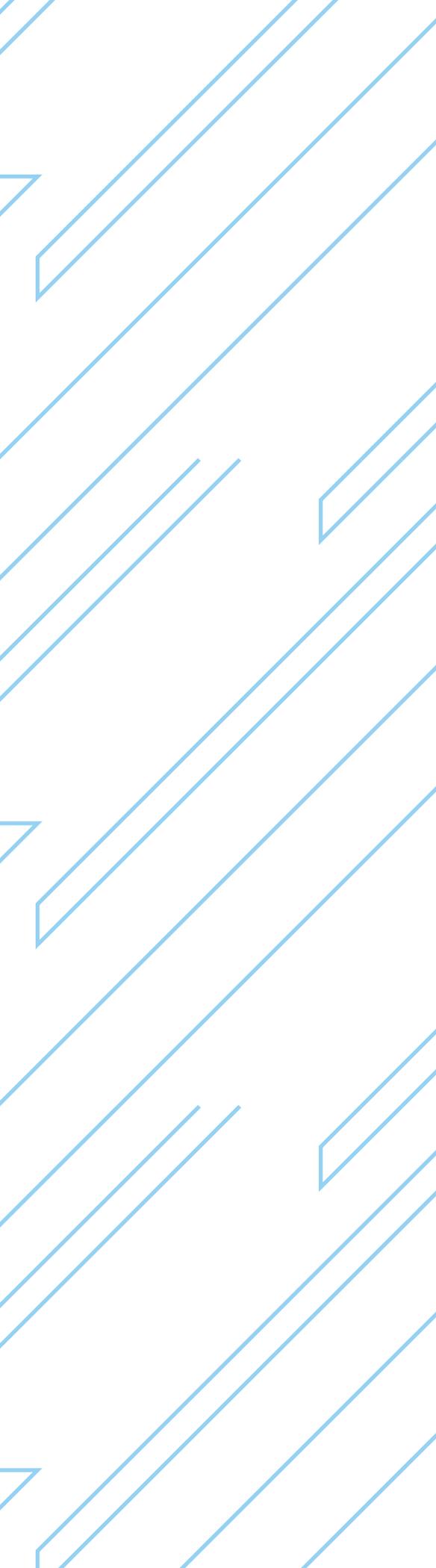
**TOWN OF ROCKY HILL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue										
	Human Services	Miscellaneous Grants	Youth Services	Local Transportation Capital Improv. Program	Parks Grants	Economic Development Grants	Town Clerk	Police Private Duty	Ruth Wilcox	Silas Deane Streetscape Phase III	Total
Revenues:											
Intergovernmental revenues	\$	\$ 78,143	\$	\$	\$	\$ 367,496	\$	\$	\$	\$ 120,331	\$ 2,953,893
Charges for services			43,412				12,843	718,804			2,116,950
Investment income								15			15
Miscellaneous	21,315	4,097			1,890		3,704				77,786
Total revenues	<u>21,315</u>	<u>82,240</u>	<u>43,412</u>	<u>-</u>	<u>1,890</u>	<u>367,496</u>	<u>16,547</u>	<u>718,804</u>	<u>15</u>	<u>120,331</u>	<u>5,148,644</u>
Expenditures:											
Current:											
General government							6,550				6,550
Public safety		112,202						738,393			872,550
Public works										150,413	150,413
Health and human services	6,110		42,197								48,307
Parks, recreation and facilities					5,156						686,525
Library services											23,019
Education											2,796,408
Debt service											-
Miscellaneous						367,496					392,176
Total expenditures	<u>6,110</u>	<u>112,202</u>	<u>42,197</u>	<u>-</u>	<u>5,156</u>	<u>367,496</u>	<u>6,550</u>	<u>738,393</u>	<u>-</u>	<u>150,413</u>	<u>4,975,948</u>
Excess (Deficiency) of Revenues over Expenditures	15,205	(29,962)	1,215	-	(3,266)	-	9,997	(19,589)	15	(30,082)	172,696
Other Financing Sources (Uses):											
Premium on bond anticipation notes											-
Net Change in Fund Balances	15,205	(29,962)	1,215	-	(3,266)	-	9,997	(19,589)	15	(30,082)	172,696
Fund Balances at Beginning of Year	160,029	20,172	105,281	-	7,972	-	19,755	39,277	50,463	-	1,531,273
Fund Balances at End of Year	<u>\$ 175,234</u>	<u>\$ (9,790)</u>	<u>\$ 106,496</u>	<u>\$ -</u>	<u>\$ 4,706</u>	<u>\$ -</u>	<u>\$ 29,752</u>	<u>\$ 19,688</u>	<u>\$ 50,478</u>	<u>\$ (30,082)</u>	<u>\$ 1,703,969</u>

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**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, 2019**

	<u>Debt Service</u>	<u>Permanent</u>				<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service</u>	<u>Abigail Williams</u>	<u>Adelaide Wright</u>	<u>Center Cemetery</u>	<u>Land Preservation Trust</u>		
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	\$ -	\$ 2,953,893
Charges for services						-	2,116,950
Investment income					68	68	83
Miscellaneous				4,500		4,500	82,286
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>68</u>	<u>4,568</u>	<u>5,153,212</u>
Expenditures:							
Current:							
General government						-	6,550
Public safety						-	872,550
Public works						-	150,413
Health and human services						-	48,307
Parks, recreation and facilities						-	686,525
Library services						-	23,019
Education						-	2,796,408
Debt service	1,816,722					-	1,816,722
Miscellaneous				16,500		16,500	408,676
Total expenditures	<u>1,816,722</u>	<u>-</u>	<u>-</u>	<u>16,500</u>	<u>-</u>	<u>16,500</u>	<u>6,809,170</u>
Excess (Deficiency) of Revenues over Expenditures	(1,816,722)	-	-	(12,000)	68	(11,932)	(1,655,958)
Other Financing Sources (Uses):							
Premium on bond anticipation notes	409,763					-	409,763
Net Change in Fund Balances	(1,406,959)	-	-	(12,000)	68	(11,932)	(1,246,195)
Fund Balances at Beginning of Year	2,882,279	18,369	5,306	38,222	26,868	88,765	4,502,317
Fund Balances at End of Year	<u>\$ 1,475,320</u>	<u>\$ 18,369</u>	<u>\$ 5,306</u>	<u>\$ 26,222</u>	<u>\$ 26,936</u>	<u>\$ 76,833</u>	<u>\$ 3,256,122</u>



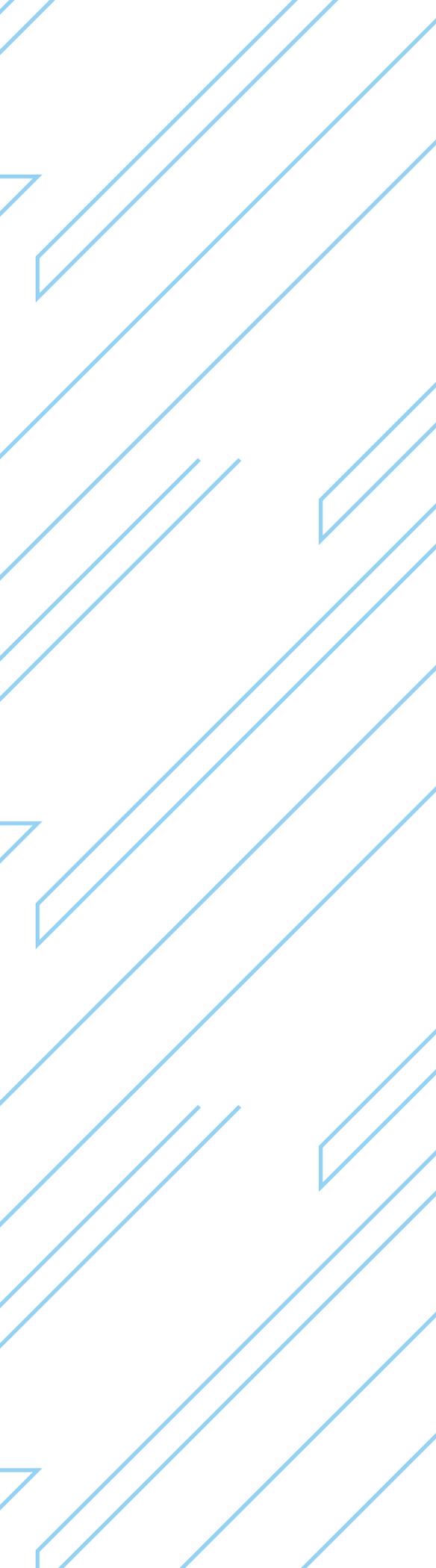
Capital Projects Fund

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, 2019**

<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	\$ 642,617	\$ 24,713	\$ 429,986	\$ -	\$ 429,986	\$ 212,631
1999	Human Services	Elderly / Disable Bus	176,973	50,770	108,788	-	108,788	68,185
2000	Highway	Road Improvements	888,081	5,600	888,081	-	888,081	-
2007	Facilities	Schools - Portable Classrooms	429,880	-	335,173	-	335,173	94,707
2012	Assessor	Revaluation - October 2018 Grand List	94,491	48,058	71,631	-	71,631	22,860
2012	Town Council	Foundry	719,963	-	670,135	-	670,135	49,828
2013	Public Safety	Online Electric Permitting	46,019	-	29,000	-	29,000	17,019
2013	Town Council	Streetscape Project - Silas Deane	195,000	25,391	48,160	-	48,160	146,840
2014	BOE	School Improvements - West Hill Fire Sprinklers	16,997	16,997	16,997	-	16,997	-
2015	Facilities	LOCIP From Town Clerk Fees	118,747	3,777	86,141	-	86,141	32,606
2015	Parks	Parks Department - Elm Ridge Pool Upgrade	500,000	-	9,643	-	9,643	490,357
2015	Parks	Parks Department - Special Recreation Funds	300,000	98,717	281,721	-	281,721	18,279
2015	BOE	School Improvements - Stevens School Sprinklers	531,113	-	508,913	-	508,913	22,200
2015	BOE	School Improvements - Griswold Boilers Replacement	28,813	11,629	28,813	-	28,813	-
2016	Police	Police Department - Dispatch Equipment	59,954	7,447	58,009	-	58,009	1,945
2016	Parks	Parks Department - Field Use Improvements	119,940	50,554	75,291	-	75,291	44,649
2016	BOE	School Improvements - Surplus for Improvements	55,779	12,621	55,779	-	55,779	-
2017	Facilities	Repairs and Improvements to Town Buildings	72,000	7,240	7,240	-	7,240	64,760
2017	Highway	Town Vehicles and Equipment	43,000	-	21,879	-	21,879	21,121
2017	BOE	School Improvements - Griswold Air Conditioning	742,040	-	742,040	-	742,040	-
2017	BOE	School Improvements - RHHS Outdoor Storage Buildings	143,752	24,215	24,215	-	24,215	119,537
2017	CIP	RHHS Renovation Project - Reserve for Project	650,000	69,764	69,764	-	69,764	580,236
2017	CIP	RHHS Renovation Project - FF&E and Technology (Priority 2)	111,000	-	37,383	-	37,383	73,617
2017	CIP	RHHS Renovation Project - Construction Costs (Priority 2)	100,000	4,700	53,200	-	53,200	46,800
2017	Town Council	Capital Improvement Projects (CIP) - Undesignated	185,000	-	-	-	-	185,000
2017	Town Council	State Budget Reserve - for 2017-2018 Budget Year	315,000	-	-	-	-	315,000
2018	Parks	Great Meadows Security and Signs	30,000	12,351	13,909	-	13,909	16,091
2018	Highway	Highway Department Equipment	191,100	56,467	175,941	-	175,941	15,159
2018	Highway	Highway Department - Town Aid Roads (2017-18)	158,168	158,168	158,168	-	158,168	-
2018	Engineering	Engineering Department - Buckley Park Erosion Project	23,000	15,359	15,359	-	15,359	7,641
2018	BOE	School Improvements Projects - RHHS Softball Field	227,965	203,971	203,971	-	203,971	23,994
2018	BOE	School Improvements Projects - RHHS Tennis Court Repairs	43,150	43,150	43,150	-	43,150	-
2019	BOE	School Improvements - Griswold Science Labs	37,700	-	-	-	-	37,700
2019	BOE	School Surplus - Fire Station 3 - New Roof	104,000	-	-	-	-	104,000
2019	Facilities	School Surplus - Fire Station 2 - Handicap Lift	54,000	-	-	-	-	54,000
2019	Facilities	School Surplus - Moser School - IT Support	47,320	-	-	-	-	47,320
2019	BOE	School Improvements - RHHS Replacement Stairs	16,214	-	-	-	-	16,214
2019	BOE	Parks Department - Vehicles and Equipment	17,760	-	-	-	-	17,760
2019	Parks	School Improvements - Various Repairs and Maintenance	166,800	-	-	-	-	166,800
		Total Capital and Nonrecurring - Fund 40	8,403,336	951,659	5,268,480	-	5,268,480	3,134,856
2016	Fire	Fire Apparatus - Fund 43	3,864,000	60,266	3,864,000	-	3,864,000	-
2014	Highway	Road Improvements Fund - Fund 45	10,000,000	805,421	9,209,245	-	9,209,245	790,755
2014	Town Council	Land Acquisition Fund - Fund 51	10,000,000	20,216	2,502,493	-	2,502,493	7,497,507
2013	Facilities	Rocky Hill High School Renovation - Fund 56	50,000,000	951,089	49,703,509	-	49,703,509	296,491
2016	Police	Police Referendum Fund - Fund 57	2,586,000	-	2,586,000	-	2,586,000	-
2017	Facilities	Rocky Hill Intermediate School - Fund 58	48,350,000	25,847,050	30,561,045	-	30,561,045	17,788,955
2018	Facilities	Rocky Hill Community/ Senior Center Fund - Fund 60	10,500,000	40,292	40,292	-	40,292	10,459,708
		Total Capital Projects Fund	\$ 143,703,336	\$ 28,675,993	\$ 103,735,064	\$ -	\$ 103,735,064	\$ 39,968,272



Fiduciary Funds

FIDUCIARY FUNDS

AGENCY FUNDS

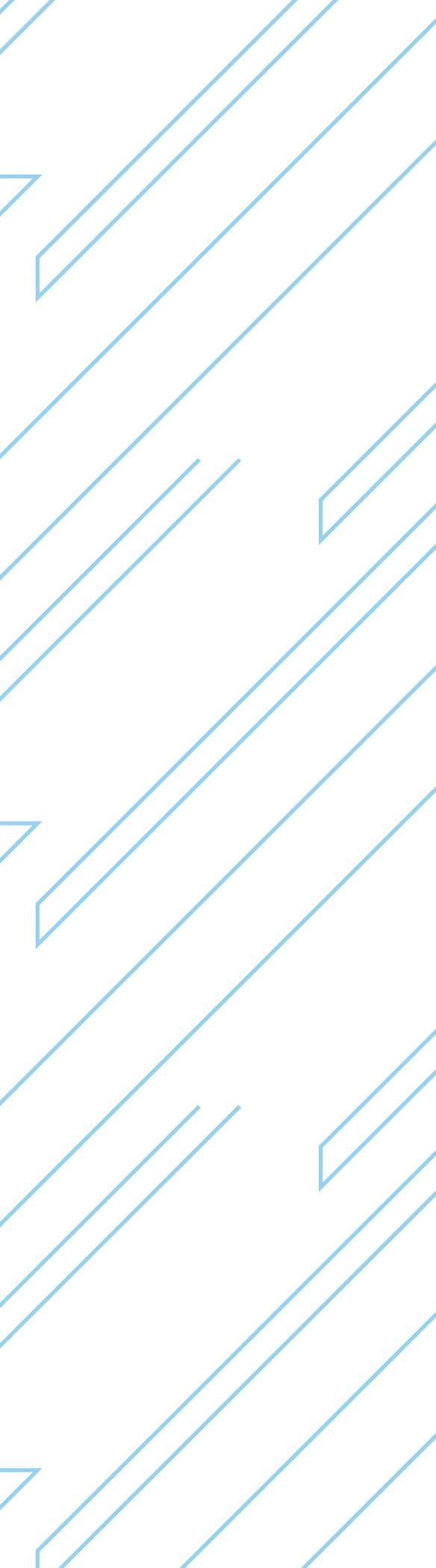
Surety Bonds - To account for cash bonds posted by contractors, developers and others.

School Activity Funds - To account for revenues and expenditures relating to the various student functions and activities.

Flexible Spending Account - To capture pre-tax payroll deductions to pay daycare and health expenses.

TOWN OF ROCKY HILL, CONNECTICUT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Surety Bonds				
Assets:				
Cash and cash equivalents	\$ 305,148	\$ 42,738	\$ 16	\$ 347,870
Accounts receivable	<u>20,550</u>			<u>20,550</u>
Total Assets	<u>\$ 325,698</u>	<u>\$ 42,738</u>	<u>\$ 16</u>	<u>\$ 368,420</u>
Liabilities:				
Deposits	<u>\$ 325,698</u>	<u>\$ 42,738</u>	<u>\$ 16</u>	<u>\$ 368,420</u>
School Activity				
Assets:				
Cash and cash equivalents	\$ 472,516	\$ 680,529	\$ 640,492	\$ 512,553
Investments	<u>192,396</u>	<u>21,610</u>	<u>23,815</u>	<u>190,191</u>
Total Assets	<u>\$ 664,912</u>	<u>\$ 702,139</u>	<u>\$ 664,307</u>	<u>\$ 702,744</u>
Liabilities:				
Due to student groups	<u>\$ 664,912</u>	<u>\$ 702,139</u>	<u>\$ 664,307</u>	<u>\$ 702,744</u>
Flexible Spending Account				
Assets:				
Cash and cash equivalents	<u>\$ 12,964</u>	<u>\$ 26,406</u>	<u>\$ 22,763</u>	<u>\$ 16,607</u>
Liabilities:				
Due to others	<u>\$ 12,964</u>	<u>\$ 26,406</u>	<u>\$ 22,763</u>	<u>\$ 16,607</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 790,628	\$ 749,673	\$ 663,271	\$ 877,030
Investments	192,396	21,610	23,815	190,191
Accounts receivable	<u>20,550</u>			<u>20,550</u>
Total Assets	<u>\$ 1,003,574</u>	<u>\$ 771,283</u>	<u>\$ 687,086</u>	<u>\$ 1,087,771</u>
Liabilities:				
Deposits and amounts due to student groups and participants	<u>\$ 1,003,574</u>	<u>\$ 771,283</u>	<u>\$ 687,086</u>	<u>\$ 1,087,771</u>
Total Liabilities	<u>\$ 1,003,574</u>	<u>\$ 771,283</u>	<u>\$ 687,086</u>	<u>\$ 1,087,771</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									
	2019	2018	2017 (3)	2016	2015	2014 (2)	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 52,283	\$ 51,072	\$ 49,808	\$ 43,831	\$ 20,007	\$ 34,661	\$ 32,976	\$ 32,807	\$ 32,265	\$ 31,870
Restricted	71	71	71	50	50	50	50	50	51	132
Unrestricted	<u>(18,186)</u>	<u>(21,927)</u>	<u>(20,774)</u>	<u>(7,213)</u>	<u>12,776</u>	<u>(4,934)</u>	<u>(941)</u>	<u>(461)</u>	<u>(628)</u>	<u>(397)</u>
Total Governmental Activities Net Position	<u>\$ 34,168</u>	<u>\$ 29,216</u>	<u>\$ 29,105</u>	<u>\$ 36,668</u>	<u>\$ 32,833</u>	<u>\$ 29,777</u>	<u>\$ 32,085</u>	<u>\$ 32,396</u>	<u>\$ 31,688</u>	<u>\$ 31,605</u>

Note:

- (1) Schedule prepared on the accrual basis of accounting.
(2) The fiscal year 2014 governmental activities net position was restated as a result of implementing GASB No. 68
(3) The fiscal year 2017 governmental activities net position was restated as result of implementing GASB No.75

TOWN OF ROCKY HILL, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental activities:										
General government	\$ 10,529	\$ 9,634	\$ 11,252	\$ 11,196	\$ 10,521	\$ 12,123	\$ 12,339	\$ 11,296	\$ 10,208	\$ 10,548
Public safety	11,128	9,940	8,458	7,774	6,271	6,959	6,673	6,269	6,541	6,540
Public works	9,233	9,486	9,791	6,952	8,114	7,969	6,517	6,214	6,079	5,657
Health and human services	688	728	697	606	599	686	684	658	686	603
Parks, recreation and facilities	5,161	4,779	4,953	4,949	4,970	6,962	6,576	6,091	6,340	6,123
Library services	1,105	1,243	1,067	1,174	971	1,049	973	912	917	900
Education	48,714	51,096	50,040	45,034	42,885	38,741	37,299	35,706	33,983	33,005
Interest on long-term debt	1,846	2,112	917	922	778	472	478	586	636	726
Total governmental activities expenses	88,404	89,018	87,175	78,607	75,109	74,961	71,539	67,732	65,390	64,102
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	584	1,076	942	712	911	872	934	1,433	600	567
Parks, recreation and facilities	724	696	754	692	561	751	688	658	708	764
Education	625	542	544	536	502	482	481	544	541	585
Other	1,367	1,340	1,559	896	1,325	1,023	890	503	615	465
Operating grants and contributions	10,365	15,485	14,911	11,448	9,720	10,613	9,416	9,277	7,973	8,502
Capital grants and contributions	7,773	1,238	8,530	4,988	2,842	40	11	78	185	1,477
Total governmental activities program revenues	21,438	20,377	27,240	19,272	15,861	13,781	12,420	12,493	10,622	12,360
Net Expense:										
Governmental activities	(66,966)	(68,641)	(59,935)	(59,335)	(59,248)	(61,180)	(59,119)	(55,239)	(54,768)	(51,742)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	68,566	66,117	63,875	60,309	59,583	57,992	56,303	53,080	52,636	50,427
Grants and contributions not restricted to specific purposes	1,443	1,694	2,721	1,971	2,037	1,958	1,806	2,203	1,576	1,523
Unrestricted investment earnings	434	165	103	114	81	39	15	15	27	47
Other general revenues	1,475	776	773	776	604	643	684	650	612	566
Total governmental activities general revenues and other changes in net position	71,918	68,752	67,472	63,170	62,305	60,632	58,808	55,948	54,851	52,563
Changes in Net Position:										
Governmental Activities	\$ 4,952	\$ 111	\$ 7,537	\$ 3,835	\$ 3,057	\$ (548)	\$ (311)	\$ 709	\$ 83	\$ 821

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 210
Unreserved										3,808
Nonspendable										
Restricted										
Committed										
Assigned	668	1,568	542	1,733	1,085	1,552	1,199	246	755	
Unassigned	5,118	4,566	5,642	4,270	5,204	4,587	4,672	4,055	3,494	
Total General Fund	\$ 5,786	\$ 6,134	\$ 6,184	\$ 6,003	\$ 6,289	\$ 6,139	\$ 5,871	\$ 4,301	\$ 4,249	\$ 4,018
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 5
Unreserved, reported in:										
Special revenue funds										998
Capital projects funds										1,163
Permanent funds										132
Nonspendable	83	82	78	56	59	58	57	57	57	
Restricted	146	169	108	159	164	152	128	132	106	
Committed	6,330	7,928	10,322	3,147	6,475	3,922	3,281	1,279	1,149	
Assigned								1,975	1,430	
Unassigned	(27,163)	(7,057)		(14,099)	(1,107)	(2,809)	(630)			
Total All Other Governmental Funds	\$ (20,604)	\$ 1,122	\$ 10,508	\$ (10,737)	\$ 5,591	\$ 1,323	\$ 2,836	\$ 3,443	\$ 2,742	\$ 2,298

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) The Town began to report new fund categories when it implemented GASB Statement No. 54 in fiscal year 2011.

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Taxes and assessments	\$ 68,994	\$ 65,847	\$ 63,825	\$ 60,302	\$ 59,840	\$ 57,823	\$ 56,454	\$ 53,019	\$ 52,382	\$ 50,446
Intergovernmental	19,475	18,314	25,927	18,187	14,540	12,545	11,110	11,432	9,700	11,334
Charges for services	3,108	3,103	3,381	2,591	3,010	2,683	2,756	2,167	24,146	2,203
Income on investments	434	165	103	114	81	39	15	15	27	47
Miscellaneous	1,331	1,410	1,427	1,241	953	1,153	1,045	1,747	1,000	865
Total revenues	<u>93,342</u>	<u>88,839</u>	<u>94,663</u>	<u>82,435</u>	<u>78,424</u>	<u>74,243</u>	<u>71,380</u>	<u>68,380</u>	<u>87,255</u>	<u>64,895</u>
Expenditures:										
General government	2,672	2,501	2,632	2,454	2,387	2,388	2,400	2,464	2,270	2,313
Public safety	7,842	7,279	6,819	6,701	6,524	6,200	5,896	5,527	5,665	5,425
Public works	7,234	6,643	6,765	5,910	5,944	5,953	5,574	5,353	5,257	5,018
Health and human services	705	647	622	596	603	757	662	634	654	621
Parks, recreation and facilities	4,567	4,334	4,318	4,786	4,803	6,767	6,251	5,993	6,115	5,929
Library services	1,046	1,031	1,025	963	953	1,011	947	897	931	1,475
Education	47,796	51,496	48,622	43,984	41,074	37,844	35,802	35,068	33,401	32,863
Miscellaneous	7,956	7,355	7,010	7,172	7,455	8,172	7,955	7,660	6,667	6,440
Capital outlay	30,490	13,859	24,177	23,171	21,796	4,725	3,001	1,688	1,746	2,830
Debt service:										
Debt redemption - principal	3,170	2,110	2,250	2,265	1,555	1,555	1,555	1,765	1,735	1,985
Debt redemption - interest	2,871	1,242	1,167	1,410	407	116	680	620	627	910
Total expenditures	<u>116,349</u>	<u>98,497</u>	<u>105,407</u>	<u>99,412</u>	<u>93,501</u>	<u>75,488</u>	<u>70,723</u>	<u>67,669</u>	<u>65,068</u>	<u>65,809</u>
Excess of Revenue over (under) Expenditures	<u>(23,007)</u>	<u>(9,658)</u>	<u>(10,744)</u>	<u>(16,977)</u>	<u>(15,077)</u>	<u>(1,245)</u>	657	711	22,187	(914)
Other Financing Sources (Uses):										
Payment to refunded bond escrow							(7,676)			(7,316)
Proceeds from capital leases	523	201	359	363			202	42	491	
Proceeds from bond issues	410	20	31,813							7,420
Proceeds from refunding bond issues							7,160			
Premium on sale of refunding bonds							620			
Transfers in	500	675	2,534	567	1,706	2,177	649	498	544	330
Transfers out	(500)	(675)	(2,534)	(567)	(1,706)	(2,177)	(649)	(498)	(544)	(330)
Total other financing sources	<u>933</u>	<u>221</u>	<u>32,172</u>	<u>363</u>	<u>-</u>	<u>-</u>	<u>306</u>	<u>42</u>	<u>491</u>	<u>104</u>
Net Change in Fund Balances	<u>\$ (22,074)</u>	<u>\$ (9,437)</u>	<u>\$ 21,428</u>	<u>\$ (16,614)</u>	<u>\$ (15,077)</u>	<u>\$ (1,245)</u>	<u>\$ 963</u>	<u>\$ 753</u>	<u>\$ 22,678</u>	<u>\$ (810)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.8%	4.1%	4.7%	2.6%	2.1%	2.2%	3.2%	3.6%	3.8%	4.4%

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							
2019	\$ 1,180,372,846	\$ 490,096,709	\$ 112,964,390	\$ 156,353,670	\$ 172,788,522	\$ 18,521,742	\$ 2,094,054,395	32.4	\$ 2,991,506,279	70%
2018	1,174,657,836	477,473,434	113,693,790	145,953,150	170,023,764	20,165,184	2,061,636,790	31.6	2,945,195,414	70%
2017	1,169,068,266	472,746,614	113,775,200	129,706,285	165,743,532	18,332,751	2,032,707,146	31.0	2,903,867,351	70%
2016	1,164,708,090	473,287,300	113,411,480	123,143,150	162,682,870	18,834,170	2,018,398,720	29.7	2,883,426,743	70%
2015(a)	1,158,076,430	458,778,710	111,735,820	117,595,150	159,711,790	17,395,540	1,988,502,360	29.7	2,840,717,657	70%
2014	1,322,398,835	450,838,960	131,081,650	118,465,065	157,276,509	18,133,665	2,161,927,354	26.6	3,088,467,649	70%
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%

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
2019	12.960	17.820	1.620	32.400
2018	12.008	18.012	1.58	31.600
2017	12.927	16.74	1.333	31.000
2016	12.448	16.109	1.143	29.700
2015 (a)	13.510	15.298	0.892	29.700
2014	13.215	12.709	0.676	26.600
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

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

(a) Revaluation year

Source: Town of Rocky Hill, Finance Department

TABLE 7

**TOWN OF ROCKY HILL, CONNECTICUT
PRINCIPAL PROPERTY TAX PAYERS
2017 AND 2008
(In Thousands)**

Taxpayer	October 1, 2017			October 1, 2008		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value (a)	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value (b)
Century Hills Property Owner LLC	\$ 38,410	1	1.83%	\$ 34,483	1	1.57%
RP Glenbrook LLC	26,961	2	1.29%	24,919	5	1.13%
MKS 500 Enterprise LLC	24,990	3	1.19%	32,392	2	1.47%
Burriss Logistics Inc.	23,859	4	1.14%	30,291	3	
Connecticut Natural Gas Corporation	20,812	5	0.99%			
Henkel (Loctite Corporation)	20,685	6	0.99%	27,482	4	1.25%
Connecticut Light & Power	18,889	7	0.90%			
Sysco Corporation	17,985	8	0.86%	18,347	6	0.84%
West St Developers (Montage)	12,321	9	0.59%			0.00%
Rocky Hill Properties LLC	11,875	10	0.57%			
Acadia Town Line LLC				14,229	7	0.65%
Rocky Hill Assoc LTD Partnership				13,371	8	0.61%
New Boston Fifty Five Capital LLC				13,230	9	
New Boston Flex				13,035	10	0.59%
Total	\$ <u>216,787</u>		<u>10.35%</u>	\$ <u>221,779</u>		<u>10.10%</u>

Source: Town of Rocky Hill, Office of Tax Assessor

(a) Based on Net Taxable Grand List of \$2,094,054,395 (amount not rounded)

(b) Based on Net Taxable Grand List of \$2,196,442,903 (amount not rounded)

TABLE 8

**TOWN OF ROCKY HILL, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied For This Fiscal Year	Collected Within The Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2019	32.400	\$ 68,372	\$ 68,010	99.47%	\$ 745	\$ 68,755	100.56%
2018	31.600	65,828	65,220	99.08%	363	65,583	99.63%
2017	31.000	63,540	63,097	99.30%	134	63,231	99.51%
2016	29.700	60,050	59,618	99.28%	342	59,960	99.85%
2015	29.700	59,330	58,987	99.42%	855	59,842	100.86%
2014	26.600	57,774	57,170	98.95%	421	57,591	99.68%
2013	25.900	56,110	55,562	99.02%	329	55,891	99.61%
2012	24.500	52,769	52,276	99.07%	434	52,710	99.89%
2011	23.800	52,851	51,728	97.88%	484	52,212	98.79%
2010	22.900	50,645	49,919	98.57%	339	50,258	99.24%

TOWN OF ROCKY HILL, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Thousands, except per capita)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>(a) Ratio of Debt to Taxable Assessed Value</u>	<u>(b) Debt Per Capita</u>	<u>(c) Debt Per Personal Income</u>
2019	\$ 50,973	\$ 657	\$ 51,630	2.47%	\$ 2,563	\$ 650
2018	54,401	491	54,892	2.66%	2,730	670
2017	56,768	731	57,499	2.83%	2,858	705
2016	27,463	544	28,007	1.39%	1,399	371
2015	29,843	349	30,192	1.52%	1,503	459
2014	12,211	303	12,514	0.58%	628	228
2013	13,512	428	13,940	0.65%	707	275
2012	14,993	364	15,357	0.70%	779	348
2011	16,775	450	17,225	0.78%	872	391
2010	18,524	68	18,592	1.12%	988	422

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
2019	\$ 50,973	1.70%	\$ 2,530
2018	54,401	1.85%	2,706
2017	56,768	1.95%	2,822
2016	27,463	0.95%	1,372
2015	29,843	1.05%	1,485
2014	12,211	0.40%	613
2013	13,512	0.44%	685
2012	14,993	0.48%	760
2011	16,775	0.53%	849
2010	18,524	0.78%	984

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, 2019
(In Thousands)**

Governmental Unit	Debt Outstanding	Percentage Applicable	Estimated Shares of Direct and Overlapping Debt
Overlapping debt:			
Metropolitan District	\$ 922,227	6.04%	\$ 55,703
Town direct debt	51,630	100.00%	<u>51,630</u>
Total			<u><u>\$ 107,333</u></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, 2018**

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2018						\$ 65,791,067
Base						\$ <u>65,791,067</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	
Debt Limitation:						
2-1/4 times base	\$ 148,029,901	\$	\$	\$	\$	
4-1/2 times base		296,059,802				
3-3/4 times base			246,716,501			
3-1/4 times base				213,820,968		
3 times base						197,373,201
Total debt limitation	<u>148,029,901</u>	<u>296,059,802</u>	<u>246,716,501</u>	<u>213,820,968</u>		<u>197,373,201</u>
Indebtedness:						
Bonds payable	18,110,000	29,235,000				
Bonds authorized - unissued	14,017,800	68,454,200				
Overlapping debt			55,702,516			
Total indebtedness	<u>32,127,800</u>	<u>97,689,200</u>	<u>55,702,516</u>	-		-
Less amounts to be provided by the State		(27,183,225)				
Net indebtedness	<u>32,127,800</u>	<u>70,505,975</u>	<u>55,702,516</u>	-		-
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u>115,902,101</u>	\$ <u>225,553,827</u>	\$ <u>191,013,985</u>	\$ <u>213,820,968</u>	\$ <u>197,373,201</u>	

Note 1: In no case shall total indebtedness exceed \$460,537,469 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, 2019 was \$922,227,080. The Town's share of the debt at June 30, 2019 was 6.04% or \$55,702,516. 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt limitation	\$ 460,537	\$ 446,474	\$ 446,474	\$ 421,620	\$ 419,165	\$ 405,494	\$ 395,178	\$ 370,325	\$ 366,828	\$ 352,762
Total net debt applicable to limit	<u>158,336</u>	<u>173,521</u>	<u>191,472</u>	<u>141,558</u>	<u>119,413</u>	<u>123,955</u>	<u>104,895</u>	<u>85,913</u>	<u>34,912</u>	<u>31,730</u>
Legal Debt Margin	\$ <u><u>302,201</u></u>	\$ <u><u>272,953</u></u>	\$ <u><u>255,002</u></u>	\$ <u><u>280,062</u></u>	\$ <u><u>299,752</u></u>	\$ <u><u>281,539</u></u>	\$ <u><u>290,283</u></u>	\$ <u><u>284,412</u></u>	\$ <u><u>331,916</u></u>	\$ <u><u>321,032</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	34.38%	38.86%	42.89%	33.57%	28.49%	30.57%	26.54%	23.20%	9.52%	8.99%

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)
2019	20,145	\$ 44,956	\$ 79,421	44.7	2,742	2.4%
2018	20,105	43,921	81,988	43.8	2,716	3.4%
2017	20,119	42,252	81,576	43.2	2,698	4.1%
2016	20,021	43,207	75,442	43.4	2,623	4.6%
2015	20,094	42,229	65,814	43.4	2,608	3.9%
2014	19,915	39,785	63,343	43.7	2,487	4.8%
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%

(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

TABLE 15

**TOWN OF ROCKY HILL, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	Nature of Business	2019			2010		
		Employees	Rank	Percentage of Total Town Employment(a)	Employees	Rank	Percentage of Total Town Employment(b)
Henkel Corporation (Loctite)	Adhesives and Sealants	500	1	4.39%	400	3	3.64%
Town of Rocky Hill	Municipality	493	2	4.33%	446	2	4.06%
SYSCO Food Services	Food Distribution Warehouse	350	3	3.07%	480	1	4.37%
State Veterans Home and Hospital	Hospital	335	4	2.94%	300	6	2.73%
Burris Logistics	Refrigerated Logistics Warehouse	300	5	2.63%	200	8	1.82%
AECOM Technical Service Systems	Engineering Consultant	234	6	2.05%			
Wal-Mart Store	Retail Store	208	7	1.83%	208	7	1.89%
Paychex	Financial Services	150	8	1.32%	140	9	1.27%
Connecticut Lottery	State Lottery Headquarters	138	9	1.21%			
CT Housing Finance Authority	State of CT - Finance	129	10	1.13%			
ISGN (formerly Fiserv and Integrated Loan Serv)	Finance - Loan Processing				340	4	3.09%
Integrated Loans					340	5	3.09%
URS Corporation	Civil				130	10	1.18%
Total		<u>2,837</u>		<u>24.90%</u>	<u>2,984</u>		<u>27.14%</u>

Source: Town of Rocky Hill, Economic Development Department

(a) State of Connecticut, Department of Labor - Town employment of 11,395

(b) State of Connecticut, Department of Labor - Town employment of 10,996

11395

10,996

**TOWN OF ROCKY HILL, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>FISCAL YEAR</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government	25.0	23.0	19.0	18.0	18.5	18.5	18.0	18.0	18.0	22.0
Police	50.0	49.0	47.0	47.0	46.0	44.0	44.0	43.0	43.0	44.0
Fire	5.0	5.0	5.0	4.0	4.5	4.5	4.0	4.0	4.0	4.0
Building Department	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works:										
Engineering	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Highway	18.0	16.0	15.0	15.5	15.0	16.0	16.0	15.0	15.0	15.0
Human Services	7.0	8.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Parks and Recreation	11.0	14.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0
Facilities:										
Town	8.0	2.0	11.0	10.5	10.0	10.0	11.0	9.5	9.5	9.5
Schools (b)						24.0	23.0	24.5	24.5	25.5
Library	11.0	11.0	12.0	12.0	11.0	11.0	11.0	10.0	10.0	10.0
Education (a)	<u>353.0</u>	<u>343.0</u>	<u>338.0</u>	<u>360.0</u>	<u>328.0</u>	<u>298.0</u>	<u>296.0</u>	<u>292.0</u>	<u>291.0</u>	<u>291.0</u>
Total	<u>496.0</u>	<u>479.0</u>	<u>473.0</u>	<u>493.0</u>	<u>458.0</u>	<u>451.0</u>	<u>448.0</u>	<u>441.0</u>	<u>440.0</u>	<u>446.0</u>

Source: Town of Rocky Hill, Finance Department

(a) Town of Rocky Hill, Board of Education

(b) The Town transferred responsibilities for 23 facilities/custodians positions to the Board of Education.

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

Function/Program	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Building Department:										
Permits Issued	1,316	1,250	1,184	1,345	1,373	1,252	1,319	1,424	1,245	1,153
Certificates of Occupancy	47	48	67	163	139	108	114	146	143	143
Number of Inspections	1,919	1,638	1,961	2,214	1,986	1,783	2,051	1,953	2,352	1,689
Police:										
Total Criminal Arrests	258	309	342	411	544	518	447	379	381	370
Total Town Tickets Issued	95	103	87	96	585	471	301	415	376	335
Medical Calls	3,257	1,841	2,640	3,132	2,729	2,878	2,722	2,813	2,734	2,503
Animal Complaints	515	403	376	354	273	305	256	307	267	274
Police Training Hours	3,729	3,675	4,600	4,664	3,414	4,805	3,462	2,427	3,498	3,753
Fire:										
Emergency responses	675	745	648	626	646	575	639	756	759	616
Inspections	725	745	967	843	809	698	672	958	571	573
Fire Training Man-hours	5,500	4,208	5,622	5,122	5,047	5,860	5,735	5,686	7,601	8,412
Sanitation:										
Commercial Solid Waste (tons)	7,034	5,827	5,444	6,138	6,244	6,547	7,440	5,322	4,879	4,839
Residential Solid Waste (tons)	5,750	5,547	5,624	5,445	5,540	5,620	5,592	5,748	5,975	6,232
Bulky waste (tons)	650	641	537	755	762	705	592	960	927	936
Highway Department:										
Snow and Ice Callouts	21	26	15	20	35	23	20	9	38	26
Leaf Pickups (Cubic Yards)	4,636	6,386	7,210	6,325	6,475	6,056	6,887	2,832	7,096	7,204
Catch Basin Repairs	87	81	85	35	40	26	31	21	34	27
Parks and Recreation:										
Number of Programs Offered	445	399	448	415	505	495	485	485	475	475
Number of Participants	13,129	10,924	10,600	10,000	10,150	10,100	10,100	10,100	10,000	10,000
Library:										
Volumes in Collection	61,480	61,284	60,291	60,294	59,134	58,769	59,678	61,235	62,621	65,377
Total Volumes Borrowed	259,830	242,239	216,859	235,346	244,820	253,340	252,186	246,833	261,324	267,098
Human Services:										
Number Elderly/Disabled: Individual Bus Trips	10,250	9,687	9,404	10,227	10,374	10,797	10,229	10,928	10,003	9,667

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Parks and Recreation:										
Acreage Maintained	181	180	180	180	180	180	180	180	180	180
Number of Parks	9	7	7	7	7	7	7	7	7	7
Baseball Fields	12	12	12	12	12	12	12	12	12	12
Soccer Fields	10	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	1	1
Lacrosse Field	0	0	1	1	1	1	1	1	1	1
Miracle Field	1	1	1	0	0	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	1
Facilities:										
Number of Town Buildings	15	15	15	15	15	15	15	15	15	14
Number of Schools	5	5	4	4	4	4	4	4	4	5
Human Services:										
Mini-buses	4	3	3	3	3	3	3	4	4	4

Source: Town of Rocky Hill, various Town Departments