

PRELIMINARY OFFICIAL STATEMENT DATED JULY 5, 2022

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax under the Code. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. (See "Tax Matters", herein.)

TOWN OF ROCKY HILL, CONNECTICUT

\$4,250,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated: July 27, 2022

Due: July 26, 2023

Amount	Coupon	Yield	CUSIP ¹
\$4,250,000			774574

Telephone bids and electronic bids via PARITY® for the Notes will be received until 11:30 A.M. (Eastern Time) on Tuesday, July 12, 2022 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale. (See Appendix D herein). Telephone bids will be received by an authorized agent of Munistat Services, Inc., at 860-372-1887 until 11:25 A.M. (Eastern Time) in order to ensure compliance with the 11:30 A.M. (Eastern Time) bid deadline.

The \$4,250,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of the Town of Rocky Hill, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein.

Unless requested by the successful purchaser as described under "Option For No Book Entry" herein for the Notes, the Notes will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owners of the Notes. Purchasers of the Notes will be issued in denominations of \$5,000 or any integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. So long as Cede & Co. is the Note Owner, as nominee of DTC, reference herein to the Note Owner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. See "Book-Entry-Only Transfer System" herein.

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

Unless the successful purchaser of the Notes is designated as the certifying bank, registrar, transfer and paying agent for the Notes as provided in "Option For No Book Entry" herein, U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut will certify the Notes, and act as Registrar, Transfer Agent, and Paying Agent on the Notes.

The Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in book-entry-only form will be made to DTC in New York, New York (unless the successful purchaser has requested no book entry as described herein, then it is expected that delivery of the Notes will be made to the purchaser) on or about July 27, 2022.

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

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

No dealer, broker, salesman or other person has been authorized by the Town of Rocky Hill, Connecticut (the “Town”) or the Municipal Advisor to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The Official Statement has been prepared only in connection with the initial offering and sale of the Notes and may not be reproduced or used in whole or in part for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – “Audited Financial Statements” herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than matters expressly set forth in Appendix B – “Form of Opinion of Bond Counsel” herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to provide, (i) certain annual financial information and operating data; (ii) notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the form of Appendix C to this Official Statement.

The Town deems this Official Statement to be “final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

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

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(860) 424-4300

MUNICIPAL ADVISOR
MUNISTAT SERVICES, INC.
Madison, Connecticut
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NOTE ISSUE SUMMARY

The information in this Note Issue Summary and the cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	<u>Tuesday, July 12, 2022, 11:30 AM (Eastern Time).</u>
Location of Sale:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
Issuer:	Town of Rocky Hill, Connecticut (the “Town”).
Issue:	\$4,250,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	July 27, 2022.
Interest Due:	At maturity, July 26, 2023.
Principal Due:	At maturity, July 26, 2023.
Purpose and Authority:	A portion of the proceeds of the Notes will be used to refund the \$2,250,000 of Bond Anticipation Notes maturing July 27, 2022 which were used to finance the High School renovation project, the remainder will be used for the 2019 Road Improvement Program as authorized by the voters of the Town. See “Authorization and Purpose” herein
Redemption:	The Notes <u>are not</u> subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The Town has not applied for a credit rating on the Notes. Currently the Town has a credit rating of “AA+” with a stable outlook from S&P Global Ratings (“S&P”) on its outstanding bonds. See “Rating” herein.
Basis of Award:	Lowest Net Interest Cost (NIC), as of dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Notes <u>will not</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide notices of certain events with respect to the Notes within 10 business days of the occurrence of such events, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent Paying Agent:	Unless the successful purchaser of the Notes is designated as the certifying bank, registrar, transfer and paying agent for the Notes as provided in “Option For No Book Entry” herein, the Notes will be certified by U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06013.
Legal Opinion:	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company (unless the successful purchaser has requested no book entry as described herein, then it is expected that delivery of the Notes will be made to the purchaser) on or about July 27, 2022 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be directed to Mona McKim, Director of Finance, Town of Rocky Hill, 761 Old Main Street, Rocky Hill, Connecticut 06067. Telephone: 860-258-2716.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-290-3000.

The Preliminary Official Statement is available in electronic form at www.i-dealprospectus.com and www.munistat.com. For additional information please contact the Municipal advisor at susan.caron@munistat.com

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Rocky Hill, Connecticut (the “Town”) in connection with the issuance of \$4,250,000 General Obligation Bond Anticipation Notes (the “Notes”) the Town, and may not be reproduced or used in whole or in part for any other purpose.

The Notes are being offered for sale at public bidding. A Notice of Sale dated July 5, 2022 has been furnished to prospective bidders. Reference is made to the Notice of Sale attached hereto as Appendix D, for the terms and conditions of the bidding on the Notes.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

Munistat Services, Inc. (“Munistat”) is engaged as Municipal Advisor to the Town in connection with the issuance of the Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal and state income tax status of the Notes, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of the statements made in this Official Statement (other than matters expressly set forth in its opinion in Appendix B “Form of Opinion of Bond Counsel”, herein) and it makes no representation that it has independently verified the same.

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

DESCRIPTION OF THE NOTES

The Notes will be dated July 27, 2022 and will be due and payable as to both principal and interest at maturity, on July 26, 2023. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months.

Unless requested by the successful purchaser as described under “Option For No Book Entry” herein, the Notes will be issued as fully-registered notes in denominations of \$5,000 or any integral multiple thereof. A book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein.

If requested by the successful purchaser as described under “Option For No Book Entry” herein, the Notes will be issued in the form of a single fully-registered physical certificate in the par amount of the Notes. Principal of and interest on the Notes will be payable by the Town or its agent to the successful purchaser, as registered owner of the Notes.

Unless the successful purchaser of the Notes is designated as the Certifying Agent, Registrar, Transfer and Paying Agent for the Notes as provided in “Option For No Book Entry” herein, the Certifying Agent, Paying Agent, Registrar, and Transfer Agent will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement.

The Notes are not subject to redemption prior to maturity.

OPTION FOR NO BOOK ENTRY

As described in the official Notice of Sale dated July 5, 2022, a bidder for the Notes may request that the Notes be issued in the form of a single fully-registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the certifying agent, registrar and paying and transfer agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the successful bidder as certifying agent, registrar and paying and transfer agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests. If the Notes are issued in non-book-entry form, they are non-transferable and must be held to maturity by the winning bidder requesting the No Book Entry Option. The successful bidder shall not impose or charge the Town for any costs or expenses related to the services as certifying agent, registrar and paying and transfer agent for the Notes if the successful bidder is so designated.

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

BOOK-ENTRY-ONLY TRANSFER SYSTEM

This section describes how ownership of the Notes is to be transferred and how the principal of, premium, if any, and interest on the Notes are to be paid to DTC while the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Notes, or redemption or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts.

This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

REPLACEMENT NOTES

The determination of the Town officials authorizing the issuance of the Notes provides for issuance of fully-registered note certificates directly to Beneficial Owners of the Notes or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Notes, and the Town fails to identify another qualified securities depository for the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes, the Town is authorized to issue fully registered Note directly to the Beneficial Owner. A Beneficial Owner of the Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Notes.

SECURITY AND REMEDIES

The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due.

Unless paid from other sources, the Notes are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue that the Town would have received except for the limitation upon its power to tax such dwelling houses.

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

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

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

Enforcement of a claim for payment of principal of or interest on the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted by the Congress or the Connecticut General

Assembly and to the exercise of judicial discretion. Under the Federal bankruptcy code, the Town may seek relief only, among other requirements if it is specifically authorized in its capacity as a municipality or by name, to be a debtor under Chapter 9 thereof, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue notes or other obligations.

TAX MATTERS

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

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

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

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

Other Federal Tax Matters. Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors regarding collateral federal income tax consequences.

Prospective purchasers of the Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

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

Investors in the Notes should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be adversely affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

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

GLOBAL HEALTH EMERGENCY RISK

In making an investment decision with respect to the Notes, investors should consider carefully the information in this Official Statement, in addition to those investment characteristics of fixed-rate municipal debt obligations, consider the following information.

The COVID-19 Outbreak

The outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. The outbreak of the virus has affected travel, commerce and financial markets globally. There can be no assurances that the continuing prevalence of COVID-19 will not materially affect local, state, national, and global activity; increase public health emergency response costs; and materially adversely impact the financial condition of the Town.

Federal Response to COVID-19's Impact on the Economy

On March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan"). The Rescue Plan relief package includes, amongst other provisions, \$350 billion in state and local government aid. Of the \$350 billion, the State and its local governments are expected to receive approximately \$4.2 billion as a result of this legislation, with \$2.6 billion in State relief and another \$1.6 billion in relief for local governments.

The Rescue Plan relief package also includes approximately \$123 billion to allow for a return to full-time, in-person teaching at elementary and high schools, which funds may be used for numerous purposes, including but not limited to expanding testing, modifying classrooms, improving ventilation, and hiring more custodial staff. The State's K-12 schools are expected to receive approximately \$1.1 billion.

The Rescue Plan relief package includes another \$160 billion dedicated to COVID-19 vaccination development and distribution.

State and Local Efforts to Mitigate the Ongoing Impact of COVID-19

Governor Lamont also declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. Public-schools began to operate remotely and many businesses, with the exception of those deemed to be essential, were required to operate in a limited capacity, it not required to temporarily close altogether. Connecticut’s COVID-19 vaccination plan commenced on December 14, 2020, and today the vaccine is widely available to all individuals aged 5 and over. As of February 28, 2022, the State has lifted nearly all restrictions put in place during the height of the pandemic. The State will continue to evaluate the need for additional restrictions on an on-going basis. For up-to-date information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town nor the parties involved with the issuance of the Notes, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

The extent to which COVID-19 impacts the State’s operations and its financial condition will depend on future developments, which are uncertain and cannot be fully predicted with confidence at this time, including the duration of the outbreak, new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. There can be no assurances that the outbreak will not further materially adversely affect the financial condition of the State or the Town.

To date, the Town has not experienced a material negative financial impact as a result of COVID-19. The Town collected approximately 99.42% of Fiscal Year 2021 General Fund current levy, with 99.25% having been collected for Fiscal Year 2020 and 99.47% having been collected for Fiscal Year 2019. As of May, 2022, the Town had collected 99.5% of Fiscal Year 2022 current levy, with 99.6% having been collected at the same time the prior year.

Over the next two years, the Town expects to receive \$5.9 million in federal funding as a result of the Rescue Plan. The Town received approximately 50%, or \$2.9 million, in funding from this program. The Town is developing a plan for the use of such funds that will focus on revenue replacement, COVID mitigation and other initiatives that comply with the program eligibility criteria.

CYBERSECURITY

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. Microsoft operating system is used on all Town computers. In January 2020 the Town was part of the Microsoft breach of an internal customer database. Over 250 million customer records, spanning 14 years, were exposed worldwide, however no disruption occurred in the Town due to the breach being detected by the Town’s outside watchdog vendor. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including the use of virtual private networks, offsite servers and hosting platforms for its financial systems, all of which are insured. Additionally, the Town undertakes internal testing of its systems and maintains variable daily backup schedules. On January 25, 2019 the Town was recognized for new and innovative risk management initiatives by CIRMA’s, receiving the 2019 Excellence in Risk Management Award. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, river and stream flooding. The Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removals. While the Town cannot predict the timing, extent or severity of climate change and its impact on the Town’s operations and finances, the Town believes it holds sufficient reserves and annually budgets for contingencies to address unforeseen expenses resulting from the increasing frequency of severe weather. The town is prepared to quickly respond and recover from

any such events that would exceed its annual operating budget. In an effort to address climate change, the Town has enrolled in the Sustainable CT program and is currently working towards the “Bronze” designation with a consultant. The Town’s goal is to obtain “Gold” designation within the next 2 to 3 years.

QUALIFICATIONS FOR FINANCIAL INSTITUTIONS

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

AVAILABILITY OF CONTINUING DISCLOSURE

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide, to the rating agency ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into a Continuing Disclosure Agreement with respect to the Notes, substantially in the form attached as Appendix C to this Official Statement (the “Continuing Disclosure Agreement”), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, timely notice of the occurrence of certain events within 10 business days of the occurrence of such events, with respect to the Notes as specified in the Continuing Disclosure Agreement.

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

AUTHORIZATION AND USE OF PROCEEDS

The Notes are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town of Rocky Hill and borrowing resolutions approved by the voters of the Town on June 5, 2012, November 5, 2019 and a Town Council resolution adopted June 2, 2014.

The Notes will be used to finance the following projects authorized by the Town:

Project	Amount Authorization	Previously Bonded	Grants/ Encumbrance/ Premium	Notes Maturing 7/27/2022	Notes This Issue	Authorized Unissued
High School Renovations.....	\$ 50,000,000	\$31,000,000	\$ 16,703,843	\$ 2,250,000	\$ 2,250,000	\$ 46,157 ¹
Road Improvement Program (2019).	10,000,000	3,668,966	331,034	-	2,000,000	4,000,000 ²
Total All Projects.....	\$ 60,000,000	\$34,668,966	\$ 17,034,877	\$ 2,250,000	\$ 4,250,000	\$ 4,046,157

¹ This project qualifies for State of Connecticut School Construction Grants of approximately \$19.0 million.

² Consisting of application of \$331,034 in bond premium from prior issues.

Note: The Issuer may reallocate proceeds among its authorized projects to meet its capital cash flow needs.

RATING

The Town has not applied for a rating on the Notes. Currently the Town has a credit rating of “AA+” with a stable outlook from S&P Global Ratings (“S&P”) on the its outstanding bonds.

Generally, a rating agency bases ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. The rating reflects only the view of the rating agency and an explanation of the significance of such rating may be obtained from S&P Global Ratings, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town’s bonds or notes, including the Notes.

II. THE ISSUER



DESCRIPTION OF THE TOWN

Rocky Hill was settled in 1650 as part of Wethersfield and was incorporated as a separate town in 1843. It covers an area of 13.9 square miles and is situated on the west bank of the Connecticut River, eight miles south of Hartford. The Town is traversed by State Routes 3, 99 and 160, and Interstate 91. The Town is also readily accessible by rail, water and air transportation. Contiguous towns are Glastonbury, Wethersfield, Newington and Cromwell.

Much of Rocky Hill's early history is still evident. In its early years, shipbuilding, which was a major activity, was located near the present day Rocky Hill/Glastonbury Ferry site. The ferry is the oldest, continuously operating ferry in the country. The ride across the Connecticut River takes about four minutes and provides a refreshing and leisurely alternative to crossing the river over one of the area's several bridges.

Many historical old homes may still be seen in Town. The Goffe House on Old Main Street dates back to 1655 and is the oldest house in Town. The Duke of Cumberland Inn, just south of the Goffe House on Old Main Street, was a well-known early inn on the colonial route between Hartford and Old Saybrook. It dates from 1767 and is listed in the National Registrar of Historical Homes. Similarly listed is the Rocky Hill Congregational Church at Old Main and Church Streets.

Another fine example of an early residence is the Olmstead House on Elm Street just west of the Silas Deane Highway, and the John Danforth home in which the famous pewter craftsman lived at the intersection of Old Main Street and Glastonbury Avenue near the Congregational Church.

During Rocky Hill's early days, agriculture was very important. The Town still has active dairy and vegetable farms. The Connecticut River meadows are farmed extensively and provide recreational opportunities in and near the river. A bicycle ride or walk through the meadows takes one into a rural setting within eight miles of downtown Hartford.

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 Refrigerated Logistics (recently sold to BJ's Warehouse), MTU Engineering, Sheraton, ARBURG, Inc, Paychex, Zurich Insurance,

AECOM, Wal-Mart Department Store, Simoniz, CT Pharmaceutical Solutions and Regus. Television station WFSB, a CBS-TV affiliate, now owned by Gray Television, has been broadcasting from Rocky Hill since July of 2007. Rocky Hill is home to six business parks, including the Town's 240 plus acre Industrial Park that has a mixture of manufacturing and distribution businesses. There is also a substantial commercial economic presence that includes a number of national retail facilities. Within the Town are twelve quasi State agencies including a State of Connecticut Veterans Home and Hospital which has approximately 600 patients, the Connecticut State Lottery headquarters, State of Connecticut Public Health Lab, and the Office of the Chief State's Attorney.

Development has been taking place in the Brook Street area of town, primarily on the property of a former nursery. Winbrook Business Park has 189,000 square feet of flex space in three separate buildings, and includes Tesla (formerly Solar City), and a northeast distribution facility of Burris Refrigerated Logistics. Altera Apartments, a 144-unit market rate apartment complex is completed and is fully occupied. The Capital Region Education Council (CREC) STEM Magnet School, an Academy of Aerospace and Engineering for pre-kindergarten to fifth grade students opened for the school year 2020-2021. Surrounding towns have the opportunity to send their students to this school. A project that is endorsed by the Town's Redevelopment Agency is the Town Center West development project located on Cromwell Avenue and West Street. This development project consists of 70,000 square feet of retail, office and restaurant space. In addition to the 70,000 square feet of commercial space, 144 one and two bedroom luxury rental apartments, named Montage, have been constructed and are fully occupied. Phase one has been completed with 144 apartment units and 22,000 square feet of commercial use. Phase 2 was completed in the summer of 2021 with an additional 20,000 square feet of commercial space. The redevelopment of the former Connecticut Foundry property (now called River's Edge), is underway. River's Edge is a mixed-use development consisting of 77 condominium units and 8,000 square feet of retail, office, and restaurant space located along the banks of the Connecticut River. Construction has been delayed due to State review requirements and environmental remediation issues. However, the environmental clean-up is well underway. Arburg, Inc. a German manufacturer who relocated from Newington to their newly constructed 25,000 square foot Rocky Hill facility built in 2015, recently occupied their own 25,000 square foot addition. Goodwin University is purchasing a vacant 67,000 square foot office building on Brook Street to house their Magnet Early Childhood Literacy Center.

The former Ames headquarters property located on Main Street is being sold to a Developer who received Town approval to redevelop the property into a mixed use residential/commercial use with 213 apartments. The Town has partnered with the developer to acquire a brownfield cleanup grant to leverage construction costs. Construction will begin July 2022.

During the 2019-20 fiscal year, the Town had the completion of a 50,000 square foot addition to Simoniz, the opening of a new 52,000 square foot surgery center, and the opening of a 65,000 square foot Hampton Inn and Suites with 90 rooms. 2021 saw the opening of 16 businesses, including five new restaurants and a 16,000 square foot Trinity Health of New England Access Center. CT Pharmaceutical Solutions purchased the former McKesson warehouse building in 2019 and has relocated their operations to Rocky Hill. They have double their employment count to close to 100 and are currently expanding their operations.

The Town Council has implemented a business development incentive policy to encourage long-term investment in Rocky Hill by providing tax abatements to businesses that locate within the community or want to expand their operations. Several businesses, including WFSB, Burris Refrigerated Logistics, Simoniz, and most recently a Hampton Inn/Suites, Arburg, and Metro Realty for a medical office building, have received tax abatements. These abatements are structured so as to fix assessment and tax revenue at their current values and abate a specified percentage of the increase in assessed value. This program is helpful in attracting new industry and keeping existing businesses.

In 2015, the Town adopted an update to the Plan of Conservation and Development. In July 2017, the Planning and Zoning Commission completed a comprehensive update to the Town Zoning Regulations and Zoning Map. During the winter of 2018 through to present, the Economic Development Commission and their staff developed a market strategy focused on advanced manufacturing, IT services, medical service and retail. Along these lines, a new "logo" was developed. In 2020, the Planning & Zoning Commission modified their Zoning Regulations for commercial mixed-use developments, stream-lining a 4 step permitting process to a one step process.

MAJOR INITIATIVES

The Town has received a number of Connecticut Small Town Economic Assistance Program (STEAP) grants and a Connecticut Main Street Investment Grant totaling \$2.1 million to assist with storefront improvements for businesses located on the Silas Deane Highway and for the Silas Deane Streetscape. The Town's construction of Phase One of the Streetscape project for the Silas Deane/Old Main Street section of Town was completed in November of 2012. Phase Two of the Silas Deane Streetscape project was completed this past September 2019. Phase Three of the Silas Deane Streetscape was funded by an 80%/20% federal grant and was completed June 2021. The Town also received a State grant for \$800,000 to construct a "Miracle Field" for special needs children at Elm Ridge Park that was completed and dedicated in September 2016. Most recently, the State Bond Commission approved a \$400,000 grant to assist in upgrades to Elm Ridge Park and for development of a master plan, \$500,000 towards the development of the former Ames property and \$500,000 for the development of construction plans for the placement of a bridge to access the Town's remaining business park land.

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

The Town discontinued pursuing, through exercising its power of eminent domain, the Foundry property, an 11 acre parcel of land along the Connecticut River, with the intent of making it a public park. However, the Town has signed an agreement with the owner/developer of the property to renovate the parcel as multi-use with residential development. The Town has committed \$670,000 towards the demolition of vacant buildings and the remediation of this property. Now called River's Edge, the developer has received all approvals from local land use boards and final plans have been filed in the land use records. The remediation work has begun and is ongoing.

The Town Council approved entering into an agreement with Solar City (now Tesla) to lease 15 acres in the Town's Industrial Park for Solar City to construct a 3 megawatt photo voltaic facility. All of the solar power generated will be utilized by the Town and is projected to reduce its annual utility costs for electricity by as much as \$200,000 per year. The land lease payments from Solar City will generate \$90,000 of revenue per year. The solar project is completed and electricity production started April 4, 2018 with over \$200,000 savings recognized in fiscal year 2019-20 and 2020-21 as well as \$220,000 anticipated in fiscal year 2021-22.

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

In a referendum vote held in June 2012, the voters of Rocky Hill approved an appropriation in the amount of \$44.955 million for the modernization and expansion of the Rocky Hill High School. In February 2014, the State General Assembly passed legislation approving up to \$5.045 million additional grant funding for the Rocky Hill High School Project. The Rocky Hill Town Council approved this Legislation thus making the high school "renovate as new" a \$50 million project. The Town has awarded 18 trade contracts and has entered into a Guaranteed Maximum Price Agreement with Construction Manager O & G Industries, Inc. of Torrington, CT in the amount of \$44.1 million. Construction began in September 2014 and this project was completed in September 2017. The high school has been turned over to the Board of Education. The Town is now waiting for the State to perform its audit of the project. It

is expected that the State of Connecticut School Construction Grants for this project will be approximately \$19.0 million.

In addition, the voters approved an appropriation of \$10 million for the preservation of farmland and passive open space in a referendum vote in November 2012. Since 2013, the Town in partnership with the State Department of Agriculture, has preserved 405 acres of farmland and open space (including a property located on the shores of the Connecticut River) at a total cost of \$7.6 million, of which \$4.1 million was Town bond funds.

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

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

On the November 2016 ballot, the voters of Rocky Hill did approve two referendum questions. The first is for a \$48.35 million appropriation and bond authorization (expected to be paid from an estimated \$17.25 million state grant and \$31.1 million Town general obligation bonds) for the demolition of the former Moser School building and the construction of a new intermediate school for fourth and fifth grade students in its place. This project was completed for the start of the school year in September 2019. The Town expects that the total project cost for the new Moser School will be between \$36 to \$37 million when finally closed out. The Town has estimated to receive \$12.5 million school construction reimbursement from a State of Connecticut School Construction Grant based on the revised estimated cost of the intermediate school project. The second is for a \$1.3 million appropriation to purchase street lights and poles in the Town to install energy efficient lighting and to finance the appropriation with general obligation bonds, lease, or other financing available to the Town. At its November 19, 2018 meeting the Rocky Hill Town Council pursuant to section 811 of the Town Charter repealed the \$1.3 million street light replacement and street light pole purchase appropriation and bond authorization.

In November 2018, the voters of Rocky Hill approved a referendum for Community Senior Center appropriations of \$10.5 million for upgrade and redesign improvements to the Center. In April 2019, the Town hired an architectural firm to complete the design phase of the project. In May, 2020, the Town awarded the construction contract to a General Contractor ("GC"). The project was completed with a grand opening to the public held in the fall of 2021. The total construction budget was approximately \$8.6 million.

In November 2019, the voters of Rocky Hill did approve two referendum questions. A \$10 million referendum for road improvements and a \$7.2 million referendum to purchase 84.5 acres of farmland known as Straska Farm for the purpose of open space and farmland preservation. Road improvements began in the spring/summer of 2020. For the summer of 2020, the Town completed nearly eight miles of road paving projects as part of Phase One. During the spring/summer of 2021 the Town completed nearly 6 miles of road paving projects and is expected to pave over 7 miles of road in 2022. The Town acquired the 84.5 acres of farmland on January 28, 2020, adding 84.5 acres to the aforementioned 393 acres. The Town negotiated leases with three local farmers to continue farming activities on 32 acres of the property while preparing plans to develop the other portion into an agricultural education center and community gardens. To assist in the implementation of the center, a STEAP grant was secured to construct a barn for agricultural education purposes, and a State brownfield clean-up grant was secured for site remediation to leverage local funds. An overall farmland plan for the property is currently being developed in partnership with the UCONN School of Landscape Architecture and Plant Science.

FORM OF GOVERNMENT

The Town adopted a Council-Manager form of government in November 1967. 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 Manager is the Chief Executive and Administrative Officer of the Town and is responsible for the overall management of all departments of the Town except for the Board of Education. The Town Manager is directly responsible to the Town Council for the effective and efficient implementation of policies established by the Council. He is also responsible for appointment and supervision of all department heads and municipal employees, except for the Town Attorney.

The Finance Director is the Chief Financial and Accounting Officer for the Town and is responsible for the coordination of the activities of the accounting, and treasury management functions of the Town. In addition, the Finance Director is responsible for assisting the Town Manager in the preparation of the annual budget; day-to-day administration of the adopted budget; maintenance of the general ledgers of the various funds and account groups of the Town, financial planning and cost accounting; purchasing; financial report preparation; and supervision of the annual independent financial audit.

PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Term Ending	Years of Service
Mayor.....	Lisa J. Marotta.....	Elected	November 2023	2 Years
Acting Town Manager ¹	Raymond Carpentino.....	Appointed		
Finance Director ²	Mona M. McKim.....	Appointed	Indefinite	4 Months
Treasurer.....	Eric Hanly.....	Appointed	Indefinite	6 Months
Assessor.....	Stuart W. Topliff.....	Appointed	Indefinite	17 Years
Town Clerk.....	Sandra Merrill Wieleba....	Appointed	Indefinite	4 Years
Tax Collector.....	Elaine McKim.....	Appointed	Indefinite	12 Years
Town Planner.....	Kimberly Ricci.....	Appointed	Indefinite	35 Years
Economic Development.....	Raymond Carpentino.....	Appointed	Indefinite	17 Years
Director of Emergency Managment..	Stephen Pendl.....	Appointed	Indefinite	1 Year
Superintendent of Schools.....	Dr. Mark F. Zito.....	Appointed	June 30, 2024	10 Years

¹ The Town is in the process of hiring a new Town Manager. Raymond Carpentino will be the Acting Town Manager until a replacement can be found. He is working, and has worked, for the Town over the last 17 years in Economic Development.

² Previously served as Treasurer for 22 years.

Source: Town Officials.

SUMMARY OF MUNICIPAL SERVICES

Police Protection: The Rocky Hill Police Division consists of forty-one sworn police personnel, including a chief, three lieutenants, seven sergeants, three detectives, two school resource officers (SRO), twenty-five patrol officers, nine full-time emergency service dispatchers, and two part-time animal control persons. The patrol personnel provide 24 hour police service to the community in conspicuously marked police vehicles equipped with the latest law enforcement technology. The department is currently outfitting officers and vehicles with body cameras and dash cameras. The 911 emergency number is available for fire, police, and ambulance. Specialized units include plainclothes anti-crime, sex crimes, crime prevention, traffic division, youth unit, and mobile command unit. The Police Division has two canines and Marine One to patrol the Connecticut River.

Fire Protection: The Rocky Hill Fire Division is a volunteer organization fully funded by the Town. The Association operates with seventy-eight volunteer firemen with four staff officers and a Fire Chief located in three fire stations. The Town’s ISO (Insurance Service Office) rating for insurance purposes is a “3”, the highest rank available for a volunteer fire department. The Division has two full-time Fire Marshals, and two full-time equipment mechanics. Operating costs are funded by contributions and support from the Town. Rocky Hill also provides funding for fire equipment purchases.

Emergency Services: Ambulance and emergency medical services in the Town are provided on a twenty-four hour basis. The services are provided by the members of the Rocky Hill Volunteer Ambulance Association, and by a

professional ambulance service on a contract for service basis. Ambulance headquarters is located in the Fire/Ambulance complex. The Association operates three ambulances and two paramedic vehicles. Operating costs are funded by contributions and support from the Town. Rocky Hill also provides funding for ambulance and emergency medical service equipment purchases.

Emergency Management: In 2021, the Town added the new position of Emergency Management Director. The Director of Emergency Management develops, organizes, directs, and coordinates the Town's Emergency Management Program and advises the Town Manager on all Emergency Management matters and related laws, rules, regulations and requirements. This position also works collaboratively with other Department Heads, including but not limited to Police, Fire, Ambulance, Community Development and Public Works, and serves as the liaison with Town, state and federal agencies on Emergency Management matters.

Solid Waste: Effective July 1, 2022, the Town will be bringing its municipal solid waste (MSW) and recycling materials to Murphy Road Recycling of Enfield, Connecticut. Rocky Hill will discontinue its service with the Materials Innovation and Recycling Authority (MIRA). The Town executed a four year contract for municipal solid waste and recycling disposal services with Murphy Road Recycling ("MRR") for the period ending June 2026.

Sewer and Water: Rocky Hill is a member of the Metropolitan District Commission (MDC) which provides water and sewer services to the City of Hartford and seven surrounding communities. The District annually assesses the member municipalities based on a ratio of the tax receipts for sewer costs, which costs are included in the Town's general operating budget. Water service is billed directly to the consumer by the MDC on a quarterly basis. Rocky Hill's share of the Metropolitan District's annual levy is generally between 5% and 6%. Most Town residents are served by the MDC's water and sewer systems.

Library: The Cora J. Belden Library is located adjacent to the Town Hall, the Community Center, and the Police Station. The 24,000 square foot facility consists of a structure completed in 1967 and an addition completed in 1979. The library contains about 62,400 volumes; including books, recordings, art prints, children's toys, compact discs, DVD's, books on tape, videocassettes, and Playaways. The Library also subscribes to 170 magazines and newspapers. There are four full-time professional librarians and a Library Director who are assisted by a clerical staff of seven full-time and eighteen part-time employees. A variety of programs are offered for all ages. The library is part of an area computer system for the sharing of resources and for the checking in and out of materials. The library has its own website which was visited over 72,200 times last year.

Parks, Recreation: A wide range of recreational activities for all age groups are offered on a year-round basis, including sports leagues, outdoor recreation, cultural events, music, dance classes, fitness and exercise programs, arts and crafts classes, social events and special events. New programs are added yearly.

The Recreation Department, consisting of a Director, a Recreation Supervisor and an Aquatics Director, operates the Community Center, an Activity Center, and the High School indoor swimming pool. The Parks Department has a Crew Leader and six Maintainers that provide park maintenance. All school grounds, Town building grounds, parks and athletic fields are maintained by the Park Department. The Director of Parks, Recreation, also serves as Tree Warden and in this capacity is responsible for street trees and trees on public property.

Maxwell Park, the Town's first large park in the west end of Town, was opened in 2000 as part of a redevelopment project, and has 34.6 acres of land. The park includes tennis courts, a soccer field, deck hockey, a softball field, a basketball court, a gazebo and a natural wetland area for walking trails. The Town has acquired 75 acres of land abutting Elm Ridge Park. Elm Ridge Park is the Town's most utilized recreational facility. The park includes an amphitheater, an outdoor pool, five tennis courts, a basketball court, a softball field, a shelter and picnic area, a playground, two Little League baseball diamonds, two volleyball courts, an ice skating pond, and "Miracle Field" for softball and soccer for special needs children. Other parks include Dividend Pond Park with walking trails, two ponds, waterfall and brook; West Hill Open Space; Sunny Crest Park with a regulation baseball field, two soccer fields and two Little League diamonds; Bulkley Park; France Street Open Space; Shipyard Park and Ferry Park with a boat launch ramp and dock on the Connecticut River. Dinosaur State Park provides a view into the distant past and has undergone major improvements in recent years. Excellent examples of dinosaur tracks may be viewed under a geodesic dome; pathways and trails in the Park provide a refreshing break from modern day life. A second State Park, Quarry Park, is adjacent to the Connecticut River.

Facilities Management: The Facilities Department is responsible for cleaning, maintaining and operating fourteen Town buildings. The buildings include: Town Hall; Community Center; Police Station and Human Services; Cora J.

Belden Library; Fire Association; Historical Society; Town Garage; Parks Garage; R.H.C.T.V.; Elm Ridge Pool; Amphitheater; Fire Stations 1, 2 and 3. The School Facilities Department is responsible for cleaning, maintaining and operating the five school buildings that include, Rocky Hill High School, Griswold Middle School, Stevens School, Moser School and West Hill School.

Highway Division: A Highway Superintendent and eleven full-time employees of the Highway Division maintain streets, curbs and sidewalks; provide snow and ice control; street and traffic sign installation and maintenance; limited public building maintenance; limited construction and reconstruction of streets and drainage; annual leaf collection, street sweeping, and catch-basin cleaning. Four full-time employees of the Town Garage provide maintenance and repairs for all vehicles, including vehicles of the Parks, Police and the Board of Education, but excluding the Fire Division. Currently, over 80 units are maintained and serviced at the Town's central garage.

Human Services/ Youth Services: The Human Services Department is responsible for providing a wide variety of social services to Town residents of all age groups. Among the programs administered by the department are: general assistance; energy assistance; property tax relief; food pantry; and counseling and crisis intervention. In addition to these programs, the Human Services Director is also responsible for overseeing the administration of the Youth Services and the Municipal Agent.

Senior Services: The Department of Senior Services provides to the senior population various programs and activities at the Community/Senior Center. The Town has a Senior Lunch program offered Monday through Friday where the cost of lunch is shared with the participant and the Town. Senior Services has a Mini Bus Transportation program used by residents age 60 and older, or any person with a disability, for transportation to medical appointments, food shopping, banking, and to the Community/Senior Center.

Planning and Zoning: The Town has a five-member Planning and Zoning Commission which is responsible for adopting and administering the zoning regulations and implementing the Plan of Development of the Town. The Commission is assisted in its work by a full-time professional Town Planner. The Town Planner serves as administrative officer for the Planning and Zoning Commission. She is responsible for reviewing development proposals; providing technical assistance and advice to the Town Manager, the Town Council and other boards of the Town. The major duties include coordination of development projects; providing information and advice to the public; draft, review and amendment of land use regulations; research, preparation and presentation of planning projects for the Planning and Zoning Commission; site plan and subdivision site inspections; and zoning enforcement. Duties also include preparation of Small Cities Community Development Block Grant applications.

Economic Development: A six-member Economic Development Commission is appointed by the Town Council for a two-year term. The Economic Development Commission is responsible for developing the Town's commercial and industrial tax base. The Commission compiles information on the community and available sites; establishes contact with prospective developers and businesses; encourages a favorable business environment; and works with existing businesses and industry to help identify and resolve business problems. The Commission also works in partnership with the Rocky Hill Chamber of Commerce. The Town, recognizing the need to support business retention and growth, has a permanent full-time Economic Development Director.

Utilities: Telephone service is provided by Frontier Communications. Electric service is provided by Eversource Energy, formerly Connecticut Light and Power Company and Northeast Utilities. Natural gas service is provided by Connecticut Natural Gas Corporation and cable service is provided by Cox Cable.

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TOWN EMPLOYEES

The following is a breakdown by category of the Town's current permanent full-time and part-time employees:

<u>General Government</u>	<u>Paid Position</u>
Town Manager.....	3
Finance and Accounting.....	4
Human Resources.....	2
Assessment and Tax Collector.....	7
Town Clerk.....	3
Community and Development.....	10
Public Safety.....	58
Public Works.....	19
Health and Human Services.....	7
Library.....	11
Parks and Recreation.....	11
Facility Maintainers.....	9
Other Services.....	5
Board of Education.....	391
Total.....	540

The following table illustrates the permanent full and part-time Town employees for the last five fiscal years:

<u>Fiscal Year</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Government.....	149	144	143	140	136
Board of Education.....	391	371	366	353	343
Total.....	540	515	509	493	479

Source: Town Officials.

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MUNICIPAL EMPLOYEES BARGAINING UNITS

Organization	Number of Employee	Current Contract Expiration
<u>General Government</u>		
Highways and Parks - National Association of Government Employees.....	29	June 30, 2023
Police - International Brotherhood of Police Officers.....	49	June 30, 2024
Clerical - American Federation of State, County & Municipal Employees...	24	June 30, 2024
Custodial - National Association of Government Employees.....	10 ¹	June 30, 2022 ²
Professional Staff - Municipal Employees Independent Union.....	17	June 30, 2025
Librarians - Connecticut Independent Librarians Union.....	4	June 30, 2024
General Government sub-total.....	133	
<u>Board of Education</u>		
Teachers - Rocky Hill Teachers Association.....	260	June 30, 2024
Administrators - Rocky Hill Association of School Admin. & Supervisors..	16	June 30, 2022 ²
Secretarial - Rocky Hill Association of Education Secretaries.....	18	June 30, 2025
Instruction/Library Aides - Rocky Hill Instructional Aides.....	61	June 30, 2025
Nurses - Rocky Hill School Nurses' Association.....	7	June 30, 2024
Custodial - National Association of Government Employees.....	29 ¹	June 30, 2024
Board of Education sub-total.....	391	
Total General Government and Board of Education.....	524	

¹ Custodial Services are now divided between General Government and the Board of Education; previously listed under the General Government.

² In negotiation.

Source: Town of Rocky Hill.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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SCHOOL FACILITIES

School	Grades	Construction/Addition/ Renovation	Number of Classrooms	Enrollment 10/01/21	Rated Capacity
Myrtle H. Stevens.....	Pre-K-3	1956, 1966, 1974	27	387	590
West Hill.....	Pre-K-3	1971, 1994	36	437	735
Albert D. Griswold Middle School.	6-8	1963, 1996	43	636	750
Rocky Hill High School.....	9-12	1981, 2001, 2017	44	705	820
Moser Intermediate School.....	4-5	2019	26	362	580
Total			176	2,527	3,475

Source: Town of Rocky Hill, Superintendent's Office.

SCHOOL ENROLLMENT

School Year	Grades Pre-K-4	Grades 5-8	Grades 9-12	Total
<i>Historical</i>				
2017-18	1182	781	753	2,716
2018-19	1193	805	750	2,748
2019-20	1135	815	747	2,697
2020-21	1044	848	738	2,630
2021-22	985	837	705	2,527
<i>Projected</i>				
2022-23	1049	784	729	2,562
2023-24	1048	782	743	2,573
2024-25	1072	731	767	2,570
2025-26	1109	707	789	2,605
2026-27	1122	746	740	2,608

Source: Town of Rocky Hill, Superintendent's Office.

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	Population¹	% Increase	Density²
1970	11,103	50.0	799
1980	14,559	31.1	1,047
1990	16,554	13.7	1,191
2000	17,968	8.5	1,293
2010	19,709	9.7	1,418
2020	20,780	5.4	1,495

¹ 1970-2010 – U.S. Department of Commerce, Bureau of Census;
Connecticut Department of Public Health, Population Estimate
2020.

² Per square mile: 13.9 square miles.

AGE DISTRIBUTION OF THE POPULATION

Age	Town of Rocky Hill		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	822	4.1	47,718	5.3	182,708	5.1
5 - 9.....	1,132	5.6	49,337	5.5	192,321	5.4
10 - 14.....	875	4.3	55,754	6.2	221,648	6.2
15 - 19.....	960	4.8	57,767	6.5	241,286	6.8
20 - 24.....	1,028	5.1	57,398	6.4	243,381	6.8
25 - 34.....	3,067	15.2	118,094	13.2	443,917	12.4
35 - 44.....	2,629	13.0	110,318	12.4	426,097	11.9
45 - 54.....	2,804	13.9	119,654	13.4	493,186	13.8
55 - 59.....	1,155	5.7	64,497	7.2	267,164	7.5
60 - 64.....	1,246	6.2	58,804	6.6	243,375	6.8
65 - 74.....	2,421	12.0	84,561	9.5	345,407	9.7
75 - 84.....	1,000	5.0	43,386	4.9	175,909	4.9
85 and over..	1,008	5.0	24,865	2.8	94,150	2.6
Total	<u>20,147</u>	<u>100.0</u>	<u>892,153</u>	<u>100.0</u>	<u>3,570,549</u>	<u>100.0</u>
Median Age (years)	43.1		40.4		41.1	

Source: U.S. Census Bureau, 2016-2020 American Community Survey.

INCOME DISTRIBUTION

	Town of Rocky Hill		Hartford County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	66	1.2	7,470	3.3	24,418	2.7
\$ 10,000 to 14,999	0	0.0	3,881	1.7	14,648	1.6
\$ 15,000 to 24,999	100	1.8	10,748	4.8	38,026	4.2
\$ 25,000 to 34,999	208	3.8	11,533	5.1	46,409	5.1
\$ 35,000 to 49,999	707	12.8	19,881	8.8	75,375	8.3
\$ 50,000 to 74,999	727	13.1	31,895	14.1	129,070	14.3
\$ 75,000 to 99,999	797	14.4	29,913	13.3	113,813	12.6
\$100,000 to 149,999 ..	1,512	27.3	49,770	22.1	189,460	21.0
\$150,000 to 199,999 ..	590	10.7	27,566	12.2	110,975	12.3
\$200,000 or more	826	14.9	32,913	14.6	160,802	17.8
Total	<u>5,533</u>	<u>100.0</u>	<u>225,570</u>	<u>100.0</u>	<u>902,996</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2016-2020 American Community Survey.

INCOME LEVELS¹

	Town of Rocky Hill	Hartford County	State of Connecticut
Per Capita Income, 2020.....	\$47,749	\$41,470	\$45,668
Per Capita Income, 2010.....	\$36,021	\$35,078	\$36,775
Per Capita Income, 2000.....	\$29,701	\$26,047	\$28,766
Median Family Income, 2020.....	\$102,760	\$97,406	\$102,061
Median Family Income, 2010.....	\$88,750	\$81,246	\$84,170
Median Family Income, 2000.....	\$72,726	\$62,144	\$65,521
Percent Below Poverty Level 2020.....	1.2%	7.5%	6.7%

Source: ¹ U.S. Department of Commerce, Bureau of Census, 2010, 2000, 1990; U.S. Census Bureau, 2016-2020 American Community Survey.

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EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

	Town of Rocky Hill		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	423	2.8	26,931	4.3	99,436	4.0
9th to 12th grade.....	369	2.4	35,494	5.7	126,114	5.1
High School graduate.....	3,686	24.0	163,450	26.2	655,381	26.3
Some college - no degree.....	1,662	10.8	104,794	16.8	419,238	16.8
Associates degree.....	1,595	10.4	53,141	8.5	193,036	7.8
Bachelor's degree.....	4,675	30.5	135,774	21.8	551,459	22.2
Graduate or professional degree.....	2,920	19.0	104,595	16.8	444,541	17.9
Total.....	<u>15,330</u>	<u>100.0</u>	<u>624,179</u>	<u>100.0</u>	<u>2,489,205</u>	<u>100.0</u>
Percent High School Graduate or Higher..		94.8%		90.0%		90.9%
Percent Bachelor's Degree or Higher.....		49.5%		38.5%		40.0%

Source: U.S. Census Bureau, 2016-2020 American Community Survey.

MAJOR EMPLOYERS ¹

Employer	Nature of Business	Estimated Number of Employees
Town of Rocky Hill.....	Municipality.....	534
SYSCO Food Services.....	Food Distribution Warehouse.....	500
Henkel Corporation.....	Adhesive and Sealant Manufacturer..	490
Veterans Home and Hospital.....	Hospital.....	422
Liberty Mutual.....	Insurance.....	315
AECOM Technical Service Systems.....	Engineering Consultant.....	305
Burriss Logistics.....	Refrigerated Logistics Warehouse...	300
Wal-Mart Store.....	Retail Store.....	200
Meredith Corporation.....	Broadcasting-CBS Affiliate.....	200
Sheraton Hotel.....	Hotel-Restaurant.....	180

¹ Numbers may be effected due to COVID-19.
Source: Town Officials.

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EMPLOYMENT BY INDUSTRY

	Town of Rocky Hill		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	0	0.0	1,084	0.2	7,173	0.4
Construction.....	530	5.1	23,299	5.2	110,308	6.1
Manufacturing.....	714	6.9	48,120	10.7	188,968	10.5
Wholesale trade.....	201	1.9	10,518	2.3	42,782	2.4
Retail trade.....	941	9.0	47,028	10.5	190,314	10.5
Transportation & warehousing & utilities...	558	5.4	23,228	5.2	78,107	4.3
Information.....	131	1.3	8,845	2.0	36,880	2.0
Finance, insurance, real estate.....	1,235	11.9	48,256	10.7	163,661	9.1
Professional, scientific & management.....	1,751	16.8	49,462	11.0	211,665	11.7
Educational, health & social services.....	2,326	22.3	115,746	25.7	478,318	26.5
Arts, entertainment & recreation.....	689	6.6	33,783	7.5	149,684	8.3
Other professional services.....	563	5.4	20,922	4.7	82,940	4.6
Public administration.....	769	7.4	19,342	4.3	66,725	3.7
Total.....	10,408	100.0	449,633	100.0	1,807,525	100.0

Source: U.S. Census Bureau, 2016-2020 American Community Survey.

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EMPLOYMENT DATA

Yearly Average	Percentage Unemployed			
	Town of Rocky Hill %	Hartford Labor Market ¹ %	State of Connecticut %	United States %
2011	7.1	9.0	9.0	9.0
2012	6.2	8.3	8.4	8.1
2013	5.9	7.9	8.0	7.4
2014	5.0	6.6	6.6	6.2
2015	4.2	5.6	5.6	5.3
2016	3.7	4.9	4.8	4.9
2017	3.4	4.4	4.4	4.4
2018	2.9	3.9	3.9	3.9
2019	2.6	3.5	3.5	3.7
2020	5.9	7.6	7.8	8.1
2021	4.7	5.9	6.3	5.4

2022 Monthly ²				
January	3.8	4.9	5.0	4.4
February	3.9	5.0	5.0	4.1
March	3.4	4.2	4.3	3.8
April	2.8	3.8	3.7	3.3
May	3.1	3.9	4.0	3.4

¹ Not seasonally adjusted.

² Estimated

Source: Department of Labor, State of Connecticut.

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AGE DISTRIBUTION OF HOUSING

Year Built	Town of Rocky Hill		Hartford County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	513	5.6	74,902	19.7	327,771	21.5
1940 - 1949.....	366	4.0	28,523	7.5	102,488	6.7
1950 - 1959.....	867	9.4	65,853	17.3	223,513	14.7
1960 - 1969.....	1,052	11.4	56,007	14.7	206,458	13.6
1970 - 1979.....	2,589	28.1	51,177	13.5	204,902	13.5
1980 - 1989.....	1,763	19.1	46,230	12.2	188,346	12.4
1990 - 1999.....	1,056	11.5	26,921	7.1	118,768	7.8
2000 - 2009.....	779	8.5	21,660	5.7	102,986	6.8
2010 - 2013.....	190	2.1	4,547	1.2	22,107	1.5
2014 or later.....	42	0.5	4,563	1.2	23,860	1.6
Total.....	9,217	100.0	380,383	100.0	1,521,199	100.0
Percent Owner Occupied.....	65.5%		64.1%		66.1%	

Source: U.S. Census Bureau, 2016-2020 American Community Survey.

HOUSING INVENTORY

Type	Town of Rocky Hill		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1-unit, detached.....	4,618	50.1	211,211	55.5	897,094	59.0
1-unit, attached.....	842	9.1	23,396	6.2	85,585	5.6
2 units.....	253	2.7	29,057	7.6	125,289	8.2
3 or 4 units.....	684	7.4	35,488	9.3	128,352	8.4
5 to 9 units.....	604	6.6	23,764	6.2	80,405	5.3
10 to 19 units.....	537	5.8	15,492	4.1	54,136	3.6
20 or more units.....	1,679	18.2	39,748	10.4	137,923	9.1
Mobile home, boat, other.....	0	0.0	2,227	0.6	12,415	0.8
Total	9,217	100.0	380,383	100.0	1,521,199	100.0

Source: U.S. Census Bureau, 2016-2020 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Sales Price Category	Town of Rocky Hill		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	131	2.3	4,005	1.8	17,908	2.0
\$ 50,000 to \$ 99,999 ...	61	1.1	6,404	2.8	26,616	2.9
\$ 100,000 to \$149,999 ...	312	5.5	23,189	10.2	76,280	8.3
\$ 150,000 to \$199,999 ...	619	10.9	45,945	20.3	135,429	14.8
\$ 200,000 to \$299,999 ...	2,375	41.8	73,401	32.4	249,697	27.3
\$ 300,000 to \$499,999 ...	1,890	33.2	56,655	25.0	255,697	27.9
\$ 500,000 to \$999,999 ...	297	5.2	15,372	6.8	110,850	12.1
\$1,000,000 and over	0	0.0	1,892	0.8	42,931	4.7
Total	5,685	100.0	226,863	100.0	915,408	100.0
Median Value ¹	\$165,400		\$147,300		\$166,900	
Median Value ²	\$270,800		\$242,900		\$279,700	

¹ U.S. Department of Commerce, Bureau of Census, 2000.

² U.S. Census Bureau, 2016-2020 American Community Survey.

Source: U.S. Census Bureau, 2016-2020 American Community Survey.

BUILDING PERMITS

Fiscal Year Ending 6/30	Residential		Commercial and Industrial		Total	
	Number	Value	Number	Value	Number	Value
2022 ¹	510	\$ 8,240,223	155	\$ 11,450,168	665	\$19,690,391
2021	447	8,216,667	81	4,788,207	528	13,004,874
2020	209	3,948,035	55	9,754,260	264	13,702,295
2019	311	12,313,798	104	23,104,651	415	35,418,449
2018	348	8,692,580	73	68,054,519	421	76,747,099
2017	243	8,320,227	45	10,718,561	288	19,038,788
2016	377	14,319,376	18	14,899,770	395	29,219,146
2015	297	22,994,302	92	72,091,386	389	95,085,688
2014	302	9,356,501	93	20,997,165	395	30,353,666
2013	304	19,511,427	81	13,836,765	385	33,348,192

¹ As of May, 2022.

Source: Building Department, Town of Rocky Hill.

LAND USE SUMMARY

Classification	Total Area		Developed/ Committed	Vacant/ Uncommitted
	Acreage	%	%	%
Residential.....	5,736	64.5%	71.0%	29.0%
Business.....	1,510	17.0%	63.0%	37.0%
Floodplain/Roadway.....	1,649	18.5%	44.0%	56.0%
Total Area.....	8,895	100.0%		

Source: Town of Rocky Hill, Planning Department.

IV. TAX BASE DATA

ASSESSMENTS

The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town of Rocky Hill for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last general revaluation. The Town of Rocky Hill had a revaluation effective on the Grand List of October 1, 2018. The next revaluation is scheduled for October 1, 2023. Under Section 12-62 of the General Statutes, as amended, the Town must do a revaluation every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is revalued annually. An assessor's check and audit is completed periodically. Assessments for personal property are computed at seventy percent (70%) of present value.

Section 12-71e of the General Statutes allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at 39.00 mills for the assessment year commencing October 1, 2016, at 45 mills for the assessment year commencing October 1, 2017 to October 1, 2020, inclusive, and 32.46 mills for the assessment year commencing October 1, 2021 and each assessment year thereafter. Section 4-66l of the Connecticut General Statutes establishes the municipal revenue sharing account which provides that sales tax revenue diverted to the fund shall mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rate for the current 2021 assessment year (the fiscal year ending June 30, 2023) is 32.46 mills.

Motor vehicle lists are furnished to the Town by the State of Connecticut, and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule as recommended by the State of Connecticut Office of Policy and Management and the Assessor of the Town of Rocky Hill. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next July 31 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at seventy percent (70%) of the annual appraisal of market value.

PROPERTY TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1, respectively, become delinquent, with interest charged at the rate of 1.5% per month from the due date of the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically lienied each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State Statutes.

Section 12-24a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner occupied residences to the extent that the taxes exceed eight percent of the owner's

total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such a rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has not approved the use of this abatement provision to date.

Section 12-170v of the Connecticut General Statutes permits a municipality, upon approval of its legislative body, to freeze the real property taxes due for certain low income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of the total tax relief granted plus interest. The Town has enacted this provision.

COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable Grand List	Less Exemptions ¹	Net Taxable Grand List	% Growth
2021	81.7	8.6	9.7	\$2,312,097,800	\$25,131,790	\$2,286,966,010	1.8%
2020	83.9	8.2	7.9	2,263,432,145	17,491,476	2,245,940,669	0.6%
2019	83.5	8.5	8.0	2,251,947,836	19,037,131	2,232,910,705	1.1%
2018 ²	84.1	8.1	7.8	2,224,712,084	15,763,664	2,208,948,420	5.5%
2017	84.4	7.4	8.2	2,112,590,487	18,521,742	2,094,068,745	1.6%
2016	84.4	7.0	8.2	2,081,803,204	20,156,184	2,061,647,020	1.4%
2015	85.6	6.3	8.1	2,051,039,897	18,587,071	2,032,452,826	0.7%
2014	86.0	6.0	8.0	2,036,285,920	18,834,170	2,017,451,750	1.4%
2013 ²	86.2	5.8	8.0	2,007,497,430	17,395,540	1,990,101,890	-7.9%
2012	87.4	5.4	7.2	2,180,061,019	18,133,665	2,161,927,354	0.3%

¹ Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

² Revaluation year.

Source: Assessor's Office, Town of Rocky Hill.

PROPERTY TAX LEVIES AND COLLECTIONS

Grand List 1-Oct	FY Ending 30-Jun	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected End of Each Fiscal Year	Percent Uncollected End of Each Fiscal Year	Percent Annual Levy Uncollected 6/30/2021	Amount Uncollected as of 6/30/2021
2021	2023	\$2,286,966,010	34.52/32.46 ¹	\$77,715,432	Collections 7/1/2022 and 1/1/23			N/A
2020	2022	2,245,940,669	34.10	75,730,906	Collections 7/1/2021 and 1/1/22			N/A
2019	2021	2,232,910,705	33.60	74,241,218	99.4%	0.6%	0.6%	\$431,420
2018	2020	2,208,948,420	32.50	70,993,728	99.2%	0.8%	0.3%	211,180
2017	2019	2,094,068,745	32.40	67,152,444	99.5%	0.5%	0.1%	36,118
2016	2018	2,061,647,020	31.60	65,812,091	99.1%	0.9%	0.0%	16,120
2015	2017	2,032,452,826	31.00	63,539,767	99.3%	0.7%	0.0%	17,304
2014	2016	2,017,451,750	29.70	60,060,008	99.3%	0.7%	0.0%	7,465
2013	2015	1,990,101,890	29.70	59,329,833	99.4%	0.6%	0.0%	8,325
2012	2014	2,161,927,354	26.60	57,774,467	99.0%	1.0%	0.0%	9,053

¹ The mill rate for real estate and personal property is 34.52 and for motor vehicles 32.46 for fiscal year ending June 30, 2023.

Source: Tax Collector's Office, Town of Rocky Hill.

TEN LARGEST TAXPAYERS¹

Business-Name	Nature Of Business	Assessment Valuation as 10/1/2021	Rank	Percent of Total
Century Hills.....	Apartments.....	\$ 41,972,350	1	1.84%
Connecticut Natural Gas Corporation...	Utility.....	34,532,050	2	1.51%
R.P. Glenbrook LLC.....	Apartments.....	31,269,490	3	1.37%
MKS 500 Enterprise LLC.....	Office Building.....	26,387,060	4	1.15%
Eversource.....	Utility.....	25,135,440	5	1.10%
Burriss Logistics Inc.....	Distribution Warehouse.....	23,964,120	6	1.05%
Churchill Property Portfolio.....	Real Estate.....	17,500,000	7	0.77%
Henkel Corporation.....	Adhesive Manufacturer.....	16,494,050	8	0.72%
Stephey Place LLC.....	Apartments.....	13,966,190	9	0.61%
Albany Road - Winbrook LLC.....	Business Park.....	13,670,930	10	0.60%
Total		\$244,891,680		10.71%

¹Based on a 10/1/21 Net Taxable Grand List of \$2,286,966,010.
Source: Assessor's Office, Town of Rocky Hill.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2020	\$3,766,723,871	12.85%
2019	3,337,771,481	5.75%
2018	3,156,173,943	1.72%
2017	3,102,901,837	2.30%
2016	3,033,011,924	-0.87%
2015	3,059,763,412	-4.18%
2014	3,193,390,993	12.39%
2013	2,841,314,800	2.02%
2012	2,784,951,675	1.59%
2011	2,741,368,613	-0.81%

Source: State of Connecticut, Office of Policy and Management.

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V. FINANCIAL INFORMATION

FISCAL YEAR

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

ACCOUNTING POLICIES

The financial statements of the Town of Rocky Hill, Connecticut 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. Please refer to Appendix A "Basic Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

Management's Discussion and Analysis – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

Government-wide financial statements – consist of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary (employee retirement system and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

Fund financial statements – provide information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

Required supplementary information – in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A under "Notes to Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town of Rocky Hill.

BUDGETARY PROCEDURES

The Town Manager compiles preliminary estimates for the annual budget. The head of each department, office, or agency of the Town, including the Board of Education, at least one hundred five (105) days before the end of the fiscal year, files with the Town Manager a detailed estimate of the expenditures to be made by his or her department, office, or agency and the revenue other than tax revenues to be collected in the ensuing fiscal year and such other information as may be required by the Council or the Town Manager.

Not later than ninety (90) days before the end of the fiscal year, the Town Manager presents to the Council the proposed budget for the ensuing fiscal year for all commissions, boards, departments and offices.

The Council holds one or more public hearings not later than sixty (60) days before the end of the fiscal year, at which time any elector or taxpayer may have the opportunity to be heard regarding appropriations for the ensuing fiscal year.

After the conclusion of such public hearing, the Council may insert new items of expenditures or may increase, decrease or strike out items of expenditures, except that no item of appropriation for existing debt service will be reduced. The Council may not alter the Town Manager's estimates of receipts. It may, however, decrease the amount of the tax levy for the ensuing fiscal year as proposed by the Town Manager in proportion to such decrease in the total expenditures proposed by the Town Manager as it may have determined. If the Council increases the total proposed expenditures, such increase will be reflected in full in the tax rate. Upon completion of the public hearing, but not later than the third Monday in May, the Council adopts the budget and sets the tax levy. If it fails to adopt the budget by that date, the budget as submitted by the Town Manager is deemed to be the budget for the Town for the fiscal year, and expenditures are made in accordance therewith. The Council then adopts the budget and the tax levy as recommended by the Town Manager.

The Council, on the recommendation of the Town Manager or the Board of Education, may appropriate, subject to the limitations imposed in Section 408 of the Town's Charter, any unappropriated and unencumbered balance in the General Fund or any other budgetary funds, provided there is attached to the resolution making such appropriation the certificate of the Director of Finance that such balance actually exists free from encumbrances.

The Town Manager may at any time transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office or agency, except the Board of Education. At the request of the Town Manager, but only within the last seven months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from one department, or agency, except the Board of Education, to another, and provided that there is attached to the resolution making the transfer a certificate of the Director of Finance that such transfer is necessary, with the reasons therefor.

Unencumbered appropriations for the General Fund lapse at the end of the fiscal year, unless otherwise provided for by Council resolution. Appropriations, up to \$300,000 for each item, can be made by the Town Council. Additional appropriations over \$300,000 require the approval of the electors.

The Town's budget process must also anticipate the impact of the State's budget which proceeds simultaneously with the Town's.

Section 4-66l(h) (the "Act"), as amended, reduces a municipality's revenue sharing grant if its general budget expenditures (as modified by the Act) in any fiscal year exceeds a threshold set forth in the Act. As a result of utilizing modified budget growth to reduce a municipality's revenue sharing grant the Act is sometimes popularly referred to as imposing a "spending cap". Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality's percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap.

The Act requires that each municipality annually certify to the Secretary of OPM whether the municipality exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures: (1) for debt service, special education, costs to implement court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities; (2) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 45 mills. In addition, if budget expenditures exceed the 2.5% cap, but are proportional to population growth from the previous year, the municipal revenue sharing grant will not be reduced.

For fiscal years ending June 30, 2020 and each year thereafter, each municipal revenue sharing grant is proportionately reduced if amounts in the revenue sharing account are insufficient to fund all the revenue sharing grants. For fiscal years ending June 30, 2022 and June 30, 2023 the Town will not be receiving any municipal revenue sharing grants.

ANNUAL AUDIT

Pursuant to Connecticut law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2021, the examination was conducted by the firm of Clifton Larson Allen LLP (formerly Blum, Shapiro and Company, P.C.), independent certified public accountants, of West Hartford, Connecticut.

Certificate of Achievement for Excellence in Financial Reporting: The Government Finance Officers' Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Rocky Hill for its Comprehensive Annual Financial Reports every year since 1998. The

Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

PENSION PLANS

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

General Employee Pension System: The 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 employee’s rate of contribution is 3% of earnings.

Police Officers Pension System: The 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 employee’s rate of contribution is 7% of earnings; however, any employee who has been a participant for 25 years shall no longer be required to make a contribution.

Firefighters Pension System: The 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.

Ambulance Pension System: The 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 participants 62nd birthday or the 5th anniversary of joining the plan, if later.

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Year Ended	Actuarial Determined Contribution (ADC)	Annual Contribution	% of ADC Contributed
<u><i>Genral Employees Pension Plan</i></u>			
2017	\$674,581	\$526,785	78.09%
2018	526,785	526,785	100.00%
2019	446,336	526,785	118.02%
2020	430,247	430,247	100.00%
2021	458,990	430,247	93.74%
2022	458,990	214,739 ¹	46.79%
<u><i>Police Officers Pension Plan</i></u>			
2017	\$355,298	\$341,085	96.00%
2018	329,372	341,085	103.56%
2019	205,672	341,085	165.84%
2020	205,672	205,672	100.00%
2021	787,767 ²	205,672	26.11%
2022	787,467	249,205 ¹	31.65%
<u><i>Firefighters Pension Plan</i></u>			
2017	\$44,740	\$47,740	106.71%
2018	44,740	47,740	106.71%
2019	28,163	47,740	169.51%
2020	28,163	28,163	100.00%
2021	167,283 ³	28,163	16.84%
2022	167,283	167,283 ¹	100.00%
<u><i>Ambulance Pension Plan</i></u>			
2017	\$5,945	\$5,945	100.00%
2018	5,945	5,945	100.00%
2019	3,312	5,945	179.50%
2020	3,312	3,312	100.00%
2021	72,542 ³	3,312	4.57%
2022	72,542	72,542 ¹	100.00%

¹ Budgeted.

² Increase was due to a correction in calculation of officers that purchased time

³ Increase is due to a change in pay-out structure.

The Town implemented GASB Statement No. 67 effective in Fiscal Year 2014. The following net pension liability of the General Employees, Police Officers, Firefighters and Ambulance at June 30, 2021, determined by an actuarial valuation as of September 1, 2020 for the General Employees and Police Officers, July 1, 2020 for the Firefighters and Ambulance and based on actuarial assumptions as of that date, were as follows:

GASB 67 Schedules			
<u>General Employees</u>		<u>Police Officers</u>	
Total pension liability at June 30, 2021	\$48,301,058	Total pension liability at June 30, 2021	\$32,853,506
Plan fiduciary net position	<u>52,377,259</u>	Plan fiduciary net position	<u>32,924,087</u>
Town's net pension liability	<u>(4,076,201)</u>	Town's net pension liability	<u>(70,581)</u>
Plan fiduciary net position as a % of total pension liability	108.44%	Plan fiduciary net position as a % of total pension liability	100.21%
<u>Firefighters</u>		<u>Ambulance</u>	
Total pension liability at June 30, 2021	\$2,711,175	Total pension liability at June 30, 2021	\$1,160,367
Plan fiduciary net position	<u>1,861,557</u>	Plan fiduciary net position	<u>988,530</u>
Town's net pension liability	<u>849,618</u>	Town's net pension liability	<u>171,837</u>
Plan fiduciary net position as a % of total pension liability	68.66%	Plan fiduciary net position as a % of total pension liability	85.19%

The following presents the net pension liability, calculated using the discount rate of 7.00% for General Employees, Police Officers, Firefighters, and Ambulance, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
General Employees net pension liability as of June 30, 2021	\$ 1,043,292	\$ (4,076,201)	\$ (8,462,009)
Police Officer's net pension liability as of June 30, 2021	\$ 4,143,441	\$ (70,581)	\$ (3,546,179)
Firefighters net pension liability as of June 30, 2021	\$ 1,231,459	\$ 849,618	\$ 537,737
Ambulance net pension liability as of June 30, 2021	\$ 343,251	\$ 171,837	\$ 31,705

Connecticut State Teachers' Retirement System: The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan.

Defined Contribution Benefit Plan: The Town provides pension benefits for its employees through a defined contribution plan, dependent on date of hire. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Town matches contributions into the plan on a discretionary basis. Town matching contributions were \$144,558 for the year ended June 30, 2021.

Deferred Retirement Option Program ("DROP"): The Police Officers Pension System offers a Deferred Retirement Option Program ("DROP") to its bargaining unit employees upon completing the 25th year of service until the completion of 29 years of service. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. During the DROP period, pension payments will be made monthly equal to 96% of the accrued benefit.

For further information on the plans, please refer to Appendix A under the Town of Rocky Hill's "Notes to Financial Statements, Note 14 and Note 15", herein.

OTHER POST EMPLOYMENT BENEFITS (“OPEB”)

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

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

The Town has obtained an actuarial valuation of OPEB liability as of July 1, 2020:

Year Ended	Actuarial Determined Contribution (ADC)	Annual Contribution	% of ADC Contributed
<i><u>Town Employees OPEB Plan</u></i>			
2017	\$2,071,627	\$592,917	28.62%
2018	1,256,429	651,411	51.85%
2019	1,438,645	597,430	41.53%
2020	1,374,997	680,059	49.46%
2021	1,124,929	722,068	64.19%
<i><u>Board of Education Employees OPEB Plan</u></i>			
2017	\$139,217	\$34,624	24.87%
2018	139,217	36,303	26.08%
2019	¹ -	19,842	-
2020	¹ -	36,302	¹ -
2021	¹ -	-	¹ -

¹ The Board of Education is no longer funding through a Trust. No Actuarially Determined Contribution is now calculated and the disclosure item is not required.

The Town implemented GASB Statement No. 74 effective in Fiscal Year 2017. The following net OPEB liability of the Town Employees and Board of Education Employees at June 30, 2021, determined by an actuarial valuation as of July 1, 2020 and based on actuarial assumptions as of that date, were as follows:

GASB 67 Schedules			
<u>Town Employees</u>		<u>Board of Education Employees</u>	
Total pension liability at June 30, 2021	\$21,605,137	Total pension liability at June 30, 2021	\$1,184,390
Plan fiduciary net position	<u>3,025,260</u>	Plan fiduciary net position	<u>-</u>
Town's net pension liability	<u>18,579,877</u>	Town's net pension liability	<u>1,184,390</u>
Plan fiduciary net position as a % of total pension liability	14.00%	Plan fiduciary net position as a % of total pension liability	0.00%

Source: Comprehensive Annual Financial Report 2021.

	1% Decrease	Current	1% Increase
	2.03%	Discount Rate	3.03%
Town Employees net OPEB liability as of June 30, 2021	\$ 22,443,465	\$ 18,579,877	\$ 15,511,381
	1.16%	Current	1% Increase
		Discount Rate	3.16%
Board of Education net OPEB liability as of June 30, 2021	\$ 1,250,184	\$ 1,184,390	\$ 1,115,081

For further information on the plans, please refer to Appendix A under the Town of Rocky Hill's "Notes to Financial Statements, Note 13", herein.

INVESTMENT POLICIES AND PRACTICES

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

The Town manages the investment of its funds in compliance with its Charter and the Connecticut General Statutes.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT

Budget and Actual
(Budgetary Basis)

	Fiscal Year 2020-21			Fiscal Year	Fiscal Year
			Variance	2021-22	2022-23
	Final	Actual	Favorable	Adopted	Adopted
	Budget	Operations	(Unfavorable)	Budget	Budget
REVENUES					
Property Taxes	\$ 75,631,218	\$ 74,898,728	\$ (732,490)	\$ 77,060,906	\$ 79,225,432
Intergovernmental	6,934,078	6,831,898	(102,180)	7,410,604	8,246,262
Licenses and Permits.....	616,200	542,005	(74,195)	566,200	566,200
Interest of Investments	280,000	33,733	(246,267)	122,000	25,000
Charges for Services	397,000	569,176	172,176	514,755	514,755
Parking Fines.....	3,000	1,150	(1,850)	3,000	2,000
Other.....	511,424	840,052	328,628	440,000	444,000
Transfers In.....	480,841	-	(480,841)	1,407,416	2,776,749
Use of Fund Balance.....	941,477	-	(941,477)	1,132,021	450,000
TOTAL REVENUES	85,795,238	83,716,742	(2,078,496)	88,656,902	92,250,398
EXPENDITURES					
General Government	2,860,238	2,666,300	193,938	3,778,876	3,883,017
Public Safety	7,447,281	7,210,852	236,429	7,865,095	8,128,879
Public Works.....	7,769,370	7,758,904	10,466	7,921,388	8,493,560
Health and Human Services.....	675,214	634,115	41,099	694,870	829,014
Park, Recreation and Facilities.....	4,004,866	3,722,265	282,601	3,387,209	3,625,055
Library Services.....	1,057,186	1,057,674	(488)	1,067,523	1,121,466
Miscellaneous.....	6,460,758	6,284,336	176,422	6,144,528	7,045,542
Capital Outlays.....	1,011,002	680,805	330,197	1,550,227	1,145,783
Debt Service.....	7,927,301	7,927,301	-	8,041,425	8,202,185
Education.....	45,484,414	45,260,339	224,075	48,205,761	49,775,897
Transfers Out.....	1,228,557	1,228,557	-	-	-
TOTAL EXPENDITURES	85,926,187	84,431,448	1,494,739	88,656,902	92,250,398
Excess (deficiency) of revenues over expenditures	(130,949)	(714,706)	(583,757)	-	-

Source: Audit Report 2021; Adopted Budgets 2022 and 2023.

GENERAL FUND BALANCE SHEET
Summary of Audited Assets and Liabilities
(GAAP Basis)

FISCAL YEAR ENDED:	2021	2020	2019	2018	2017
ASSETS					
Cash and cash equivalents	\$15,682,587	\$22,405,042	\$25,141,025	\$20,842,748	\$25,976,936
Receivables, net.....	1,684,481	955,923	772,206	1,507,858	1,284,419
Due from Other Funds.....	784,332	392,384	571,175	1,192,901	594,351
Inventory.....	-	-	-	-	-
TOTAL ASSETS.....	\$18,151,400	\$23,753,349	\$26,484,406	\$23,543,507	\$27,855,706
LIABILITIES					
Accounts and Contracts Payable.....	\$ 1,493,917	\$ 1,079,567	\$ 958,814	\$ 1,374,567	\$ 959,136
Due to Other Funds.....	7,733,483	7,766,314	11,290,392	9,035,415	11,103,821
Unearned Revenue	-	-	-	1,722	-
Deposit Payable.....	331,871	413,846	-	-	-
Total Liabilities	9,559,271	9,259,727	12,249,206	10,411,704	12,062,957
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	748,896	733,990	569,868	998,068	728,949
Advance Property Tax Collections.....	766,023	6,123,376	7,879,223	5,999,728	8,879,145
TOTAL DEFERRED INFLOWS.....	1,514,919	6,857,366	8,449,091	6,997,796	9,608,094
FUND BALANCE					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	2,153,281	2,287,918	668,386	1,567,594	542,330
Unassigned	4,923,929	5,348,338	5,117,723	4,566,413	5,642,325
TOTAL FUND BALANCE.....	7,077,210	7,636,256	5,786,109	6,134,007	6,184,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$18,151,400	\$23,753,349	\$26,484,406	\$23,543,507	\$27,855,706

Source: Audit Reports 2017-2021.

GENERAL FUND REVENUES AND EXPENDITURES

Summary of Audited Revenues and Expenditures (GAAP Basis)

FISCAL YEAR ENDED:	2021	2020	2019	2018	2017
REVENUES					
Taxes and Assessments.....	\$74,898,728	\$72,368,801	\$68,994,399	\$65,847,448	\$63,824,640
Intergovernmental	13,817,243	12,844,727	8,868,613	13,901,560	14,250,686
Charges for Services	1,112,331	1,003,548	990,903	1,353,501	1,310,171
Income on Investment.....	33,733	317,076	433,539	163,106	102,915
Miscellaneous.....	1,247,785	1,147,639	1,205,323	921,984	1,132,793
Transfers In.....	-	-	-	-	-
Total Revenues & Transfers In	\$91,109,820	\$87,681,791	\$80,492,777	\$82,187,599	\$80,621,205
EXPENDITURES					
General Government	2,660,238	2,585,465	2,664,972	2,492,107	2,618,786
Public Safety	7,242,712	7,230,537	6,969,341	6,574,134	6,198,790
Public Works.....	7,758,904	7,264,026	7,083,253	6,587,320	6,121,363
Health and Human Services.....	634,115	632,080	656,842	585,186	575,603
Parks, Recreation and Facilities.....	3,773,819	3,719,938	3,880,725	3,686,552	3,582,333
Library Services.....	1,057,674	1,025,198	1,023,351	1,009,221	1,002,004
Education.....	51,806,612	50,302,127	44,999,956	48,763,436	46,278,174
Miscellaneous.....	6,909,299	7,377,960	7,547,315	6,812,816	6,437,077
Capital Outlays.....	669,633	968,524	1,332,786	1,819,749	1,830,361
Debt Service.....	7,927,303	4,504,622	4,182,491	3,232,311	3,260,660
Contingency/Reserves.....	-	-	-	-	-
Transfers Out.....	1,228,557	221,167	499,643	675,415	2,533,987
Total Expenditures & Transfers Out	91,668,866	85,831,644	80,840,675	82,238,247	80,439,138
Results from Operations.....	(559,046)	1,850,147	(347,898)	(50,648)	182,067
Fund Balance - July 1	7,636,256	5,786,109	6,134,007	6,184,655	6,002,588
Fund Balance - June 30	\$ 7,077,210	\$ 7,636,256	\$ 5,786,109	\$ 6,134,007	\$ 6,184,655

Source: Audit Reports 2017-2021.

ANALYSIS OF GENERAL FUND EQUITY (GAAP BASIS)

FISCAL YEAR ENDED:	2021	2020	2019	2018	2017
Assigned.....	\$ 2,153,281	\$ 2,287,918	\$ 668,386	\$ 1,567,594	\$ 542,330
Unassigned.....	4,923,929	5,348,338	5,117,723	4,566,413	5,642,325
Total Fund Balance.....	7,077,210	7,636,256	5,786,109	6,134,007	6,184,655
Unassigned Fund Balance As % of					
Total Expenditures.....	5.37%	6.23%	6.33%	5.55%	7.01%

Source: Audit Reports 2017-2021.

PROPERTY TAX REVENUES

Fiscal Year	General Fund	Property Tax	
	Revenues & Transfers in	Revenues	Revenues as a Percentage of General Fund Revenues
2023 ¹	\$93,345,829	\$82,135,922	88.0 %
2022 ¹	88,656,902	77,060,906	86.9
2021	91,109,820	74,898,728	82.2
2020	87,681,791	72,368,801	82.5
2019	80,492,777	68,994,399	85.7
2018	82,187,599	65,847,448	80.1
2017	80,621,205	63,824,640	79.2
2016	72,666,162	60,302,037	83.0

¹ Adopted budget.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund	Aid as a	
	Revenues & Transfers in	Intergovernmental Revenue	Percentage of General Fund Revenues
2023 ¹	\$93,345,829	\$7,817,952	8.4 %
2022 ¹	88,656,902	7,410,604	8.4
2021	91,109,820	13,817,243	15.2
2020	87,681,791	12,844,727	14.6
2019	80,492,777	8,868,613	11.0
2018	82,187,599	13,901,560	16.9
2017	80,621,205	14,250,686	17.7
2016	72,666,162	10,581,229	14.6

¹ Adopted budget.

EXPENDITURES

Fiscal Year	Education	Public Safety	General Government	Public Works	Debt Service
2023 ¹	53.7%	8.8%	4.2%	9.2%	8.8%
2022 ¹	54.4%	8.9%	4.3%	8.9%	9.1%
2021	56.5%	7.9%	2.9%	8.5%	8.6%
2020	58.6%	8.4%	3.0%	8.5%	5.2%
2019	55.7%	8.6%	3.3%	8.8%	5.2%
2018	59.3%	8.0%	3.0%	8.0%	3.9%
2017	57.5%	7.7%	3.3%	7.6%	4.1%
2016	56.7%	8.5%	3.3%	8.1%	3.6%

¹ Adopted budget.

VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of July 27, 2022

(Pro Forma)

<u>Long-Term Debt</u>				Debt	Date of
Date	Purpose	Rate %	Original Issue	Outstanding As of 7/27/2022	Fiscal Year Maturity
<u>General Purpose</u>					
2/19/2013	General Purpose Refunding Bonds.....	1.69%	\$4,795,000	\$1,145,000	2025
6/22/2017	General Purpose Bonds.....	2.49%	9,950,000	8,410,000	2036
7/30/2019	General Purpose Bonds.....	2.33%	5,000,000	4,475,000	2039
12/18/2019	General Purpose Bonds - Series B.....	2.22%	7,200,000	6,480,000	2040
7/28/2021	General Purpose Bonds.....	2.23%	10,640,000	10,640,000	2041
2/8/2022	General Purpose Refunding Bonds.....	1.53%	3,570,000	3,570,000	2034
	Sub-Total.....		\$41,155,000	\$34,720,000	
<u>Schools</u>					
2/19/2013	School Refunding Bonds.....	1.69%	\$2,365,000	\$565,000	2025
6/22/2017	School Bonds.....	2.49%	19,000,000	16,080,000	2036
7/30/2019	School Bonds.....	2.33%	25,750,000	23,035,000	2039
2/8/2022	School Refunding Bonds.....	1.53%	6,860,000	6,860,000	2034
	Total Long-Term Debt.....		\$53,975,000	\$46,540,000	
	Total.....		\$95,130,000	\$81,260,000	

Short-Term Debt:

Project	Amount Authorized	Previously Bonded	Premium/ Grants Applied	Notes Maturing 7/27/2022	The Notes	Renewable Limit
High School Renovations.....	\$50,000,000	\$31,000,000	\$16,703,843	\$2,250,000	\$2,250,000	7/30/2029
Road Improvement Program (2019).....	\$10,000,000	\$3,668,966	\$331,034	\$0	\$2,000,000	7/27/2032
Total.....	\$60,000,000	\$34,668,966	\$17,034,877	\$2,250,000	\$4,250,000	

Other Long-Term Debt:

In November 2015, the Town entered into an agreement to purchase the development rights to 66 acres of farmland in the Connecticut River flood plain. The deal encompassed 11 parcels of land and ended operations of the Connecticut River Motocross track. The land was leveled and returned to agricultural use.

Under the terms of the agreement, the Town agreed to pay \$620,000 with payments spread over 10 years, divided equally between two property owners. The payments involve annual general fund appropriations. The balance as of July 27, 2022 is \$171,000.

Capital Leases Payable as of July 27, 2022:

2022	\$163,024
2023	247,611
2024	143,260
	<u>\$553,895</u>

SCHOOL BUILDING GRANT REIMBURSEMENTS

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

ANNUAL BONDED DEBT MATURITY SCHEDULE ¹

As of July 27, 2022

(Pro Forma)

Fiscal Year Ending 30-Jun	Principal	Interest	Total	Percent Retired
2023	\$ 4,990,000	\$ 2,189,738	\$ 7,179,738	6.14%
2024	5,155,000	2,791,075	7,946,075	12.48%
2025	5,170,000	2,549,675	7,719,675	18.85%
2026	5,025,000	2,313,500	7,338,500	25.03%
2027	5,050,000	2,072,625	7,122,625	31.25%
2028	5,070,000	1,830,200	6,900,200	37.48%
2029	5,105,000	1,601,700	6,706,700	43.77%
2030	5,135,000	1,389,150	6,524,150	50.09%
2031	5,160,000	1,205,950	6,365,950	56.44%
2032	5,135,000	1,025,500	6,160,500	62.76%
2033	5,155,000	849,400	6,004,400	69.10%
2034	5,180,000	672,650	5,852,650	75.47%
2035	4,275,000	516,550	4,791,550	80.73%
2036	4,290,000	396,850	4,686,850	86.01%
2037	4,300,000	276,400	4,576,400	91.31%
2038	2,645,000	180,800	2,825,800	94.56%
2039	2,655,000	109,500	2,764,500	97.83%
2040	1,055,000	38,000	1,093,000	99.13%
2041	710,000	14,200	724,200	100.00%
Total	\$81,260,000	\$22,023,463	\$103,283,463	

¹ Excludes capital lease obligations and other long-term commitments.

OVERLAPPING/UNDERLYING DEBT

The Town is a member of the Metropolitan District Commission ("MDC"). The MDC was created by the Connecticut General Assembly in 1929 and operates as a quasi-municipal corporation of the State of Connecticut under Act No. 511. The District's purpose is to provide adequate and modern systems of water supply, sewerage collection and disposal facilities for its member municipalities. The member municipalities incorporated in the District are the City of Hartford, the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor. The District also provides sewerage disposal facilities and supplies water under special agreements, to certain towns or areas therein which are not members of the District.

	Outstanding Debt as of November 3, 2021
Member Town's Overlapping Debt.....	\$806,944,268 ¹
<i>Rocky Hill's Share of 6.16%</i>	
Total Overlapping Debt.....	\$49,707,766.91

¹ Includes approximately \$675,931,413 of Interim Funding Obligations (IFO's), Permanent Loan Obligations (PLO's), General Obligation Bonds and Notes issued pursuant to authorizations totaling \$1.7588 billion for the Metropolitan District Commission's Clean Water Project. The Metropolitan District Commission's goal is to fund the Clean Water Project with revenue bonds or general obligation debt supported by a Clean Water Project Charge (previously the Special Sewer Service Surcharge), State and Federal low-cost State Revolving Fund loans from the State of Connecticut Clean Water Revolving Fund Program, also supported by the Clean Water Project Charge, and State and Federal grants which require no repayment from the Metropolitan District Commission. The Clean Water Project Charge is levied annually and added to customers' water bills, beginning in 2008.

Source: Metropolitan District Commission, November 3, 2021 Official Statement and supplement.

DEBT STATEMENT

As of July 27, 2022

(Pro Forma)

Long-Term Indebtedness

General Purpose.....	\$ 34,720,000
Schools.....	46,540,000
Total Long-Term Indebtedness.....	81,260,000

Short-Term Indebtedness.....

Note payable (<i>this issue</i>)	4,250,000
Total Short-Term Indebtednes.....	4,250,000

Total Direct Indebtedness.....	85,510,000
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Net Direct Indebtedness.....	85,510,000
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Overlapping Indebtedness - MDC as of 11/3/2021....	49,707,767
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Total Overall Net Direct Indebtedness.....	\$ 135,217,767
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NOTE: Does not include capital lease obligations, other long-term commitment, and authorized but unissued debt.

CURRENT DEBT RATIOS

July 27, 2022

(Pro Forma)

Population ¹	20,780
Net Taxable Grand List (10/1/21).....	\$2,286,966,010
Estimated Full Value.....	\$3,267,094,300
Equalized Net Taxable Grand List (10/1/20) ² ...	\$3,766,723,871
Per Capita Income (2020) ³	\$47,749

	Total Direct debt \$85,510,000	Total Net Direct Debt \$85,510,000	Total Overall Net Debt \$135,217,767
Per Capita.....	\$4,115.01	\$4,115.01	\$6,507.11
Ratio to Net Taxable Grand List.....	3.74%	3.74%	5.91%
Ratio to Estimated Full Value.....	2.62%	2.62%	4.14%
Ratio to Equalized Net Taxable Grand List.....	2.27%	2.27%	3.59%
Debt per Capita to Money Income per Capita.....	8.62%	8.62%	13.63%

¹ Connecticut Department of Public Health, Population Estimate 2020.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2016-2020 American Community Survey.

BOND AUTHORIZATION

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes (“CGS”) subject to statutory limitations and the procedural requirements of the Town Charter. The issuance of bonds and notes must be authorized by resolution of the Town Council. Any authorization in excess of \$300,000 must be approved by a referendum vote, except for refunding bonds.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes may be funded beyond ten years from the initial borrowing if a written commitment exists for State and/or Federal grants, for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

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

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds or notes which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Pension Liability Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base,") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The CGS also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

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STATEMENT OF STATUTORY DEBT LIMITATION

As of July 27, 2022

(Pro Forma)

Total Receipts for fiscal year ended June 30, 2021 (including interest and lien fees)¹ \$ 74,926,135

State Reimbursement for Revenue Loss on:

Tax Relief for Elderly

Base for Establishing Debt Limit

-

\$ 74,926,135

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$168,583,804					
(4.50 times base).....		\$337,167,608				
(3.75 times base).....			\$280,973,006			
(3.25 times base).....				\$243,509,939		
(3.00 times base).....					\$ 224,778,405	
(7.00 times base).....						\$ 524,482,945
Indebtedness						
Bonds Payable.....	\$ 34,720,000	\$ 46,540,000	\$ -	\$ -	\$ -	\$ 81,260,000
Notes Payable (<i>this issue</i>).....	-	4,250,000	-	-	-	4,250,000
Authorized but						
Unissued Debt.....	9,280,000	11,857,026	-	-	-	21,137,026
Total Bonded Indebtedness.....	44,000,000	62,647,026	-	-	-	106,647,026
Overlapping Debt - MDC as of 11/3/2021.	-	-	49,707,767 ²	-	-	49,707,767
Net Bonded Indebtedness.....	44,000,000	62,647,026	49,707,767	-	-	56,939,259
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	\$124,583,804	\$274,520,582	\$231,265,239	\$243,509,939	\$ 224,778,405	\$ 467,543,686

¹ Excludes overlapping debt and capital lease obligations.

² Please refer to page 43 herein "Overlapping/Underlying Debt" for additional information relative to the Town's share of the Metropolitan District Commission's Debt.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$524,482,945.

AUTHORIZED BUT UNISSUED DEBT

As of July 27, 2022

(Pro Forma)

Project	Amount of Total Authorization	Previously Bonded/Grants Bond Premium	The Notes	Authorized But Unissued Debt
High School Renovations.....	\$ 50,000,000	\$ 47,703,843	\$ 2,250,000	\$ 46,157 ¹
Preserve Land Acquisition.....	10,000,000	4,720,000 ⁴	-	5,280,000 ²
New Intermediate School.....	48,350,000	36,539,131 ⁵	-	11,810,869 ³
Road Improvement Program (2019).	10,000,000	4,000,000 ⁶	2,000,000	4,000,000
Total All Projects	\$118,350,000	\$ 92,962,974	\$ 4,250,000	\$21,137,026

¹ It is anticipated that this project will qualify for State of Connecticut School Construction Grants of approximately \$19.0 million, \$16,703,843 has been received to date.

² Includes \$620,000 encumbrance.

³ It is anticipated that this project will qualify for State of Connecticut School Construction Grants of approximately \$12.64 million, \$9,798,162 has been received to date.

⁴ Consisting of previous bonds, grants, and application of \$41,380.00 in bond premium.

⁵ Consisting of previous bonds, grants, and application of \$990,968.94 in bond premium.

⁶ Consisting of previous bonds, grants, and application of \$331,034.00 in bond premium.

Source: Town of Rocky Hill, Finance Office.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT

Long-Term Debt	2022 Est.	2021	2020	2019	2018	2017
Bonds.....	\$81,260,000	\$77,100,000	\$82,160,000	\$47,345,000	\$50,515,000	\$52,625,000
Short-Term Debt						
Bond Anticipation Notes.....	2,250,000	11,350,000	2,250,000	33,000,000	8,000,000	0
Totals.....	\$83,510,000	\$88,450,000	\$84,410,000	\$80,345,000	\$58,515,000	\$52,625,000

Source: Annual Audited Financial Statements 2017-2021; Estimate 2022.

RATIO OF DIRECT OVERALL DEBT TO VALUATION, POPULATION AND INCOME

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Net Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2022 Est.	\$2,245,940,669	\$3,208,486,670	\$83,510,000	3.72%	2.60%	20,780	\$4,018.77	8.42%
2021	2,232,910,705	3,189,872,436	88,450,000	3.96%	2.77%	20,780	4,256.50	8.91%
2020	2,208,948,420	3,155,640,600	84,410,000	3.82%	2.67%	20,780	4,062.08	8.51%
2019	2,094,068,745	2,991,526,779	80,345,000	3.84%	2.69%	20,115	3,994.28	8.37%
2018	2,061,647,020	2,945,210,029	58,515,000	2.84%	1.99%	20,145	2,904.69	6.08%
2017	2,032,452,826	2,903,504,037	52,625,000	2.59%	1.81%	20,105	2,617.51	5.48%

¹ Does not include underlying debt and capital lease obligations.

² State of Connecticut, Department of Health Services Estimate FY 2017-2020.

³ Income per Capita: \$47,749 – U.S. Census Bureau, 2016-2020 American Community Survey.

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

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VII. LEGAL AND OTHER LITIGATION

LITIGATION

The Town of Rocky Hill, Connecticut its officers, employees, boards and commissions, are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims.

It is the Town Attorney's opinion that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the Town which would have material adverse effect upon its financial position.

MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Municipal Advisor's fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Note proceeds.

CLOSING DOCUMENTS

Upon the delivery of the Notes, the winning bidder(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay the principal of and interest on the Notes.
2. A Certificate on behalf of the Town signed by the Acting Town Manager, and Director of Finance which will be dated the date of delivery of the Notes and attached to a confirmed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were accepted, the descriptions and statements in the Official Statement relating to the Town of Rocky Hill and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Notes.
4. The approving opinion of Pullman & Comley LLC, Bond Counsel, of Hartford, Connecticut substantially in the form of Appendix B attached hereto.
5. An executed Continuing Disclosure Agreement for the Notes substantially in the form of Appendix C attached hereto.
7. The Town of Rocky Hill has prepared a Preliminary Official Statement for this Note issue which is dated July 5, 2022. The Town deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(5), but it is subject to revision or amendment. The Town will make available to the winning bidder(s) of the Notes a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the signing of the bid opening.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Information herein has been derived by the Town from various officials, departments and other sources and is believed by the Town to be reliable, but such information, other than that obtained from official records of the Town, has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

This Official Statement is submitted only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or part for any other purpose.

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

TOWN OF ROCKY HILL

By:

Raymond Carpentino, *Acting Town Manager*

By:

Mona M. McKim, *Director of Finance*

Dated as of _____, 2022

APPENDIX A – BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Appendix A - Basic Financial Statements - is taken from the Annual Report of the Town of Rocky Hill for the Fiscal Year ended June 30, 2021 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Rocky Hill, Connecticut.



Independent Auditors' Report

To the Town Council
Town of Rocky Hill, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Rocky Hill, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Rocky Hill, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Rocky Hill, Connecticut, as of June 30, 2021 and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As disclosed in Note 17 to the financial statements, during fiscal year ended June 30, 2021, the Town of Rocky Hill, Connecticut, reassessed the Student Activity Fund under GASB Statement No. 84, *Fiduciary Activities*. As a result of this the Town of Rocky Hill, Connecticut, reported a restatement for the change in accounting principle. Our auditors' opinion was not modified with respect to this restatement.

Other Matters

Required Supplementary Information

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



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 23, 2021

**TOWN OF ROCKY HILL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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, 2021. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to VI.

Financial Highlights

- On a government-wide basis, the assets of the Town of Rocky Hill exceeded its liabilities for fiscal year 2020-21 by \$36.0 million.
- Net position of our governmental activities increased by \$2.7 million or 8.2%.
- Total cost of all of the Town's programs was \$103.1 million.
- The Town's governmental funds (general fund, special revenue funds, capital projects and permanent funds) had a combined fund balance of \$3.5 million.
- The General Fund reported a fund balance for this year of \$7.1 million. The Unassigned Fund Balance for the General Fund was \$4.9 million or 5.8% of current year budgetary expenditures.
- The resources available for appropriation were \$656 thousand less than budgeted for and 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 position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to VI. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

Government-Wide Financial Analysis

The Town's governmental activities net position increased from \$33.3 million to \$36.0 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

Table 1
NET POSITION

	Governmental Activities	
	2021	2020 As restated
Current and other assets	\$ 28,586,065	\$ 29,752,848
Capital assets, net of accumulated depreciation	150,837,475	144,298,113
Total assets	179,423,540	174,050,961
Deferred outflows of resources	12,260,648	9,186,094
Long-term debt outstanding	109,003,070	124,800,507
Other liabilities	20,526,138	8,204,981
Total liabilities	129,529,208	133,005,488
Deferred inflows of resources	26,116,364	16,912,585
Net Position:		
Net investment in capital assets	57,835,007	52,991,415
Restricted	5,835,939	970,185
Unrestricted	(27,632,330)	(20,642,618)
Total Net Position	\$ 36,038,616	\$ 33,318,982

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from (\$20.6) million at June 30, 2020 to (\$27.6.5) million at the end of this year.

Table 2
CHANGE IN NET POSITION

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 3,158,516	\$ 3,386,314
Operating grants and contributions	23,402,780	17,214,225
Capital grants and contributions	2,176,795	2,525,719
General revenues:		
Property taxes	74,913,634	72,532,923
Grants and contributions not restricted to specific purposes	2,017,144	1,476,186
Unrestricted investment earnings	34,004	317,366
Other general revenues	104,073	1,009,284
Total revenues	<u>105,806,946</u>	<u>98,462,017</u>
Program expenses:		
General government	9,477,515	10,745,638
Public safety	9,999,472	10,624,664
Public works	12,188,337	10,099,324
Health and human services	530,311	786,998
Parks, recreation and facilities	3,759,703	4,866,837
Library services	1,074,099	1,165,619
Education	64,956,350	57,989,405
Interest on long-term debt	1,101,525	3,778,862
Total program expenses	<u>103,087,312</u>	<u>100,057,347</u>
Change in Net Position	2,719,634	(1,595,330)
Beginning Net Position	33,318,982	34,184,206
Restatement		<u>730,106</u>
Ending Net Position	<u>\$ 36,038,616</u>	<u>\$ 33,318,982</u>

The Town's total revenues were \$105.8 million. The total cost of all programs and services was \$103.1 million. Our analysis below separately considers the operations of governmental activities.

Governmental Activities

For governmental activities, approximately 70.8% of the revenues were derived from property taxes, followed by 22.1% in other intergovernmental revenues.

Major revenue factors included:

- Property tax revenues recorded during fiscal year 2021 reflect a 1.1 mill increase in the mill rate for the current levy and the impact of a 1.2% increase in the grand list. Property tax revenues for fiscal year 2021 increased 3.3% or \$2.4 million compared to fiscal year 2020.
- Charges for services were \$228 thousand less than the prior year due to a decrease in parks, senior and library activities during the pandemic.

- Operating grants reflected an increase of \$6.2 million mainly due to the State Teacher Retirement and OPEB calculations due to a change in actuarial assumptions.
- Capital grants and contributions reflected an increase of \$192 thousand from the previous year primarily due to State reimbursement for the Streetscape project.
- Other General Revenues decreased by \$905 thousand primarily due to a decrease in recognition of bond premium revenue in comparison to the previous year.
- Investment income decreased by \$283 thousand over the previous year due to interest rate decrease during the fiscal year.
- Overall governmental revenue increased by \$7.3 million due to a net increase of property tax revenue of \$2.4 million and in the contribution to the State Teacher Retirement Fund and OPEB calculation of \$6.2 million offset by decreases in Other General revenues and Investment Income.

More than 63.0% of the Town's expenses relate to education, 9.4% to public safety, 3.7% to parks, recreation and facilities, 9.5% to general government, 1.0% to debt, 1.0% library and 11.8% to public works.

Major expense factors included:

- The overall increase in governmental expenditures was impacted by various increases and decreases within Town operations. The total of governmental expenses increased in the amount of \$3.0 million.
- The increase in the amount of \$6.9 million in the Board of Education expenses reflects an increase in the calculation for the State Teacher Retirement and OPEB due to GASB 34 calculations and an increase in the operational needs of 2020-21 fiscal year.
- The decrease in General Government in the amount of \$963 thousand reflects the GASB 34 adjustments for pension and OPEB liabilities and deferrals in comparison to the prior fiscal year.
- Public Safety expenses decreased by \$930 thousand which reflects the GASB 34 adjustments for pension and OPEB, decrease in fixed asset depreciation offset by an increase in Covid related expenses.
- Public Works expenses increased by \$2.1 million which includes \$1.8 million for a road rehabilitation grant project, an increase in the MDC sewer use charge and contractual salary increases.
- Parks, Recreation and Facilities expenses decreased by \$1.1 million which reflects a decrease in utility costs and a decrease in parks and senior services during the pandemic.
- All other expenses decreased by \$2.7 million primarily due to the amortization of bond premium.
- The Town nears completion of the new Senior Community Center addition to the Town Hall campus. In addition, the Town purchased land rights to the Backiel farm, installed a self-loan station at the public library, upgraded the electronic media system in the Town Council chambers and made roof improvements to Stevens elementary school.

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

Table 3
GOVERNMENTAL ACTIVITIES

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Education	\$ 64,956,350	\$ 57,989,405	\$ 41,639,647	\$ 38,929,281
General government	9,477,515	10,745,638	8,512,556	9,761,873
Public works	12,188,337	10,099,324	9,899,060	9,133,438
Public safety	9,999,472	10,624,664	8,322,600	9,342,400
Parks, recreation and facilities	3,759,703	4,866,837	3,416,530	4,220,759
All others	2,705,935	5,731,479	2,558,828	5,543,338
Total	<u>\$ 103,087,312</u>	<u>\$ 100,057,347</u>	<u>\$ 74,349,221</u>	<u>\$ 76,931,089</u>

Town Funds Financial Analysis

Governmental Funds

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

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$2.8 million, which is a decrease from last year's total of \$15.9 million.

The largest change in fund balance was a decrease in the Capital Projects by \$10.6 million. This decrease is the result of the ongoing capital projects offset by the issuance of \$11.3 million in Bond Anticipation Notes in July 2020.

The General Fund fund balance reflects a slight decrease of \$559 thousand which was offset by an increase in Assigned fund balance amount of \$155 thousand for the 2020-21 fiscal year. (Exhibit A-1)

General Fund Budgetary Highlights

During this year, actual revenues and other revenue sources on a budgetary basis were \$83.7 million, which was unfavorable by \$656 thousand. The Town did use a portion of the \$1.4 million appropriated from fund balance as a revenue source.

Tax collections were unfavorable by \$733 thousand due the economic impact of the COVID pandemic. Intergovernmental revenue was slightly unfavorable by \$102 thousand due to a reduction of the reimbursement from the State Local Capital Improvement Program (LOCIP) costs. Charges for Services were favorable by \$172 thousand due to a moderate increase in real estate conveyance. The overall increase in other revenues was impacted by various increases and decreases which includes reimbursement from FEMA – Federal Emergency Management for Storm Isaias and a member equity distribution from the Town's property and liability insurance carrier. Investment income was \$247 thousand under budget.

On the expenditures side, the Town finished the fiscal year with expenditures of \$1.5 million lower than budget. The decrease in expenditures reflects a reduction in parks and senior activities during the pandemic, savings in employee health benefit costs, a savings in utility expenses and a significant decrease in Education expenses which were primarily impacted by the COVID pandemic. The Town budgets for unanticipated and unbudgeted expenditures that occurred during the budget year. For the 2020-21 budget year, the Town budgeted \$455 thousand for contingency. This provided the Town with a reserve to cover salary increases in labor agreements, retirement benefits and increased electric, heating and motor fuel costs.

The Town's total General Fund balance of \$7.1 million reported on Exhibit III includes the Unassigned General Fund balance of \$4.6 million, \$1.1 million of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes and a \$1.4 million appropriation of fund balance to the 2021-22 budget.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021, the Town had \$150.8 million invested in a broad range of capital assets, including land, buildings, park facilities, roads, vehicles and equipment - Table 4. This amount represents a net increase (including additions and deductions) of \$6.5 million or 4.5% over last year.

Table 4
CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities	
	2021	2020
Land	\$ 14,332,029	\$ 13,146,329
Buildings and improvements	108,103,470	109,032,564
Furniture, vehicles and equipment	2,626,469	3,948,836
Infrastructure	16,630,607	17,358,749
Construction in progress	9,144,900	811,635
Total	<u>\$ 150,837,475</u>	<u>\$ 144,298,113</u>

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

New Public Safety Vehicles	\$.2
Equipment- Council Chamber Media	.1
Construction – Stevens School Roof Project	.6
Construction - Senior/Community Center Project	7.7
Land Rights – Backiel Farm	1.2
Less: Depreciation	<u>(3.3)</u>
Total	<u>\$ 6.5</u>

The Town's fiscal year 2020-21 capital budget calls for it to spend \$1.0 million for capital projects, principally for sidewalk improvements, vehicles for various departments, road improvements, town facilities improvements and school facilities improvements

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

Long-Term Debt

At June 30, 2021, the Town had \$77.1 million in bonds outstanding versus \$82.1 million last year - a decrease of 6.1% - as shown in Table 5.

Table 5
OUTSTANDING DEBT

	Governmental Activities	
	2021	2020
General Obligation Bonds (Backed by the Town)	<u>\$ 77,100,000</u>	<u>\$ 82,160,000</u>

The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on the type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$506 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 2022 budget and tax rate. One of those factors is the economy and the community's ability to pay for municipal services. As of June 2021, the Town's labor force stood at 11,395 with its unemployment rate at 5.4% compared to 7.0% in the greater Hartford region and 7.0% for the State. The Rocky Hill unemployment rate has decreased from the June 2020 rate of 8.1% compared to the greater Hartford region and the State rates that have also decreased from 9.2% and 10.2% respectively.

The consumer price index for June 2021 was 0.54% compared to 0.6% for June 2020. 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 2021-22. Amounts available for appropriation in the General Fund are \$88.6 million, a 3.34% increase over the 2020-21 budget of \$85.8 million. The increase in the 2021-22 Budget includes the full year funding of a two Patrol Officers, an Emergency Management Director, a Custodian, funds for the new Senior Community Center and an increase with various Education expenses.

For 2021-22, the Town's October 2020 Net Taxable Grand List increased by 0.58% from the prior year. The mill rate used by the Town was 34.1 mills, an increase of 0.5 mills over the 2020-21 budget year.

Approximately 8.4% of the Town's budget revenues are derived from revenues received from the State of Connecticut. About 73% of the State revenues come to the Town in the form of Educational Cost Sharing Grant (ECS) which assists the Town's school system.

The Town appropriated \$1.1 million from fund balance to the 2021-22 budgets. This is a decrease of \$300 thousand from the prior year. The use of \$750 thousand of this fund balance appropriation relates to the Town Council resolution that funds in the assigned fund balance from the preceding fiscal year that exceed 6% of general fund expenditures be applied to the capital improvement budget in the next budget year.

The Town was allocated \$2,976.523 from the American Rescue Plan Act/ Coronavirus Local Fiscal Recovery Fund in the first tranche. The Town will transfer \$1.4 million of these funds to the 2021-22 budget to offset the economic impact of the pandemic.

The Town's defined benefit plan has been closed to new participants since 2014. The Town is concerned about the United States as well as the global economy and both its impact on the equities market. Like most towns, Rocky Hill has its pension trusts' assets invested with various mutual funds that hold investments in the stock market. The Town has seen these pension trusts' assets decrease in value by 1.27% from July 1, 2019 to June 30, 2020 but from July 1, 2020 to June 30, 2021 an increase of 28.7%. Town pension trusts maintains adequate amounts in fixed income securities accounts so that the trusts will be able to pay its pension obligations over a three to six month period without having to liquidate any of its mutual stock funds positions.

Contacting the Town's Financial Management

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

TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 20,676,381
Investments	205,939
Receivables, net	3,036,690
Inventory	20,273
Net pension assets	4,146,782
Deposit	500,000
Capital assets not being depreciated	23,476,929
Capital assets being depreciated, net	127,360,546
Total assets	<u>179,423,540</u>
Deferred Outflows of Resources:	
Deferred outflows related to pension	7,015,201
Deferred outflows related to OPEB	5,245,447
Total deferred outflows of resources	<u>12,260,648</u>
Liabilities:	
Accounts and other payables	4,935,368
Unearned revenue	3,908,899
Deposits Payable	331,871
Bond anticipation notes payable	11,350,000
Noncurrent liabilities:	
Due within one year	5,993,409
Due in more than one year	103,009,661
Total liabilities	<u>129,529,208</u>
Deferred Inflows of Resources:	
Advance property tax collections	766,023
Deferred inflows related to pension	13,450,553
Deferred inflows related to OPEB	11,899,788
Total deferred inflows of resources	<u>26,116,364</u>
Net Position:	
Net investment in capital assets	57,835,007
Restricted for:	
Pensions	4,146,782
Trust purposes:	
Nonexpendable	70,989
Expendable	15,651
Grant purposes	899,943
Restricted for student activities	702,574
Unrestricted	<u>(27,632,330)</u>
Total Net Position	<u>\$ 36,038,616</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, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 9,477,515	\$ 945,759	\$ 19,200	\$	\$ (8,512,556)
Public safety	9,999,472	1,409,506	267,366		(8,322,600)
Public works	12,188,337		112,482	2,176,795	(9,899,060)
Health and human services	530,311	82,506	39,359		(408,446)
Parks, recreation and facilities	3,759,703	343,173			(3,416,530)
Library services	1,074,099	15,146	10,096		(1,048,857)
Education	64,956,350	362,426	22,954,277		(41,639,647)
Interest on long-term debt	1,101,525				(1,101,525)
Total Governmental Activities	<u>\$ 103,087,312</u>	<u>\$ 3,158,516</u>	<u>\$ 23,402,780</u>	<u>\$ 2,176,795</u>	<u>(74,349,221)</u>
General revenues:					
Property taxes					74,913,634
Grants and contributions not restricted to specific programs					2,017,144
Unrestricted investment earnings					34,004
Miscellaneous					104,073
Total general revenues					<u>77,068,855</u>
Change in net position					2,719,634
Net Position at Beginning of Year, as Restated					<u>33,318,982</u>
Net Position at End of Year					<u>\$ 36,038,616</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Miscellaneous Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 15,682,587	\$ 2,100,380	\$	\$ 2,112,637	\$ 19,895,604
Investments				205,939	205,939
Receivables, net	1,684,481		98,470	1,253,739	3,036,690
Due from other funds	784,332	3,604,145	3,002,977	1,126,361	8,517,815
Inventory				20,273	20,273
Deposit		500,000			500,000
Total Assets	<u>\$ 18,151,400</u>	<u>\$ 6,204,525</u>	<u>\$ 3,101,447</u>	<u>\$ 4,718,949</u>	<u>\$ 32,176,321</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payable	\$ 1,493,917	\$ 833,769	\$ 3,665	\$ 681,788	\$ 3,013,139
Due to other funds	7,733,483	148,365		635,967	8,517,815
Unearned revenue			3,079,569	829,330	3,908,899
Deposits payable	331,871				331,871
Bond anticipation notes payable		11,350,000			11,350,000
Total liabilities	<u>9,559,271</u>	<u>12,332,134</u>	<u>3,083,234</u>	<u>2,147,085</u>	<u>27,121,724</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	748,896				748,896
Unavailable revenue - grants				727,097	727,097
Advance property tax collections	766,023				766,023
Total deferred inflows of resources	<u>1,514,919</u>	<u>-</u>	<u>-</u>	<u>727,097</u>	<u>2,242,016</u>
Fund Balances:					
Nonspendable				91,262	91,262
Restricted			18,213	872,858	891,071
Committed		2,994,738		1,616,123	4,610,861
Assigned	2,153,281				2,153,281
Unassigned	4,923,929	(9,122,347)		(735,476)	(4,933,894)
Total fund balances	<u>7,077,210</u>	<u>(6,127,609)</u>	<u>18,213</u>	<u>1,844,767</u>	<u>2,812,581</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances					
	<u>\$ 18,151,400</u>	<u>\$ 6,204,525</u>	<u>\$ 3,101,447</u>	<u>\$ 4,718,949</u>	<u>\$ 32,176,321</u>

(Continued on next page)

TOWN OF ROCKY HILL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 2,812,581
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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	\$ 228,117,556	
Less accumulated depreciation	<u>(77,280,081)</u>	
Net capital assets		150,837,475

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

Net pension asset	4,146,782
Property tax receivables greater than 60 days	570,051
Interest receivable on property taxes	178,845
Unavailable grants	727,097
Deferred outflows related to pension	7,015,201
Deferred outflows related to OPEB	5,245,447

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

52,857

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

Net pension liability	(1,021,455)
Bonds payable	(77,100,000)
Interest payable on bonds and notes	(1,194,309)
Compensated absences	(4,109,937)
Capital lease	(335,579)
Bond premium	(6,671,832)
Net OPEB liability	(18,579,877)
Total OPEB liability	(1,184,390)
Deferred inflows related to OPEB	(11,899,788)
Deferred inflows related to pension	<u>(13,450,553)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u>36,038,616</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, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Miscellaneous Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes and assessments	\$ 74,898,728	\$	\$	\$	\$ 74,898,728
Intergovernmental	13,817,243	358,170	257,764	3,672,342	18,105,519
Charges for services	1,112,331			1,691,777	2,804,108
Income on investments	33,733	210		62	34,005
Miscellaneous	1,247,785	43,725	31,149	180,498	1,503,157
Total revenues	<u>91,109,820</u>	<u>402,105</u>	<u>288,913</u>	<u>5,544,679</u>	<u>97,345,517</u>
Expenditures:					
Current:					
General government	2,660,238			66,816	2,727,054
Public safety	7,242,712		132,232	863,561	8,238,505
Public works	7,758,904			1,901,025	9,659,929
Health and human services	634,115			84,284	718,399
Parks, recreation and facilities	3,773,819		98,470	330,463	4,202,752
Library services	1,057,674			16,425	1,074,099
Education	51,806,612			2,861,182	54,667,794
Miscellaneous	6,909,299			324,967	7,234,266
Capital outlay	669,633	12,259,621			12,929,254
Debt service	7,927,303			1,213,112	9,140,415
Total expenditures	<u>90,440,309</u>	<u>12,259,621</u>	<u>230,702</u>	<u>7,661,835</u>	<u>110,592,467</u>
Excess (Deficiency) of Revenues over Expenditures	<u>669,511</u>	<u>(11,857,516)</u>	<u>58,211</u>	<u>(2,117,156)</u>	<u>(13,246,950)</u>
Other Financing Sources (Uses):					
Transfers in		1,228,557			1,228,557
Transfers out	(1,228,557)				(1,228,557)
Premium on bond anticipation notes				115,997	115,997
Total other financing sources (uses)	<u>(1,228,557)</u>	<u>1,228,557</u>	<u>-</u>	<u>115,997</u>	<u>115,997</u>
Net Change in Fund Balances	(559,046)	(10,628,959)	58,211	(2,001,159)	(13,130,953)
Fund Balances at Beginning of Year, as Restated	<u>7,636,256</u>	<u>4,501,350</u>	<u>(39,998)</u>	<u>3,845,926</u>	<u>15,943,534</u>
Fund Balances at End of Year	<u>\$ 7,077,210</u>	<u>\$ (6,127,609)</u>	<u>\$ 18,213</u>	<u>\$ 1,844,767</u>	<u>\$ 2,812,581</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, 2021

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)	\$ (13,130,953)
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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	9,854,994
Depreciation expense	(3,315,632)

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

Property tax receivable - accrual basis change	(13,898)
Property tax interest and lien revenue - accrual basis change	28,804
Intergovernmental grants	727,097
Changes in deferred outflows related to pension	3,659,175
Changes in deferred outflows related to OPEB	(584,621)
Change in net pension assets	3,977,645

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	5,060,000
Capital lease payments	252,941

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	177,427
Accrued interest	699,784
Amortization of deferred charge on refunding	5,549
Amortization of bond premiums	1,176,443
Net pension liability	5,401,994
Net OPEB liability	3,732,193
Total OPEB liability	(3,561)
Changes in deferred inflows related to OPEB	(2,713,098)
Changes in deferred inflows related to pension	(11,853,583)

The net income of the internal service funds is reported with governmental activities.	<u>(419,066)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 2,719,634</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Governmental Activities Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ <u>780,777</u>
Liabilities:	
Current liabilities:	
Accounts and other payables	<u>727,920</u>
Net Position:	
Unrestricted	\$ <u><u>52,857</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:	
Charges for services	\$ 6,506,273
Operating Expenses:	
Benefits and claims	<u>6,925,339</u>
Operating Income	<u>(419,066)</u>
Change in Net Position	(419,066)
Net Position at Beginning of Year	<u>471,923</u>
Net Position at End of Year	\$ <u><u>52,857</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:	
Cash received from charges for services and other	\$ 6,506,273
Payments to vendors	<u>(6,783,915)</u>
Net cash provided by (used in) operating activities	<u>(277,642)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(277,642)
Cash and Cash Equivalents at Beginning of Year	<u>1,058,419</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>780,777</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (419,066)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Increase (decrease) in accounts payable	<u>141,424</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u><u>(277,642)</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Pension and OPEB Trust Funds</u>
Assets:	
Cash and cash equivalents	\$ 1,586,573
Investments:	
Mutual funds	<u>89,590,120</u>
Total assets	<u>91,176,693</u>
Net Position:	
Restricted for:	
Pension benefits	88,151,433
Other postemployment benefits	<u>3,025,260</u>
Total net position	<u>\$ 91,176,693</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ROCKY HILL, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Pension and OPEB Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 1,444,512
Plan members	396,387
Private Contributions	
Total contributions	<u>1,840,899</u>
Investment income:	
Net change in fair value of investments	16,861,588
Interest and dividends	<u>6,943,694</u>
Total investment income	23,805,282
Less investment expense	<u>194,112</u>
Net investment income	<u>23,611,170</u>
Total additions	<u>25,452,069</u>
Deductions:	
Benefits paid to participants of beneficiaries	5,057,424
Medical, dental and life insurance for retirees	<u>79,617</u>
Total deductions	<u>5,137,041</u>
Change in fiduciary net position	<u>20,315,028</u>
Net Position at Beginning of Year	<u>70,861,665</u>
Net Position at End of Year	<u><u>\$ 91,176,693</u></u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Fiduciary Component Units

The Pension and Other Post-Employment Benefits (OPEB) plans were established to provide retirement benefits and postretirement health care benefits primary to employees and their beneficiaries. Included in the Pension and OPEB Trust fund are four pension plans and two OPEB plans.

The financial statements of the fiduciary component units are presented using the accrual basis of accounting and are reported as Pension and OPEB Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

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

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

The Miscellaneous Grants Funds is used to account for miscellaneous state and federal grants.

Additionally, the Town reports the following fund types:

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

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

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

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

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

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.

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The Town did not report any prepaid items in the current year.

G. Deposit

The Town's deposit is held in escrow for the purchase of the Straska Farm Property, pending actions by the previous owner.

H. Capital Assets

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

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

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

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

I. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds

balance sheet as deferred inflows of resources. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. In addition, the Town reports deferred inflows related to pension and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on plan assets or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

J. Compensated Absences

Municipal

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

Board of Education

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

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

L. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB

plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

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

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

N. Net Pension Liability (Asset)

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

O. Fund Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council) by adoption of an ordinance prior to the end of the fiscal year. Amounts remain committed until action is taken by the Town Council to remove or revise the limitations.

Assigned Fund Balance

This represents amounts constrained for the intent to be used for a specific purpose by the Finance Director that has been delegated authority to assign amounts by the Town Charter. Assignments exist temporarily and an additional action is not required to be taken for the removal of an assignment.

Unassigned Fund Balance

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

P. Fund Balance Flow Assumptions

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

Q. Use of Estimates

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

R. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through December 23, 2021, which is the date that the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

Unencumbered appropriations for the General Fund shall lapse at the end of the fiscal year, unless otherwise provided for by Council resolution. Additional appropriations, up to \$300,000 for each item, can be made by the Town Council. Additional appropriations over \$300,000 require the approval of the electors. The legal level of control on which expenditures may not exceed appropriations is on the functional level.

The Council may, by resolution, transfer any unencumbered appropriation balance or portion from one department, office or agency, except the Board of Education, to another. There were additional appropriations of \$130,949 from fund balance approved during the fiscal year.

Budgetary accounting uses encumbrance accounting. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all budgeted governmental type funds. Encumbrances outstanding at year end are reported in the GAAP financial statements as assignments of fund balance since they do not constitute expenditures or liabilities. During the year ended 6/30/2021 the Town overspent the Cora Belden Public Library and Contingency departments by \$488 and \$56,242, respectively.

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

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

B. Fund Deficit

The Town reported a deficit fund balance of \$8,379 in the Straska Farm Improvement Fund, a deficit of \$6,127,609 in the Capital Projects fund, and a deficit of \$727,097 Silas Deane Streetscape Phase III fund. The Town plans to address these deficits via additional charges for services in excess of expenditures for the Straska Farm Improvement fund, by the issuance of general obligation bonds for the Capital Projects fund, and grant revenue for the Silas Deane Streetscape Phase III Fund.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$22,109,063 of the Town’s bank balance of \$22,359,063 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 19,881,586
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>2,227,477</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 22,109,063</u>

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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B. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2021, the Town's cash equivalents amounted to \$2,217,044. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. 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.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm

C. Investments

Investments as of June 30, 2021 in all funds are as follows:

Investment Type	Credit Rating	Fair Value
Other investments:		
Mutual Funds	N/A	\$ 86,791,624
Other - Vantage Trust Funds	N/A	<u>3,004,435</u>
Total Investments		<u>\$ 89,796,059</u>

Interest Rate Risk

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

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, 2021, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Fair Value Disclosure

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2021:

	<u>Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
Mutual funds	\$ 86,791,624	\$ <u>86,791,624</u>	\$ <u>-</u>	\$ <u>-</u>
Investments measured at net asset value (NAV):				
Vantage Trust Funds	<u>3,004,435</u>			
Total Investments	\$ <u>89,796,059</u>			

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

The valuation method of investments measured at the net asset value (NAV) per share is presented on the following table:

	<u>June 30, 2021 Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
Vantage Trust Funds	\$ 3,004,435	-	Daily	5 days

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4. RECEIVABLES

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

	<u>General</u>	<u>Miscellaneous Grants</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Interest	\$ 178,845	\$	\$	\$ 178,845
Taxes	757,088			757,088
Accounts	773,548		963,271	1,736,819
Intergovernmental		98,470	290,468	388,938
Gross receivables	<u>1,709,481</u>	<u>98,470</u>	<u>1,253,739</u>	<u>3,061,690</u>
Less allowance for uncollectibles	<u>(25,000)</u>			<u>(25,000)</u>
Net Total Receivables	<u>\$ 1,684,481</u>	<u>\$ 98,470</u>	<u>\$ 1,253,739</u>	<u>\$ 3,036,690</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 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	\$ 13,146,329	\$ 1,185,700	\$	\$ 14,332,029
Construction in progress	811,635	8,333,265		9,144,900
Total capital assets not being depreciated	<u>13,957,964</u>	<u>9,518,965</u>	<u>-</u>	<u>23,476,929</u>
Capital assets being depreciated:				
Buildings and improvements	141,034,932			141,034,932
Furniture, vehicles and equipment	23,728,018	336,029	(70,216)	23,993,831
Infrastructure	39,611,864			39,611,864
Total capital assets being depreciated	<u>204,374,814</u>	<u>336,029</u>	<u>(70,216)</u>	<u>204,640,627</u>
Less accumulated depreciation for:				
Buildings and improvements	(32,002,368)	(929,094)		(32,931,462)
Furniture, vehicles and equipment	(19,779,182)	(1,658,396)	70,216	(21,367,362)
Infrastructure	(22,253,115)	(728,142)		(22,981,257)
Total accumulated depreciation	<u>(74,034,665)</u>	<u>(3,315,632)</u>	<u>70,216</u>	<u>(77,280,081)</u>
Total capital assets being depreciated, net	<u>130,340,149</u>	<u>(2,979,603)</u>	<u>-</u>	<u>127,360,546</u>
Governmental Activities Capital Assets, Net	<u>\$ 144,298,113</u>	<u>\$ 6,539,362</u>	<u>\$ -</u>	<u>\$ 150,837,475</u>

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:		
General government	\$	532,202
Public safety		1,035,380
Public works		1,012,840
Health and human services		13,154
Parks, recreation and facilities		232,810
Library services		38,445
Education		<u>450,801</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>3,315,632</u></u>

Construction Commitments

The Town has active construction projects as of June 30, 2021. The following is a summary of capital projects as of June 30, 2021.

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Project Balance</u>
Capital and nonrecurring	\$ 8,172,268	\$ 5,975,314	\$ 2,196,954
Road improvements	20,000,000	11,524,049	8,475,951
Land acquisition	10,000,000	3,695,293	6,304,707
Rocky Hill High School renovation	50,000,000	50,000,000	-
Intermediate school construction	48,350,000	36,401,258	11,948,742
Community/ Senior Center	10,500,000	8,989,268	1,510,732
Straska Farmland / Open Space	<u>7,200,000</u>	<u>7,169,020</u>	<u>30,980</u>
Total Capital Projects	\$ <u><u>154,222,268</u></u>	\$ <u><u>123,754,202</u></u>	\$ <u><u>30,468,066</u></u>

6. INTERFUND RECEIVABLE AND PAYABLE BALANCES

A summary of interfund balances at June 30, 2021 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Capital Projects	\$ 148,365
General Fund	Nonmajor Governmental	635,967
Capital Projects Fund	General Fund	3,604,145
Miscellaneous Grants	General Fund	3,002,977
Nonmajor Governmental	General Fund	<u>1,126,361</u>
Total		\$ <u><u>8,517,815</u></u>

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions.

Interfund transfers:

	<u>Transfers In</u> <u>Capital Projects</u> <u>Fund</u>
Transfers Out	
General Fund	\$ <u>1,228,557</u>

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

7. LEASES

Capital Leases

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

Asset:	
Furniture, vehicle and equipment	\$ 1,236,105
Less accumulated depreciation	<u>(751,358)</u>
Total	\$ <u>484,747</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, 2021:

Fiscal Year Ending June 30

2022	\$ 163,024
2023	126,914
2024	<u>65,915</u>
Total future minimum lease payments	355,853
Interest on future lease payments	<u>(20,274)</u>
Principal Balance of Future Minimum Payments	\$ <u>335,579</u>

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 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	\$ 82,160,000	\$	\$ (5,060,000)	\$ 77,100,000	\$ 5,075,000
Issuance premium	7,848,275		(1,176,443)	6,671,832	
Total bonds payable	<u>90,008,275</u>	<u>-</u>	<u>(6,236,443)</u>	<u>83,771,832</u>	<u>5,075,000</u>
Capital leases	588,520		(252,941)	335,579	151,431
Net pension liability	6,423,449		(5,401,994)	1,021,455	
Compensated absences	4,287,364	176,310	(353,737)	4,109,937	766,978
Total OPEB liability	1,180,829	3,561		1,184,390	
Net OPEB liability	<u>22,312,070</u>	<u></u>	<u>(3,732,193)</u>	<u>18,579,877</u>	<u></u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 124,800,507</u>	<u>\$ 179,871</u>	<u>\$ (15,977,308)</u>	<u>\$ 109,003,070</u>	<u>\$ 5,993,409</u>

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

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds currently outstanding, their purpose and interest rate are as follows:

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Description	Principal Amount
\$7,420,000 - Refunding Bonds issued April 15, 2010 and maturing September 1, 2021; various interest rates from 2.00% to 5.00%	\$ 445,000
\$7,160,000 - Refunding Bonds issued in February 6, 2013 and maturing August 1, 2024 various interest rates from 2.00% to 4.00%	2,295,000
\$18,100,000 - General Obligation Bonds for High School Renovate as New Project, Land Acquisition Road Improvements/Bridge Replacement issued on September 30, 2014 and maturing April 15, 2034; various interest rates from 3.00% to 5.00%	12,785,000
\$28,950,000 - General Obligation Bonds for Rocky Hill High School, Public Safety Improvements, Road improvements and New Intermediate School issued on June 22, 2017 and maturing August 1, 2036; various interest rates from 3.00% to 5.00%	25,605,000
\$30,750,000 - General Obligation Bonds for High School, Land Acquisition, Community Center, Road and Intermediate School issued on July 8, 2019 and maturing January 15, 2039; various interest rates from 3.00% to 5.00%	29,130,000
\$7,200,000 - General Obligation Bonds for Straska Farmland issued on December 4, 2019 and maturing January 15, 2040; various interest rates from 2.125% to 5.00%	<u>6,840,000</u>
	<u>\$ 77,100,000</u>

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

Fiscal Year Ending June 30	Principal Total	Interest	Total Requirements
2022	\$ 5,075,000	\$ 2,904,812	\$ 7,979,812
2023	5,035,000	2,662,225	7,697,225
2024	5,035,000	2,436,637	7,471,637
2025	5,035,000	2,213,637	7,248,637
2026	4,650,000	1,997,162	6,647,162
2027-2031	23,230,000	6,907,435	30,137,435
2032-2036	21,085,000	2,874,224	23,959,224
2037-2040	<u>7,955,000</u>	<u>411,600</u>	<u>8,366,600</u>
Total	<u>\$ 77,100,000</u>	<u>\$ 22,407,732</u>	<u>\$ 99,507,732</u>

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2021 to the following:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 162,606,683	\$ 49,580,000	\$ 113,026,683
Schools	325,213,367	52,696,157	272,517,210
Sewers	271,011,139	53,388,966	217,622,173
Urban renewal	234,876,320		234,876,320
Pension deficit	216,808,911		216,808,911

Total debt outstanding may not exceed seven times annual receipts from taxation or \$505,887,459. The Town is a member of the Metropolitan District Commission, a quasi-municipal corporation that provides water supply, sewerage collection and disposal facilities for members. Member towns are assessed a portion of the Metropolitan District's budget each year, based on the applicable town's property tax receipts. Total outstanding debt of the Metropolitan District Commission as of June 30, 2021 was \$866,703,997. The Town's share of the debt at June 30, 2021 was 6.16% or \$53,388,966. The estimated percentage is calculated based upon the proration of tax collection from the eight-member towns.

Bonds authorized and unissued as of June 30, 2021 are summarized below:

	<u>Authorization</u>	<u>Bonds Issued</u>	<u>Grants Received</u>	<u>Bonds Authorized Unissued</u>
School improvements	\$ 50,000,000	\$ 31,000,000	\$ 16,703,843	\$ 2,296,157
Various improvements	30,500,000	7,620,000		22,880,000
Total	<u>\$ 80,500,000</u>	<u>\$ 38,620,000</u>	<u>\$ 16,703,843</u>	<u>\$ 25,176,157</u>

9. SHORT-TERM DEBT

The following is a summary of bond anticipation note activity for the year ended June 30, 2021:

<u>Project</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2021</u>
High School Renovations	7/30/2019	7/29/2020	\$ 2,250,000	2.00%	\$ 2,250,000	\$ -	\$ 2,250,000	\$ -
High School Renovations	7/29/2020	7/28/2021	2,250,000	1.50%	-	2,250,000		2,250,000
Senior/Community Center	7/29/2020	7/28/2021	7,100,000	1.50%	-	7,100,000		7,100,000
Road Improvement Program (2019)	7/29/2020	7/28/2021	2,000,000	1.50%	-	2,000,000		2,000,000
								<u>\$ 11,350,000</u>

The bond anticipation note is reported in the Capital Projects fund in the Balance Sheet - Government Funds.

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

10. RISK MANAGEMENT

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

Board of Education Insurance Fund

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

The claims liability of \$727,920 reported in the Internal Service Fund at June 30, 2021 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. A schedule of changes in the claims liability for the years ended June 30, 2021 is as follows:

	Claims Payable July 1,	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2019-2020	\$ 611,397	\$ 6,849,807	\$ 6,874,708	\$ 586,496
2020-2021	586,496	6,925,339	6,783,915	727,920

TOWN OF ROCKY HILL, CONNECTICUT
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JUNE 30, 2021

11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	General Fund	Capital Projects Fund	Miscellaneous Grants	Nonmajor Governmental Funds	Total
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	20,273	\$ 20,273
Permanent funds				70,989	70,989
Restricted for:					
Center Cemetery				15,651	15,651
Parks, recreation and facilities grants				4,706	4,706
Community development grants				149,927	149,927
Student activities				702,574	702,574
Miscellaneous grants			18,213		18,213
Committed to:					
General government				325,927	325,927
Recreation programs				257,112	257,112
Library services				24,189	24,189
Public safety				166,271	166,271
Health and human services				365,733	365,733
Education				339,098	339,098
Debt service payments				121,260	121,260
Flexible spending				16,533	16,533
Intermediate school		137,875			137,875
Straska Farm Property Acquisition		530,980			530,980
Capital and Nonrecurring capital projects		2,325,883			2,325,883
Assigned to:					
Subsequent year's budget	1,132,021				1,132,021
Education - encumbrances	955,255				955,255
General government - encumbrances	28,685				28,685
Capital outlay - encumbrances	11,170				11,170
Public safety - encumbrances	14,980				14,980
Public works - encumbrances	11,170				11,170
Unassigned	<u>4,923,929</u>	<u>(9,122,347)</u>		<u>(735,476)</u>	<u>(4,933,894)</u>
Total Fund Balances	<u>\$ 7,077,210</u>	<u>\$ (6,127,609)</u>	<u>\$ 18,213</u>	<u>\$ 1,844,767</u>	<u>\$ 2,812,581</u>

Encumbrances of \$1,021,260 at June 30, 2021 are contained in the above table in the assigned category of the General Fund.

12. CONTINGENT LIABILITIES

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

13. OTHER POSTEMPLOYMENT BENEFITS

Town and Board of Education Plans

A. Plan Description

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

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

At July 1, 2020, plan membership consisted of the following:

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan
Active plan members	77	365
Retired members	49	12
Total Participants	126	377

B. Funding Policy

The Town's funding and payment of postemployment benefits for the year ended June 30, 2021 are accounted for in the Other Post Employment Benefits Trust Fund. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

C. Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 32.22% for the Town Retiree Healthcare Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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D. Total/Net OPEB Liability of the Town

The Town's and BOE's net OPEB liability was measured as of June 30, 2021. The components of the total/net OPEB liability of the Town at June 30, 2021 were as follows:

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan*
Total OPEB liability	\$ 21,605,137	\$ 1,184,390
Plan fiduciary net position	<u>3,025,260</u>	<u></u>
Net OPEB Liability	<u>\$ 18,579,877</u>	<u>\$ 1,184,390</u>
Plan fiduciary net position as a percentage of the total OPEB liability	14.00%	0.00%

*The Town did not fund the Board of Education Retiree Healthcare Plan during the year ended June 30, 2021. The Town intends to fund the Board of Education healthcare Plan during the next year, and the additional disclosures will be included then.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan
Inflation	2.00 %	2.00 %
Salary increases	3.50	3.50
Investment rate of return	3.03	2.16
Healthcare cost trend rate	6.75% in 2020 declining to 4.75% in 2024 and beyond RPH-2014 Total Dataset mortality table projected using scale MP- 2020	7.00% in 2020 declining to 4.75% in 2025 and beyond RPH-2014 Total Dataset mortality table projected using scale MP-2020
Mortality		

The actuarial assumptions used in the July 1, 2020 valuation were based on general assumptions for the plan, as an actuarial experience study has not been performed to date.

TOWN OF ROCKY HILL, CONNECTICUT
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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1 %	0.50 %
Balanced / Asset Allocation	99	3.50
Total	100	

Discount Rate

The discount rate used to measure the Town Retiree Healthcare Plan Net OPEB liability was 3.03%, and it was based on a rate that blends the long term expected rate of return with the index rate. The discount rate used to measure the Board of Education Retiree Healthcare Plan Net OPEB liability was 2.16%, and the discount rate was based on the S&P Municipal Bond 20 Year High Grade Index.

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

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

	1% Decrease 2.03%	Current Discount Rate 3.03%	1% Increase 4.03%
Town Retiree Healthcare Plan	\$ 22,443,465	\$ 18,579,877	\$ 15,511,381
	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Board of Education Retiree Healthcare Plan	\$ 1,250,184	\$ 1,184,390	\$ 1,115,081

TOWN OF ROCKY HILL, CONNECTICUT
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Sensitivity of the Total/Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (5.75% declining to 3.75%)	Healthcare Cost Trend Rates (6.75% declining to 4.75%)	1% Increase (7.75% declining to 5.75%)
Town Retiree Healthcare Plan	\$ <u>14,819,962</u>	\$ <u>18,579,877</u>	\$ <u>23,557,789</u>
	1% Decrease (6.00% declining to 3.75%)	Healthcare Cost Trend Rates (7.00% declining to 4.75%)	1% Increase (8.00% declining to 5.75%)
Board of Education Retiree Healthcare Plan	\$ <u>1,000,016</u>	\$ <u>1,184,390</u>	\$ <u>1,349,358</u>

E. Changes in the Total and Net OPEB Liability

Town Retiree Healthcare Plan

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2020	\$ <u>24,557,824</u>	\$ <u>2,245,754</u>	\$ <u>22,312,070</u>
Changes for the year:			
Service cost	874,376		874,376
Interest on total OPEB liability	579,567		579,567
Differences between expected and actual experience	(1,152,576)		(1,152,576)
Changes in assumptions	(2,581,986)		(2,581,986)
Employer contributions		722,068	(722,068)
Expected investment income		55,919	(55,919)
Investment gains		673,587	(673,587)
Benefit payments	(672,068)	(672,068)	-
Net changes	<u>(2,952,687)</u>	<u>779,506</u>	<u>(3,732,193)</u>
Balances as of June 30, 2021	\$ <u>21,605,137</u>	\$ <u>3,025,260</u>	\$ <u>18,579,877</u>

TOWN OF ROCKY HILL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Board of Education Retiree Healthcare Plan

	<u>Increase (Decrease)</u> <u>Total OPEB</u> <u>Liability</u> <u>(a)</u>
Balances as of July 1, 2020	\$ <u>1,180,829</u>
Changes for the year:	
Service cost	83,474
Interest on total OPEB liability	26,112
Difference between expected and actual experience	(102,355)
Changes in assumptions or other inputs	40,975
Benefit payments	<u>(44,645)</u>
Net changes	<u>3,561</u>
Balances as of June 30, 2021	\$ <u><u>1,184,390</u></u>

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Town recognized OPEB expense of \$220,942 and \$114,858, for the Town Retiree Healthcare Plan, and the Board of Education Retiree Healthcare Plan, respectively, for total OPEB expense of \$335,800. At June 30, 2021, the Town reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>Town Retiree</u> <u>Healthcare</u> <u>Plan</u>	<u>Board of Education</u> <u>Retiree Healthcare</u> <u>Plan</u>	<u>Total</u>
Difference between actual and expected experience	\$ 5,075,698	\$ 44,706	\$ 44,706
Changes of assumptions or other inputs	<u>5,075,698</u>	<u>125,043</u>	<u>5,200,741</u>
Total	\$ <u><u>5,075,698</u></u>	\$ <u><u>169,749</u></u>	\$ <u><u>5,245,447</u></u>

	<u>Deferred Inflows of Resources</u>		
	<u>Town Retiree</u> <u>Healthcare</u> <u>Plan</u>	<u>Board of Education</u> <u>Retiree Healthcare</u> <u>Plan</u>	<u>Total</u>
Net difference between projected and actual earning on OPEB plan investments	\$ 549,572	\$	\$ 549,572
Difference between actual and expected experience	6,270,906	120,856	6,391,762
Changes of assumptions or other inputs	<u>4,932,894</u>	<u>25,560</u>	<u>4,958,454</u>
Total	\$ <u><u>11,753,372</u></u>	\$ <u><u>146,416</u></u>	\$ <u><u>11,899,788</u></u>

TOWN OF ROCKY HILL, CONNECTICUT
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Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Town Retiree Healthcare Plan</u>	<u>Board of Education Retiree Healthcare Plan</u>	<u>Total</u>
2022	\$ (1,177,079)	\$ 5,272	(1,171,807)
2023	(1,162,159)	5,278	(1,156,881)
2024	(1,156,748)	5,600	(1,151,148)
2025	(1,161,758)	5,508	(1,156,250)
2026	(1,027,043)	287	(1,026,756)
Thereafter	(992,887)	1,388	(991,499)

G. OPEB Trust Funds

The Town maintains two postretirement health care benefit plans. The following schedules present the net position held in trust for other postemployment benefits at June 30, 2021 and changes in net position for the year then ended.

	<u>Town Retiree Healthcare Plan</u>	<u>Board of Education Retiree Healthcare Plan</u>	<u>Total Healthcare Trust Funds</u>
Assets:			
Investments	\$ 3,025,260	\$ -	\$ 3,025,260
Accounts receivable			-
Total assets	<u>3,025,260</u>	<u>-</u>	<u>3,025,260</u>
Net Position:			
Restricted for OPEB Benefits	<u>\$ 3,025,260</u>	<u>\$ -</u>	<u>\$ 3,025,260</u>

TOWN OF ROCKY HILL, CONNECTICUT
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	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total Healthcare Trust Funds
Additions:			
Contributions:			
Employer	\$ <u>732,473</u>	\$ <u>44,645</u>	\$ <u>777,118</u>
Investment income:			
Net depreciation in fair value of investments	731,951		731,951
Interest and dividends	<u>37,654</u>		<u>37,654</u>
Total investment income	769,605	-	769,605
Less investment expense	<u>40,099</u>		<u>40,099</u>
Net investment income	<u>729,506</u>	-	<u>729,506</u>
Total additions	1,461,979	44,645	1,506,624
Deductions:			
Benefit payments	<u>682,473</u>	<u>44,645</u>	<u>727,118</u>
Net increase	779,506	-	779,506
Net Position Restricted for OPEB Benefits at Beginning of Year	<u>2,245,754</u>		<u>2,245,754</u>
Net Position Restricted for OPEB Benefits at End of Year	\$ <u>3,025,260</u>	\$ <u>-</u>	\$ <u>3,025,260</u>

Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$159,489 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

TOWN OF ROCKY HILL, CONNECTICUT
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Employees/Retirees

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

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

At June 30, 2021, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>15,367,191</u>
Total	\$ <u><u>15,367,191</u></u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$709,848 in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Healthcare costs trend rate	5.125% for 2020, decreasing to an ultimate Rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

**TOWN OF ROCKY HILL, CONNECTICUT
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The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

I. Other Information

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

14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Town Pension Plans

A. Plan Description and Benefits Provided

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

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

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

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

The PERS membership at July 1, 2020 consisted of the following:

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 2.8% of average monthly earnings multiplied by years of credited service (to a maximum of 25 years). Average monthly earnings are the employee's earnings averaged for the highest three years of employment with the Town. The employee's rate of contribution is 7% of earnings; however, any employee who has been a participant for 25 years shall no longer be required to make a contribution.

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

Service Years	Terminate Before 1/1/19	Terminate on or After 1/1/19
10 years	\$ 50	\$ 80
11 years - 14 years	75	120
15 years - 19 years	100	160
20 years or more	315	500
Each year past 20	5	15

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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:

<u>Service Years</u>	<u>Terminate Before 1/1/19</u>	<u>Terminate on or After 1/1/19</u>
10 years	\$ 50	\$ 80
11 years - 14 years	75	120
15 years - 19 years	100	160
20 years	315	500
Each year past 20	5	15

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

C. Funding Status and Progress

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

TOWN OF ROCKY HILL, CONNECTICUT
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D. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2021:

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the General Employees, Police Officers, Firefighters and Ambulance pension plans are presented in the table below. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Annual Money- Weighted Rate of Return
General Employees	34.09%
Police Officers	34.23%
Firefighters	33.85%
Ambulance	34.18%

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Deferred Retirement Option Program (DROP)

The Police Officers Pension System offers a Deferred Retirement Option Program (DROP) to its bargaining unit employees upon completing the 25th year of service until the completion of 29 years of service. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. An employee is considered eligible upon completing the 25th year of service until the completion of 29 years of service. During the DROP period, pension payments will be made monthly equal to 96% of the accrued benefit. Amounts held by the Police Officers Pension System DROP investments at June 30, 2021 were \$1,002,406.

E. Net Pension Liability (Asset) of the Town

The components of the net pension liability (asset) of the Town at June 30, 2021 were as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Total pension liability	\$ 48,301,058	\$ 32,853,506	\$ 2,711,175	\$ 1,160,367
Plan fiduciary net position	<u>52,377,259</u>	<u>32,924,087</u>	<u>1,861,557</u>	<u>988,530</u>
Net Pension Liability (Asset)	\$ <u>(4,076,201)</u>	\$ <u>(70,581)</u>	\$ <u>849,618</u>	\$ <u>171,837</u>
Plan fiduciary net position as a percentage of the total pension liability	108.44%	100.21%	68.66%	85.19%

TOWN OF ROCKY HILL, CONNECTICUT
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Actuarial Assumptions

The Town's net pension liability (asset) was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation date as listed below, rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Actuarial Valuation Date	9-1-20	9-1-20	7-1-20	7-1-20
Actuarial Assumptions:				
Investment rate of return	7.0%	7.0%	7.0%	7.0%
Projected salary increases	3.00%	4.5%	N/A	N/A
Inflation	2.24%	2.24%	2.24%	2.24%
Mortality	SOA RP- 2014 Total Dataset Mortality, adjusted to 2006, with MP-2020 Scaling	SOA RP- 2014 Total Dataset Mortality, adjusted to 2006, with MP- 2020 Scaling	SOA RP- 2014 Total Dataset Mortality, adjusted to 2006, with MP-2020 Scaling	SOA RP- 2014 Total Dataset Mortality, adjusted to 2006, with MP-2020 Scaling

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following tables:

General Employees/Police Officers/Firefighters/Ambulance	
Asset Class	Long-Term Expected Rate of Return
U.S. Equity - Large Cap	5.59%
U.S. Equity - Small/Mid-Cap	6.62%
Non-U.S. Equity - Developed	6.41%
Non-U.S. Equity - Emerging	8.35%
U.S. Corporate Bonds - Core	1.12%
U.S. Corporate Bonds - High Yield	3.15%
Non-U.S. Debt - Developed	0.28%
Real Estate	5.29%
Hedge Funds	3.39%
Commodities	3.14%

Discount Rate

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

	Discount Rate
General Employees	7.00%
Police Officers	7.00%
Firefighters	7.00%
Ambulance	7.00%

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

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

General Employees' Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2020	\$ 45,665,577	\$ 40,745,400	\$ 4,920,177
Changes for the year:			
Service cost	876,499		876,499
Interest on total pension liability	3,169,301		3,169,301
Differences between expected and actual experience	1,353,182		1,353,182
Changes in assumptions	(187,221)		(187,221)
Employer contributions		430,247	(430,247)
Employee contributions		229,695	(229,695)
Net investment income (loss)		13,585,258	(13,585,258)
Benefit payments, including refund to employee contributions	(2,576,280)	(2,576,280)	-
Administrative expenses		(37,061)	37,061
Net changes	2,635,481	11,631,859	(8,996,378)
Balances as of June 30, 2021	\$ 48,301,058	\$ 52,377,259	\$ (4,076,201)

Police Officers' Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2020	\$ 25,490,873	\$ 25,660,010	\$ (169,137)
Changes for the year:			
Service cost	708,606		708,606
Interest on total pension liability	1,777,625		1,777,625
Differences between expected and actual experience	5,287,484		5,287,484
Changes in assumptions	1,226,278		1,226,278
Employer contributions		205,672	(205,672)
Member contributions		166,692	(166,692)
Net investment income (loss)		8,563,409	(8,563,409)
Benefit payments, including refund to employee contributions	(1,637,360)	(1,637,360)	-
Administrative expenses		(34,336)	34,336
Net changes	7,362,633	7,264,077	98,556
Balances as of June 30, 2021	\$ 32,853,506	\$ 32,924,087	\$ (70,581)

TOWN OF ROCKY HILL, CONNECTICUT
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Firefighters' Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2020	\$ 2,612,266	\$ 1,448,236	\$ 1,164,030
Changes for the year:			
Service cost	27,346		27,346
Interest on total pension liability	181,652		181,652
Differences between expected and actual experience	27,703		27,703
Changes in assumptions	(47,086)		(47,086)
Employer contributions		28,163	(28,163)
Net investment income (loss)		476,974	(476,974)
Benefit payments, including refund to employee contributions	(90,706)	(90,706)	-
Administrative expenses		(1,110)	1,110
Net changes	98,909	413,321	(314,412)
Balances as of June 30, 2021	\$ 2,711,175	\$ 1,861,557	\$ 849,618

Volunteer Ambulance Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2020	\$ 1,101,507	\$ 762,265	\$ 339,242
Changes for the year:			
Service cost	27,160		27,160
Interest on total pension liability	78,113		78,113
Differences between expected and actual experience	(16,915)		(16,915)
Changes in assumptions	(3,538)		(3,538)
Employer contributions		3,312	(3,312)
Net investment income (loss)		256,023	(256,023)
Benefit payments, including refund to employee contributions	(25,960)	(25,960)	-
Administrative expenses		(7,110)	7,110
Net changes	58,860	226,265	(167,405)
Balances as of June 30, 2021	\$ 1,160,367	\$ 988,530	\$ 171,837

TOWN OF ROCKY HILL, CONNECTICUT
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees Net Pension Liability (Asset) \$	1,043,292 \$	(4,076,201) \$	(8,462,009)
Police Officer's Net Pension Liability (Asset)	4,143,441	(70,581)	(3,546,179)
Firefighters Net Pension Liability	1,231,459	849,618	537,737
Ambulance Net Pension Liability	343,251	171,837	31,705

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

For the year ended June 30, 2021, the Town recognized pension expense of \$(1,459,433), \$889,387, \$34,502 and \$17,707 for the General Employees, Police Officers, Firefighters and Volunteer Ambulance pension plans, respectively, for total pension expense of \$(517,837). At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Deferred Outflows of Resources</u>					
	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,546,510	\$ 4,207,417	\$ 38,282	\$ 45,605	\$ 5,837,814
Changes in assumptions		1,127,191	17,438	32,758	1,177,387
Total	<u>\$ 1,546,510</u>	<u>\$ 5,334,608</u>	<u>\$ 55,720</u>	<u>\$ 78,363</u>	<u>\$ 7,015,201</u>
<u>Deferred Inflows of Resources</u>					
	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>	<u>Total</u>
Differences between expected and actual experience	\$ 80,415	\$ 103,017	\$ 13,346	\$ 71,323	\$ 268,101
Changes in assumptions	264,174	116,913	47,664	8,441	437,192
Net difference between projected and actual earning on pension plan investments	<u>7,561,136</u>	<u>4,779,123</u>	<u>262,237</u>	<u>142,764</u>	<u>12,745,260</u>
	<u>\$ 7,905,725</u>	<u>\$ 4,999,053</u>	<u>\$ 323,247</u>	<u>\$ 222,528</u>	<u>\$ 13,450,553</u>

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

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	General Employees	Police Officers	Firefighters	Ambulance	Total
2022	\$ (1,406,210)	\$ 556,124	\$ (61,225)	\$ (33,901)	(945,212)
2023	(1,125,174)	614,548	(57,528)	(30,769)	(598,923)
2024	(1,667,774)	504,444	(66,222)	(32,771)	(1,262,323)
2025	(2,160,057)	(1,339,561)	(79,564)	(39,207)	(3,618,389)
2026	-	-	(2,988)	1,529	(1,459)
Thereafter	-	-	-	(9,046)	(9,046)

G. Combining Statement of Net Position - June 30, 2021

	Pension Trust Funds				Retiree Healthcare OPEB Trust Funds	Total Pension and OPEB Trust Funds
	General Employees' Pension Plan	Police Pension Plan	Firefighters' Pension Plan	Volunteer Ambulance Pension Plan		
Assets:						
Cash and cash equivalents	\$ 819,239	\$ 696,642	\$ 58,172	\$ 12,520	\$	\$ 1,586,573
Investments	51,558,020	32,227,445	1,803,385	976,010	3,025,260	89,590,120
Total Assets	<u>52,377,259</u>	<u>32,924,087</u>	<u>1,861,557</u>	<u>988,530</u>	<u>3,025,260</u>	<u>91,176,693</u>
Net Position:						
Restricted for Pensions and OPEB	<u>\$ 52,377,259</u>	<u>\$ 32,924,087</u>	<u>\$ 1,861,557</u>	<u>\$ 988,530</u>	<u>\$ 3,025,260</u>	<u>\$ 91,176,693</u>

H. Combining Statement of Changes in Plan Net Position - Year ended June 30, 2021

	Pension Trust Funds				Retiree Healthcare OPEB Trust Funds	Total Pension and OPEB Trust Funds
	General Employees' Pension Plan	Police Pension Plan	Firefighters' Pension Plan	Volunteer Ambulance Pension Plan		
Additions:						
Contributions:						
Employer	\$ 430,247	\$ 205,672	\$ 28,163	\$ 3,312	\$ 777,118	\$ 1,444,512
Employee	229,695	166,692				396,387
Total contributions	<u>659,942</u>	<u>372,364</u>	<u>28,163</u>	<u>3,312</u>	<u>777,118</u>	<u>1,840,899</u>
Investment income:						
Net depreciation in fair value of investments	8,746,256	6,851,082	360,819	171,480	731,951	16,861,588
Interest and dividends	4,955,405	1,746,663	116,831	87,141	37,654	6,943,694
Total investment income	13,701,661	8,597,745	477,650	258,621	769,605	23,805,282
Less investment expense	116,403	34,336	676	2,598	40,099	194,112
Net investment income	<u>13,585,258</u>	<u>8,563,409</u>	<u>476,974</u>	<u>256,023</u>	<u>729,506</u>	<u>23,611,170</u>
Total additions	<u>14,245,200</u>	<u>8,935,773</u>	<u>505,137</u>	<u>259,335</u>	<u>1,506,624</u>	<u>25,452,069</u>
Deductions:						
Benefit payments	2,576,280	1,637,360	90,706	25,960	727,118	5,057,424
Other expenses	37,061	34,336	1,110	7,110		79,617
Total deductions	<u>2,613,341</u>	<u>1,671,696</u>	<u>91,816</u>	<u>33,070</u>	<u>727,118</u>	<u>5,137,041</u>
Net increase	<u>11,631,859</u>	<u>7,264,077</u>	<u>413,321</u>	<u>226,265</u>	<u>779,506</u>	<u>20,315,028</u>
Net Position Restricted for Pensions at Beginning of Year	<u>40,745,400</u>	<u>25,660,010</u>	<u>1,448,236</u>	<u>762,265</u>	<u>2,245,754</u>	<u>70,861,665</u>
Net Position Restricted for Pensions and OPEB, at End of Year	<u>\$ 52,377,259</u>	<u>\$ 32,924,087</u>	<u>\$ 1,861,557</u>	<u>\$ 988,530</u>	<u>\$ 3,025,260</u>	<u>\$ 91,176,693</u>

Connecticut Teachers Retirement System - Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$6,608,626 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

TOWN OF ROCKY HILL, CONNECTICUT
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Employees

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

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

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

At June 30, 2021, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>103,031,762</u>
Total	\$	<u>103,031,762</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2021, the Town recognized pension expense and revenue of \$14,758,811 in Exhibit II.

E. Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Cost-of-Living Allowance

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

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

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

Long-Term Rate of Return

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

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

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

H. Other Information

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

15. DEFINED CONTRIBUTION PLAN

The Town provides pension benefits for its employees through a defined contribution plan, dependent on date of hire. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Town matches contributions into the plan on a discretionary basis. Town matching contributions were \$144,558 for the year ended June 30, 2021.

16. SUBSEQUENT EVENTS

On July 28, 2021, the Town issued \$10,640,000 of general obligation bonds, and \$2,250,000 of general obligation bond anticipation notes for the High School Renovation Project, Road Improvement Program and Senior/Community Center, and for preservation and land acquisition. The notes carry interest at 2.00% and mature on July 27, 2022, and the bonds carry interest between 2.00% and 5.00% and mature serially through January 15, 2041.

17. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The Town reassessed the classification of the Student Activity Fund and determined it was more appropriately classified as a special revenue fund, and the Town made the following reporting changes: The Student Activity Fund is reported as a Special Revenue Fund. Accordingly, the Town restated the funds as follows:

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	Governmental Activities Net Position	Nonmajor Governmental Funds Fund Balance
Governmental Funds:		
Balance as previously reported June 30, 2020	\$ 32,588,876	\$ 3,115,820
Adjustment:		
Student Activity Fund now reported as a Special Revenue Fund	<u>730,106</u>	<u>730,106</u>
Balance as restated July 1, 2020	<u>\$ 33,318,982</u>	<u>\$ 3,845,926</u>
Fiduciary Funds:	<u>Custodial Funds</u>	
Balance as previously reported June 30, 2020	\$ 730,106	
Adjustments:		
Student Activity Fund now reported as a Special Revenue Fund	<u>(730,106)</u>	
Balance as restated July 1, 2020	<u>\$ -</u>	

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, 2021

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Property taxes:				
Revenues from property taxes	\$ 75,431,218	\$ 75,431,218	\$ 74,675,199	\$ (756,019)
Interest and liens fees	200,000	200,000	223,529	23,529
Total property taxes	<u>75,631,218</u>	<u>75,631,218</u>	<u>74,898,728</u>	<u>(732,490)</u>
Intergovernmental:				
Education:				
Education Cost Sharing Grant	<u>5,010,814</u>	<u>5,010,814</u>	<u>5,031,984</u>	<u>21,170</u>
Other:				
Reimbursement - elderly, veterans and disability exemptions	11,384	11,384	10,884	(500)
State tax-exempt property - in lieu of taxes and Tobacco Grant	512,303	512,303	512,303	-
LOCIP and Town Aid Road	859,231	859,231	731,211	(128,020)
Pequot Grant	213,545	213,545	213,545	-
Municipal revenue sharing	286,801	286,801	286,801	-
Miscellaneous grants	40,000	40,000	45,170	5,170
Total other	<u>1,923,264</u>	<u>1,923,264</u>	<u>1,799,914</u>	<u>(123,350)</u>
Total intergovernmental	<u>6,934,078</u>	<u>6,934,078</u>	<u>6,831,898</u>	<u>(102,180)</u>
Licenses and permits:				
Building Department	600,000	600,000	500,831	(99,169)
Business licenses	1,000	1,000	721	(279)
Land Use Commission	10,000	10,000	14,788	4,788
Other licenses and permits	5,200	5,200	25,665	20,465
Total licenses and permits	<u>616,200</u>	<u>616,200</u>	<u>542,005</u>	<u>(74,195)</u>
Investment income:				
Interest from investments	<u>280,000</u>	<u>280,000</u>	<u>33,733</u>	<u>(246,267)</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, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Charges for services:				
Real estate conveyance tax	\$ 225,000	\$ 225,000	\$ 401,123	\$ 176,123
Recording - legal instruments	85,000	85,000	109,211	24,211
Vital statistics	30,000	30,000	40,962	10,962
Landlord fee	1,000	1,000		(1,000)
Library fines and fees	5,000	5,000	165	(4,835)
Fire charges	1,000	1,000	2,511	1,511
All other	50,000	50,000	15,204	(34,796)
Total charges for services	<u>397,000</u>	<u>397,000</u>	<u>569,176</u>	<u>172,176</u>
Fines, forfeitures and penalties:				
Parking fines	<u>3,000</u>	<u>3,000</u>	<u>1,150</u>	<u>(1,850)</u>
Other revenues:				
Telephone access lines	49,255	49,255	51,657	2,402
Refunds and recoveries	55,000	55,000	337,917	282,917
Transit District	4,000	4,000	7,740	3,740
Sale of assets	10,000	10,000	8,566	(1,434)
Housing Authority PILOT	24,169	24,169	23,755	(414)
Recycling revenue	37,000	37,000	45,387	8,387
Workers comp insurance	10,000	10,000	27,212	17,212
Lease - Comm Towers	215,000	215,000	241,467	26,467
Solar energy	90,000	90,000	90,000	-
Other revenues	17,000	17,000	6,351	(10,649)
Total other revenues	<u>511,424</u>	<u>511,424</u>	<u>840,052</u>	<u>328,628</u>
Total Revenues	84,372,920	84,372,920	83,716,742	(656,178)
Other financing sources:				
6% Ordinance Fund Transfer	480,841	480,841		(480,841)
Use of Fund Balance	<u>941,477</u>	<u>941,477</u>		<u>(941,477)</u>
Total	<u>\$ 85,795,238</u>	<u>\$ 85,795,238</u>	<u>83,716,742</u>	<u>\$ (2,078,496)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State

Teachers' Retirement System for Town teachers are not budgeted

Pension plan

6,608,626

OPEB plan

159,489

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

624,963

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

\$ 91,109,820

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, 2021

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
General government:				
Mayor and Town Council	\$ 32,501	\$ 32,501	\$ 31,163	\$ 1,338
Town Manager	244,526	247,526	247,059	467
Personnel Administration	230,900	252,900	252,621	279
Finance and Accounting	519,129	519,129	438,897	80,232
Tax Assessor	441,546	441,546	379,035	62,511
Tax Collector	287,972	287,972	285,162	2,810
Central Services	77,478	86,192	66,451	19,741
Legal expenditures	197,500	221,500	220,261	1,239
Probate Court	32,186	33,686	33,387	299
Registrars of Voters	114,240	114,240	107,038	7,202
Town Clerk	271,066	271,066	270,876	190
Town Planner	216,729	216,729	212,995	3,734
Economic Development	135,251	135,251	121,355	13,896
Total general government	<u>2,801,024</u>	<u>2,860,238</u>	<u>2,666,300</u>	<u>193,938</u>
Public safety:				
Police	5,791,424	5,791,424	5,659,131	132,293
Fire Department	1,146,415	1,192,995	1,101,748	91,247
Building Department	325,950	325,950	313,206	12,744
Volunteer Ambulance Association	133,412	136,912	136,767	145
Total public safety	<u>7,397,201</u>	<u>7,447,281</u>	<u>7,210,852</u>	<u>236,429</u>
Public works:				
Highway Department	2,367,028	2,367,028	2,357,326	9,702
Engineering	539,429	539,429	539,225	204
Sanitation	4,840,913	4,862,913	4,862,353	560
Total public works	<u>7,747,370</u>	<u>7,769,370</u>	<u>7,758,904</u>	<u>10,466</u>
Health and human services:				
Public Health	130,950	130,950	129,935	1,015
Human Services	544,264	544,264	504,180	40,084
Total health and human services	<u>675,214</u>	<u>675,214</u>	<u>634,115</u>	<u>41,099</u>
Parks, recreation and facilities:				
Parks and Recreation	1,765,939	1,771,939	1,720,128	51,811
Facilities	2,167,442	2,232,927	2,002,137	230,790
Total parks, recreation and facilities	<u>3,933,381</u>	<u>4,004,866</u>	<u>3,722,265</u>	<u>282,601</u>
Library services:				
Cora Belden Public Library	1,057,186	1,057,186	1,057,674	(488)

(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, 2021**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Miscellaneous:				
Insurance - employee benefits	\$ 5,131,168	\$ 5,131,168	\$ 4,914,110	\$ 217,058
Insurance - property and liability	957,590	957,590	941,984	15,606
Contingency	455,000	372,000	428,242	(56,242)
Total miscellaneous	<u>6,543,758</u>	<u>6,460,758</u>	<u>6,284,336</u>	<u>176,422</u>
Capital outlays:				
Capital outlay - Town	<u>999,832</u>	<u>1,011,002</u>	<u>680,805</u>	<u>330,197</u>
Debt service:				
Debt redemption - principal	4,991,686	4,991,686	4,991,686	-
Debt redemption - interest	<u>2,935,615</u>	<u>2,935,615</u>	<u>2,935,615</u>	<u>-</u>
Total debt service	<u>7,927,301</u>	<u>7,927,301</u>	<u>7,927,301</u>	<u>-</u>
Board of Education	<u>45,484,414</u>	<u>45,484,414</u>	<u>45,260,339</u>	<u>224,075</u>
Transfers to other funds:				
Transfer to other funds	<u>1,228,557</u>	<u>1,228,557</u>	<u>1,228,557</u>	<u>-</u>
Total	<u>\$ 85,795,238</u>	<u>\$ 85,926,187</u>	<u>84,431,448</u>	<u>\$ 1,494,739</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted				
Pension plan			6,608,626	
OPEB plan			159,489	
The Town budgets for certain revenues as credits to expenditure accounts which are reported as revenues under GAAP				
			624,963	
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				
			<u>(155,660)</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV				
			<u>\$ 91,668,866</u>	

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

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 876,499	\$ 852,861	\$ 884,102	\$ 838,947	\$ 937,961	\$ 1,002,384	\$ 1,035,972	\$ 1,048,535
Interest	3,169,301	3,075,623	2,881,955	2,830,147	2,915,241	2,980,336	2,914,496	2,669,474
Differences between expected and actual experience	1,353,182		1,440,376		(2,952,420)	(2,983,587)	(1,141,889)	
Changes of assumptions	(187,221)	(131,711)	(100,009)	(840,542)		2,850,690		
Benefit payments, including refunds of member contributions	(2,576,280)	(2,391,161)	(2,228,595)	(2,026,995)	(2,008,118)	(1,959,261)	(1,640,714)	(1,338,800)
Net change in total pension liability	2,635,481	1,405,612	2,877,829	801,557	(1,107,336)	1,890,562	1,167,865	2,379,209
Total pension liability - beginning	45,665,577	44,259,965	41,382,136	40,580,579	41,687,915	39,797,353	38,629,488	36,250,279
Total pension liability - ending	48,301,058	45,665,577	44,259,965	41,382,136	40,580,579	41,687,915	39,797,353	38,629,488
Plan fiduciary net position:								
Contributions - employer	430,247	430,247	526,785	526,785	526,785	1,340,000	1,462,942	1,462,942
Contributions - member	229,695	237,235	256,258	274,495	280,589	293,620	301,208	299,540
Net investment income	13,585,258	1,134,152	2,229,614	3,477,800	4,652,994	229,847	1,066,924	5,400,306
Benefit payments, including refunds of member contributions	(2,576,280)	(2,391,161)	(2,228,595)	(2,026,995)	(2,008,118)	(1,959,261)	(1,640,714)	(1,338,800)
Administrative expense	(37,061)	(33,435)	(26,260)	(23,100)	(39,000)	(33,257)	(29,950)	(15,100)
Net change in plan fiduciary net position	11,631,859	(622,962)	757,802	2,228,985	3,413,250	(129,051)	1,160,410	5,808,888
Plan fiduciary net position - beginning	40,745,400	41,368,362	40,610,560	38,381,575	34,968,325	35,097,376	33,936,966	28,128,078
Plan fiduciary net position - ending	52,377,259	40,745,400	41,368,362	40,610,560	38,381,575	34,968,325	35,097,376	33,936,966
Town's Net Pension Liability (Asset) - Ending	\$ (4,076,201)	\$ 4,920,177	\$ 2,891,603	\$ 771,576	\$ 2,199,004	\$ 6,719,590	\$ 4,699,977	\$ 4,692,522
Plan fiduciary net position as a percentage of the total pension liability	108.44%	89.23%	93.47%	98.14%	94.58%	83.88%	88.19%	87.85%
Covered payroll	\$ 7,718,507	\$ 8,315,553	\$ 8,315,553	\$ 8,772,402	\$ 8,772,402	\$ 8,438,036	\$ 9,669,472	\$ 9,418,330
Town's net pension liability (asset) as a percentage of covered payroll	-52.81%	59.17%	34.77%	8.80%	25.07%	79.63%	48.61%	49.82%

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 708,606	\$ 678,905	\$ 446,332	\$ 431,962	\$ 445,450	\$ 490,958	\$ 455,914	\$ 387,545
Interest	1,777,625	1,715,062	1,618,025	1,583,659	1,560,520	1,534,059	1,524,104	1,424,973
Changes of benefit terms							(794,661)	
Differences between expected and actual experience	5,287,484	188,207	262,525	(228,321)	(317,608)	(34,994)	(487,985)	
Changes of assumptions	1,226,278	(42,116)	(34,495)			973,735	553,775	
Benefit payments, including refunds of member contributions	(1,637,360)	(1,342,932)	(1,311,721)	(1,311,721)	(1,225,514)	(1,189,696)	(1,013,729)	(882,022)
Net change in total pension liability	7,362,633	1,197,126	980,666	475,579	462,848	1,774,062	237,418	930,496
Total pension liability - beginning	25,490,873	24,293,747	23,313,081	22,837,502	22,374,654	20,600,592	20,363,174	19,432,678
Total pension liability - ending	32,853,506	25,490,873	24,293,747	23,313,081	22,837,502	22,374,654	20,600,592	20,363,174
Plan fiduciary net position:								
Contributions - employer	205,672	205,672	341,085	341,085	341,085	559,822	523,044	571,380
Contributions - member	166,692	215,124	295,137	194,089	307,145	224,786	182,435	152,513
Net investment income	8,563,409	717,926	1,398,828	2,154,051	2,874,438	32,949	683,677	3,540,920
Benefit payments, including refunds of member contributions	(1,637,360)	(1,342,932)	(1,311,721)	(1,311,721)	(1,225,514)	(1,189,696)	(1,013,729)	(882,022)
Administrative expense	(34,336)	(21,810)	(27,250)	(18,550)	(35,800)	(38,050)	(27,950)	(11,800)
Net change in plan fiduciary net position	7,264,077	(226,020)	696,079	1,358,954	2,261,354	(410,189)	347,477	3,370,991
Plan fiduciary net position - beginning	25,660,010	25,886,030	25,189,951	23,830,997	21,569,643	21,979,832	21,632,355	18,261,364
Plan fiduciary net position - ending	32,924,087	25,660,010	25,886,030	25,189,951	23,830,997	21,569,643	21,979,832	21,632,355
Town's Net Pension Liability (Asset) - Ending	\$ (70,581)	\$ (169,137)	\$ (1,592,283)	\$ (1,876,870)	\$ (993,495)	\$ 805,011	\$ (1,379,240)	\$ (1,269,181)
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.21%	100.66%	106.55%	108.05%	104.35%	96.40%	106.70%	106.23%
Covered payroll	\$ 2,972,675	\$ 3,278,451	\$ 3,278,451	\$ 3,283,573	\$ 3,283,573	\$ 3,249,728	\$ 2,446,151	\$ 2,028,338
Town's net pension liability (asset) as a percentage of covered payroll	-2.37%	-5.16%	-48.57%	-57.16%	-30.26%	24.77%	-56.38%	-62.57%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:								
Service cost	\$ 27,346	\$ 27,424	\$ 20,523	\$ 20,592	\$ 17,550	\$ 15,979	\$ 18,274	\$ 18,274
Interest	181,652	173,925	118,136	113,783	106,814	108,315	98,621	93,504
Changes of benefit terms			719,925					
Differences between expected and actual experience	27,703		8,135		35,751	(65,336)	(23,854)	
Changes of assumptions	(47,086)	(6,568)	(3,909)	(5,909)		85,364	102,470	
Benefit payments, including refunds of member contributions	(90,706)	(78,153)	(67,463)	(65,003)	(62,250)	(65,963)	(62,034)	(61,619)
Net change in total pension liability	98,909	116,628	795,347	63,463	97,865	78,359	133,477	50,159
Total pension liability - beginning	<u>2,612,266</u>	<u>2,495,638</u>	<u>1,700,291</u>	<u>1,636,828</u>	<u>1,538,963</u>	<u>1,460,604</u>	<u>1,327,127</u>	<u>1,276,968</u>
Total pension liability - ending	<u>2,711,175</u>	<u>2,612,266</u>	<u>2,495,638</u>	<u>1,700,291</u>	<u>1,636,828</u>	<u>1,538,963</u>	<u>1,460,604</u>	<u>1,327,127</u>
Plan fiduciary net position:								
Contributions - employer	28,163	28,163	47,740	47,740	47,740	81,500	76,500	76,500
Net investment income	476,974	39,639	78,270	117,403	159,761	478	46,075	198,508
Benefit payments, including refunds of member contributions	(90,706)	(78,153)	(67,463)	(65,003)	(62,250)	(65,963)	(62,034)	(61,619)
Administrative expense	(1,110)	(12,925)	(14,364)	(14,300)	(15,632)	(18,700)	(8,900)	(5,500)
Other								
Net change in plan fiduciary net position	413,321	(23,276)	44,183	85,840	129,619	(2,685)	51,641	207,889
Plan fiduciary net position - beginning	<u>1,448,236</u>	<u>1,471,512</u>	<u>1,427,329</u>	<u>1,341,489</u>	<u>1,211,870</u>	<u>1,214,555</u>	<u>1,162,914</u>	<u>955,025</u>
Plan fiduciary net position - ending	<u>1,861,557</u>	<u>1,448,236</u>	<u>1,471,512</u>	<u>1,427,329</u>	<u>1,341,489</u>	<u>1,211,870</u>	<u>1,214,555</u>	<u>1,162,914</u>
Town's Net Pension Liability - Ending	\$ <u>849,618</u>	\$ <u>1,164,030</u>	\$ <u>1,024,126</u>	\$ <u>272,962</u>	\$ <u>295,339</u>	\$ <u>327,093</u>	\$ <u>246,049</u>	\$ <u>164,213</u>
Plan fiduciary net position as a percentage of the total pension liability	68.66%	55.44%	58.96%	83.95%	81.96%	78.75%	83.15%	87.63%
Covered payroll **	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Town's net pension liability as a percentage of covered payroll **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

** Pay for volunteer firefighters is not available

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

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 27,160	\$ 27,238	\$ 13,084	\$ 13,129	\$ 13,293	\$ 11,691	\$ 12,451	\$ 11,777
Interest	78,113	73,083	45,496	43,456	44,258	31,978	33,110	34,346
Changes of benefit terms			316,592					
Differences between expected and actual experience	(16,915)	10,237	21,410		(43,777)	37,229	(22,659)	(24,908)
Changes of assumptions	(3,538)	(2,867)	(1,818)	(2,342)		58,156		
Benefit payments, including refunds of member contributions	(25,960)	(25,060)	(25,060)	(25,060)	(25,060)	(27,319)	(27,050)	(25,920)
Net change in total pension liability	58,860	82,631	369,704	29,183	(11,286)	111,735	(4,148)	(4,705)
Total pension liability - beginning	1,101,507	1,018,876	649,172	619,989	631,275	519,540	523,688	528,393
Total pension liability - ending	1,160,367	1,101,507	1,018,876	649,172	619,989	631,275	519,540	523,688
Plan fiduciary net position:								
Contributions - employer	3,312	3,312	5,945	5,945	5,945		10,000	28,419
Net investment income (loss)	256,023	20,710	41,855	64,806	87,204	(2,599)	27,187	112,461
Benefit payments, including refunds of member contributions	(25,960)	(25,060)	(25,060)	(25,060)	(25,060)	(27,319)	(27,050)	(25,920)
Administrative expense	(7,110)	(6,226)	(6,569)	(8,000)	(9,143)	(1,500)	(750)	(1,250)
Net change in plan fiduciary net position	226,265	(7,264)	16,171	37,691	58,946	(31,418)	9,387	113,710
Plan fiduciary net position - beginning	762,265	769,529	753,358	715,667	656,721	688,139	678,752	565,042
Plan fiduciary net position - ending	988,530	762,265	769,529	753,358	715,667	656,721	688,139	678,752
Town's Net Pension Liability (Asset) - Ending	\$ 171,837	\$ 339,242	\$ 249,347	\$ (104,186)	\$ (95,678)	\$ (25,446)	\$ (168,599)	\$ (155,064)
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.19%	69.20%	75.53%	116.05%	115.43%	104.03%	132.45%	129.61%
Covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's net pension liability as a percentage of covered payroll **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

** Pay for volunteer ambulance is not available

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 458,990	\$ 430,247	\$ 446,336	\$ 526,785	\$ 674,581	\$ 1,414,908	\$ 1,421,628	\$ 1,461,942	\$ 1,461,942	\$ 1,203,931
Contributions in relation to the actuarially determined contribution	<u>430,247</u>	<u>430,247</u>	<u>526,785</u>	<u>526,785</u>	<u>526,785</u>	<u>1,340,000</u>	<u>1,462,942</u>	<u>1,462,942</u>	<u>1,450,207</u>	<u>1,203,931</u>
Contribution Deficiency (Excess)	<u>\$ 28,743</u>	<u>\$ -</u>	<u>\$ (80,449)</u>	<u>\$ -</u>	<u>\$ 147,796</u>	<u>\$ 74,908</u>	<u>\$ (41,314)</u>	<u>\$ (1,000)</u>	<u>\$ 11,735</u>	<u>\$ -</u>
Covered payroll	\$ 7,718,507	\$ 8,315,553	\$ 8,315,553	\$ 8,772,402	\$ 8,772,402	\$ 8,438,036	\$ 9,669,472	\$ 9,418,330	\$ 9,418,330	\$ 9,046,134
Contributions as a percentage of covered payroll	5.57%	5.17%	6.33%	6.01%	6.01%	15.88%	15.13%	15.53%	15.40%	13.31%

Notes to Schedule

Valuation date: September 1, 2020
Measurement date: June 30, 2021
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	5-year asset average, subject to a 20% corridor around the market value of assets
Inflation	2.24%
Salary increases	3.00%
Investment rate of return	7.00%
Retirement age	Graduated rates ages 62-70
Mortality	SOA RP-2014 Total Dataset, adjusted to 2006, with MP-2020 scaling

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 787,467	\$ 205,672	\$ 226,289	\$ 329,372	\$ 355,298	\$ 499,336	\$ 484,928	\$ 571,380	\$ 571,380	\$ 769,584
Contributions in relation to the actuarially determined contribution	<u>205,672</u>	<u>205,672</u>	<u>341,085</u>	<u>341,085</u>	<u>341,085</u>	<u>559,822</u>	<u>523,044</u>	<u>571,380</u>	<u>769,584</u>	<u>769,584</u>
Contribution Deficiency (Excess)	\$ <u>581,795</u>	\$ <u>-</u>	\$ <u>(114,796)</u>	\$ <u>(11,713)</u>	\$ <u>14,213</u>	\$ <u>(60,486)</u>	\$ <u>(38,116)</u>	\$ <u>-</u>	\$ <u>(198,204)</u>	\$ <u>-</u>
Covered payroll	\$ 2,972,675	\$ 3,278,451	\$ 3,278,451	\$ 3,283,573	\$ 3,283,573	\$ 3,249,728	\$ 2,446,151	\$ 2,028,338	\$ 2,415,638	\$ 2,479,447
Contributions as a percentage of covered payroll	6.92%	6.27%	10.40%	10.39%	10.39%	17.23%	21.38%	28.17%	31.86%	31.04%

Notes to Schedule

Valuation date: September 1, 2020
Measurement date: June 30, 2021
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed, with amortization bases created in accordance with the funding policy
Remaining amortization period	23 years
Asset valuation method	Five-year asset average, subject to a 20% corridor around the market value of assets
Inflation	2.24%
Salary increases	4.50%
Investment rate of return	7.00%
Retirement age	Earlier of age 48 w/25 years of service of age 65
Mortality	SOA RP-2014 Total Dataset, adjusted to 2006, with MP-2020 scaling

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 167,283	\$ 28,163	\$ 28,163	\$ 44,740	\$ 44,740	\$ 49,697	\$ 49,697	\$ 76,430	\$ 76,430	\$ 69,719
Contributions in relation to the actuarially determined contribution	<u>28,163</u>	<u>28,163</u>	<u>47,740</u>	<u>47,740</u>	<u>47,740</u>	<u>81,500</u>	<u>76,500</u>	<u>76,500</u>	<u>72,325</u>	<u>69,719</u>
Contribution Deficiency (Excess)	<u>\$ 139,120</u>	<u>\$ -</u>	<u>\$ (19,577)</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ (31,803)</u>	<u>\$ (26,803)</u>	<u>\$ (70)</u>	<u>\$ 4,105</u>	<u>\$ -</u>
Covered payroll*	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Pay for volunteer firefighters is not available

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar amount, closed, with amortization bases created in accordance with funding policy
Remaining amortization period	23 years
Asset valuation method	Five-year smoothed, subject to a 20% corridor around the market value of assets
Inflation	2.24%
Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expenses
Retirement age	Normal Retirement Age
Mortality	SOA RP-2014 Total Dataset Mortality, adjusted to 2006, with MP-2020 Scaling

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 72,542	\$ 3,312	\$ 3,312	\$ 5,945	\$ 5,945	\$ -	\$ -	\$ 6,286	\$ 14,998	\$ 12,288
Contributions in relation to the actuarially determined contribution	<u>3,312</u>	<u>3,312</u>	<u>5,945</u>	<u>5,945</u>	<u>5,945</u>	<u>-</u>	<u>10,000</u>	<u>28,419</u>	<u>30,628</u>	<u>32,339</u>
Contribution Deficiency (Excess)	<u>\$ 69,230</u>	<u>\$ -</u>	<u>\$ (2,633)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ (22,133)</u>	<u>\$ (15,630)</u>	<u>\$ (20,051)</u>
Covered payroll *	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Pay for volunteer ambulance is not available

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Collective Aggregate Cost Method
Amortization method	Level dollar amount, closed, with amortization bases created in accordance with funding policy
Remaining amortization period	30 years, open
Asset valuation method	Market value
Inflation	2.24%
Investment rate of return	7.00%, net of pension plan investment expenses
Retirement age	Normal retirement age
Mortality	SOA RP-2014 Adjusted to 2006 Total Dataset Mortality with Scale MP-2020

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

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense:								
General Employees	34.09%	2.80%	5.60%	9.20%	13.58%	0.68%	3.20%	19.11%
Police Officers	34.23%	2.82%	5.65%	9.24%	13.56%	0.17%	3.21%	19.49%
Firefighters	33.85%	2.76%	5.57%	8.99%	13.51%	0.13%	4.07%	20.81%
Ambulance	34.18%	2.74%	5.65%	9.25%	13.59%	-0.15%	3.97%	19.74%

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

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

	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	103,031,762	87,024,703	67,101,102	66,408,496	70,061,472	51,725,859	47,810,191
Total	\$ 103,031,762	\$ 87,024,703	\$ 67,101,102	\$ 66,408,496	\$ 70,061,472	\$ 51,725,859	\$ 47,810,191
Town's covered payroll	\$ 23,702,237	\$ 23,240,881	\$ 23,082,923	\$ 21,094,706	\$ 20,294,620	\$ 19,584,545	\$ 18,725,185
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension lial	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019: - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

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

	<u>2021</u>	<u>2021</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 874,376	\$ 1,196,745	\$ 1,082,023	\$ 1,496,837	\$ 1,109,463
Interest	579,567	796,461	757,195	819,109	817,864
Changes of benefit terms			1,586		
Differences between expected and actual experience	(1,152,576)	(1,706,829)	(5,417,065)		
Changes of assumptions	(2,581,986)	5,073,650	1,373,722	(4,383,463)	
Benefit payments	<u>(672,068)</u>	<u>(580,059)</u>	<u>(397,430)</u>	<u>(451,411)</u>	<u>(392,917)</u>
Net change in total OPEB liability	(2,952,687)	4,779,968	(2,599,969)	(2,518,928)	1,534,410
Total OPEB liability - beginning	<u>24,557,824</u>	<u>19,777,856</u>	<u>22,377,825</u>	<u>24,896,753</u>	<u>23,362,343</u>
Total OPEB liability - ending	<u>21,605,137</u>	<u>24,557,824</u>	<u>19,777,856</u>	<u>22,377,825</u>	<u>24,896,753</u>
Plan fiduciary net position:					
Contributions - employer	722,068	680,059	597,430	651,411	592,917
Expected investment income	55,919	80,478	73,901	134,676	169,676
Investment gains	673,587	(25,069)	27,072		
Benefit payments	<u>(672,068)</u>	<u>(580,059)</u>	<u>(397,430)</u>	<u>(451,411)</u>	<u>(392,917)</u>
Net change in plan fiduciary net position	779,506	155,409	300,973	334,676	369,676
Plan fiduciary net position - beginning	<u>2,245,754</u>	<u>2,090,345</u>	<u>1,789,372</u>	<u>1,454,696</u>	<u>1,085,020</u>
Plan fiduciary net position - ending	<u>3,025,260</u>	<u>2,245,754</u>	<u>2,090,345</u>	<u>1,789,372</u>	<u>1,454,696</u>
Net OPEB Liability - Ending	<u>\$ 18,579,877</u>	<u>\$ 22,312,070</u>	<u>\$ 17,687,511</u>	<u>\$ 20,588,453</u>	<u>\$ 23,442,057</u>
Plan fiduciary net position as a percentage of the total OPEB liability	14.00%	9.14%	10.57%	8.00%	5.84%
Covered payroll	\$ 6,738,909	\$ 5,582,991	\$ 5,446,820	\$ 10,233,690	\$ 9,984,088
Net OPEB liability as a percentage of covered payroll	275.71%	399.64%	324.73%	201.18%	234.79%

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution (1)	\$ 1,180,473	\$ 1,557,365	\$ 1,653,224	\$ 1,634,879	\$ 1,725,195	\$ 2,071,627	\$ 1,256,429	\$ 1,304,811	\$ 1,374,997	\$ 1,124,929
Contributions in relation to the actuarially determined contribution	<u>320,246</u>	<u>422,470</u>	<u>1,621,435</u>	<u>1,589,774</u>	<u>1,664,245</u>	<u>592,917</u>	<u>651,411</u>	<u>597,430</u>	<u>680,059</u>	<u>722,068</u>
Contribution Deficiency (Excess)	<u>\$ 860,227</u>	<u>\$ 1,134,895</u>	<u>\$ 31,789</u>	<u>\$ 45,105</u>	<u>\$ 60,950</u>	<u>\$ 1,478,710</u>	<u>\$ 605,018</u>	<u>\$ 707,381</u>	<u>\$ 694,938</u>	<u>\$ 402,861</u>
Covered payroll	\$ 9,162,154	\$ 9,832,453	\$ 9,832,453	\$ 9,515,627	\$ 9,515,627	\$ 9,984,088	\$ 10,233,690	\$ 5,446,820	\$ 5,582,991	\$ 6,738,909
Contributions as a percentage of covered payroll	3.50%	4.30%	16.49%	16.71%	17.49%	5.94%	6.37%	10.97%	12.18%	10.71%

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

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Amortization period	30 years
Asset valuation method	Market value of assets
Inflation	2.00%
Healthcare cost trend rates	8.00% initial, decreasing to an ultimate rate of 4.75% in 2024
Salary increases	3.50%, average, including inflation
Investment rate of return	3.03%, net of pension plan investment expense, including inflation
Retirement age	Retirement rates are for Town employees start at 2% at age 55 increasing to 100% at age 70 and above, for Police the retirement rates start at 50% at age 46 increasing to 100% at age 65 and above.
Mortality	RPH-2014 total dataset mortality table projected with projection scale MP-2020

Other Information:

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

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

	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	32.22%	2.60%	5.40%	9.25%	15.15%

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

TOWN OF ROCKY HILL, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
BOARD OF EDUCATION RETIREE HEALTHCARE PLAN
LAST FOUR FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:				
Service cost	\$ 83,474	\$ 72,975	\$ 67,094	\$ 59,592
Interest	26,112	38,150	38,287	29,067
Differences between expected and actual experience	(102,355)	(10,699)	37,349	
Changes of assumptions and other inputs	40,975	91,167	29,389	(47,460)
Benefit payments	<u>(44,645)</u>	<u>(55,050)</u>	<u>(19,842)</u>	<u>(36,302)</u>
Net change in total OPEB liability	3,561	136,543	152,277	4,897
Total OPEB liability - beginning	<u>1,180,829</u>	<u>1,044,286</u>	<u>892,009</u>	<u>887,112</u>
Total OPEB Liability - Ending	<u>\$ 1,184,390</u>	<u>\$ 1,180,829</u>	<u>\$ 1,044,286</u>	<u>\$ 892,009</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Total OPEB liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

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

Notes to Schedule

For the July 1, 2020 valuation the discount rate was reduced from 2.21% to 2.16%

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution (1)	\$ 154,814	\$ 157,897	\$ 164,998	\$ 180,143	\$ 188,380	\$ 139,217	\$ 139,217	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>171,734</u>	<u>103,148</u>	<u>59,260</u>	<u>60,816</u>	<u>60,201</u>	<u>34,624</u>	<u>36,302</u>	<u>19,842</u>	<u>55,050</u>	<u>44,645</u>
Contribution Deficiency (Excess)	<u>\$ (16,920)</u>	<u>\$ 54,749</u>	<u>\$ 105,738</u>	<u>\$ 119,327</u>	<u>\$ 128,179</u>	<u>\$ 104,593</u>	<u>\$ 102,915</u>	<u>\$ (19,842)</u>	<u>\$ (55,050)</u>	<u>\$ (44,645)</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Notes to Schedule

Valuation date: July 1, 2020

Measurement date: June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	30 years
Asset valuation method	Market value of assets
Inflation	2.00%
Healthcare cost trend rates	7.0% initial, decreasing to an ultimate rate of 4.5%
Salary increases	3.5%, average, including inflation
Investment rate of return	2.16%, net of pension plan investment expense, including inflation
Retirement age	Retirement rates are assumed starting at 2.0% at ages 55-59 increasing to 100% at ages 70 and above.
Mortality	RPH-2014 total dataset mortality table projected with projection scale MP-2020

Other Information:

The mortality table has been updated to the RPH-2014 total dataset mortality table projected using scale MP-2020. The healthcare cost trend rate was reset to 7.0% in 2020, grading down to an ultimate rate of 4.5% in years 2025 and later.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>15,367,191</u>	<u>13,571,994</u>	<u>13,413,903</u>	<u>17,092,784</u>
Total	<u>\$ 15,367,191</u>	<u>\$ 13,571,994</u>	<u>\$ 13,413,903</u>	<u>\$ 17,092,784</u>
Town's covered payroll	\$ 23,702,237	\$ 23,240,881	\$ 23,082,923	\$ 21,094,706
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; Long-term health care cost trend rates were updated; The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and, The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below: - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date

**FORM OF OPINION OF BOND COUNSEL
TOWN OF ROCKY HILL, CONNECTICUT
\$4,250,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

July __, 2022

Town of Rocky Hill
761 Old Main Street
Rocky Hill, CT 06067

We have acted as Bond Counsel in connection with the issuance by the Town of Rocky Hill, Connecticut (the “Town”), of its \$4,250,000 General Obligation Bond Anticipation Notes (the “Notes”) dated July 27, 2022. In such capacity, we have examined a record of proceedings of the Town authorizing the Notes, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Notes are duly certified by U.S. Bank Trust Company, National Association, the Notes will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

In rendering the below opinions regarding the federal treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention

and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

In our opinion, under existing statutes and court decisions, (i) interest on the Notes is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of calculating the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We are further of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Notes.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

Respectfully,

PULLMAN & COMLEY, LLC

**FORM OF
CONTINUING DISCLOSURE AGREEMENT FOR NOTES
BY THE TOWN OF ROCKY HILL, CONNECTICUT**

**In Connection With The Issuance and Sale of
\$4,250,000 Town of Rocky Hill, Connecticut
General Obligation Bond Anticipation Notes**

This Continuing Disclosure Agreement (“Agreement”) is made as of July 27, 2022, by the Town of Rocky Hill, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$4,250,000 General Obligation Bond Anticipation Notes, dated July 27, 2022 and maturing on July 26, 2023 (the “Notes”).

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 10 hereof.

“Final Official Statement” means the official statement of the Issuer dated July __, 2022 prepared in connection with the issuance of the Notes.

“Listed Events” shall mean any of the events listed in Section 2 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

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

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

Section 2. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event:

- (i)** principal and interest payment delinquencies;
- (ii)** unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii)** unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv)** substitution of credit or liquidity providers, or their failure to perform;

(v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Notes, or other events affecting the tax status of the Notes;

(vi) tender offers;

(vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;

Note to clause (a)(vii): For the purposes of the event identified in clause (a)(vii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(viii) Note defeasances;

(ix) rating changes; and

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event, if material:

(i) non-payment related defaults;

(ii) modifications to rights of Note holders;

(iii) Note calls;

(iv) release, substitution, or sale of property securing repayment of the Notes;

(v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses (a)(x) and (b)(vii), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 3. Termination of Reporting Obligation. The Issuer’s obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking in account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB.

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any annual report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any annual report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future annual report or notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney’s fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person’s malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. The present address of the Issuer is Rocky Hill Town Hall, 761 Old Main Street, Rocky Hill, Connecticut 06067. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer’s

obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

Section 9. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 10. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

IN WITNESS WHEREOF, the Issuer has caused this Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF ROCKY HILL, CONNECTICUT

By: _____
RAYMOND CARPENTINO
Acting Town Manager

By: _____
MONA M. MCKIM
Director of Finance

NOTICE OF SALE

**TOWN OF ROCKY HILL, CONNECTICUT
\$4,250,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

NOTICE IS GIVEN that TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY®** (as described herein) will be received by the TOWN OF ROCKY HILL, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on TUESDAY,

JULY 12, 2022

(the “Sale Date”) for the purchase of the Issuer’s \$4,250,000 General Obligation Bond Anticipation Notes (the “Notes”). Telephone bids will be received by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY®** (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated July 27, 2022 and will mature and be payable to the registered owner on July 26, 2023 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

Bank Qualification

The Notes SHALL NOT be designated by the Issuer as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the Note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

Option For No Book-Entry.

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Issuer as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in non-book-entry form, or to be designated as Certifying Agent, Registrar and Paying Agent for such Notes, shall indicate this preference to the Issuer at the time of the submission of the bid. The Issuer reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, the winning bidder, and any subsequent registered owner of the Notes, shall not impose on or charge the Issuer any costs or expenses of any re-registration or transfer of Notes from time to time, including any costs of counsel or of converting the Notes to book-entry only form, or for any costs or expenses of services as Certifying Agent, Registrar and Paying Agent for the Notes if the winning bidder is so designated. The terms and covenants of the Notes issued in non-book-entry form shall be the same as if the Notes were issued in book-entry form, except as required to reflect that the Notes are non-book-entry and the designation of the purchaser as Certifying Agent, Registrar and Paying Agent.

Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms

Each bid for the purchase of the Notes must, (i) if submitted by telephone, provide the information in the Proposal for Notes attached hereto or, (ii) if submitted electronically, in accordance with the requirements prescribed herein. Except as required above with respect to non-book-entry bids, a proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, except one such proposal for a part may include the odd \$50,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

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

The Issuer further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to i-Deal LLC’s BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**[®] shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract,

for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY*[®], or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY*[®], the use of *PARITY*[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by *PARITY*[®] as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY*[®], including any fee charged, may be obtained from *PARITY*[®], 1359 Broadway, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: www.parity@i-deal.com).

For purposes of the telephone bidding process and the electronic bidding process, the time as maintained by *PARITY*[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under “Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms” above, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

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

Telephone Bidding Procedures

Telephone bids will be received until 11:30 A.M. (E.T.) on the Sale Date by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor. All telephone bids must be made to (860) 372-1887 and be completed by 11:30 A.M. (E.T.) on the Sale Date. Bidders should be prepared to provide the information set forth in the “Proposal for Notes” attached hereto.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be

received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer's sole discretion, will not be reviewed or honored by the Issuer. It is recommended that telephone bids be received by Munistat Services, Inc. by 11:25 A.M. (E.T.) in order to ensure compliance with the 11:30 A.M. (E.T.) bid deadline.

CUSIP Numbers

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

Certifying Agent, Registrar, Paying Agent and Transfer Agent

Unless otherwise provided for herein, the Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel"); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

Unless otherwise provided for herein, the Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer ("FAST") on or about July 27, 2022 (the "Closing Date").

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”. In rendering such legal opinion, Pullman & Comley, LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the Notes, and further, will assume compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael J. Andreana, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (203) 330-2235, E-mail: mandreana@pullcom.com and (2) the Municipal Advisor at Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: susan.caron@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of

municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder's bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this "Establishment of Issue Price" section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "Competitive Sale Rule") because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed "Certificate as to Issue Price" (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price. If the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale of such Maturity to the

Public, then the winning bidder shall provide Bond Counsel and the Municipal Advisor a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (A)(I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date, and (B) those Maturities that the winning bidder is purchasing for its own account and not with a view to distribution or resale of such Maturity to the Public. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling

group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (3) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (4) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (5) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (6) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated July 5, 2022 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in

electronic format at www.i-dealprospectus.com, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: Susan.Caron@munistat.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF ROCKY HILL, CONNECTICUT

RAYMOND CARPENTINO
Acting Town Manager

MONA M. MCKIM
Director of Finance

July 5, 2022

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

Raymond Carpentino, Acting Town Manager
Mona M. McKim, Director of Finance
Town of Rocky Hill
c/o Munistat Services, Inc.
Telephone Number (860) 372-1887

Rocky Hill Town Officials:

Subject to the provisions of the Notice of Sale dated July 5, 2022, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$4,250,000 General Obligation Bond Anticipation Notes of the Town of Rocky Hill, Connecticut (the "Issuer"), dated July 27, 2022 and maturing on July 26, 2023 (the "Notes"), specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$4,250,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For \$ _____ of the Notes, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$ _____. The net interest cost to the Issuer is _____ % (six decimals).

For \$ _____ of the Notes, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$ _____. The net interest cost to the Issuer is _____ % (six decimals).

For \$ _____ of the Notes, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$ _____. The net interest cost to the Issuer is _____ % (six decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: July 12, 2022

(Name of Bidder)

(Mailing Address)

(Authorized Signature)

(Telephone Number)

(Facsimile Number)

(E-mail Address)

☐ We request that the Notes not be issued in book-entry form, but be registered in the name of the bidder, as provided in the Notice of Sale.

☐ **Only if submitting request that Notes not be issued in book-entry form:** We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.