

# **Town of Rocky Hill Connecticut**



## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2009

# **Comprehensive Annual Financial Report**

of the

## **Town of Rocky Hill Connecticut**

Fiscal Year Ended June 30, 2009

Prepared by:  
Finance Department  
Director of Finance  
John Mehr

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

**TOWN OF ROCKY HILL, CONNECTICUT**

**JUNE 30, 2009**

PRINCIPAL OFFICIALS

TOWN COUNCIL

Anthony LaRosa, Mayor

Philip J. Sylvestro  
Larrye deBear  
Anthony Colandrea  
Mary Ellen Flynn

Timothy Moriarty  
Rocco Sanzo  
Barbara Orsini Surwilo  
Frank Szeps

BOARD OF EDUCATION

William MacDonald, Chairman

Rene Rivard  
Nadine Bell  
Raffaella Calciano-Coler  
Charles McMonigle

Maria Mennela  
Frank Morse  
Catherine Vargas  
Charles Wisnioski

GENERAL GOVERNMENT

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

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

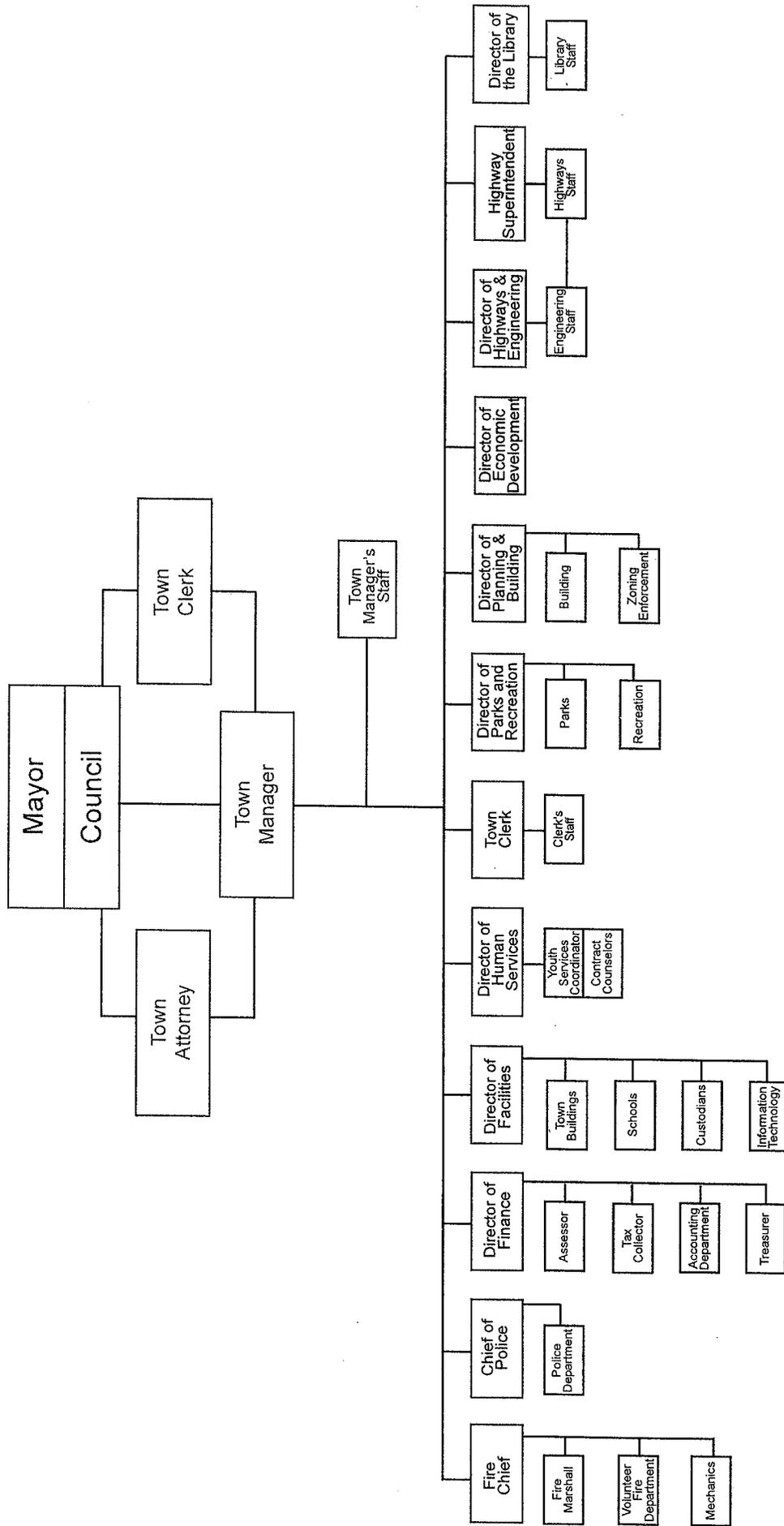
EDUCATION

Superintendent of Schools  
Interim Director of Finance and Operations

Jeffrey A. Villar, Ph.D.  
Frank Connolly

TOWN OF ROCKY HILL, CONNECTICUT

ORGANIZATIONAL CHART





# Town of Rocky Hill

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

December 4, 2009

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

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

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unqualified (clean) opinion on the Town of Rocky Hill's financial statements for the year ended June 30, 2009. 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 18,852. It is situated on the west bank of the Connecticut River, eight miles south of Hartford. Major roads that traverse the Town are State Routes 3, 99 and 160 and Interstate 91. The Town is also accessible by water and air transportation. Contiguous towns are Berlin, Glastonbury, Wethersfield, Newington and Cromwell. The Town is empowered to levy a property tax on both real and personal property located within its boundaries. This includes motor vehicles which are garaged or registered as being in the Town.

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

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

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

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

### *Local Economy*

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

The Town's geographical location and access to major highways has helped with its growth. Employment data reflected a labor force of 10,897 for June 2009. The unemployment rate increased from 4.7% to 6.6% in Rocky Hill while the Hartford region increased from 5.7% to 8.2% for the same period from June 2008 to June 2009. During the past ten years, the unemployment rate increased from 3.1% in Rocky Hill to 6.6% in June 2009. While unemployment is expected to rise in the State during the current economical environment, the Town believes that the growth of the Town's commercial and industrial tax base over the past few years will keep Rocky Hill's unemployment rate from rising as fast as surrounding areas.

Development has been taking place in the Brook Street area of town, primarily on the property of a former nursery. Winstanley Enterprises has currently leased 67,000 square feet of 189,000 square feet of flex space in three separate buildings. Burris Refrigerated Logistics has completed phase I of its northeast distribution facility and is operating a 256,000 square foot refrigerated warehouse. CT Lottery renovated 96,000 square feet of a former warehouse for its new offices and warehouse facility. Besides Brook Street, the Town anticipates the construction of two 75,415 square feet of Class A office buildings by Farley White in the Corporate Ridge Business Park. Also, Wachovia Bank is building a new free standing bank branch located in the Big Y grocery store plaza expecting to be open this winter.

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 its operations. WFSB and Burris Refrigerator Logistics are both receiving tax abatements. This program is helpful in attracting new industry and keeping existing businesses.

The Town has completed a comprehensive Town-wide Zoning Regulations and Zoning Map update that encouraged quality development and expansion of the tax base while preserving natural resources. During the year, 19 lots were created through subdivision approval process. The Town did issue permits for 16 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*

Unreserved, undesignated fund balance in the general fund is 6.34% 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 undesignated 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 2009 - 2010 budget, \$129,239 of undesignated fund balance was applied to the capital improvements budget.

### *Relevant Financial Policies*

The State budget for FY 2009 extended the conveyance tax rate on real estate sales paid to municipalities. After much debate, the rate of \$2.50 per \$1,000 of the real estate sales price will continued through June 30, 2010, but then will revert back to \$1.10 per \$1,000. During this fiscal year, the Town received \$201,887 in conveyance tax. If the State had not passed this law, the Town would have received about \$113,000 less in conveyance tax.

The Town implemented new assessed property values for the October 1, 2008 Grand List based on a State mandated revaluation which impacts the 2009 - 2010 Town Budget. After implementing the new assessed property values, the Town received 83 cases challenging the new assessed property values in Superior Court. Of the 83 cases, 15 are residential and 68 are commercial. The Town policy is to settle assessment appeals cases so that any property value adjustments affect the October 2009 Grand List, therefore, impacting the 2010 - 2011 Town Budget. The Town intent is to minimize the impact any of these settlements will have on the 2009 - 2010 fiscal year.

### *Major Initiatives*

The Town has received State grants to assist with storefront improvements for businesses located on the Silas Deane Highway. The façade improvement program has a total of 29 renderings with 11 of these projects being completed and 8 more underway. Also the Town received an \$850,000 State grant for renovations to Cora Belden Library that include sitework, new windows, roofing, HVAC, masonry, and upgrading of the fire alarm system. This work began in April of 2009 with a projected completion date in December of 2009. The Town did take delivery of a new 2008 Ford F-350 Pickup Truck for the Parks Department and the Town Assessor has completed a Town-wide physical revaluation with the new assessed property values being implemented for the October 2008 grand list for the 2009 - 2010 budget year. In June of 2009, the Town received a \$1.8 million Federal road improvement grant through the America Recovery and Reinvestment Act (ARRA) that will cover all the costs associated with the Old Main Street road rehabilitation project. This road project is expected to be completed in December of 2009. The Town is in the process of getting the appropriate planning boards and commissions approvals to build a regional police training center. The proposed training center would cost \$1 million and be paid for completely by a State grant.

As of June 1, 2009, the Town established an Other Post-Employment Benefits (OPEB) Trust. The Town Council approved using \$200,000 as seed money to establish the Trust from a \$452,802 settlement with Connecticut Resource Recovery Authority (CRRRA) Mid-Conn settlement.

On October 30, 2009, the Town began the process of exercising its power of eminent domain to acquire the Foundry property, 11 acres of land along the Connecticut River, with the intent of making it a public park. The Town has hired a firm to perform a phase III study and a remedial action plan for the Foundry property.

The Town of Rocky Hill did not issue any general obligation bonds or bond anticipation notes during the year but did maintain its Aa3 bond rating from Moody's Investor Service. The voters of Rocky Hill did have a referendum question on the November 2008 ballot asking for \$71.1 million for town wide elementary school system improvements consisting of the replacement of one elementary school and the renovation and expansion of the other two elementary schools. This referendum was the result of a feasibility study that was completed for all five of the Town's school buildings. This referendum was voted down by the voters of Rocky Hill. On the November 2009 ballot, the voters of Rocky Hill did not have any referendum questions.

#### *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, 2008. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "John R. Mehr". The signature is written in a cursive style with a large, stylized initial "J".

John R. Mehr  
Director of Finance

# 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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

## **Financial Section**

# BlumShapiro

Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Mayor and Town Council  
Town of Rocky Hill, Connecticut

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, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2009 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 9 and budgetary comparison information on pages 40 through 43 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Blum, Shapiro & Company, P.C.*

December 4, 2009

## TOWN OF ROCKY HILL, CONNECTICUT

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

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, 2009. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to VI.

#### **Financial Highlights**

- Net assets of our governmental activities increased by \$181 thousand or nearly 1%.
- During the year, the Town had expenses that were \$181 thousand less than the \$61.8 million generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$61.6 million with no new programs added this year.
- The General Fund reported a fund balance this year of \$4.2 million.
- The resources available for appropriation were \$980 thousand less than budgeted for the General Fund, however, expenditures were \$1.5 million below spending limits.

#### **Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net assets 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 assets 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 assets and changes in them. The Town's net assets, 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 assets 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 assets and the statement of activities, the Town reports its activities as follows:

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

#### **Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town

Council establishes many other funds to help control and manage financial activities for particular purposes (like the Recreation Program Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the state and federal governments). The Town’s funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town’s programs. The relationship (or differences) between governmental activities (reported in the statement of net assets 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 assets and changes in fiduciary net assets. 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 assets increased from \$30.6 million to \$30.8 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town’s governmental activities.

**Table 1  
NET ASSETS**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
Current and other assets	\$ 13,161,256	\$ 10,944,012
Capital assets, net of accumulated depreciation	49,991,421	51,494,603
Total assets	<u>63,152,677</u>	<u>62,438,615</u>
Long-term debt outstanding	27,060,559	28,621,181
Other liabilities	5,308,524	3,215,087
Total liabilities	<u>32,369,083</u>	<u>31,836,268</u>
Net Assets:		
Invested in capital assets, net of debt	29,246,456	28,539,713
Restricted	140,572	146,964
Unrestricted	<u>1,396,566</u>	<u>1,915,670</u>
Total Net Assets	<u>\$ 30,783,594</u>	<u>\$ 30,602,347</u>

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$1.9 million at June 30, 2008 to \$1.4 million at the end of this year.

**Table 2**  
**CHANGE IN NET ASSETS**

Revenues:		
Program revenues:		
Charges for services	\$ 2,671,084	\$ 3,162,691
Operating grants and contributions	7,404,475	15,761,931
Capital grants and contributions	66,818	537,183
General revenues:		
Property taxes	49,055,467	46,697,735
Grants and contributions not restricted to specific purposes	1,821,208	1,627,327
Unrestricted investment earnings	158,628	535,436
Other general revenues	635,906	499,384
Total revenues	61,813,586	68,821,687
 Program expenses:		
General government	8,941,339	8,704,095
Public safety	6,719,233	6,570,283
Public works	6,647,194	6,393,071
Health and human services	632,245	598,750
Parks, recreation and facilities	6,105,163	6,656,027
Library services	932,326	943,284
Education	30,795,035	38,310,766
Interest on long-term debt	859,804	931,751
Total program expenses	61,632,339	69,108,027
 Increase (Decrease) in Net Assets	\$ 181,247	\$ (286,340)

The Town's total revenues were \$61.8 million. The total cost of all programs and services was \$61.6 million. Our analysis below separately considers the operations of governmental activities.

**Governmental Activities**

More than 79% of the Town's revenues were derived from property taxes, followed by 12% from operating grants and contributions.

Major revenue factors included:

The Town's mill rate increased by 0.8 mills over fiscal year 2008 mill rate and with an increase in the growth of the Net Taxable Grand List of 1.28%, property tax revenues for fiscal year 2009 increased 5.0% compared to fiscal year 2008.

Investment earnings decreased over the prior fiscal year as the Federal Reserve continued its policies to have lower short-term interest rates. Investment earnings were 70% lower than in fiscal year 2008.

The Town did not issue any debt during the period to fund capital projects.

Operating grants and contributions decreased over the prior fiscal year as the State of Connecticut reduced its contribution on behalf of Rocky Hill to the Teachers' Retirement System by 78%.

Building department fees decreased 62% over fiscal year 2008. The collections of real estate conveyance tax decreased 41% over the prior fiscal year.

More than 50% of the Town's expenditures relate to education, 11% to public safety, 10% to parks, recreation and facilities, 14% to general government, and 11% to public works.

Major expenditure factors included:

Increases in employee wages from negotiated step and general wage increases. The cost of employee benefits decreased due to negotiated changes to the Town employees' group health insurance plan.

A warmer winter resulted in lower than expected heating expenses.

The Town has a third party supplier for "green power" electricity and locked in at a lower kilowatt rate through January of 2013. This will stabilize the Town's cost of electricity for its operations.

A reduction of the tip fee for municipal solid waste during the fiscal year resulted in lower sanitation charges.

Due to projected revenue shortfalls, the Town departments monitored and managed expenses that resulted in the Town operating budget coming in 5% below budgeted expenditures.

The cost of education increased primarily due to negotiated wage settlements, increased cost for employee benefits, and higher special education costs

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

**Table 3  
GOVERNMENTAL ACTIVITIES**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Education	\$ 30,795,035	\$ 38,310,766	\$ 23,488,286	\$ 22,364,918
General government	8,941,339	8,704,095	7,887,290	7,619,906
Public works	6,647,194	6,393,071	6,565,525	5,910,888
Public safety	6,719,233	6,570,283	6,205,299	5,557,681
Parks, recreation and facilities	6,105,163	6,656,027	5,328,591	5,891,973
All others	2,424,375	2,473,785	2,014,971	2,300,856
<b>Total</b>	<b>\$ 61,632,339</b>	<b>\$ 69,108,027</b>	<b>\$ 51,489,962</b>	<b>\$ 49,646,222</b>

## **Town Funds Financial Analysis**

### **Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$7.1 million, which is an increase from last year's total of \$6.9 million. Included in this year's total change in fund balance is an increase of \$16 thousand in the Town's General Fund. The primary reasons for the General Fund's increase mirror the governmental activities analysis highlighted in Exhibit IV. In addition, these other changes in fund balances should be noted:

The fund balance of the Town of Rocky Hill's Capital Project Fund increased by \$176 thousand due to the transfer of funds from the General Fund primarily for various minor school facilities improvements planned for the coming years.

### **General Fund Budgetary Highlights**

Tax collections were unfavorable by \$47 thousand primarily due to actual interest and liens payments being less than the amount budgeted. Charges for services were unfavorable by \$76 thousand due to lower collections in recording fees and decrease in revenue from police private duty services. Licenses and permits were unfavorable by \$317 thousand due to a decrease in the number of building permits being issued by the Building Department.

Interest from investment was unfavorable by \$447 thousand due to lower short-term interest rates.

The aforementioned items, when combined with the planned \$389 thousand use of fund balance to minimize the annual tax impact to Town residents, resulted in completing the June 30, 2009 year with an undesignated fund balance of \$3.6 million.

The Town budgets for unanticipated and unbudgeted expenditures that occurred during the budget year. For the 2008-2009 budget year, the Town budgeted \$349 thousand for contingency. This provided the Town with a reserve to cover salary increases in labor agreements, increased electric, heating and motor fuel costs and increases in overtime costs associated with snow removal.

The Town's General Fund balance of \$4.2 million reported on Exhibit III differs from the General Fund's budgetary fund balance of \$4 million reported in the budgetary comparison in the required supplementary information. This is principally because fund balance includes a \$249 thousand of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes and the use of \$389 thousand appropriated to the 2009-2010 budget.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

At June 30, 2009, the Town had \$50 million invested in a broad range of capital assets, including land, buildings, park facilities, roads, vehicles and equipment - Table 4. This amount represents a net decrease (including additions and deductions) of \$2.6 million or 4.9%, over last year.

**Table 4**  
**CAPITAL ASSETS (Net of Depreciation)**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
Land	\$ 3,837,249	\$ 3,837,249
Buildings and improvements	23,593,490	24,247,706
Furniture, vehicles and equipment	1,100,417	1,583,548
Infrastructure	21,216,085	21,826,100
Construction in progress	244,180	
<b>Total</b>	<b>\$ 49,991,421</b>	<b>\$ 51,494,603</b>

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

Three police vehicles	\$ .1
Town vehicles	.1
Infrastructure	<u>.9</u>
<b>Total</b>	<b>\$ <u>1.1</u></b>

The Town's fiscal year 2009-2010 capital budget calls for it to spend \$1.2 million for capital projects, principally for sidewalk improvements, vehicles for various departments, road improvements, facilities improvements and land acquisition.

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

### **Long-Term Debt**

At June 30, 2009, the Town had \$20.5 million in bonds outstanding versus \$22.4 million last year - a decrease of 8.2% - as shown in Table 5.

**Table 5**  
**OUTSTANDING DEBT**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
General Obligation Bonds (Backed by the Town)	\$ 20,500,973	\$ 22,484,499

The Town's general obligation bond rating continues to carry the Aa3 from Moody's Investment Service, a rating that has been assigned by national rating agencies to the Town's debt. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$342 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 2009 budget and tax rate. One of those factors is the economy and the community's ability to pay for municipal services. The Town's labor force stood at 10,897 for June 2009. Unemployment was 6.6% for the Town compared to 8.2% in the greater Hartford region and 8.1% for the State. These rates have increased from the June 2008 numbers of 4.7% for Rocky Hill and 5.7% for the State.

The consumer price index for June 2009 was -1.4% compared to 5.0% for June 2008 and 2.7% for June 2007. 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 2009-2010. Amounts available for appropriation in the General Fund are \$58,027,675, an increase of 0.2% over the 2008-2009 budget of \$57,900,396.

For 2009-2010, the Town's Net Taxable Grand List increased by 32.6% from the prior year. This significant increase is the result of the Town implementing new assessed property values based on the State mandated revaluation. The mill rate used by the Town was 22.9 mills, a decrease of 6.3 mills compared to the mill rate used in the 2008-2009 budget year.

The Town appropriated \$389 thousand from fund balance to the 2009-2010 budget. This was a decrease of \$162 thousand from the prior year.

The Town is concerned about any budget deficit that the State of Connecticut might have and the impact balancing the State budget might have on the Town. Approximately 9.7% of the Town's budget revenues are derived from revenues received from the State of Connecticut. About 60.3% of the State revenues come to the Town in the form of Educational Cost Sharing Grants (ECS) which assists the Town's school system.

The Town is concerned about the economy of the United States and 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 11% from July to September 2009. If this trend does not continue, the town pension trusts have adequate amounts in fixed income accounts so that the trusts will be able to pay its pension obligations over the next few years without having to liquidate any of its mutual funds positions.

### **Contacting the Town's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Rocky Hill, 761 Old Main Street, Rocky Hill, Connecticut 06067.

# **Basic Financial Statements**

## TOWN OF ROCKY HILL, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 11,742,426
Investments	75,430
Receivables, net	1,301,652
Inventory	7,895
Net pension assets	33,853
Capital assets not being depreciated	4,081,429
Capital assets being depreciated, net	45,909,992
Total assets	<u>63,152,677</u>
Liabilities:	
Accounts and other payables	1,592,342
Unearned revenue	3,716,182
Noncurrent liabilities:	
Due within one year	2,661,427
Due in more than one year	24,399,132
Total liabilities	<u>32,369,083</u>
Net Assets:	
Invested in capital assets, net of related debt	29,246,456
Restricted for:	
Trust purposes:	
Nonexpendable	140,572
Unrestricted	1,396,566
Total Net Assets	<u>\$ 30,783,594</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, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 8,941,339	\$ 762,815	\$ 291,234	\$	\$ (7,887,290)
Public safety	6,719,233	479,706	34,228		(6,205,299)
Public works	6,647,194	14,851		66,818	(6,565,525)
Health and human services	632,245	42,396	58,759		(531,090)
Parks, recreation and facilities	6,105,163	771,572	5,000		(5,328,591)
Library services	932,326	53,575	244,180		(634,571)
Education	30,795,035	546,169	6,760,580		(23,488,286)
Debt services	859,804		10,494		(849,310)
Total Governmental Activities	<u>\$ 61,632,339</u>	<u>\$ 2,671,084</u>	<u>\$ 7,404,475</u>	<u>\$ 66,818</u>	<u>(51,489,962)</u>
General revenues:					
Property taxes					49,055,467
Grants and contributions not restricted to specific programs					1,821,208
Unrestricted investment earnings					158,628
Miscellaneous					635,906
Total general revenues					<u>51,671,209</u>
Change in net assets					181,247
Net Assets at Beginning of Year					<u>30,602,347</u>
Net Assets at End of Year					<u>\$ 30,783,594</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF ROCKY HILL, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,017,430	\$ 2,060,862	\$ 1,664,134	\$ 11,742,426
Investments	75,430			75,430
Receivables, net	1,186,226		293,587	1,479,813
Due from other funds	732,911		152,570	885,481
Inventory			7,895	7,895
Total Assets	<u>\$ 10,011,997</u>	<u>\$ 2,060,862</u>	<u>\$ 2,118,186</u>	<u>\$ 14,191,045</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 1,196,541	\$ 30,078	\$ 234,458	\$ 1,461,077
Due to other funds	152,570	154,755	578,156	885,481
Deferred revenue	4,450,392		267,318	4,717,710
Total liabilities	<u>5,799,503</u>	<u>184,833</u>	<u>1,079,932</u>	<u>7,064,268</u>
<b>Fund balances:</b>				
Reserved	249,965		7,895	257,860
Unreserved, reported in:				
General Fund	3,962,529			3,962,529
Special Revenue Funds			889,787	889,787
Capital Project Funds		1,876,029		1,876,029
Permanent Funds			140,572	140,572
Total fund balances	<u>4,212,494</u>	<u>1,876,029</u>	<u>1,038,254</u>	<u>7,126,777</u>
Total Liabilities and Fund Balances	<u>\$ 10,011,997</u>	<u>\$ 2,060,862</u>	<u>\$ 2,118,186</u>	<u>\$ 14,191,045</u>

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## TOWN OF ROCKY HILL, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 7,126,777
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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	\$ 102,545,601	
Less accumulated depreciation	<u>(52,554,180)</u>	
Net capital assets		49,991,421

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

Net pension asset	33,853
Property tax receivables greater than 60 days	474,747
Interest receivable on property taxes	139,493
Receivable from the state for school construction projects	387,288

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

Net pension obligation	(1,550,108)
Bonds and notes payable	(20,515,000)
Interest payable on bonds and notes	(309,426)
Compensated absences	(3,836,217)
Capital lease	(243,992)
Deferred charges on refunding	14,027
Net OPEB obligation	(543,853)
Early retirement incentive program	<u>(385,416)</u>

Net Assets of Governmental Activities (Exhibit I)	\$ <u><u>30,783,594</u></u>
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The accompanying notes are an integral part of the financial statements

## TOWN OF ROCKY HILL, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes and assessments	\$ 48,912,057	\$	\$	\$ 48,912,057
Intergovernmental	7,917,555	66,818	1,478,070	9,462,443
Charges for services	865,279		1,390,483	2,255,762
Income on investments	145,626	11,369	1,633	158,628
Miscellaneous	905,675	100,802	117,094	1,123,571
Total revenues	<u>58,746,192</u>	<u>178,989</u>	<u>2,987,280</u>	<u>61,912,461</u>
Expenditures:				
Current:				
General government	2,065,990			2,065,990
Public safety	5,260,900		29,850	5,290,750
Public works	5,123,227		14,851	5,138,078
Health and human services	500,418		100,869	601,287
Parks, recreation and facilities	5,133,980		729,691	5,863,671
Library services	859,124		256,949	1,116,073
Education	29,424,694		1,446,834	30,871,528
Miscellaneous	6,316,464		414,053	6,730,517
Capital outlay	978,410	233,520		1,211,930
Debt service	2,866,997			2,866,997
Total expenditures	<u>58,530,204</u>	<u>233,520</u>	<u>2,993,097</u>	<u>61,756,821</u>
Excess (Deficiency) of Revenues over Expenditures	<u>215,988</u>	<u>(54,531)</u>	<u>(5,817)</u>	<u>155,640</u>
Other Financing Sources (Uses):				
Transfers in		199,641		199,641
Transfers out	(199,641)			(199,641)
Issuance of capital lease		31,535		31,535
Total other financing sources (uses)	<u>(199,641)</u>	<u>231,176</u>	<u>-</u>	<u>31,535</u>
Net Change in Fund Balances	16,347	176,645	(5,817)	187,175
Fund Balances at Beginning of Year	<u>4,196,147</u>	<u>1,699,384</u>	<u>1,044,071</u>	<u>6,939,602</u>
Fund Balances at End of Year	<u>\$ 4,212,494</u>	<u>\$ 1,876,029</u>	<u>\$ 1,038,254</u>	<u>\$ 7,126,777</u>

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## TOWN OF ROCKY HILL, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

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)	\$ 187,175
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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	366,154
Depreciation expense	(1,869,336)

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

School building grant receipts	(242,285)
Property tax receivable - accrual basis change	123,053
Property tax interest and lien revenue - accrual basis change	20,357

Change in pension assets and liabilities	170,818
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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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	1,995,000
Capital lease payments	257,934
Capital lease financing	(31,535)

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	(472,903)
Accrued interest	23,667
Amortization of deferred charge on refunding	(11,474)
OPEB obligations	(543,853)
Early retirement incentive	<u>208,475</u>

Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 181,247</u>
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The accompanying notes are an integral part of the financial statements

## TOWN OF ROCKY HILL, CONNECTICUT

## FIDUCIARY FUNDS

## STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	<b>Pension Trust Fund</b>	<b>Other Post Employment Benefits Trust Fund</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets:			
Cash and cash equivalents	\$	\$	\$ 1,370,807
Investments:			
Certificate of deposits			181,808
Mutual funds	<u>28,866,974</u>	<u>200,000</u>	<u>151,150</u>
Total assets	<u>28,866,974</u>	<u>200,000</u>	<u>\$ 1,703,765</u>
Liabilities:			
Deposits and amounts due to student groups and participants			\$ 1,688,458
Accounts payable			<u>15,307</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 1,703,765</u>
Net Assets:			
Held in Trust for Pension and Other Benefits	<u>\$ 28,866,974</u>	<u>\$ 200,000</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF ROCKY HILL, CONNECTICUT

## FIDUCIARY FUNDS

## STATEMENT OF CHANGES IN PLAN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2009

	<b>Pension Trust Fund</b>	<b>Other Post Employment Benefits Trust Fund</b>
	<u>          </u>	<u>          </u>
Additions (Reductions):		
Contributions:		
Employer	\$ 1,948,839	\$ 200,000
Plan members	456,204	
Total contributions	<u>2,405,043</u>	<u>200,000</u>
Investment income (loss):		
Net depreciation in fair value of investments	(6,617,333)	
Interest and dividends	437,540	
Total investment loss	<u>(6,179,793)</u>	-
Less investment expense	99,715	
Net investment loss	<u>(6,279,508)</u>	<u>-</u>
Total additions (reductions)	<u>(3,874,465)</u>	<u>200,000</u>
Deductions:		
Benefits	1,403,503	
Other expenses	10,250	
Refunds	3,202	
Total deductions	<u>1,416,955</u>	<u>-</u>
Net Increase (Decrease)	(5,291,420)	200,000
Net Assets Held in Trust Funds at Beginning of Year	<u>34,158,394</u>	<u>-</u>
Net Assets Held in Trust Funds at End of Year	<u>\$ 28,866,974</u>	<u>\$ 200,000</u>

The accompanying notes are an integral part of the financial statements

# TOWN OF ROCKY HILL, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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### 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 over-all 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 assets 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no business-type activities.

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

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

The various funds included in the financial statements are described below:

### **Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed.

The *General Fund* is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

*Special Revenue Funds* account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

*Capital Project Funds* account for all financial resources used for the acquisition or construction of major capital facilities.

*Permanent Funds* are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

### **Fiduciary Funds**

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

The *Pension Trust Fund* accounts for the Volunteer Ambulance, Firefighters, General Employees and Police Retirement Systems.

The *Other Post Employment Benefits Trust Fund* accounts for the Town's employees post retirement healthcare benefits.

*Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The School Activity Fund and Surety Bonds Fund are the Town's agency funds.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

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

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

Additionally, the Town reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town does not have any business-type activities or enterprise funds to report.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **D. Deposits and Investments**

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

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

Investments for the Town are reported at fair value.

#### **E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding

balances between funds are reported as “due to/from other funds.” All trade and property tax receivables are shown net of an allowance for uncollectibles.

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

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

**F. Inventories and Prepaid Items**

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

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

**G. Capital Assets**

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

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

Property, plant and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

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

**H. Compensated Absences**

**Municipal**

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

## **Board of Education**

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

### **I. Long-Term Obligations**

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

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

### **J. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budgetary Information**

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

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

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

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

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

### **3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

#### **Deposits**

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$7,403,750 of the Town's bank balance of \$8,860,527 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 6,588,375
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>815,375</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 7,403,750</u></u>

### Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2009, the Town's cash equivalents amounted to \$3,951,214. 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 and Poor's</u>	<u>Moody's Investor Service</u>	<u>Fitch Ratings</u>
State Short-Term Investment Fund (STIF)	AAAm		
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)		Aaa	AAA
U.S. Treasury Money Market	AAAm		

### Investments

Investments as of June 30, 2009 in all funds are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificates of Deposit	*	\$ 257,238	\$ 136,273	\$ 120,965	\$
Other investments:					
Pooled open-end Mutual Funds	NA	<u>29,218,124</u>			
Total Investments		<u><u>\$ 29,475,362</u></u>			

\* Subject to coverage by Federal Depository Insurance and collateralization.

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

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices. The pooled open-end mutual funds accounts above are not rated by the nationally recognized statistical rating organizations.

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

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2009, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

#### 4. RECEIVABLES

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

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:			
Interest	\$ 139,493	\$	\$ 139,493
Taxes	557,970		557,970
Accounts	126,475	21,348	147,823
Intergovernmental	387,288	272,239	659,527
Gross receivables	<u>1,211,226</u>	<u>293,587</u>	<u>1,504,813</u>
Less allowance for uncollectibles	<u>(25,000)</u>		<u>(25,000)</u>
Net Total Receivables	<u>\$ 1,186,226</u>	<u>\$ 293,587</u>	<u>\$ 1,479,813</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable principal	\$ 474,747	\$
Delinquent property tax receivable interest	139,493	
Property taxes collected in advance		3,448,864
School building grant	387,288	
Grant drawdowns prior to meeting all eligibility requirements		<u>267,318</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 1,001,528</u>	<u>\$ 3,716,182</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,837,249	\$	\$	\$ 3,837,249
Construction in progress		244,180		244,180
Total capital assets not being depreciated	<u>3,837,249</u>	<u>244,180</u>	<u>-</u>	<u>4,081,429</u>
Capital assets being depreciated:				
Buildings and improvements	48,791,942			48,791,942
Furniture, vehicles and equipment	13,654,855	121,974		13,776,829
Infrastructure	35,895,401			35,895,401
Total capital assets being depreciated	<u>98,342,198</u>	<u>121,974</u>	<u>-</u>	<u>98,464,172</u>
Less accumulated depreciation for:				
Buildings and improvements	(24,544,236)	(654,216)		(25,198,452)
Furniture, vehicles and equipment	(12,071,307)	(605,105)		(12,676,412)
Infrastructure	(14,069,301)	(610,015)		(14,679,316)
Total accumulated depreciation	<u>(50,684,844)</u>	<u>(1,869,336)</u>	<u>-</u>	<u>(52,554,180)</u>
Total capital assets being depreciated, net	<u>47,657,354</u>	<u>(1,747,362)</u>	<u>-</u>	<u>45,909,992</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,494,603</u>	<u>\$ (1,503,182)</u>	<u>\$ -</u>	<u>\$ 49,991,421</u>

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

Governmental activities:	
General government	\$ 282,245
Public safety	439,403
Public works	696,554
Health and human services	11,630
Parks, recreation and facilities	170,409
Library services	25,375
Education	<u>243,720</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,869,336</u>

### Construction Commitments

The Town has active construction projects as of June 30, 2009. The following is a summary of capital projects as of June 30, 2009.

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Project Balance</u>
Capital and nonrecurring	\$ 3,317,606	\$ 1,623,686	\$ 1,693,920

## 6. INTERFUND RECEIVABLE AND PAYABLE BALANCES

A summary of interfund balances at June 30, 2009 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 154,755
General Fund	Nonmajor Governmental	578,156
Nonmajor Governmental	General Fund	<u>152,570</u>
Total		<u>\$ 885,481</u>

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

Interfund transfers:

	<u>Transfer In</u> <u>Capital</u> <u>Projects Fund</u>
Transfers out:	
General Fund	\$ <u>199,641</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's departments, computers and related equipment for Board of Education. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of lease terms) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception.

Asset:	
Furniture, vehicle and equipment	\$ 672,965
Less accumulated depreciation	<u>(473,653)</u>
Total	<u>\$ 199,312</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, 2009:

**Fiscal Year Ending June 30,**

2010	\$ 183,858
2011	<u>75,573</u>
Total future minimum lease payments	259,431
Interest on future lease payments	<u>(15,439)</u>
Principal Balance of Future Minimum Payments	\$ <u><u>243,992</u></u>

**8. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2009 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	\$ 22,510,000	\$	\$ (1,995,000)	\$ 20,515,000	\$ 1,985,000
Less deferred amounts on refunding	<u>(25,501)</u>		<u>11,474</u>	<u>(14,027)</u>	
Total bonds payable	<u>22,484,499</u>	<u>-</u>	<u>(1,983,526)</u>	<u>20,500,973</u>	<u>1,985,000</u>
Capital leases	470,391	31,535	(257,934)	243,992	171,778
Net pension obligation	1,709,086	13,377	(172,355)	1,550,108	
Compensated absences	3,363,314	773,609	(300,706)	3,836,217	376,177
Net OPEB obligation		543,853		543,853	
Early retirement incentive	<u>593,891</u>		<u>(208,475)</u>	<u>385,416</u>	<u>128,472</u>
Total Governmental Activities					
Long-Term Liabilities	\$ <u><u>28,621,181</u></u>	\$ <u><u>1,362,374</u></u>	\$ <u><u>(2,922,996)</u></u>	\$ <u><u>27,060,559</u></u>	\$ <u><u>2,661,427</u></u>

Compensated absences are generally liquidated by the General Fund.

Bonds payable amounting to \$20,515,000 are secured by the general revenue raising powers of the municipality. There are presently four issues outstanding which bear interest at rates ranging from 2.05% to 5.25% with annual maturities in varying amounts until 2025.

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal Total</u>	<u>Interest</u>	<u>Total Requirements</u>
2010	\$ 1,985,000	\$ 806,582	\$ 2,791,582
2011	1,860,000	742,013	2,602,013
2012	1,945,000	676,351	2,621,351
2013	1,525,000	611,782	2,136,782
2014	1,525,000	549,373	2,074,373
2015-2019	6,675,000	1,818,372	8,493,372
2020-2024	4,400,000	577,195	4,977,195
2025	600,000	14,100	614,100
Total	\$ <u>20,515,000</u>	\$ <u>5,795,768</u>	\$ <u>26,310,768</u>

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. As such, the Town's overlapping share of debt issued by the Metropolitan District is \$7,772,884 as of June 30, 2009.

The Town is subject to the General Statutes of Connecticut which limits the amount of debt outstanding at June 30, 2009 to the following:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 110,159,381	\$ 17,380,422	\$ 92,778,959
Schools	220,318,763	3,849,290	216,469,473
Sewers	183,598,969	7,772,884	175,826,085
Urban renewal	159,119,106		159,119,106
Pension deficit	146,879,175		146,879,175

Total debt outstanding may not exceed seven times annual receipts from taxation (\$342,710,354).

School indebtedness is net of school building grants amounting to \$387,288 as of June 30, 2009.

Bonds authorized and unissued as of June 30, 2009 are summarized below:

	<u>Authorization</u>	<u>Bonds Issued</u>	<u>Self-Funded Pay Down</u>	<u>Bonds Authorized Unissued</u>
School improvements	\$ 3,427,000	\$ 2,485,000	\$ 40,000	\$ 902,000
Various improvements	9,055,000	8,855,000		200,000
Total	\$ <u>12,482,000</u>	\$ <u>11,340,000</u>	\$ <u>40,000</u>	\$ <u>1,102,000</u>

## 9. 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.

## 10. FUND BALANCE RESERVED

Fund balance reserved consists of the following:

Reserved for encumbrances:	
General Fund	\$ 249,965
Reserved for inventory:	
School Cafeteria Fund	7,895

## 11. CONTINGENT LIABILITIES

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

## 12. OTHER POSTEMPLOYMENT BENEFITS

### A. Plan Description

The Town and Board of Education provide postretirement health care benefits, 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.

At July 1, 2008, plan membership consisted of the following:

	<b>Town Plan</b>	<b>Board of Education Plan</b>
Active plan members	147	234
Retired members	26	33
Total Participants	<u>173</u>	<u>267</u>

### B. Funding Policy

The Town's funding and payment of postemployment benefits for the year ending June 30, 2009 are accounted for in the General Fund on a pay-as-you go basis. In June 2009, the Town established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits for subsequent fiscal years. The fund is reported as a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

### C. Annual OPEB Cost and Net OPEB Obligations

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

	<b>Town Retiree Healthcare Plan</b>	<b>Board of Education Retiree Healthcare Plan</b>
Annual required contribution (ARC)	\$ 947,138	\$ 164,140
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	947,138	164,140
Contributions made	(403,285)*	(164,140)
Increase in net OPEB obligation	543,853	-
Net OPEB obligation, beginning of year	-	-
Net OPEB Obligation, End of Year	\$ 543,853	\$ -

\*The Town's contributions to the annual required contribution includes \$200,000 of net contributions into the Town's OPEB Trust Fund that was established at year end. All OPEB benefit contributions and expenses will be accounted for in the Town's net OPEB Trust beginning in 2010.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ended June 30, 2009 is presented below. Data is only presented for the fiscal year ending June 30, 2009, due to this being the year of transition.

<b>Town Employees</b>				
<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2009	\$ 947,138	\$ 203,285	42.6%	\$ 543,853

<b>Board of Education Employees</b>				
<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2009	\$ 164,100	\$ 164,100	100.0%	\$ -

### Schedule of Funding Progress

<b>Town Employees</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability(AAL) (b)</b>	<b>Funded (Unfunded) AAL (UAAL) (a-b)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
7/1/08	\$ -	\$ 9,153,251	\$ (9,153,251)	0.0%	N/A	N/A

**Board of Education Employees**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability(AAL) (b)</b>	<b>Funded (Unfunded) AAL (UAAL) (a-b)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
7/1/08	\$ -	\$ 1,526,950	\$ (1,526,950)	0.0%	\$ N/A	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

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

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (ARC) reflects a 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 4.5% interest rate, annual salary increase of 3.5% and annual payroll growth rate of 2.5%. The annual healthcare cost trend rate is 9% initially with an ultimate rate of 5%.

**13. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**A. Plan Description**

The Town of Rocky Hill 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 of Rocky Hill’s financial reporting entity and are included in the Town’s financial reports as Pension Trust Funds. The PERS do not issue stand-alone financial statements. The authority of the Town Council established these plans.

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

	<b><u>General Employees</u></b>	<b><u>Police Officers</u></b>	<b><u>Firefighters</u></b>	<b><u>Ambulance</u></b>
Retirees and beneficiaries currently receiving benefits	97	15	11	4
Terminated plan members entitled to benefits but not yet receiving them	38	1	57	3
Current employees:				
Vested	137	27	24	16
Nonvested	<u>39</u>	<u>6</u>	<u>54</u>	<u>14</u>
<b>Total</b>	<b><u><u>311</u></u></b>	<b><u><u>49</u></u></b>	<b><u><u>146</u></u></b>	<b><u><u>37</u></u></b>

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

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

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

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

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

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

**B. Summary of Significant Accounting Policies and Plan Asset Matters**

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

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

### C. Funding Status and Progress

Employees covered under the General Employees and Police Officers plans are required to contribute 3% and 7% of earnings respectively, to the PERS. The Firefighters and Ambulance plans are noncontributory. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the fiscal year ended June 30, 2009, these required contributions were \$1,023,081, \$704,704 \$41,594 and \$22,164 for the General Employees, the Police Officers the Firefighters and the Ambulance plans, respectively. The Town Council is the authoritative body governing all plans. Administrative costs for the General Employees, the Police Officers and the Firefighters are financed by each plan. Administrative costs for the Ambulance Pension plan are financed by the General Fund.

### D. Annual Pension Cost and Net Pension Obligation

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

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Annual required contribution	\$ 1,023,081	\$ 704,704	\$ 41,594	\$ 22,164
Interest on net pension obligation	92,795	35,387	(1,651)	1,441
Adjustment to annual required contribution	<u>(104,761)</u>	<u>(39,950)</u>	<u>3,217</u>	<u>-</u>
Annual pension cost	1,011,115	700,141	43,160	23,605
Contributions made	<u>1,183,470</u>	<u>686,764</u>	<u>55,000</u>	<u>23,605</u>
Increase in net pension obligation (asset)	(172,355)	13,377	(11,840)	-
Net pension obligation, beginning of period	<u>1,237,262</u>	<u>471,824</u>	<u>(22,013)</u>	<u>-</u>
Net Pension Obligation (Asset), End of Period	<u>\$ 1,064,907</u>	<u>\$ 485,201</u>	<u>\$ (33,853)</u>	<u>\$ -</u>

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Actuarial Valuation Date	9-1-08	9-1-08	7-1-08	7-1-08
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Aggregate	Aggregate
Amortization Method	Level Dollar	Level Dollar	N/A	N/A
Remaining Amortization Period	30 Years open	30 Years open	N/A	N/A
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Actuarial Assumptions:				
Investment rate of return*	7.5%	7.5%	7.5%	6.5%
Projected salary increases*	5.0%	5.0%	N/A	N/A

\*No inflation factor included

## E. Trend Information

### General Employees

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
06-07	\$ 1,172,970	86.0%	\$ 1,249,345
07-08	1,171,386	100.0	1,237,262
08-09	1,011,115	117.0	1,064,907

### Police Officers

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
06-07	\$ 684,074	71.0%	\$ 476,432
07-08	682,156	100.7	471,824
08-09	700,141	98.1	485,201

### Firefighters

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
06-07	\$ 53,619	101.7%	\$ 18,862
07-08	53,682	176.1	(22,013)
08-09	43,160	127.4	(33,853)

### Ambulance

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
06-07	\$ 35,250	100.0%	\$ -
07-08	30,475	100.0	-
08-09	23,605	100.0	-

## F. Schedule of Funding Progress and Employer Contributions

### Schedule of Funding Progress

General Employees						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
9/1/04	\$ 15,351,849	\$ 18,540,266	\$ (3,188,417)	82.8%	\$ 7,116,916	(44.8)%
9/1/06	17,367,572	22,253,896	(4,886,324)	78.0	8,031,693	(60.8)
9/1/08	21,046,139	24,750,801	(3,704,662)	85.0	8,474,681	(43.7)

Police Officers						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
9/1/04	\$ 10,500,158	\$ 12,978,585	\$ (2,478,427)	80.9%	\$ 1,494,566	165.8%
9/1/06	11,560,605	16,174,000	(4,613,395)	71.5	1,702,761	270.9
9/1/08	13,869,702	18,028,640	(4,158,938)	76.9	2,441,653	170.3

Firefighters						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)**	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/04	\$ 561,815	\$ 561,815	\$ -	100.0%	N/A	N/A
7/1/06	625,344	876,806*	(251,462)	71.3	N/A	N/A
7/1/08	823,446	998,352*	(174,906)	82.5	N/A	N/A

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

\*\* Pay for volunteer firefighters is not available

Ambulance						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)*	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)**	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/06	\$ 281,484	\$ 422,366	\$ (140,882)	66.64%	N/A	N/A
7/1/07	357,354	428,399	(71,045)	83.42	N/A	N/A
7/1/08	351,030	459,137	(108,107)	76.45	N/A	N/A

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

\*\* Pay for volunteer ambulance is not available

## Schedule of Employer Contributions

### General Employees

<b>Year Ended June 30,</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2004	\$ 745,948	51.61%
2005	745,948	104.74
2006	1,009,123	68.48
2007	1,183,469	85.27
2008	1,183,469	100.00
2009	1,023,081	115.68

### Police Officers

<b>Year Ended June 30,</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2004	\$ 281,218	84.91%
2005	281,218	149.88
2006	485,918	64.46
2007	686,764	70.75
2008	686,764	100.00
2009	704,704	97.45

### Firefighters

<b>Year Ended June 30,</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2004	\$ 45,547	74.96%
2005	54,557	84.32
2006	54,557	84.32
2007	54,958	99.27
2008	54,958	172.05
2009	41,594	132.23

### Ambulance

<b>Year Ended June 30,</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2004	\$ 32,855	100.00%
2005	33,885	100.00
2006	32,500	100.00
2007	35,250	100.00
2008	30,475	100.00
2009	22,164	106.50

## G. Teachers' Retirement System

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

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$15,647,174 or 81.1% of the total Board of Education payroll of \$19,302,426.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The Town does not have any liability for teacher pensions. For the year ended June 30, 2009, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$2,416,330 as payments made by the State of Connecticut on behalf of the Town. This is significantly lower than last year.

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

### Pension Trust Funds

The Town maintains four pension trust funds (Volunteer Ambulance Pension Plan, Firemen's Pension Plan, General Employees' Pension Plan and Police Pension Plan) to account for its fiduciary responsibility. The following schedules present the net assets held in trust for pension benefits at June 30, 2008 and the changes in net assets for the year then ended.

	<b>Pension Trust Funds</b>				
	<b>General Employees' Pension Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>	<b>Volunteer Ambulance Pension Plan</b>	<b>Total Pension Trust Funds</b>
Assets:					
Investments	\$ 16,878,625	\$ 11,080,185	\$ 619,705	\$ 288,459	\$ 28,866,974
Liabilities					-
Net Assets:					
Reserved for Pension Plan Benefits	<u>\$ 16,878,625</u>	<u>\$ 11,080,185</u>	<u>\$ 619,705</u>	<u>\$ 288,459</u>	<u>\$ 28,866,974</u>

	<b>Pension Trust Funds</b>				
	<b>General Employees' Pension Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>	<b>Volunteer Ambulance Pension Plan</b>	<b>Total Pension Trust Funds</b>
Additions (reductions):					
Contributions:					
Employer	\$ 1,183,470	\$ 686,764	\$ 55,000	\$ 23,605	\$ 1,948,839
Employee	300,633	155,571			456,204
Total contributions	<u>1,484,103</u>	<u>842,335</u>	<u>55,000</u>	<u>23,605</u>	<u>2,405,043</u>
Investment income (loss):					
Net depreciation in fair value of investments	(3,787,576)	(2,580,893)	(171,059)	(77,805)	(6,617,333)
Interest and dividends	256,008	170,184	7,980	3,368	437,540
Total investment loss	<u>(3,531,568)</u>	<u>(2,410,709)</u>	<u>(163,079)</u>	<u>(74,437)</u>	<u>(6,179,793)</u>
Less investment expense	57,036	39,039	2,503	1,137	99,715
Net investment loss	<u>(3,588,604)</u>	<u>(2,449,748)</u>	<u>(165,582)</u>	<u>(75,574)</u>	<u>(6,279,508)</u>
Total reductions	<u>(2,104,501)</u>	<u>(1,607,413)</u>	<u>(110,582)</u>	<u>(51,969)</u>	<u>(3,874,465)</u>
Deductions:					
Benefit payments	876,057	478,054	40,040	9,352	1,403,503
Other expenses	4,000	4,000	1,000	1,250	10,250
Refunds	3,202				3,202
Total deductions	<u>883,259</u>	<u>482,054</u>	<u>41,040</u>	<u>10,602</u>	<u>1,416,955</u>
Net decrease	(2,987,760)	(2,089,467)	(151,622)	(62,571)	(5,291,420)
Net Assets Held in Trust for Pension Benefits, Beginning of Year					
	<u>19,866,385</u>	<u>13,169,652</u>	<u>771,327</u>	<u>351,030</u>	<u>34,158,394</u>
Net Assets Held in Trust for Pension Benefits, End of Year					
	<u>\$ 16,878,625</u>	<u>\$ 11,080,185</u>	<u>\$ 619,705</u>	<u>\$ 288,459</u>	<u>\$ 28,866,974</u>

**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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes:				
Revenues from property taxes	\$ 48,758,914	\$ 48,758,914	\$ 48,748,089	\$ (10,825)
Interest and liens fees	200,000	200,000	163,968	(36,032)
Total property taxes	<u>48,958,914</u>	<u>48,958,914</u>	<u>48,912,057</u>	<u>(46,857)</u>
Intergovernmental:				
Education:				
Education Cost Sharing Grant	3,355,227	3,355,227	3,316,878	(38,349)
School bond interest subsidy	10,408	10,408	10,494	86
School Building Construction Grants	242,285	242,285	242,285	-
Transportation	113,499	113,499	110,360	(3,139)
Total education	<u>3,721,419</u>	<u>3,721,419</u>	<u>3,680,017</u>	<u>(41,402)</u>
Other:				
Reimbursement - elderly, veterans and disability exemptions	107,800	107,800	115,731	7,931
State tax-exempt property - in lieu of taxes and Tobacco Grant	697,070	697,070	699,420	2,350
LOCIP and Town Aid Road	308,317	308,317	265,172	(43,145)
Manufacturers machinery/equipment grant	173,087	173,087	251,608	78,521
Pequot Grant	440,949	440,949	430,880	(10,069)
Miscellaneous grants	75,000	75,000	58,397	(16,603)
Total other	<u>1,802,223</u>	<u>1,802,223</u>	<u>1,821,208</u>	<u>18,985</u>
Total intergovernmental	<u>5,523,642</u>	<u>5,523,642</u>	<u>5,501,225</u>	<u>(22,417)</u>
Licenses and permits:				
Building Department	615,000	615,000	296,884	(318,116)
Business licenses	2,750	2,750	2,794	44
Land Use Commission	12,000	12,000	11,237	(763)
Animal licenses	1,200	1,200	1,120	(80)
Other licenses and permits	10,000	10,000	11,555	1,555
Total licenses and permits	<u>640,950</u>	<u>640,950</u>	<u>323,590</u>	<u>(317,360)</u>
Investment income:				
Interest from investments	<u>593,000</u>	<u>593,000</u>	<u>145,626</u>	<u>(447,374)</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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Charges for services:				
Real estate conveyance tax	\$ 149,600	\$ 149,600	\$ 201,887	\$ 52,287
Recording - legal instruments	150,000	150,000	95,833	(54,167)
Police charges	200,000	200,000	153,946	(46,054)
Recreation admission and fees	25,000	25,000	11,530	(13,470)
Vital statistics	15,000	15,000	15,992	992
Library fines and fees	20,000	20,000	17,621	(2,379)
Fire charges	1,000	1,000	240	(760)
All other	40,000	40,000	27,513	(12,487)
Total charges for services	<u>600,600</u>	<u>600,600</u>	<u>524,562</u>	<u>(76,038)</u>
Fines, forfeitures and penalties:				
Parking fines	<u>17,000</u>	<u>17,000</u>	<u>17,127</u>	<u>127</u>
Other revenues:				
Telephone access lines	114,625	114,625	80,767	(33,858)
Refunds and recoveries	125,000	125,000	125,543	543
Transit District			6,660	6,660
Sale of assets	3,000	3,000		(3,000)
Housing Authority PILOT	20,000	20,000	9,686	(10,314)
Recycling revenue	50,000	50,000	25,121	(24,879)
Health insurance - COBRA	25,000	25,000	30,107	5,107
Health insurance - employee copay	225,000	225,000	266,233	41,233
Workers comp insurance	25,000	25,000	27,676	2,676
Lease - Comm Towers	100,000	100,000	141,786	41,786
Other revenues	<u>327,698</u>	<u>327,698</u>	<u>231,715</u>	<u>(95,983)</u>
Total other revenues	<u>1,015,323</u>	<u>1,015,323</u>	<u>945,294</u>	<u>(70,029)</u>
Total Revenues	\$ <u>57,349,429</u>	\$ <u>57,349,429</u>	56,369,481	\$ <u>(979,948)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	2,416,330
Cancellation of prior year encumbrances are recognized as budgetary revenue	<u>(39,619)</u>

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

\$ 58,746,192

## 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, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
Mayor and Town Council	\$ 41,822	\$ 41,821	\$ 33,086	\$ 8,735
Town Manager	244,584	268,834	267,987	847
Personnel Administration	84,872	86,142	57,716	28,426
Finance and Accounting	429,615	429,615	389,347	40,268
Tax Assessor	266,283	266,283	255,155	11,128
Tax Collector	220,083	224,933	222,957	1,976
Central Services	88,375	88,375	68,709	19,666
Legal expenditures	179,700	179,700	172,920	6,780
Probate Court	24,200	24,200	21,970	2,230
Registrars of Voters	75,800	75,800	64,183	11,617
Town Clerk	251,467	255,217	236,431	18,786
Open Space and Conservation Commission	6,800	6,800	2,645	4,155
Planning Boards and Commissions	8,300	8,300	4,258	4,042
Town Planner	149,582	154,812	151,887	2,925
Economic Development	110,479	114,589	109,883	4,706
Total general government	<u>2,181,962</u>	<u>2,225,421</u>	<u>2,059,134</u>	<u>166,287</u>
Public safety:				
Police	4,036,566	4,128,626	4,050,404	78,222
Fire Department	921,530	932,380	850,118	82,262
Building Department	205,479	221,209	220,827	382
Volunteer Ambulance Association	131,125	131,725	131,617	108
Total public safety	<u>5,294,700</u>	<u>5,413,940</u>	<u>5,252,966</u>	<u>160,974</u>
Public works:				
Highway Department	1,793,756	1,846,366	1,818,430	27,936
Engineering	330,766	339,541	325,373	14,168
Sanitation	3,028,161	3,028,161	2,977,974	50,187
Total public works	<u>5,152,683</u>	<u>5,214,068</u>	<u>5,121,777</u>	<u>92,291</u>
Health and human services:				
Public Health	76,500	76,500	76,470	30
Human Services	427,182	434,882	423,948	10,934
Total health and human services	<u>503,682</u>	<u>511,382</u>	<u>500,418</u>	<u>10,964</u>
Parks, recreation and facilities	<u>5,822,186</u>	<u>5,779,891</u>	<u>5,161,682</u>	<u>618,209</u>
Library services:				
Cora Belden Public Library	<u>905,466</u>	<u>905,466</u>	<u>874,124</u>	<u>31,342</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, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Miscellaneous:				
Insurance - employee benefits	\$ 5,468,840	\$ 5,477,895	\$ 5,311,744	\$ 166,151
Insurance - property and liability	1,001,985	1,001,985	950,259	51,726
Contingency	349,400	75,855		75,855
Miscellaneous	57,025	57,025	54,461	2,564
Total miscellaneous	<u>6,877,250</u>	<u>6,612,760</u>	<u>6,316,464</u>	<u>296,296</u>
Capital outlays:				
Capital outlay - Town	<u>1,103,243</u>	<u>1,085,243</u>	<u>973,049</u>	<u>112,194</u>
Debt service:				
Debt redemption - principal	1,995,000	1,995,000	1,995,000	-
Debt redemption - interest	<u>871,997</u>	<u>871,997</u>	<u>871,997</u>	<u>-</u>
Total debt service	<u>2,866,997</u>	<u>2,866,997</u>	<u>2,866,997</u>	<u>-</u>
Board of Education	<u>27,192,227</u>	<u>27,144,483</u>	<u>27,134,345</u>	<u>10,138</u>
Transfers to other funds:				
Transfer to CNR Fund		<u>140,745</u>	<u>140,745</u>	<u>-</u>
Total	<u>\$ 57,900,396</u>	<u>\$ 57,900,396</u>	56,401,701	<u>\$ 1,498,695</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

2,416,330

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(88,186)Total Expenditures and Other Financing Uses as Reported on the Statement of  
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -  
Exhibit IV\$ 58,729,845

**Combining and Individual  
Fund Statements and Schedules**

**General Fund**

## **GENERAL FUND**

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

## TOWN OF ROCKY HILL, CONNECTICUT

## GENERAL FUND

## COMPARATIVE BALANCE SHEET

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,017,430	\$ 6,022,079
Investment	75,430	101,230
Property taxes receivable, net of allowance for doubtful accounts	532,970	456,482
Accounts receivable	126,475	153,481
Interest receivable	139,493	119,136
Due from other governments	387,288	629,573
Due from other funds	<u>732,911</u>	<u>722,858</u>
Total Assets	<u>\$ 10,011,997</u>	<u>\$ 8,204,839</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable and accrued expenditures	\$ 1,196,541	\$ 290,142
Advance tax collections	3,448,864	1,762,465
Due to other funds	152,570	402,880
Deferred revenues	<u>1,001,528</u>	<u>1,553,205</u>
Total liabilities	<u>5,799,503</u>	<u>4,008,692</u>
Fund Equity:		
Reserved for encumbrances	249,965	201,398
Unreserved:		
Designated for subsequent year's budget	389,306	550,967
Undesignated fund balance	<u>3,573,223</u>	<u>3,443,782</u>
Total fund equity	<u>4,212,494</u>	<u>4,196,147</u>
Total Liabilities and Fund Equity	<u>\$ 10,011,997</u>	<u>\$ 8,204,839</u>

TOWN OF ROCKY HILL, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2009

Grand List as of October 1,	Uncollected Taxes July 1, 2008	Lawful Corrections		Transfers to Suspense	Adjustments	Net Amount Collectible	Collections				Uncollected Taxes June 30, 2009	
		Additions	Deductions				Taxes	Interest	Lien Fees	Suspense Taxes		Total
2007	\$ 48,706,392 *	\$ 264,052	\$ 177,815	\$	\$	\$ 48,792,629	\$ 48,452,958	\$ 98,401	\$ 597	\$	\$ 48,551,956	\$ 339,671
2006	301,942	125,077	40,906		14,054	400,167	236,894	31,088	795		268,777	163,273
2005	149,461	72,578	17,715	93,547	2,877	113,654	89,554	15,289	168	261	105,272	24,100
2004	11,225	2,641	77	191	(18)	13,580	333	5,055		4,721	10,109	13,247
2003	4,729	475	77	476	77	4,728		2,080		2,941	5,021	4,728
2002	2,576	427	88	166	88	2,837	261	1,447		1,478	3,186	2,576
2001	1,124		88		88	1,124		1,221	15	1,323	2,559	1,124
2000	1,029					1,029		475		377	852	1,029
1999	1,018					1,018		484		338	822	1,018
1998	1,218					1,218		1,022		408	1,430	1,218
1997	1,212					1,212		407		214	621	1,212
1996	1,211					1,211		1,986		901	2,887	1,211
1995	1,217	108		108		1,217		1,407		881	2,288	1,217
1994	1,173					1,173		1,031		423	1,454	1,173
1993	1,173					1,173		1,000		388	1,388	1,173
1992	1,174		1,174			-					-	-
	<u>\$ 49,187,874</u>	<u>\$ 465,358</u>	<u>\$ 237,940</u>	<u>\$ 94,488</u>	<u>\$ 17,166</u>	<u>\$ 49,337,970</u>	<u>\$ 48,780,000</u>	<u>\$ 162,393</u>	<u>\$ 1,575</u>	<u>\$ 14,654</u>	48,958,622	<u>\$ 557,970</u>
Property taxes receivable considered available:												
June 30, 2008												(104,788)
June 30, 2009												<u>58,223</u>
Total Property Tax Revenue												<u>\$ 48,912,057</u>

45

\* Includes motor vehicle supplement in the amount of \$542,093

**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
Senior Center	Grants	Senior center programs and activities
Police Technology Grants	State and federal grants	Technology in the police department
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
Highway Grants	State grants	Excess State revenues from Town Road Aid unanticipated when generating General Fund revenue for road repairs, improvements and maintenance such as salt, sand, etc.
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
Library Grant	State grants	Renovation of the library building

### Permanent Funds

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

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

## TOWN OF ROCKY HILL, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 2009

	Special Revenue								
	<u>School Cafeteria</u>	<u>CDBG Small Cities</u>	<u>Federal and State School Programs</u>	<u>Industrial Park Development</u>	<u>Recreation Program</u>	<u>Insurance Loss</u>	<u>Library Operating</u>	<u>Dog</u>	<u>Asset Forfeiture</u>
ASSETS									
Cash and cash equivalents	\$ 28,159	\$ 60,253	\$ 269,109	\$ 64,302	\$ 493,592	\$ 460,584	\$ 46,879	\$ 33,353	\$ 624
Accounts receivable		16,109							
Due from other governments	31,364		2,797						
Due from other funds							3,997		21,887
Inventory	7,895								
Total Assets	<u>\$ 67,418</u>	<u>\$ 76,362</u>	<u>\$ 271,906</u>	<u>\$ 64,302</u>	<u>\$ 493,592</u>	<u>\$ 460,584</u>	<u>\$ 50,876</u>	<u>\$ 33,353</u>	<u>\$ 22,511</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued payroll	\$ 59,571	\$ 45	\$ 4,588	\$	\$ 5,223	\$	\$ 80	\$	\$
Due to other funds		803		35,992	140,622	187,854		5,353	
Deferred revenue			267,318						
Total liabilities	<u>59,571</u>	<u>848</u>	<u>271,906</u>	<u>35,992</u>	<u>145,845</u>	<u>187,854</u>	<u>80</u>	<u>5,353</u>	<u>-</u>
Fund balances:									
Reserved:									
Inventory	7,895								
Unreserved:									
Designated for specific purposes									
Undesignated	(48)	75,514		28,310	347,747	272,730	50,796	28,000	22,511
Total fund balance	<u>7,847</u>	<u>75,514</u>	<u>-</u>	<u>28,310</u>	<u>347,747</u>	<u>272,730</u>	<u>50,796</u>	<u>28,000</u>	<u>22,511</u>
Total Liabilities and Fund Balances	<u>\$ 67,418</u>	<u>\$ 76,362</u>	<u>\$ 271,906</u>	<u>\$ 64,302</u>	<u>\$ 493,592</u>	<u>\$ 460,584</u>	<u>\$ 50,876</u>	<u>\$ 33,353</u>	<u>\$ 22,511</u>

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

JUNE 30, 2009

	<u>Special Revenue</u>								
	<u>Narcotics Enforcement</u>	<u>Senior Center</u>	<u>Police Technology Grants</u>	<u>Human Services</u>	<u>Miscellaneous Grants</u>	<u>Youth Services</u>	<u>Highway Grants</u>	<u>Parks Grants</u>	<u>Economic Development Grants</u>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 19,458	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable								5,239	
Due from other governments									59,917
Due from other funds				14,356	9,189	41,154			
Inventory									
<b>Total Assets</b>	<u>\$ 19,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,356</u>	<u>\$ 9,189</u>	<u>\$ 41,154</u>	<u>\$ -</u>	<u>\$ 5,239</u>	<u>\$ 59,917</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued payroll	\$	\$	\$	\$ 739	\$	\$ 2,567	\$	\$	\$ 3,285
Due to other funds	18,566							3,297	56,632
Deferred revenue									
<b>Total liabilities</b>	<u>18,566</u>	<u>-</u>	<u>-</u>	<u>739</u>	<u>-</u>	<u>2,567</u>	<u>-</u>	<u>3,297</u>	<u>59,917</u>
<b>Fund balances:</b>									
<b>Reserved:</b>									
Inventory									
<b>Unreserved:</b>									
Designated for specific purposes									
Undesignated	892			13,617	9,189	38,587		1,942	
<b>Total fund balance</b>	<u>892</u>	<u>-</u>	<u>-</u>	<u>13,617</u>	<u>9,189</u>	<u>38,587</u>	<u>-</u>	<u>1,942</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 19,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,356</u>	<u>\$ 9,189</u>	<u>\$ 41,154</u>	<u>\$ -</u>	<u>\$ 5,239</u>	<u>\$ 59,917</u>

(Continued on next page)

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

JUNE 30, 2009

	Special Revenue		Permanent					Total Nonmajor Governmental Funds	
	Library Grant	Total	Abigail Williams	Adelaide Wright	Ruth Wilcox	Center Cemetery	Land Preservation Trust		Total
<b>ASSETS</b>									
Cash and cash equivalents	\$	\$ 1,476,313	\$	\$	\$ 154,168	\$ 6,331	\$ 27,322	\$ 187,821	\$ 1,664,134
Accounts receivable		21,348							21,348
Due from other governments	178,161	272,239							272,239
Due from other funds		90,583	18,369	5,306		38,312		61,987	152,570
Inventory		7,895							7,895
<b>Total Assets</b>	<b>\$</b>	<b>\$ 1,868,378</b>	<b>\$</b>	<b>\$ 5,306</b>	<b>\$ 154,168</b>	<b>\$ 44,643</b>	<b>\$ 27,322</b>	<b>\$ 249,808</b>	<b>\$ 2,118,186</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued payroll	\$	\$ 153,682	\$	\$	\$	\$ 4,580	\$ 98	\$ 4,678	\$ 234,458
Due to other funds		24,479			104,558			104,558	578,156
Deferred revenue		267,318							267,318
<b>Total liabilities</b>		<b>178,161</b>			<b>104,558</b>	<b>4,580</b>	<b>98</b>	<b>109,236</b>	<b>1,079,932</b>
<b>Fund balances:</b>									
<b>Reserved:</b>									
Inventory		7,895							7,895
<b>Unreserved:</b>									
Designated for specific purposes		-	18,369	5,306	49,610	40,063	27,224	140,572	140,572
Undesignated		889,787							889,787
<b>Total fund balance</b>		<b>-</b>	<b>18,369</b>	<b>5,306</b>	<b>49,610</b>	<b>40,063</b>	<b>27,224</b>	<b>140,572</b>	<b>1,038,254</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>\$ 1,868,378</b>	<b>\$</b>	<b>\$ 5,306</b>	<b>\$ 154,168</b>	<b>\$ 44,643</b>	<b>\$ 27,322</b>	<b>\$ 249,808</b>	<b>\$ 2,118,186</b>

TOWN OF ROCKY HILL, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue								
	School Cafeteria	CDBG Small Cities	Federal and State School Programs	Industrial Park Development	Recreation Program	Insurance Loss	Library Operating	Dog	Asset Forfeiture
Revenues:									
Intergovernmental revenues	\$ 149,978	\$	\$ 767,034	\$	\$	\$	\$	\$	\$ 24,963
Charges for services	546,169				739,604		35,954	11,509	
Investment income		89		357	35				
Miscellaneous						24,313			
Total revenues	<u>696,147</u>	<u>89</u>	<u>767,034</u>	<u>357</u>	<u>739,639</u>	<u>24,313</u>	<u>35,954</u>	<u>11,509</u>	<u>24,963</u>
Expenditures:									
Current:									
Public safety								7,023	15,615
Public works									
Health and human services									
Parks, recreation and facilities				2,000	704,195				
Library services							12,769		
Education	679,800		767,034						
Miscellaneous		93,402				22,002			
Total expenditures	<u>679,800</u>	<u>93,402</u>	<u>767,034</u>	<u>2,000</u>	<u>704,195</u>	<u>22,002</u>	<u>12,769</u>	<u>7,023</u>	<u>15,615</u>
Excess (Deficiency) of Revenues over Expenditures	16,347	(93,313)	-	(1,643)	35,444	2,311	23,185	4,486	9,348
Fund Balances at Beginning of Year	<u>(8,500)</u>	<u>168,827</u>	<u>-</u>	<u>29,953</u>	<u>312,303</u>	<u>270,419</u>	<u>27,611</u>	<u>23,514</u>	<u>13,163</u>
Fund Balances at End of Year	<u>\$ 7,847</u>	<u>\$ 75,514</u>	<u>\$ -</u>	<u>\$ 28,310</u>	<u>\$ 347,747</u>	<u>\$ 272,730</u>	<u>\$ 50,796</u>	<u>\$ 28,000</u>	<u>\$ 22,511</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2009

		<u>Special Revenue</u>								
		<u>Narcotics Enforcement</u>	<u>Senior Center</u>	<u>Police Technology Grants</u>	<u>Human Services</u>	<u>Miscellaneous Grants</u>	<u>Youth Services</u>	<u>Highway Grant</u>	<u>Parks Grants</u>	<u>Economic Development Grants</u>
Revenues:										
	Intergovernmental revenues	\$	\$	\$	\$	\$ 1,481	\$	\$ 5,000	\$	\$ 285,434
	Charges for services					42,396		14,851		
	Investment income	129								
	Miscellaneous				58,759	7,784			20,438	
	Total revenues	<u>129</u>	<u>-</u>	<u>-</u>	<u>58,759</u>	<u>9,265</u>	<u>42,396</u>	<u>14,851</u>	<u>25,438</u>	<u>285,434</u>
Expenditures:										
Current:										
	Public safety			1,588		5,624				
	Public works							14,851		
	Health and human services		60		50,027		50,782			
	Parks, recreation and facilities								23,496	
	Library services									
	Education									
	Miscellaneous									285,434
	Total expenditures	<u>-</u>	<u>60</u>	<u>1,588</u>	<u>50,027</u>	<u>5,624</u>	<u>50,782</u>	<u>14,851</u>	<u>23,496</u>	<u>285,434</u>
Excess (Deficiency) of Revenues over Expenditures		129	(60)	(1,588)	8,732	3,641	(8,386)	-	1,942	-
Fund Balances at Beginning of Year		<u>763</u>	<u>60</u>	<u>1,588</u>	<u>4,885</u>	<u>5,548</u>	<u>46,973</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year		<u>\$ 892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,617</u>	<u>\$ 9,189</u>	<u>\$ 38,587</u>	<u>\$ -</u>	<u>\$ 1,942</u>	<u>\$ -</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue		Permanent					Total Nonmajor Governmental Funds
	Library Grant	Total	Abigail Williams	Adelaide Wright	Ruth Wilcox	Center Cemetery	Land Preservation Trust	
Revenues:								
Intergovernmental revenues	\$ 244,180	\$ 1,478,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,478,070
Charges for services		1,390,483						1,390,483
Investment income		610			912		111	1,633
Miscellaneous		111,294				5,800		117,094
Total revenues	<u>244,180</u>	<u>2,980,457</u>	<u>-</u>	<u>-</u>	<u>912</u>	<u>5,800</u>	<u>111</u>	<u>2,987,280</u>
Expenditures:								
Current:								
Public safety		29,850						29,850
Public works		14,851						14,851
Health and human services		100,869						100,869
Parks, recreation and facilities		729,691						729,691
Library services	244,180	256,949						256,949
Education		1,446,834						1,446,834
Miscellaneous		400,838				13,215		414,053
Total expenditures	<u>244,180</u>	<u>2,979,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,215</u>	<u>-</u>	<u>2,993,097</u>
Excess (Deficiency) of Revenues over Expenditures	-	575	-	-	912	(7,415)	111	(5,817)
Fund Balances at Beginning of Year	-	897,107	18,369	5,306	48,698	47,478	27,113	1,044,071
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 897,682</u>	<u>\$ 18,369</u>	<u>\$ 5,306</u>	<u>\$ 49,610</u>	<u>\$ 40,063</u>	<u>\$ 27,224</u>	<u>\$ 1,038,254</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, 2009

<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	\$ 403,275	\$ 10,338	\$ 301,101	\$ -	\$ 301,101	\$ 102,174
1999	Human Services	Elderly/Disable Bus	38,973	2,000	7,751	-	7,751	31,222
2000	Assessor	Revaluation	133,637	6,644	126,281	-	126,281	7,356
2000	Highway	Road Improvements	743,868	69,077	615,681	-	615,681	128,187
2000	Town Council	Foundry	754,875	14,497	56,032	-	56,032	698,843
2001	Finance	Accounting System	38,757	672	37,672	-	37,672	1,085
2001	Fire	Fire Department Opticom	48,355	11,995	47,952	-	47,952	403
2002	Engineering	Hayes Pond	57,845	-	405	-	405	57,440
2004	Facilities	Schematic Plans for Rocky Hill High School Gymnasium	25,000	-	25,000	-	25,000	-
2004	Fire	Fire Department Training Center	58,390	1,025	29,523	-	29,523	28,867
2005	Engineering	Drainage	8,000	-	2,000	-	2,000	6,000
2005	Various	Town Vehicle and Equipment	3,388	-	-	-	-	3,388
2005	BOE	Repairs and Improvements to Schools	44,836	2,957	44,836	-	44,836	-
2005	Facilities	Repairs and Improvements to 761 Old Main Street	19,889	-	11,774	-	11,774	8,115
2006	Info Technology	Real Property Acquisition by the Town	155,550	-	500	-	500	155,050
2006	Facilities	Town's Geographical Information System (GIS)	42,389	4,089	42,389	-	42,389	-
2007	Facilities	Schools - Portable Classrooms	161,123	-	157,021	-	157,021	4,102
2007	Town Council	Fuel Cell Technology	10,000	-	-	-	-	10,000
2007	Fire	Fire Department Vehicles	98,225	-	-	-	-	98,225
2007	Highway	Highway Department Vehicles	15,400	-	5,684	-	5,684	9,716
2007	Finance	Consultants - School Projects and GASB 43 and 45	137,500	46,900	78,025	-	78,025	59,475
2007	Facilities / Parks	Landscaping 761 Old Main Street	10,000	7,732	10,000	-	10,000	-
2008	Facilities	Repairs and Improvements to Academy Hall	6,500	6,500	6,500	-	6,500	-
2008	Parks	Improvement to Athletic Fields and Recreation Facilities	69,388	3,350	3,350	-	3,350	66,038
2009	BOE	Repairs and Improvements to Schools	184,698	14,209	14,209	-	14,209	170,489
2009	BOE	School Safety Improvements	47,745	-	-	-	-	47,745
Total Capital and Nonrecurring - Fund 40			3,317,606	201,985	1,623,686	-	1,623,686	1,693,920
2003	Facilities	Improvements and Renovation to the Public Safety Facility Fund - Fund 54	739,363	-	739,363	-	739,363	-
Total			\$ 4,056,969	\$ 201,985	\$ 2,363,049	\$ -	\$ 2,363,049	\$ 1,693,920

## **Fiduciary Funds**

## **FIDUCIARY FUNDS**

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

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

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

## TOWN OF ROCKY HILL, CONNECTICUT

## AGENCY FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 2009

WITH COMPARATIVE TOTALS FOR 2008

	<u>Surety Bonds</u>	<u>School Activity</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
Assets:				
Cash and cash equivalents	\$ 1,178,388	\$ 192,419	\$ 1,370,807	\$ 2,419,004
Investments		<u>332,958</u>	<u>332,958</u>	<u>354,555</u>
Total Assets	<u>\$ 1,178,388</u>	<u>\$ 525,377</u>	<u>\$ 1,703,765</u>	<u>\$ 2,773,559</u>
Liabilities:				
Deposits and amounts due to student groups and participants	\$ 1,163,081	\$ 525,377	\$ 1,688,458	\$ 2,762,198
Accounts payable	<u>15,307</u>		<u>15,307</u>	<u>11,361</u>
Total Liabilities	<u>\$ 1,178,388</u>	<u>\$ 525,377</u>	<u>\$ 1,703,765</u>	<u>\$ 2,773,559</u>

## TOWN OF ROCKY HILL, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Surety Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 2,226,371	\$ 83,023	\$ 1,131,006	\$ 1,178,388
Liabilities:				
Deposits	\$ 2,215,010	\$ 79,077	\$ 1,131,006	\$ 1,163,081
Accounts payable	11,361	3,946		15,307
Total Liabilities	<u>\$ 2,226,371</u>	<u>\$ 83,023</u>	<u>\$ 1,131,006</u>	<u>\$ 1,178,388</u>
<b>School Activity</b>				
Assets:				
Cash and cash equivalents	\$ 192,633	\$ 660,198	\$ 660,412	\$ 192,419
Investments	354,555	4,292	25,889	332,958
Total Assets	<u>\$ 547,188</u>	<u>\$ 664,490</u>	<u>\$ 686,301</u>	<u>\$ 525,377</u>
Liabilities:				
Due to student groups	<u>\$ 547,188</u>	<u>\$ 664,490</u>	<u>\$ 686,301</u>	<u>\$ 525,377</u>
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ 2,419,004	\$ 743,221	\$ 1,791,418	\$ 1,370,807
Investments	354,555	4,292	25,889	332,958
Total Assets	<u>\$ 2,773,559</u>	<u>\$ 747,513</u>	<u>\$ 1,817,307</u>	<u>\$ 1,703,765</u>
Liabilities:				
Deposits and amounts due to student groups and participants	\$ 2,762,198	\$ 743,567	\$ 1,817,307	\$ 1,688,458
Accounts payable	11,361	3,946		15,307
Total Liabilities	<u>\$ 2,773,559</u>	<u>\$ 747,513</u>	<u>\$ 1,817,307</u>	<u>\$ 1,703,765</u>

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

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

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

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

**TOWN OF ROCKY HILL, CONNECTICUT**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULE BY SOURCE**  
**JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Governmental funds capital assets:		
Land	\$ 3,837,249	\$ 3,837,249
Buildings and improvements	48,791,942	48,791,942
Furniture, fixtures and equipment	13,776,829	13,654,855
Infrastructure	35,895,401	35,895,401
Construction in progress	<u>244,180</u>	<u>                    </u>
Total	<u>\$ 102,545,601</u>	<u>\$ 102,179,447</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 73,238,034	\$ 73,123,139
Special Revenue Funds	1,444,774	1,199,113
Capital Projects Fund	21,018,493	21,012,895
Fiduciary Funds	52,488	52,488
Donations	<u>6,791,812</u>	<u>6,791,812</u>
Total	<u>\$ 102,545,601</u>	<u>\$ 102,179,447</u>

**TOWN OF ROCKY HILL, CONNECTICUT**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**JUNE 30, 2009**

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	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture Vehicles and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
General government	\$ 17,790,490	\$ 2,827,749	\$ 13,752,739	\$ 1,210,002	\$	\$
Public safety	9,841,646		2,881,785	6,959,861		
Public works	38,491,936		431,500	2,165,035	35,895,401	
Health and human services	212,932		50,000	162,932		
Parks, recreation and facilities	5,331,680	1,009,500	3,533,505	788,675		
Library	3,452,080		1,045,000	2,162,900		244,180
Schools	<u>27,424,837</u>		<u>27,097,413</u>	<u>327,424</u>		
Total	<u>\$ 102,545,601</u>	<u>\$ 3,837,249</u>	<u>\$ 48,791,942</u>	<u>\$ 13,776,829</u>	<u>\$ 35,895,401</u>	<u>\$ 244,180</u>

## TOWN OF ROCKY HILL, CONNECTICUT

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

## SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Funds				Governmental Funds
	Capital Assets				Capital Assets
	July 1, 2008	Additions	Deletions	Transfers	June 30, 2009
General government	\$ 17,783,185	\$ 11,701	\$	\$ (4,396)	\$ 17,790,490
Public safety	9,764,806	73,490		3,350	9,841,646
Public works	38,491,936				38,491,936
Health and human services	212,932				212,932
Parks, recreation and facilities	5,234,641	31,185		65,854	5,331,680
Library	3,207,900	244,180			3,452,080
Schools	<u>27,484,047</u>	<u>5,598</u>		<u>(64,808)</u>	<u>27,424,837</u>
Total	<u>\$ 102,179,447</u>	<u>\$ 366,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,545,601</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 ASSETS BY COMPONENT

LAST SEVEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR						
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:							
Invested in capital assets, net of related debt	\$ 29,246	\$ 28,540	\$ 27,904	\$ 26,250	\$ 27,998	\$ 19,384	\$ 24,784
Restricted	141	147	147	127	127	125	116
Unrestricted	<u>1,397</u>	<u>1,916</u>	<u>2,838</u>	<u>4,946</u>	<u>5,834</u>	<u>8,750</u>	<u>6,380</u>
Total Governmental Activities Net Assets	<u>\$ 30,784</u>	<u>\$ 30,603</u>	<u>\$ 30,889</u>	<u>\$ 31,323</u>	<u>\$ 33,959</u>	<u>\$ 28,259</u>	<u>\$ 31,280</u>

## Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

## TOWN OF ROCKY HILL, CONNECTICUT

## CHANGES IN NET ASSETS

LAST SEVEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR						
	2009	2008	2007	2006	2005	2004	2003
Expenses:							
Governmental activities:							
General government	\$ 8,941	\$ 8,704	\$ 8,170	\$ 7,325	\$ 6,788	\$ 6,609	\$ 6,071
Public safety	6,719	6,570	6,445	5,812	5,707	5,111	5,430
Public works	6,647	6,393	5,513	6,214	5,864	5,786	4,782
Health and human services	632	599	565	551	537	453	462
Parks, recreation and facilities	6,105	6,656	6,094	5,784	5,336	5,033	5,015
Library services	933	943	892	855	840	790	831
Education	30,795	38,311	28,596	26,670	24,341	23,243	22,646
Interest on long-term debt	860	932	1,005	1,073	1,222	896	891
Total governmental activities expenses	<u>61,632</u>	<u>69,108</u>	<u>57,280</u>	<u>54,284</u>	<u>50,635</u>	<u>47,921</u>	<u>46,128</u>
Program Revenues:							
Governmental activities:							
Charges for services	2,671	3,163	2,816	3,125	2,464	2,872	3,094
Operating grants and contributions	7,404	15,762	6,243	5,544	4,288	4,108	3,413
Capital grants and contributions	67	537	56	1,275	7,276	785	604
Total governmental activities program revenues	<u>10,142</u>	<u>19,462</u>	<u>9,115</u>	<u>9,944</u>	<u>14,028</u>	<u>7,765</u>	<u>7,111</u>
Net (expense) revenue:							
Governmental activities	<u>(51,490)</u>	<u>(49,646)</u>	<u>(48,165)</u>	<u>(44,340)</u>	<u>(36,607)</u>	<u>(40,156)</u>	<u>(39,017)</u>
General revenues and other changes in net assets:							
Governmental Activities:							
Property taxes	49,055	46,698	44,606	40,098	39,979	36,339	35,574
Grants and contributions not restricted to specific purposes	1,821	1,627	1,796	1,531	1,512	1,482	1,681
Unrestricted investment earnings	159	536	771	565	386	224	212
Other general revenues	636	499	558	446	430	671	565
Total governmental activities general revenues and other changes in net assets	<u>51,671</u>	<u>49,360</u>	<u>47,731</u>	<u>42,640</u>	<u>42,307</u>	<u>38,716</u>	<u>38,032</u>
Changes in Net Assets:							
Governmental activities	<u>\$ 181</u>	<u>\$ (286)</u>	<u>\$ (434)</u>	<u>\$ (1,700)</u>	<u>\$ 5,700</u>	<u>\$ (1,440)</u>	<u>\$ (985)</u>

## Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

**TOWN OF ROCKY HILL, CONNECTICUT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**  
(In Thousands)

	<b>FISCAL YEAR</b>									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Fund										
Reserved	\$ 250	\$ 201	\$ 313	\$ 158	\$ 136	\$ 78	\$ 195	\$ 632	\$ 666	\$ 480
Unreserved	<u>3,962</u>	<u>3,995</u>	<u>4,480</u>	<u>3,998</u>	<u>4,179</u>	<u>3,032</u>	<u>3,764</u>	<u>3,921</u>	<u>4,519</u>	<u>3,835</u>
Total General Fund	<u>\$ 4,212</u>	<u>\$ 4,196</u>	<u>\$ 4,793</u>	<u>\$ 4,156</u>	<u>\$ 4,315</u>	<u>\$ 3,110</u>	<u>\$ 3,959</u>	<u>\$ 4,553</u>	<u>\$ 5,185</u>	<u>\$ 4,315</u>
All other governmental funds:										
Reserved	\$ 8	\$ 7	\$ 6	\$ 33	\$ 7	\$ 6	\$ 17	\$ 28	\$ 21	\$ 29
Unreserved, reported in:										
Special revenue funds	890	890	920	915	918	952	823	899	971	1,249
Capital projects funds	1,876	1,699	1,788	2,301	3,653	(4,196)	(833)	4,461	(1,944)	(1,796)
Permanent funds	<u>141</u>	<u>147</u>	<u>147</u>	<u>133</u>	<u>127</u>	<u>129</u>	<u>116</u>	<u>114</u>	<u>121</u>	<u>128</u>
Total All Other Governmental Funds	<u>\$ 2,915</u>	<u>\$ 2,743</u>	<u>\$ 2,861</u>	<u>\$ 3,382</u>	<u>\$ 4,705</u>	<u>\$ (3,109)</u>	<u>\$ 123</u>	<u>\$ 5,502</u>	<u>\$ (831)</u>	<u>\$ (390)</u>

## Notes:

(1) Schedule prepared on the modified accrual basis of accounting

(2) Date presented for years prior to the implementation of GASB Statement No. 34 (2004) has been restated to confirm with current governmental funds structure.

## TOWN OF ROCKY HILL, CONNECTICUT

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Taxes and assessments	\$ 48,912	\$ 46,816	\$ 45,423	\$ 41,265	\$ 40,491	\$ 36,109	\$ 35,298	\$ 31,464	\$ 30,905	\$ 28,973
Intergovernmental	9,462	17,954	8,230	7,743	7,862	6,654	6,417	7,662	7,299	6,383
Charges for services	2,256	2,829	2,619	2,881	2,277	2,685	1,917	1,928	1,568	1,520
Income on investments	159	535	770	565	386	224	212	440	990	785
Miscellaneous	1,124	951	859	768	851	858	1,187	974	871	623
Total revenues	<u>61,913</u>	<u>69,085</u>	<u>57,901</u>	<u>53,222</u>	<u>51,867</u>	<u>46,530</u>	<u>45,031</u>	<u>42,468</u>	<u>41,633</u>	<u>38,284</u>
Expenditures:										
General government	2,066	1,943	1,924	1,793	1,856	1,751	1,921	1,891	1,697	1,686
Public safety	5,291	5,179	5,048	4,848	4,851	4,576	4,503	4,082	3,946	3,751
Public works	5,138	5,015	4,795	4,589	4,405	4,037	3,775	3,476	3,591	3,346
Health and human services	601	581	546	535	519	455	442	373	357	330
Parks, recreation and facilities	5,864	6,413	6,336	5,675	5,763	4,906	4,789	4,515	4,630	4,151
Library services	1,116	939	889	836	809	779	785	840	803	759
Education	30,871	38,357	27,707	26,384	24,151	22,890	22,564	21,548	20,586	19,688
Miscellaneous	6,731	6,545	5,797	5,122	4,788	4,119	3,752	3,816	3,097	2,705
Capital outlay	1,212	2,009	2,376	2,659	4,396	4,913	6,837	5,666	4,192	1,847
Debt service:										
Debt redemption - principal	1,995	2,015	1,795	1,365	1,430	1,355	905	1,005	775	1,350
Debt redemption - interest	872	942	1,012	1,294	781	929	1,121	724	560	544
Total expenditures	<u>61,757</u>	<u>69,938</u>	<u>58,225</u>	<u>55,100</u>	<u>53,749</u>	<u>50,710</u>	<u>51,394</u>	<u>47,936</u>	<u>44,234</u>	<u>40,157</u>
Excess of Revenue over (under) Expenditures	<u>156</u>	<u>(853)</u>	<u>(324)</u>	<u>(1,878)</u>	<u>(1,882)</u>	<u>(4,180)</u>	<u>(6,363)</u>	<u>(5,468)</u>	<u>(2,601)</u>	<u>(1,873)</u>
Other Financing Sources (Uses):										
Payment to refunded bond escrow						(5,296)				
Proceeds from capital leases	32	139	440	396		72	391	169		88
Proceeds from bond issues					10,900	5,265		11,000	3,030	
Premium on sale of refunding bonds						59				
Transfers in	200	380	297	90	219	418	40	279	448	625
Transfers out	(200)	(380)	(297)	(90)	(219)	(418)	(40)	(279)	(448)	(625)
Total other financing sources (uses)	<u>32</u>	<u>139</u>	<u>440</u>	<u>396</u>	<u>10,900</u>	<u>100</u>	<u>391</u>	<u>11,169</u>	<u>3,030</u>	<u>88</u>
Net Change in Fund Balances	<u>\$ 188</u>	<u>\$ (714)</u>	<u>\$ 116</u>	<u>\$ (1,482)</u>	<u>\$ 9,018</u>	<u>\$ (4,080)</u>	<u>\$ (5,972)</u>	<u>\$ 5,701</u>	<u>\$ 429</u>	<u>\$ (1,785)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>4.7%</u>	<u>4.3%</u>	<u>5.0%</u>	<u>5.1%</u>	<u>4.5%</u>	<u>5.0%</u>	<u>4.5%</u>	<u>4.1%</u>	<u>3.3%</u>	<u>4.9%</u>

Note: Schedule prepared on the modified accrual basis of accounting.

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

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Taxable Value
	Residential	Commercial	Industrial							
2009	\$ 991,603,105	\$ 348,982,656	\$ 77,807,510	\$ 106,940,222	\$ 146,588,667	\$ 15,125,843	\$ 1,656,796,317	29.2	\$ 2,366,851,881	70%
2008	983,266,190	340,419,825	78,854,310	103,420,525	145,334,447	15,506,911	1,635,788,386	28.4	2,336,840,551	70%
2007	966,457,300	337,036,243	78,617,860	92,917,372	140,842,106	12,579,667	1,603,291,214	28.0	2,290,416,020	70%
2006	955,552,380	322,570,220	79,947,910	97,052,660	133,196,940	12,466,930	1,575,853,180	25.8	2,251,218,829	70%
2005(a)	934,003,310	316,141,360	76,335,670	95,916,190	124,389,870	13,415,080	1,533,371,320	25.8	2,190,530,457	70%
2004	662,050,580	283,620,570	63,082,690	102,213,410	127,437,480	15,039,560	1,223,365,170	29.3	1,747,664,529	70%
2003	646,424,020	276,048,810	58,924,910	111,172,610	121,798,600	14,796,300	1,199,572,650	29.3	1,713,675,214	70%
2002	628,118,170	277,016,120	58,380,680	106,938,390	118,675,980	14,392,430	1,174,736,910	26.8	1,678,195,586	70%
2001(a)	603,915,920	278,509,740	57,832,480	104,535,850	111,714,140	16,347,630	1,140,160,500	26.8	1,628,800,714	70%
2000	730,663,210	314,949,410	69,848,970	94,447,110	107,229,850	16,439,140	1,300,699,410	22.025	1,858,142,014	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			Total Direct Rate
	General Town Government Rate	Board of Education Rate	Debt Service Rate	
2009	14.041	13.713	1.446	29.200
2008	13.827	13.130	1.443	28.400
2007	13.583	12.922	1.495	28.000
2006	12.125	12.262	1.413	25.800
2005	12.179	12.376	1.245	25.800
2004	13.534	14.225	1.541	29.300
2003	13.714	14.167	1.419	29.300
2002	12.536	13.093	1.171	26.800
2001	12.965	12.906	0.929	26.800
2000	10.224	10.652	1.149	22.025

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

Source: Town of Rocky Hill, Finance Department

**TOWN OF ROCKY HILL, CONNECTICUT**

**PRINCIPAL PROPERTY TAX PAYERS**

**2007 AND 1998  
(In Thousands)**

<b>Taxpayer</b>	<b>October 1, 2007</b>			<b>October 1, 1998</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Town Taxable Assessed Value (a)</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Town Taxable Assessed Value (b)</b>
Five Hundred Enterprise	\$ 26,568	1	1.60%	\$		
Gallery Tower Apartments (Century Hills)	21,486	2	1.30%	30,850	1	2.37%
Henkel (Loctite Corporation)	18,565	3	1.12%	28,373	2	2.18%
Sysco Corporation	16,663	4	1.01%	12,437	5	0.96%
EAT Glenbrook LLC	14,752	5	0.89%			
Acadia Hill Town Line LLC	10,356	6	0.63%			
Rocky Hill Assoc LTD Partnership	10,117	7	0.61%			
Rocky Hill Holdings LLC	9,526	8	0.57%			
Corporate Ridge D/D Hotel Limited Prtshp.	9,520	9	0.57%	9,886	8	0.76%
New Boston Fifty Five Capital LLC	8,888	10	0.54%			
Corporate Ridge D/D Limited Prtshp.				20,631	3	1.59%
Ames Department Stores Inc. (c)				15,413	4	1.18%
Rocky Hill Town Center				10,837	6	0.83%
Corporate Place LLC				10,575	7	0.81%
Technology Row Ltd. Prtshp				9,052	9	0.70%
Great Meadow Assoc. Ltd. Prtshp.				8,523	10	0.66%
<b>Total</b>	<b>\$ 146,441</b>		<b>8.84% %</b>	<b>\$ 156,577</b>		<b>12.04%</b>

Source: Town of Rocky Hill, Office of Tax Assessor

(a) Based on Net Taxable Grand List of \$1,656,796,317 (amount not rounded)  
 (b) Based on Net Taxable Grant List of \$1,300,699,410 (amount not rounded)  
 (c) Ames Department Stores has filed under Chapter 7 of the Bankruptcy Court.

TABLE 8

**TOWN OF ROCKY HILL, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**  
(In Thousands)

<b>Fiscal Year Ended June 30,</b>	<b>Tax Rate In Mills</b>	<b>Taxes Levied For This Fiscal Year</b>	<b>Collected Within The Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
			<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2009	29.200	\$ 48,793	\$ 48,453	99.30%	\$	\$ 48,453	99.30%
2008	28.400	46,723	46,421	99.35%	237	46,421	99.35%
2007	28.000	45,313	45,037	99.39%	217	45,254	99.87%
2006	25.800	40,962	40,710	99.38%	212	40,922	99.90%
2005	25.800	39,865	39,640	99.44%	198	39,838	99.93%
2004	29.300	36,169	35,380	97.82%	747	36,127	99.88%
2003	29.300	35,463	34,988	98.66%	428	35,416	99.87%
2002	26.800	31,637	31,078	98.23%	516	31,594	99.86%
2001	26.800	30,877	30,626	99.19%	208	30,834	99.86%
2000	22.025	28,813	28,578	99.18%	198	28,776	99.87%

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Source: Tax Collector's Report: Comprehensive annual financial report

## TOWN OF ROCKY HILL, CONNECTICUT

## RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(Thousands, except per capita)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>(b) Ratio of Debt to Taxable Assessed Value</b>	<b>(a) Debt Per Capita</b>
2009	\$ 20,515	\$ 244	\$ 20,759	1.25%	\$ 1,101
2008	22,510	470	22,980	1.40%	1,222
2007	24,525	598	25,123	1.57%	1,334
2006	26,320	239	26,559	1.69%	1,416
2005	27,685	70	27,755	1.81%	1,491
2004	18,215	224	18,439	1.51%	995
2003	19,465	356	19,821	1.65%	1,083
2002	20,370	105	20,475	1.74%	1,158
2001	10,375	35	10,410	0.91%	579
2000	8,120	95	8,215	0.63%	489

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 taxable assessed value

**TOWN OF ROCKY HILL, CONNECTICUT**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Thousands, except per capita amount)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>(b) Percentage of Estimated Actual Taxable Value of Property</b>	<b>(a) Debt Per Capita</b>
2009	\$ 20,515	0.87%	\$ 1,088
2008	22,510	0.96%	1,197
2007	24,525	1.07%	1,302
2006	26,320	1.69%	1,416
2005	27,685	1.81%	1,491
2004	18,215	1.51%	995
2003	19,465	1.65%	1,083
2002	20,370	1.74%	1,158
2001	10,375	0.91%	579
2000	8,120	0.63%	489

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

## TOWN OF ROCKY HILL, CONNECTICUT

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2009  
(In Thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Shares of Direct and Overlapping Debt</u>
Overlapping debt:			
Metropolitan District	\$ 138,307	5.62%	\$ 7,772
Town direct debt	20,515	100.00%	<u>20,515</u>
Total			\$ <u><u>28,287</u></u>

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

## TOWN OF ROCKY HILL, CONNECTICUT

## SCHEDULE OF DEBT LIMITATION

JUNE 30, 2009

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2009					\$ 48,958,622
Reimbursement for revenue loss on:					
Tax relief for elderly - freeze					<u>1,103</u>
Base					\$ <u>48,959,725</u>
	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt Limitation					
2-1/4 times base	\$ 110,159,381	\$	\$	\$	\$
4-1/2 times base		220,318,763			
3-3/4 times base			183,598,969		
3-1/4 times base				159,119,106	
3 times base					146,879,175
Total debt limitation	<u>110,159,381</u>	<u>220,318,763</u>	<u>183,598,969</u>	<u>159,119,106</u>	<u>146,879,175</u>
Indebtedness:					
Bonds payable	17,180,422	3,334,578			
Bonds authorized - unissued	200,000	902,000			
Overlapping debt			7,772,884		
Less State of Connecticut building grants receivable		(387,288)			
Total indebtedness	<u>17,380,422</u>	<u>3,849,290</u>	<u>7,772,884</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u>92,778,959</u>	\$ <u>216,469,473</u>	\$ <u>175,826,085</u>	\$ <u>159,119,106</u>	\$ <u>146,879,175</u>

Note: In no case shall total indebtedness exceed \$342,710,354 or seven times annual receipts from taxation.

## TOWN OF ROCKY HILL, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

## LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Debt limitation	\$ 342,710	\$ 327,439	\$ 327,439	\$ 318,162	\$ 288,726	\$ 283,726	\$ 252,791	\$ 247,071	\$ 220,037	\$ 216,319
Total net debt applicable to limit	<u>29,002</u>	<u>28,946</u>	<u>28,946</u>	<u>28,887</u>	<u>30,924</u>	<u>32,305</u>	<u>31,216</u>	<u>29,065</u>	<u>25,797</u>	<u>21,112</u>
Legal Debt Margin	<u>\$ 313,708</u>	<u>\$ 298,493</u>	<u>\$ 298,493</u>	<u>\$ 289,275</u>	<u>\$ 257,802</u>	<u>\$ 251,421</u>	<u>\$ 221,575</u>	<u>\$ 218,006</u>	<u>\$ 194,240</u>	<u>\$ 195,207</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.46%	8.84%	8.84%	9.08%	10.72%	11.39%	12.35%	11.76%	11.72%	9.76%

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**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Per Capita Income (2)</b>	<b>Total Personal Income (2)</b>	<b>Median Age (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2009	18,852	\$ 29,701	\$ 44,090	40.6	2,640	6.6%
2008	18,808	29,701	44,090	40.6	2,622	4.7%
2007	18,835	29,701	44,090	40.6	2,621	3.9%
2006	18,760	29,701	44,090	40.6	2,587	3.6%
2005	18,620	29,701	44,090	40.6	2,557	4.1%
2004	18,528	29,701	44,090	40.6	2,496	4.2%
2003	18,305	29,701	44,090	40.6	2,457	4.9%
2002	17,683	32,668 (5)	44,090	40.6	2,487	3.7%
2001	17,956	32,668 (5)	44,090	40.6	2,425	2.2%
2000	16,799	21,918	nl	40.6	2,395	1.8%

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

(2) Source: Department of Commerce, U.S. Bureau of the Census - Census 2000

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

(4) Source: State of Connecticut Department of Labor

(5) Source: Department of Economic Community Development - Claritas, Inc.

nl Unable to locate

## TOWN OF ROCKY HILL, CONNECTICUT

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND TEN YEARS AGO

Employer	Nature of Business	2009			2000		
		Employees	Rank	Percentage of Total Town Employment(b)	Employees	Rank	Percentage of Total Town Employment(c)
Town of Rocky Hill	Municipality	441	1	3.16%	382	5	3.95%
Henkel Corporation (Loctite)	Adhesives and Sealants	400	2	2.87%	480	3	4.97%
SYSCO Food Services	Food Distribution Warehouse	350	3	2.51%	500	2	5.17%
Fiserv	Finance - Loan Processing	340	4	2.44%			
Integrated Loan Services	Financial Services	340	5	2.44%			
State Veterans Home and Hospital	Hospital	300	6	2.15%	445	4	4.60%
Burriss Logistics	Refrigerated Logistics Warehouse	200	7	1.43%			
Paychex	Financial Services	140	8	1.00%			
URS Corporation	Civil Engineering	130	9	0.93%			
Connecticut Lottery	State Lottery Headquarters	100	10	0.72%			
Ames Department Stores (a)	Headquarters				859	1	8.89%
Wal-Mart Store	Retail Store				230	6	2.38%
Hartford Ball Company	Ball Bearings				200	7	2.07%
Connecticut Student Loan	State of CT - Finance				161	8	1.67%
Marriott Hotel	Hotel				160	9	1.66%
McKesson Drug Company	Pharmaceuticals Warehouse				160	10	1.66%
Total		2,741		19.66%	3,577		37.01%

Source: Town of Rocky Hill, Economic Development Department

(a) Ames Department Stores filed under Chapter 7 of the Bankruptcy Court.

(b) Source: Connecticut Economic Resource Center, Inc., Town Profiles - January 2009

(c) Source: U.S. Department of Commerce, Bureau of Census, 2000

TOWN OF ROCKY HILL, CONNECTICUT

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government	22	22	21	21	22	22	22	21	19	16
Police	44	44	44	44	45	43	42	42	42	39
Fire	4	4	4	4	4	4	4	4	4	3
Building Department	3	3	3	3	3	3	3	3	3	3
Public Works:										
Engineering	4	4	4	4	4	4	4	4	4	3
Highway	15	15	15	15	14	14	14	14	13	13
Human Services	6	6	6	6	6	6	6	6	6	5
Parks and Recreation	12	12	12	13	13	13	13	13	12	11
Facilities:										
Town	9.5	9.5	9.5	10	10	10	8	7	7	3
Schools	25.5	25.5	25.5	26	26	26	25	24	24	25
Library	10	10	10	10	10	10	10	10	10	10
Education (a)	<u>286</u>	<u>286</u>	<u>285</u>	<u>279</u>	<u>275</u>	<u>266</u>	<u>271</u>	<u>256</u>	<u>254</u>	<u>251</u>
Total	<u>441</u>	<u>441</u>	<u>435</u>	<u>432</u>	<u>421</u>	<u>422</u>	<u>404</u>	<u>398</u>	<u>382</u>	<u>382</u>

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Source: Town of Rocky Hill, Finance Department

(a) Town of Rocky Hill, Board of Education

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

Function/Program	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Building Department:										
Permits Issued	896	1,287	1,537	1,615	1,387	1,506	1,415	1,458	1,205	1,587
Certificates of Occupancy	112	162	120	163	130	158	144	133	113	181
Number of Inspections	1,706	2,348	2,460	2,764	3,334	3,112	2,685	2,000	2,123	2,865
Police:										
Total Criminal Arrests	349	440	456	541	465	524	526	os	os	os
Total Town Tickets Issued	667	430	550	811	487	457	766	os	os	os
Medical Calls	2,421	2,404	2,594	2,403	2,390	2,076	1,833	os	os	os
Animal Complaints	213	270	323	314	183	225	207	os	os	os
Police Training Hours	3,216	4,782	5,067	2,671	2,483	3,355	nt	nt	nt	nt
Fire:										
Emergency responses	600	678	687	755	755	630	631	533	595	569
Inspections	500	647	535	750	750	750	700	750	534	652
Fire Training Man-hours	8,800	8,300	7,480	7,628	5,280	11,100	7,500	6,028	7,069	7,111
Sanitation:										
Commercial Solid Waste (tons)	5,203	6,592	7,326	7,792	6,981	7,566	8,583	8,571	8,012	8,269
Residential Solid Waste (tons)	6,198	6,602	6,762	6,812	6,595	6,885	6,412	6,505	6,181	6,012
Bulky waste (tons)	950	966	881	835	739	1,433	1,421	375	112	878
Highway Department:										
Snow and Ice Callouts	26	20	15	17	25	15	25	13	9	9
Leaf Pickups (Cubic Yards)	6,725	6,695	6,735	5,480	6,321	7,770	6,723	6,595	7,000	6,848
Catch Basin Repairs	27	39	13	22	17	22	44	25	35	35
Parks and Recreation:										
Number of Programs Offered	970	960	950	525	490	490	450	445	430	430
Number of Participants	9,700	9,600	9,500	9,000	7,000	7,000	6,000	5,300	5,100	5,100
Library:										
Volumes in Collection	64,369	63,984	70,911	68,240	69,542	69,257	71,005	70,673	71,553	71,553
Total Volumes Borrowed	271,041	284,833	283,483	256,190	254,610	264,280	271,697	257,008	237,333	229,191
Human Services:										
Number Elderly/Disabled:										
Individual Bus Trips	9,799	9,868	10,158	7,841	7,841	6,996	8,691	10,300	10,972	10,357

Source: Town of Rocky Hill various Town Departments  
os - not available, prior information kept on old inactive system  
nt - this information was not being tracked

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

<b>Function/Program</b>	<b>FISCAL YEAR</b>									
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Apparatus	11	11	11	11	11	11	11	11	9	12
Fire Rescue Boat	1	1	1	1	1	1	1	1	1	1
Highway Department										
Streets (miles)	66	66	66	66	65	59	59	59	57	54
Dump Trucks plus Equipment	40	40	40	40	40	40	40	39	36	36
Parks and Recreation:										
Acreage Maintained	180	180	180	180	180	180	180	180	180	180
Number of Parks	7	7	7	7	7	7	7	7	7	7
Baseball Fields	12	12	12	12	12	12	12	12	12	12
Soccer Fields	9	9	9	9	9	9	9	9	9	9
Skatepark	1	1	1	1	0	0	0	0	0	0
Lacrosse Field	1	0	0	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	0	0	0	0	0
Facilities:										
Number of Town Buildings	14	14	14	14	14	14	14	12	12	12
Number of Schools	5	5	5	5	5	5	5	5	5	5
Human Services:										
Mini-buses	3	3	3	3	3	3	3	3	3	3

Source: Town of Rocky Hill, various Town Departments