

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 15, 2024**

**NEW MONEY ISSUE**

**S&P GLOBAL RATINGS (See “Rating” herein): AA+**

*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 the applicable requirements of the Internal Revenue Code of 1986 (the “Code”), under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and 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 Bonds. (See “Tax Matters”, herein.)*

**TOWN OF ROCKY HILL, CONNECTICUT  
\$6,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024  
(BANK QUALIFIED)  
(BOOK-ENTRY-ONLY)**

**Dated: Date of Delivery**

**Due: November 1, as shown herein**

MATURITY SCHEDULE									
Maturity	Amount	Coupon	Yield	CUSIP <sup>1</sup>	Maturity	Amount	Coupon	Yield	CUSIP <sup>1</sup>
2026	\$320,000	%	%	774574---	2036	\$315,000	%	%	774574---
2027	320,000			774574---	2037	315,000			774574---
2028	320,000			774574---	2038	315,000			774574---
2029	315,000			774574---	2039	315,000			774574---
2030	315,000			774574---	2040	315,000			774574---
2031	315,000			774574---	2041	315,000			774574---
2032	315,000			774574---	2042	315,000			774574---
2033	315,000			774574---	2043	315,000			774574---
2034	315,000			774574---	2044	315,000			774574---
2035	315,000			774574---					

The \$6,000,000 General Obligation Bonds, Issue of 2024 (the “Bonds”) 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.

Interest on the Bonds will be payable November 1, 2025 and semiannually thereafter on November 1 and May 1 in each year until maturity. **The Bonds are subject to optional redemption prior to maturity as more fully described herein. See “Redemption Provisions” herein.**

**Electronic proposals via PARITY® for the Bonds will be received until 11:30 A.M. (Eastern Time) on Wednesday, October 23, 2024 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale for the Bonds (See Appendix D to this Official Statement).**

The Bonds 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 Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owners of the Bonds. Purchasers of the Bonds will be made in book-entry form in denominations of \$5,000 or any integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bond Owner, as nominee of DTC, reference herein to the Bond Owner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. See “Book-Entry-Only Transfer System” herein.

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut will certify the Bonds, and act as Registrar, Transfer Agent, and Paying Agent.

The Bonds 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 Bonds in book-entry-only form will be made to DTC in New York, New York on or about November 6, 2024.

***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.***

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

No dealer, broker, salesperson 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 Bonds 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 Bonds 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 – “Basic Financial Statements” to this Official Statement, 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” to this Official Statement, 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.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

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) foreign hostilities or wars; (x) foreign hostilities or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

## TABLE OF CONTENTS

	Page	Page
Bond Issue Summary .....	i	
<b>I. Securities Offered</b>		
Introduction .....	1	
Authorization and Use of Proceeds .....	1	
Description of the Bonds .....	2	
Redemption Provisions .....	2	
Notice of Redemption .....	2	
Book-Entry-Only Transfer System .....	3	
DTC Practices .....	5	
Replacement Bonds.....	5	
Securities and Remedies.....	5	
Tax Matters .....	5	
Global Health Emergency Risk.....	7	
Cybersecurity .....	8	
Climate Change.....	8	
Qualifications of Financial Institutions .....	9	
Availability of Continuing Disclosure.....	9	
Rating .....	10	
<b>II. The Issuer</b>		
Description of the Town.....	11	
Local Economy .....	12	
Major Initiatives.....	13	
Form of Government.....	14	
Principal Town Officials .....	14	
Summary of Municipal Services .....	14	
Town Employees.....	17	
Municipal Employees’ Bargaining Units .....	18	
School Facilities.....	19	
School Enrollment.....	19	
<b>III. Economic and Demographic Information</b>		
Population Trends .....	20	
Age Distribution of the Population .....	20	
Income Distribution.....	21	
Income Levels .....	21	
Educational Attainment.....	22	
Major Employers.....	22	
Employment by Industry .....	23	
Employment Data.....	23	
Age Distributions of Housing.....	24	
Housing Inventory.....	24	
Owner-Occupied Housing Value .....	25	
Building Permits.....	25	
Land Use Summary.....	25	
<b>IV. Tax Base Data</b>		
Assessments .....	26	
Property Tax Collection Procedures.....	26	
Motor Vehicle Property Tax Rate .....	27	
Comparative Assessed Valuations .....	27	
Property Tax Levies and Collections .....	27	
Ten Largest Taxpayers .....	28	
Equalized Net Grand List.....	28	
<b>V. Financial Information</b>		
Fiscal Year .....	29	
Accounting Policies.....	29	
Budgetary Procedures .....	29	
Annual Audit.....	30	
Pension Plans .....	31	
Other Post Employment Benefits (“OPEB”).....	34	
Investment Policies and Practices .....	35	
Comparative General Fund Operating Statement..	36	
General Fund Balance Sheet .....	37	
General Fund Revenue and Expenditures .....	38	
Analysis of General Fund Equity .....	38	
Property Tax Revenues .....	39	
Intergovernmental Revenues .....	39	
Expenditures.....	39	
<b>VI. Debt Summary</b>		
Principal Amount of Indebtedness .....	40	
School Building Grant Reimbursements .....	41	
Annual Bonded Debt Maturity Schedules.....	41	
Overlapping/Underlying Debt.....	41	
Debt Statement .....	42	
Current Debt Ratios.....	43	
Bond Authorization .....	43	
Maturities .....	43	
Temporary Financing .....	43	
Limitations of Indebtedness .....	44	
Statement of Statutory Debt Limitation .....	45	
Authorized But Unissued Debt.....	45	
Principal Amount of Outstanding Debt.....	46	
Ratio of Direct Debt to Valuation, Population and Income .....	46	
<b>VII. Legal and Other Litigation</b>		
Litigation.....	47	
Municipal Advisor.....	47	
Transcript and Closing Documents .....	47	
Concluding Statement .....	48	

- Appendix A – Basic Financial Statements
- Appendix B – Form of Opinion of Bond Counsel
- Appendix C – Form of Continuing Disclosure Agreement
- Appendix D – Notice of Sale

## BOND ISSUE SUMMARY

*The information in this Bond 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.*

<b>Date of Sale:</b>	<b><u>Wednesday, October 23, 2024, 11:30 A.M. (Eastern Time).</u></b>
<b>Location of Sale:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
<b>Issuer:</b>	Town of Rocky Hill, Connecticut (the “Town”).
<b>Issue:</b>	\$6,000,000 General Obligation Bonds, Issue of 2024 (the “Bonds”).
<b>Dated Date:</b>	Date of delivery.
<b>Interest Due:</b>	Semiannually on May 1 and November 1 in each year until maturity, commencing, November 1, 2025.
<b>Principal Due:</b>	Serially, November 1, 2026 through November 1, 2044 as shown on the front cover to this Official Statement.
<b>Purpose and Authority:</b>	The proceeds of the Bonds will be used for the 2019 Road Improvement Program as authorized by the voters of the Town. See “Authorization and Use of Proceeds” herein
<b>Redemption:</b>	The Bonds <b>are</b> subject to optional redemption prior to maturity as more fully described herein. See “Redemption Provisions”, herein.
<b>Security:</b>	The Bonds 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 Bonds when due.
<b>Credit Rating:</b>	The Town received a credit rating of AA+ with a stable outlook from S&P Global Ratings (“S&P”) on the Bonds. See “Rating” herein.
<b>Bond Insurance:</b>	The Town does not expect to direct purchase a credit enhancement facility.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of dated date.
<b>Tax Exemption:</b>	See “Tax Matters” herein.
<b>Bank Qualification:</b>	The Bonds will be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notice of certain events not in excess of ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06013.
<b>Legal Opinion:</b>	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel. (See “Appendix B – Form of Opinion of Bond Counsel” hereto.)
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about November 6, 2024 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	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.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-372-1887.

The Preliminary Official Statement is available in electronic form only at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [munistat.com](http://munistat.com). For additional information please contact the Municipal Advisor at [susan.caron@munistat.com](mailto:susan.caron@munistat.com) or [mark.chapman@munistat.com](mailto:mark.chapman@munistat.com)

## I. SECURITIES OFFERED

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### 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 and sale of \$6,000,000 General Obligation Bonds, Issue of 2024 (the “Bonds”) of the Town, and may not be reproduced or used in whole or in part for any other purpose.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated October 15, 2024 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 Bonds.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. 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 Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds 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 the “Municipal Advisor” to the Town in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. 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 Bonds, 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 hereto), and it makes no representation that it has independently verified the same.

The Town deems 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.

### AUTHORIZATION AND USE OF PROCEEDS

#### Authorization:

The Bonds are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town of Rocky Hill and a borrowing resolution approved by the voters of the Town on November 5, 2019.

**Use of Proceeds:**

The Bonds will be used to finance the following project authorized by the Town:

<u>Project</u>	<u>Amount Authorization</u>	<u>Previously Bonded</u>	<u>Premium Applied</u>	<u>Additions/ (Reductions)</u>	<u>Bonds This Issue</u>
Road Improvement Program (2019)...	\$ 10,000,000	\$ 3,668,966	\$ 331,034 <sup>1</sup>	\$ 6,000,000	\$ 6,000,000

<sup>1</sup> 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.

**DESCRIPTION OF THE BONDS**

The Bonds will be dated the date of delivery and will mature in annual installments on November 1 in each of the years and in principal amounts set forth on the cover page of this Official Statement. The Bonds will be issued in denominations of \$5,000 or any integral multiples therefore. Interest on the Bonds will be payable semiannually on May 1 and November 1 in each year until maturity, commencing on November 1, 2025 and will be payable to the registered owners of the Bonds as of the close of business on the fifteenth day of April and October in each year or the preceding business day if the fifteenth is not a business day. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Bonds 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. The Certifying Agent, Paying Agent, Registrar and Transfer Agent for the Bonds will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement.

**REDEMPTION PROVISIONS**

The Bonds maturing on or before November 1, 2032 are not subject to redemption prior to maturity. The Bonds maturing on November 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after November 1, 2032, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to interest, to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
November 1, 2032 and thereafter	100.00%

**NOTICE OF REDEMPTION**

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the registered owner of such Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds, or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for Depository Trust Company (“DTC”) is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or its successor securities depository) or its successor nominee.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine, provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. (See “Book-Entry-Only Transfer System”, herein for discussion of DTC and definitions of “Direct Participants”, “Indirect Participants” and “Beneficial Owners”.)

Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interest in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, or be the responsibility of, the Town, the Registrar or Paying Agent, for the Bonds.

### **BOOK-ENTRY-ONLY TRANSFER SYSTEM**

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to DTC while the Bonds 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 Bonds, 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 Bonds), 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 Bonds. The Bonds 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 Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity 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](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect

Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued. To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds in an issue are being redeemed, DTC's practice is to determine by lot, the amount of interest for each Direct Participant in such issue as to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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, bond and note certificates are required to be printed and delivered. The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered to DTC.

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

## **DTC PRACTICES**

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

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

## **SECURITY AND REMEDIES**

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

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

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

## **TAX MATTERS**

**Federal Taxes.** In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds 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; however, such interest is taken into account in determining the annual adjusted

financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Bonds 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 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Bonds, 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 Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds 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 Bonds.

**Original Issue Discount.** The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

**Original Issue Premium.** The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts payable at maturity (the "OIP Bonds"). In general, an owner who purchases an OIP Bond must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Bond for federal income tax purposes. Prospective purchasers of OIP Bonds 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 Bonds should be aware that ownership of the Bonds 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 Bonds should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds 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 Bonds 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 Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds 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 Bonds.

**Changes in Federal and State Tax Law.** Legislation, administrative actions and rulings, or court decisions, at both the federal and state levels, may adversely affect the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. 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 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds should be aware that future legislative, administrative or legal 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 Bonds for federal and/or state income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

**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 Bonds. Prospective purchasers of the Bonds, 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 Bonds.

## **GLOBAL HEALTH EMERGENCY RISK**

### **The COVID-19 Outbreak and Future Pandemics**

On January 30, 2020, 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. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan") that provided various forms of financial assistance and other relief to state and local governments. The Town received \$5.9 million and the Board of Education received \$1.8 million from the Rescue Plan. The Town developed a plan for the use of such funds that focuses on revenue replacement, COVID mitigation and other initiatives that comply with the program eligibility criteria. The Board of Education used the funds for HVAC at West Hill Elementary School, staffing for summer learning, special education English learners, reading and math intervention and professional development.

For 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 Bonds has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on the Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

## **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, receiving the 2019 Excellence in Risk Management Award. In the 2024-25 Adopted Budget, funds were earmarked for implementation of Microsoft 365, and a focus on external risk assessment and biometric authentication. 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. On August 19, 2024, the Town Council, in coordination with CRGOG, adopted the “2024-2029 Hazard Mitigation and Climate Adaptation Plan” (HMCAP) update. The HMCAP identifies natural hazards, assesses vulnerabilities and identifies mitigation strategies to reduce the loss of life and property, economic disruptions and the costs of post-disaster recovery.

Specifically, the HMCAP identifies specific mitigation and climate adaptation strategies and goals of the Town related to various hazards including: (i) ensuring that critical facilities are resilient, with special attention to shelters and cooling centers; (ii) addressing risks associated with extreme heat events, especially as they interact with other hazards; (iii) reducing flooding and erosion risks by reducing vulnerabilities and consequences; and (iv) investing in resilient corridors to ensure that people and services are accessible during floods and that development along corridors is resilient over the long term (collectively, the "Goals"). The HMCAP also includes: (i) various actions to achieve the Goals (the “Actions”); (ii) a prioritization of the Goals; (iii) the approximate cost range for the Actions; and (iv) the timeframe to complete the Actions.

The Town's Actions related to the HMCAP include, but are not limited to: (i) assessing the capacity of the shelters and ensure the Town has the capability to meet the needs of different vulnerable populations; (ii) acquiring a generator for the library; (iii) ensuring that transportation and transit options are available to bring people to cooling centers; (iv) applying for funding to install a box culvert on Beach Road and raising the road above the 1% annual-chance flood elevation; (v) conducting an assessment of France Street to address access concerns and determine necessary road improvements; (vi) conducting a townwide assessment of stream crossings to identify vulnerabilities and developing a priority list for maintenance and upsizing; (vii) working with MDC to address flooding concerns at the Rocky Hill Water Pollution Control Facility, Waterchase Drive, the Pump Station on Main Street, Brook Street and Pratt Street; (viii) working with the Connecticut Institute for Resilience and Climate Adaptation to develop an appropriate scope of work to address flooding and extreme heat concerns in Resilient Opportunity Areas; (ix) contacting the owners of properties at risk of flooding to inquire about mitigation undertaken and suggesting options for mitigating flooding in those areas; (x) conducting outreach to local small businesses with the goal of preventing the accidental release and pollution from chemicals stored and used at their facilities during or following natural hazard events; (xi) reviewing the Connecticut Cultural Resource Information System to identify and understand historic and archaeological resources in areas of hazard risks found at <https://conncris.ct.gov>; (xii) participating in EMI courses or the seminars and annual conference held by the Connecticut Association of Flood Managers; and (xiii) updating the Town's website to include hazard mitigation and emergency preparedness tips for the Town residents.

The Town is in the process of executing the HMCAP. It has applied for funding for some of the Actions that were scheduled to commence mid-2024, which applications are pending. The Town is otherwise on target to achieve the Actions by the proposed timeframes set forth in the HMCAP. Many of the Actions will be completed over the course of multiple years and will require the Town's ongoing attention.

Supplementing the HMCAP is the Town's "Climate Resiliency Plan" which is currently in production. The Climate Resiliency Plan (the "Plan") is being prepared by the Nature Conservancy in cooperation with SustainableCT. The purpose of the Plan is to: (1) Understand connections between ongoing issues, hazards and local planning and actions; (2) Identify strengths and vulnerabilities for infrastructure, societal and environmental features of the Town; (3) Develop and prioritize actions that reinforce strengths and reduce vulnerabilities and; (4) Identify opportunities to advance priority actions that further reduce the impact of hazards and increase resilience and sustainability.

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 "Silver" designation. The Town's goal is to obtain "Gold" designation within the next 2 to 3 years.

## **QUALIFICATIONS FOR FINANCIAL INSTITUTIONS**

The Bonds will be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## **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 Bonds, 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, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events not in excess of ten (10) business days of the occurrence of such events; and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data with respect to the Bonds 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.

## **RATING**

The Town received a credit rating of “AA+” with a stable outlook from S&P Global Ratings (“S&P”) on the 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, 45<sup>th</sup> 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 Bonds.

## 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.

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.

Today, Rocky Hill is a suburban community of 21,000 residents and up to 2200 businesses, including a number of national and international companies. The Town is traversed by State Routes 3, 99 and 160, and Interstate 91, and benefits from easy access to Interstate I-84 and State Route 9 as well as passenger and freight rail lines with direct connections to Amtrak and Metro North Lines. Bradley International Airport, and the port of New Haven are 30 minutes by vehicle.

Town leaders and citizens, in partnership with regional, State and federal agencies, are focused on the global economy and “community” building. Municipal plans and zoning laws have been revised allowing advanced manufacturing and mixed use/affordable housing. Development efforts are concentrated on attracting and retaining advanced manufacturing, IT, medical and finance institutions while prioritizing the revitalization of our town center, pedestrian access to the Connecticut River and affordable housing.

## **LOCAL ECONOMY**

Rocky Hill is primarily residential with a 33% commercial tax base. Residents and businesses benefit from Rocky Hill’s participation in the Hartford-West Hartford-East Hartford Metropolitan Statistical Area (MSA). Total commercial retail square footage is estimated at 1.87 million square feet while total commercial office square footage is estimated at 2.07 million square feet (with approximately 713,000 square feet of Class A office space). Total flex industrial square footage is estimated at 2.52 million square feet. Rocky Hill is home to six lodging establishments (Sheraton Hotel, Hampton Inn & Suites, Marriott Residence Inn, Holiday Inn Express, Super 8, and Howard Johnson’s) offering 616 total lodging rooms. Rocky Hill’s diverse population demographics provides residents with numerous cultural, religious, business and dining opportunities through the year.

Rocky Hill’s employment base consists of diverse industries and service establishments from Henkel North America, ARBURG Inc., MTU Aerospace, Simoniz, BJ’s Warehouse distribution facility and SYSCO, to Trinity Health, Kohl’s, Walmart and McDonald’s. All of the Town’s businesses are located within eight business parks and two commercial corridors. The two commercial corridors, State Route 99 and State Route 3, carry in excess of 20,000 vehicles per day at various sections. The eight business parks range from providing contractor yards, to Class A medical and Office space. Within Town are ten State and quasi State agencies including the State of Connecticut Veterans Home and Hospital, caring for approximately 600 patients, the State of Connecticut Public Health Lab, and the Office of the Chief State’s Attorney. Rocky Hill continues to attract and retain Class A medical, healthcare and social services businesses and professional, scientific and technical services in the business parks and throughout Town, accounting for approximately 40% of Rocky Hill businesses.

During 2022-2024, a number of development projects were approved and initiated. A former nursery was approved for a three building, 120,000 square feet of industrial flex-space development. CT Pharmaceutical Solutions, a manufacturer of medical and cannabis pharmaceuticals is currently undergoing a 98,000 square foot expansion. Liberty Bank located a branch in a vacant building on the Silas Deane Highway. A unique medical infusion facility, offering luxury-type suites for patients who need intravenous therapy located in Compass Point Business Park. A series of once blighted properties located on the northern end of the Silas Deane Highway is currently being redeveloped into a convenience store/gasoline station with a drive-thru. Other activity includes Longhorn Steakhouse Restaurant replacing a Dakota Steak House shuttered due to COVID-19, a 15,000 square foot build-out for a dental lab, 2,400 square feet of additional industrial storage space for Virginia Industries and the retro-fitting of vacant office space into 57,000 square feet for Fun City Adventure Park.

As is the case in many municipalities, the post COVID-19 shift to work-from-home schedules and the down-sizing, or right sizing of business operations, has resulted in increased vacancy rates in a number of the office and commercial buildings in Town. This, coupled with increased mortgage interest rates, increased housing values and a lack of single-family housing units, has resulted in pressure to convert existing vacant office space into residential multi-family housing. To accommodate this market shift, the Rocky Hill Planning & Zoning Commission has revised zoning regulations to allow residential mixed-use development in areas where previously only office and commercial uses were allowed. As a result, 474 residential apartment units on five separate properties have been approved since 2022. Currently, 418 of those units are under construction throughout four of the properties, with Kelson Row, the 214-unit mixed-use redevelopment of the former Ames property, being the most impactful development due to its potential to catalyze additional town center redevelopment and pedestrian access to the Connecticut River. In addition to the 474 approved apartment units, there currently remain three separate proposals to construct 252 additional units. All of the projects cited will include 10% to 20% of the units to be officially designated as affordable in accordance with Town zoning regulations and State statutes.

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. Since 2006, eight tax abatements have been approved. Several businesses, including WFSB, Burriss Refrigerated Logistics, Simoniz, Arburg Inc. and most recently the Kelson Row, Ames redevelopment project 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 has been helpful in attracting new industry and keeping existing businesses.

## **MAJOR INITIATIVES**

Rocky Hill is currently implementing a number of major initiatives; some are long range initiatives started twenty years ago and continue to current times and some are new. Since 2005, the Town has received over \$4,000,000 in State and Federal grant funding to implement streetscape improvements along the Silas Deane Highway (State Route 99). Most recently, the Town has partnered with the Town of Wethersfield as co-applicant for a 2024 federal RAISE planning grant to study ways to provide safe pedestrian access to businesses along the Silas Deane Highway in the vicinity of the exit 24/I-91 ramp. The Town was approved for LOTCIP and LOCIP State funding for construction of sidewalks from the Town center (Silas Deane Highway) to the Connecticut River. To further augment the Town center, the Town received State grant funds to make improvements to Veterans Memorial Green (formerly referred to as Center Green) for consistency of design with the Kelson Row redevelopment of the former Ames property. Additional State LOTCIP grant funds have been secured for new sidewalks in a high-density multifamily neighborhood to connect the neighborhood to the Route 3 commercial corridor.

In November 2019, the voters of Rocky Hill approved a \$10 million referendum for road improvements. Since 2020, the Town has completed nearly 37 miles of road paving projects-

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.

Energy efficiency has always been a priority. To augment the Town's 3MW solar farm that went on line in 2018, the Town entered into a \$2,000,000 contract with Resource Lighting and Energy, an energy efficiency contractor, and Eversource to make lighting and HVAC upgrades to Town facilities. This project is on-going.

As part of Rocky Hill's commitment to grow its green energy sector, in 2014, the Town entered into Purchase Power Agreements with Tesla Energy to lease 15 acres in the Town's Industrial Park for Solar City to construct a 3MW photo voltaic facility (solar farm). 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.

Farmland preservation was prioritized in 2012 when the Town voted to appropriate \$10,000,000 to purchase farmland and development rights for farmland preservation. Then again, in 2019, residents voted to approve \$7,200,000 to purchase an 84.5 acre farm referred to as Straska Farm (now renamed to Rocky Hill Community Farm). The Town has leased a portion of the farm to local farmers and has remediated a portion of the property for future agricultural education and community gardens. To assist in this venture, the Town secured a STEAP grant to construct a barn for agricultural education purposes and storage and a brownfield clean-up grant to remediate the property. To further, assist in the implementation of this project, the Town reached-out to the UCONN School of Landscape Architecture and Plant Science for planning assistance. Since 2013, the Town, in partnership with the State Department of Agriculture, has preserved over 405 acres of prime farmland.

Senior housing is also at the top of the initiative list. The Town has secured its third Small Cities grant for upgrades to the Rocky Hill Housing Authority's Willow Road development. The Town will pass through to the Housing Authority \$2,000,000 in grant funds to make modernization upgrades to the units and grounds. Previous Small Cities grants were in secured 2012 and 2016 for both the Authority's Willow Road and Harold J. Murphy developments. As the waiting list for senior housing is growing, the Authority and the Town will be exploring possibilities to add additional senior housing units.

Recycling/Food scrap separation and sustainability has come to the forefront of priorities. In 2021, the Town joined the Sustainable CT program. In 2024, the Town Council created the Sustainable Rocky Hill Task Force charged with advising Town boards, commissions, and departments on actions and policies to further advance the principles of sustainability and to apply these programs and actions towards Sustainable CT certification. The Task Force is

currently working toward earning Silver Certification under the Sustainable CT program and has aided the Town investigating the most economical and beneficial ways to implement recycling and separation of food scraps. While studying grant funding opportunities, the Town has established a food scraps drop-off at the Town’s transfer station and implemented extended summer hours. The Town continues to study ways to implement a permanent solution to manage municipal waste.

In 2015, the Town adopted an update to the Plan of Conservation and Development (POCD). As required under State statute, municipalities must update their POCDs every ten years. As such, the Town is preparing bid documents to hire a consultant to update the 2015 POCD, which must be completed by July 2025. The Climate Resiliency Plan mentioned in previous section will be an integral component of the revised POCD.

**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 Director of Finance and Operations 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**

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term Ending</u>	<u>Years of Service</u>
Mayor.....	Lisa J. Marotta.....	Elected	November 2025	4 Years
Town Manager <sup>1</sup> .....	Raymond Carpentino.....	Appointed	November 2027	1 Year
Director of Finance & Operations <sup>2</sup> .....	Mona M. McKim.....	Appointed	Indefinite	2 Years
Treasurer.....	John Dunn.....	Appointed	Indefinite	2 Years
Assessor.....	Stuart W. Topliff.....	Appointed	Indefinite	19 Years
Town Clerk.....	Sandra Merrill Wieleba....	Appointed	Indefinite	6 Years
Tax Collector.....	Elaine McKim.....	Appointed	Indefinite	14 Years
Town Planner.....	Kimberly Ricci.....	Appointed	Indefinite	37 Years
Economic Development.....	Vacant.....	Appointed	Indefinite	-
Director of Emergency Management	Mike Garrahy.....	Appointed	Indefinite	2 Years
Superintendent of Schools.....	Dr. Mark F. Zito.....	Appointed	June 30, 2025	12 Years

<sup>1</sup> Previously served in Economic Development for 17 years.

<sup>2</sup> 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. In 2023, Rocky Hill installed more than 20 license plate readers at various locations throughout Town to aid in patrol activities.

**Fire Protection:** The Rocky Hill Fire Division is a volunteer organization fully funded by the Town. The Association operates with sixty-five 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 2024, the Town appointed the Fire Chief to assume the additional responsibilities of the 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 has brought 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. In 2024, Rocky Hill introduced a food scrap program that allows residents the opportunity to drop off food scrapes that are ultimately converted to energy off site.

**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. MDC 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 MDC'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 97,000 times last year. The long time Library Director retired in 2024. The Town Manager appointed the long time Assistant Library Director as permanent Library Director in July 2024.

**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 and is currently undergoing improvements and construction of a junior cricket field. 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, "Miracle Field" for softball and soccer for special needs children and a new pickleball field. 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. In 2024, the Town approved a zero interest contract for over \$2.0 million in conjunction with Eversource to upgrade townwide lighting and mechanical systems.

**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 participants 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.

**Community Development Services:** The mission of the Community Development Service Department is to ensure the quality of private and commercial development in the community and maintain and preserve the Town's infrastructure. The Department includes multiple divisions that provide a broad range of technical expertise and support to advance residential and commercial projects from design to construction. It also provides administrative support to the Planning and Zoning, Inland Wetlands, Zoning Board of Appeals, and Public Building Committee. The Department is also responsible for designing and constructing the Town's streets, sidewalks, drainage and bridges. The Department is comprised of the following divisions: Planning & Zoning; Building; Wetlands & Environmental; and Engineering.

**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 part-time Economic Development Director on staff.

**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.

**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.....	3
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.....	412
<b>Total.....</b>	<b>562</b>

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

<u>Fiscal Year</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Government.....	150	149	151	149	144
Board of Education.....	412	415	416	391	371
<b>Total.....</b>	<b>562</b>	<b>564</b>	<b>567</b>	<b>540</b>	<b>515</b>

Source: Town Officials.

**MUNICIPAL EMPLOYEES BARGAINING UNITS**

<b>Organization</b>	<b>Number of Employee</b>	<b>Current Contract Expiration</b>
<b><u>General Government</u></b>		
Highways and Parks - National Association of Government Employees.....	29	June 30, 2027
Police - International Brotherhood of Police Officers.....	49	June 30, 2024 <sup>2</sup>
Clerical - American Federation of State, County & Municipal Employees...	24	June 30, 2028
Custodial - National Association of Government Employees.....	10 <sup>1</sup>	June 30, 2026
Professional Staff - Municipal Employees Independent Union.....	17	June 30, 2025
Librarians - Connecticut Independent Librarians Union.....	4	June 30, 2028
General Government sub-total.....	<u>133</u>	
<b><u>Board of Education</u></b>		
Teachers - Rocky Hill Teachers Association.....	263	June 30, 2028
Administrators - Rocky Hill Association of School Admin. & Supervisors..	17	June 30, 2026
Secretarial - Rocky Hill Association of Education Secretaries.....	23	June 30, 2025
Instruction/Library Aides - Rocky Hill Instructional Aides.....	73	June 30, 2025
Nurses - Rocky Hill School Nurses' Association.....	7	June 30, 2028
Custodial - National Association of Government Employees.....	29 <sup>1</sup>	June 30, 2028
Board of Education sub-total.....	<u>412</u>	
<b>Total General Government and Board of Education.....</b>	<b><u>545</u></b>	

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

<sup>2</sup> 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**

<b>School</b>	<b>Grades</b>	<b>Construction/Addition/ Renovation</b>	<b>Number of Classrooms</b>	<b>Enrollment 10/01/23</b>	<b>Rated Capacity</b>
Myrtle H. Stevens.....	Pre-K-3	1956, 1966, 1974	27	401	590
West Hill.....	Pre-K-3	1971, 1994	36	400	735
Albert D. Griswold Middle School.	6-8	1963, 1996	43	614	750
Rocky Hill High School.....	9-12	1981, 2001, 2017	44	717	820
Moser Intermediate School.....	4-5	2019	26	382	580
<b>Total .....</b>			<u>176</u>	<u>2,514</u>	<u>3,475</u>

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

**SCHOOL ENROLLMENT**

<b>School Year</b>	<b>Grades Pre-K-4</b>	<b>Grades 5-8</b>	<b>Grades 9-12</b>	<b>Total</b>
<i>Historical</i>				
2019-20	1135	815	747	2,697
2020-21	1044	848	738	2,630
2021-22	985	837	705	2,527
2022-23	1019	804	722	2,545
2023-24	974	823	717	2,514
<i>Projected</i>				
2024-25	955	777	758	2,490
2025-26	938	748	751	2,437
2026-27	877	769	728	2,374
2027-28	846	728	732	2,306
2028-29	843	712	685	2,240

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

### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>% Increase</u>	<u>Density<sup>2</sup></u>
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	20,147	2.2	1,449
2022	20,712	2.8	1,490

<sup>1</sup> 1970-2020 – U.S. Department of Commerce, Bureau of Census;  
Connecticut Department of Public Health, Population Estimate  
2022.

<sup>2</sup> Per square mile: 13.9 square miles.

#### AGE DISTRIBUTION OF THE POPULATION

<u>Age</u>	<u>Town of Rocky Hill</u>		<u>Capital Planning Region<sup>1</sup></u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	1,023	4.9	50,362	5.2	182,768	5.1
5 - 9.....	1,317	6.4	53,129	5.4	196,600	5.4
10 - 14.....	794	3.8	59,933	6.1	222,267	6.2
15 - 19.....	891	4.3	68,784	7.0	247,501	6.9
20 - 24.....	1,129	5.5	69,711	7.1	241,391	6.7
25 - 34.....	2,522	12.2	126,124	12.9	449,466	12.4
35 - 44.....	3,105	15.0	123,134	12.6	445,052	12.3
45 - 54.....	2,754	13.3	123,554	12.6	475,109	13.2
55 - 59.....	1,198	5.8	70,572	7.2	266,117	7.4
60 - 64.....	1,558	7.5	64,577	6.6	255,938	7.1
65 - 74.....	2,160	10.4	95,634	9.8	362,365	10.0
75 - 84.....	1,008	4.9	47,447	4.9	178,746	4.9
85 and over..	1,246	6.0	24,204	2.5	87,997	2.4
Total .....	<u>20,705</u>	<u>100.0</u>	<u>977,165</u>	<u>100.0</u>	<u>3,611,317</u>	<u>100.0</u>
Median Age (years) .....		43.7		38.9		40.9

<sup>1</sup> Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect regional planning areas.  
Source: U.S. Census Bureau, 2018-2022 American Community Survey.

**INCOME DISTRIBUTION**

	<b>Town of Rocky Hill</b>		<b>Capital Planning Region <sup>1</sup></b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
Less than \$10,000 .....	62	1.1	6,572	2.7	21,866	2.4
\$ 10,000 to 14,999 .....	0	0.0	3,530	1.4	13,844	1.5
\$ 15,000 to 24,999 .....	46	0.8	9,144	3.7	32,363	3.5
\$ 25,000 to 34,999 .....	153	2.7	10,524	4.3	38,177	4.2
\$ 35,000 to 49,999 .....	233	4.1	18,071	7.3	65,393	7.2
\$ 50,000 to 74,999 .....	1,040	18.5	29,651	12.0	112,628	12.4
\$ 75,000 to 99,999 .....	737	13.1	30,257	12.3	109,739	12.0
\$100,000 to 149,999 ..	1,432	25.5	53,255	21.6	184,504	20.2
\$150,000 to 199,999 ..	746	13.3	35,529	14.4	125,406	13.8
\$200,000 or more .....	1,171	20.8	49,990	20.3	207,948	22.8
<b>Total .....</b>	<b>5,620</b>	<b>100.0</b>	<b>246,523</b>	<b>100.0</b>	<b>911,868</b>	<b>100.0</b>

<sup>1</sup> Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect regional planning areas.  
Source: U.S. Census Bureau, 2018-2022 American Community Survey.

**INCOME LEVELS**

	<b>Town of Rocky Hill</b>	<b>Capital Planning Region <sup>1</sup></b>	<b>State of Connecticut</b>
Per Capita Income, 2022.....	\$54,371	\$47,802	\$52,034
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, 2022.....	\$118,873	\$114,273	\$115,539
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 2022.....	1.1%	7.1%	6.8%

<sup>1</sup> Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect regional planning areas.  
Source: U.S. Department of Commerce, Bureau of Census, 2020, 2010, 2000; U.S. Census Bureau, 2017-2021 American Community Survey.

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**EDUCATIONAL ATTAINMENT**  
Years of School Completed Age 25 and Over

	<b>Town of Rocky Hill</b>		<b>Capital Planning Region<sup>1</sup></b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	402	2.6	26,534	4.2	101,820	4.0
9th to 12th grade.....	436	2.8	34,412	5.5	118,256	4.7
High School graduate.....	3,796	24.3	162,392	25.8	650,788	25.8
Some college - no degree.....	1,641	10.5	106,152	16.9	414,533	16.4
Associates degree.....	1,748	11.2	52,600	8.4	192,167	7.6
Bachelor's degree.....	4,753	30.4	137,915	21.9	573,917	22.8
Graduate or professional degree.....	2,874	18.4	108,679	17.3	469,309	18.6
<b>Total.....</b>	<b>15,650</b>	<b>100.0</b>	<b>628,684</b>	<b>100.0</b>	<b>2,520,790</b>	<b>100.0</b>
Percent High School Graduate or Higher..		94.6%		90.3%		91.3%
Percent Bachelor's Degree or Higher.....		48.7%		39.2%		41.4%

<sup>1</sup> Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect regional planning areas.  
Source: U.S. Census Bureau, 2018-2022 American Community Survey.

**MAJOR EMPLOYERS**

<b>Employer</b>	<b>Nature of Business</b>	<b>Estimated Number of Employees</b>
Town of Rocky Hill.....	Municipality.....	562
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
Wal-Mart Store.....	Retail Store.....	200
Meredith Corporation.....	Broadcasting-CBS Affiliate.....	200
Sheraton Hotel.....	Hotel-Restaurant.....	180

Source: Town Officials.

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## EMPLOYMENT BY INDUSTRY

	Town of Rocky Hill		Capital Planning Region <sup>1</sup>		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
	Agriculture, forestry, fisheries.....	13	0.1	1,695	0.3	7,460
Construction.....	587	5.6	25,532	5.1	112,421	6.1
Manufacturing.....	1,049	10.0	54,221	10.9	194,805	10.6
Wholesale trade.....	299	2.8	11,359	2.3	40,518	2.2
Retail trade.....	940	8.9	52,235	10.5	196,267	10.7
Transportation & warehousing & utilities...	370	3.5	26,102	5.3	82,215	4.5
Information.....	236	2.2	8,652	1.7	36,440	2.0
Finance, insurance, real estate.....	1,197	11.4	52,798	10.6	164,811	9.0
Professional, scientific & management.....	1,828	17.3	54,817	11.0	217,442	11.9
Educational, health & social services.....	2,361	22.4	132,345	26.6	485,013	26.5
Arts, entertainment & recreation.....	837	7.9	36,444	7.3	148,594	8.1
Other professional services.....	355	3.4	19,975	4.0	80,864	4.4
Public administration.....	468	4.4	20,533	4.1	65,675	3.6
<b>Total.....</b>	<b>10,540</b>	<b>100.0</b>	<b>496,708</b>	<b>100.0</b>	<b>1,832,525</b>	<b>100.0</b>

<sup>1</sup> Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect regional planning areas.  
Source: U.S. Census Bureau, 2018-2022 American Community Survey.

## EMPLOYMENT DATA

Yearly Average	Percentage Unemployed			
	Town of Rocky Hill %	Hartford Labor Market <sup>1</sup> %	State of Connecticut %	United States %
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	2.7	3.6	3.6	3.7
2020	6.1	7.8	8.0	8.1
2021	4.9	6.4	6.4	5.4
2022	3.4	4.1	4.1	3.7
2023	3.0	3.7	3.8	3.6
<b>2024 Monthly <sup>2</sup></b>				
January	4.0	4.9	5.0	4.1
February	4.1	5.2	5.4	4.2
March	3.2	4.1	4.2	3.9
April	2.7	3.6	3.5	3.5
May	3.1	4.0	4.1	3.7
June	2.1	2.8	2.8	4.3

<sup>1</sup> Not seasonally adjusted.

<sup>2</sup> Estimated.

Source: Department of Labor, State of Connecticut.

## AGE DISTRIBUTION OF HOUSING

Year Built	Town of Rocky Hill		Capital Planning Region <sup>1</sup>		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	702	7.6	75,599	18.3	316,471	20.7
1940 - 1949.....	246	2.7	28,596	6.9	99,909	6.5
1950 - 1959.....	857	9.3	69,380	16.8	223,821	14.6
1960 - 1969.....	1,045	11.3	59,223	14.3	200,651	13.1
1970 - 1979.....	2,392	25.9	54,494	13.2	209,518	13.7
1980 - 1989.....	1,585	17.2	52,749	12.7	193,340	12.6
1990 - 1999.....	1,248	13.5	31,158	7.5	118,948	7.8
2000 - 2009.....	817	8.9	26,261	6.3	104,310	6.8
2010 - 2013.....	331	3.6	15,766	3.8	61,429	4.0
2014 or later.....	0	0.0	734	0.2	2,935	0.2
Total.....	<u>9,223</u>	<u>100.0</u>	<u>413,960</u>	<u>100.0</u>	<u>1,531,332</u>	<u>100.0</u>
Percent Owner Occupied.....		66.5%		65.2%		66.2%

<sup>1</sup> Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect regional planning areas.  
Source: U.S. Census Bureau, 2018-2022 American Community Survey.

## HOUSING INVENTORY

Type	Town of Rocky Hill		Capital Planning Region <sup>1</sup>		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1-unit, detached.....	4,812	52.2	236,009	57.0	898,891	58.7
1-unit, attached.....	792	8.6	24,478	5.9	91,794	6.0
2 units.....	115	1.2	28,145	6.8	120,419	7.9
3 or 4 units.....	609	6.6	38,653	9.3	128,942	8.4
5 to 9 units.....	532	5.8	25,015	6.0	78,127	5.1
10 to 19 units.....	540	5.9	17,369	4.2	56,353	3.7
20 or more units.....	1,823	19.8	41,507	10.0	145,025	9.5
Mobile home, boat, other.....	0	0.0	2,784	0.7	11,781	0.8
Total .....	<u>9,223</u>	<u>100.0</u>	<u>413,960</u>	<u>100.0</u>	<u>1,531,332</u>	<u>100.0</u>

<sup>1</sup> Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect regional planning areas.  
Source: U.S. Census Bureau, 2018-2022 American Community Survey.

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**OWNER-OCCUPIED HOUSING VALUES**

Sales Price Category	Town of Rocky Hill		Capital Planning Region <sup>1</sup>		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000 .....	113	1.9	5,372	2.1	20,646	2.2
\$ 50,000 to \$ 99,999 ...	203	3.5	4,934	2.0	19,506	2.1
\$ 100,000 to \$149,999 ...	115	2.0	12,998	5.2	46,916	5.0
\$ 150,000 to \$199,999 ...	489	8.4	33,103	13.1	96,168	10.3
\$ 200,000 to \$299,999 ...	1,647	28.2	82,458	32.7	238,687	25.6
\$ 300,000 to \$499,999 ...	2,732	46.8	84,743	33.6	307,876	33.0
\$ 500,000 to \$999,999 ...	477	8.2	25,736	10.2	149,216	16.0
\$1,000,000 and over .....	56	1.0	2,797	1.1	53,573	5.7
<b>Total .....</b>	<b>5,832</b>	<b>100.0</b>	<b>252,141</b>	<b>100.0</b>	<b>932,588</b>	<b>100.0</b>
Median Value <sup>2</sup> .....	\$165,400		\$147,300		\$166,900	
Median Value <sup>3</sup> .....	\$320,400		\$283,800		\$323,700	

<sup>1</sup> Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect regional planning areas.

<sup>2</sup> U.S. Department of Commerce, Bureau of Census, 2000.

<sup>3</sup> U.S. Census Bureau, 2018-2022 American Community Survey.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

**BUILDING PERMITS**

Fiscal Year Ending 6/30	Residential		Commercial and Industrial		Total	
	Number	Value	Number	Value	Number	Value
2024	491	\$ 9,770,262	108	\$ 16,004,918	599	\$25,775,180
2023	571	10,519,217	133	34,194,674	704	44,713,891
2022	488	8,613,021	165	11,724,816	653	20,337,837
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

Source: Building Department, Town of Rocky Hill.

**LAND USE SUMMARY**

Classification	Total Area		Developed/ Committed	Vacant/ Uncommitted
	Acres	%	%	%
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%
<b>Total Area.....</b>	<b>8,895</b>	<b>100.0%</b>		

Source: Town of Rocky Hill, Planning Department.

## IV. TAX BASE DATA

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### ASSESSMENTS

The Town of Rocky Hill had a revaluation effective on the Grand List of 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. 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.

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.

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 liened 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.

### MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e(a) of the Connecticut General Statutes (the “General Statutes”) has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town’s mill rate for motor vehicles for the assessment year commencing October 1, 2023 (the fiscal year ending June 30, 2025) is 29.17 mills.

### COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable	Less	Net Taxable	% Growth
				Grand List	Exemptions <sup>1</sup>	Grand List	
2023 <sup>2</sup>	85.2	8.1	6.7	\$2,957,220,709	\$26,526,900	\$2,930,693,809	27.2%
2022	80.6	8.8	10.6	2,332,099,444	27,684,890	2,304,414,554	0.8%
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 <sup>2</sup>	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%

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

<sup>2</sup> 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	Percent Uncollected	Percent Annual Levy	Amount Uncollected
					End of Each Fiscal Year	End of Each Fiscal Year	Uncollected 6/30/2023	as of 6/30/2023
2023	2025	\$2,930,693,809	29.17	\$85,355,977	Collections 7/1/2024 and 1/1/25			N/A
2022	2024	2,304,414,554	35.92/32.46 <sup>1</sup>	81,275,819	Unaudited			N/A
2021	2023	2,286,966,010	34.52/32.46 <sup>2</sup>	78,945,824	99.3%	0.7%	0.7%	\$516,379
2020	2022	2,245,940,669	34.10	76,698,921	99.4%	0.6%	0.3%	215,555
2019	2021	2,232,910,705	33.60	74,241,218	99.4%	0.6%	0.1%	86,694
2018	2020	2,208,948,420	32.50	70,993,728	99.2%	0.8%	0.0%	21,776
2017	2019	2,094,068,745	32.40	67,152,444	99.5%	0.5%	0.0%	20,415
2016	2018	2,061,647,020	31.60	65,812,091	99.1%	0.9%	0.0%	12,454
2015	2017	2,032,452,826	31.00	63,539,767	99.3%	0.7%	0.0%	9,481
2014	2016	2,017,451,750	29.70	60,060,008	99.3%	0.7%	0.0%	3,201

<sup>1</sup> The mill rate for real estate and personal property is 35.92 and for motor vehicles 32.46 for fiscal year ending June 30, 2024.

<sup>2</sup> 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 TAXPAYERS<sup>1</sup>**

<u>Business-Name</u>	<u>Nature Of Business</u>	<u>Assessment Valuation as 10/1/2023</u>	<u>Rank</u>	<u>Percent of Total</u>
Century Hills.....	Apartments.....	\$ 53,455,010	1	1.82%
BJs Wholesale Club Inc.....	Distribution Warehouse.....	49,955,250	2	1.70%
R.P. Glenbrook LLC.....	Apartments.....	39,824,860	3	1.36%
Sysco Food Services of Connecticut LLC.	Distribution Center.....	30,122,960	4	1.03%
Churchill Property Portfolio.....	Real Estate.....	29,433,600	5	1.00%
Eversource.....	Utility.....	29,258,300	6	1.00%
Connecticut Natural Gas Corporation.....	Utility.....	27,830,210	7	0.95%
MKS 500 Enterprise LLC.....	Office Building.....	27,729,210	8	0.95%
Rocky Hill Properties LLC.....	Apartments.....	27,185,360	9	0.93%
West Street Developers LLC.....	Apartments.....	26,869,020	10	0.92%
<b>Total</b>		<b><u>\$341,663,780</u></b>		<b><u>11.66%</u></b>

<sup>1</sup> Based on a 10/1/23 Net Taxable Grand List of \$2,930,693,809.  
Source: Assessor's Office, Town of Rocky Hill.

**EQUALIZED NET GRAND LIST**

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2022	\$4,253,120,951	0.81%
2021	4,218,943,446	12.01%
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%

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

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## V. FINANCIAL INFORMATION

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### 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 did not receive any municipal revenue sharing grants. For fiscal year ending June 30, 2024 the Town received municipal revenue sharing grants totaling \$525,793. The Town anticipates receiving \$221,199 in municipal revenue sharing grants for fiscal year ending June 30, 2025.

## **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, 2023, the examination was conducted by the firm of Clifton Larson Allen LLP, 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.

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.

*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 62<sup>nd</sup> birthday or the 5<sup>th</sup> anniversary of joining the plan, if later.

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<u>Year Ended</u>	<u>Actuarial Determined Contribution (ADC)</u>	<u>Annual Contribution</u>	<u>% of ADC Contributed</u>
<u>Genral Employees Pension Plan</u>			
2019	\$446,336	\$526,785	118.02%
2020	430,247	430,247	100.00%
2021	458,990	430,247	93.74%
2022	464,739	214,739	46.21%
2023	302,365	405,347	134.06%
2024	269,891	269,891 <sup>1</sup>	100.00%
2025	269,891	269,891 <sup>2</sup>	100.00%
<u>Police Officers Pension Plan</u>			
2019	\$226,289	\$341,085	150.73%
2020	205,672	205,672	100.00%
2021	787,467	205,672 <sup>3</sup>	26.12%
2022	903,826	576,732	63.81%
2023	1,211,531	762,467	62.93%
2024	1,273,073	1,337,454 <sup>1</sup>	105.06%
2025	1,273,073	1,273,073 <sup>2</sup>	100.00%
<u>Firefighters Pension Plan</u>			
2019	\$28,163	\$47,740	169.51%
2020	28,163	28,163	100.00%
2021	167,283	28,163 <sup>4</sup>	16.84%
2022	167,283	167,283	100.00%
2023	171,907	167,283	97.31%
2024	171,907	171,907 <sup>1</sup>	100.00%
2025	171,917	171,907 <sup>2</sup>	99.99%
<u>Ambulance Pension Plan</u>			
2019	\$3,312	\$5,945	179.50%
2020	3,312	3,312	100.00%
2021	72,542	3,312 <sup>4</sup>	4.57%
2022	72,542	72,542	100.00%
2023	64,585	78,542	121.61%
2024	64,585	64,585 <sup>1</sup>	100.00%
2025	64,585	64,585 <sup>2</sup>	100.00%

<sup>1</sup> Unaudited.

<sup>2</sup> Budgeted.

<sup>3</sup> Increase was due to a correction in calculation of officers that purchased time

<sup>4</sup> 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, 2024, determined by an actuarial valuation as of September 1, 2022 for the General Employees and Police Officers, July 1, 2022 for the Firefighters and Ambulance and based on actuarial assumptions as of that date, were as follows:

<b>GASB 67 Schedules</b>			
<b><u>General Employees</u></b>		<b><u>Police Officers</u></b>	
Total pension liability at June 30, 2024	\$ 52,975,785	Total pension liability at June 30, 2024	\$ 37,703,320
Plan fiduciary net position	<u>46,275,642</u>	Plan fiduciary net position	<u>32,244,784</u>
Town's net pension liability	<u>\$ 6,700,143</u>	Town's net pension liability	<u>\$ 5,458,536</u>
Plan fiduciary net position as a % of total pension liability	87.35%	Plan fiduciary net position as a % of total pension liability	85.52%
<b><u>Firefighters</u></b>		<b><u>Ambulance</u></b>	
Total pension liability at June 30, 2024	\$ 2,979,965	Total pension liability at June 30, 2024	\$ 1,287,924
Plan fiduciary net position	<u>2,088,504</u>	Plan fiduciary net position	<u>1,111,803</u>
Town's net pension liability	<u>\$ 891,461</u>	Town's net pension liability	<u>\$ 176,121</u>
Plan fiduciary net position as a % of total pension liability	70.08%	Plan fiduciary net position as a % of total pension liability	86.33%

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.

	<b><u>1% Decrease</u></b>	<b><u>Current</u></b>	<b><u>1% Increase</u></b>
	<b><u>6.00%</u></b>	<b><u>Discount Rate</u></b>	<b><u>8.00%</u></b>
		<b><u>7.00%</u></b>	
General Employees net pension liability as of June 30, 2024	\$ 12,028,753	\$ 6,700,143	\$ 2,123,078
Police Officer's net pension liability as of June 30, 2024	\$ 10,330,431	\$ 5,458,536	\$ 1,446,316
Firefighters net pension liability as of June 30, 2024	\$ 1,286,417	\$ 891,461	\$ 567,678
Ambulance net pension liability as of June 30, 2024	\$ 346,980	\$ 176,121	\$ 34,969

*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 \$178,134 for the year ended June 30, 2024.

*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 25<sup>th</sup> 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 13 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, 2022:

<u>Year Ended</u>	<u>Actuarial Determined Contribution (ADC)</u>	<u>Annual Contribution</u>	<u>% of ADC Contributed</u>
<i>Town Employees OPEB Plan</i>			
2019	\$ 1,304,811	\$ 680,059	52.12%
2020	1,374,997	722,068	52.51%
2021	1,124,929	606,811	53.94%
2022	1,134,120	606,811	53.51%
2023	1,199,180	442,147	36.87%
2024 <sup>1</sup>	925,651	322,048	34.79%
<i>Board of Education Employees OPEB Plan</i>			
2019 <sup>2</sup>	\$ -	\$ 19,842	-
2020 <sup>2</sup>	-	55,050 <sup>2</sup>	-
2021 <sup>2</sup>	-	44,645 <sup>2</sup>	-
2022 <sup>2</sup>	-	28,822 <sup>2</sup>	-
2023 <sup>2</sup>	-	34,577 <sup>2</sup>	-
2024 <sup>1,2</sup>	-	20,199 <sup>1,2</sup>	-

<sup>1</sup> Unaudited.

<sup>2</sup> 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, 2024, determined by an actuarial valuation as of July 1, 2022 and based on actuarial assumptions as of that date, were as follows:

<b>GASB 67 Schedules</b>			
<u>Town Employees</u>		<u>Board of Education Employees</u>	
Total pension liability at June 30, 2024	\$ 14,829,394	Total pension liability at June 30, 2024	\$ 1,690,906
Plan fiduciary net position	3,543,106	Plan fiduciary net position	-
Town's net pension liability	<u>\$ 11,286,288</u>	Town's net pension liability	<u>\$ 1,690,906</u>
Plan fiduciary net position as a % of total pension liability	23.89%	Plan fiduciary net position as a % of total pension liability	0.00%

Source: Town Officials.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>5.00%</b>	<b>6.00%</b>	<b>7.00%</b>
Town Employees net OPEB liability as of June 30, 2024	\$ 13,214,531	\$ 11,286,288	\$ 9,702,274

  

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>2.93%</b>	<b>3.93%</b>	<b>4.93%</b>
Board of Education net OPEB liability as of June 30, 2024	\$ 1,821,390	\$ 1,690,906	\$ 1,565,363

*For further information on the plans, please refer to Appendix A under the Town of Rocky Hill's "Notes to Financial Statements, Note 12", 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 2022-23			Fiscal Year	Fiscal Year
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	2023-24 Unaudited Estimate	2024-25 Adopted Budget
<b>REVENUES</b>					
Property Taxes .....	\$ 79,225,432	\$ 78,984,856	\$ (240,576)	\$ 81,903,005	\$ 86,795,977
Intergovernmental .....	8,218,279	8,417,573	199,294	9,307,690	10,362,064
Licenses and Permits.....	566,000	1,009,684	443,684	798,695	963,200
Interest of Investments .....	25,000	679,548	654,548	791,824	500,000
Charges for Services .....	422,700	463,355	40,655	480,589	344,000
Parking Fines.....	2,000	2,282	282	-	2,000
Other.....	564,238	688,503	124,265	574,219	511,000
Transfers In.....	2,776,749	2,676,749	(100,000)	1,195,787	600,000
Use of Fund Balance.....	450,000	-	(450,000)	-	-
<b>TOTAL REVENUES .....</b>	<b>92,250,398</b>	<b>92,922,550</b>	<b>672,152</b>	<b>95,051,808</b>	<b>100,078,241</b>
<b>EXPENDITURES</b>					
General Government .....	3,109,627	3,023,055	86,572	3,687,169	4,154,453
Public Safety .....	8,820,377	8,781,665	38,712	9,093,376	9,457,545
Public Works.....	7,966,062	7,927,394	38,668	8,149,674	8,349,525
Community Development.....	-	-	-	-	-
Health and Human Services.....	794,014	779,747	14,267	830,152	909,260
Park, Recreation and Facilities.....	4,436,445	4,368,219	68,226	3,694,732	3,968,220
Library Services.....	1,071,466	1,061,644	9,822	1,032,074	1,020,883
Miscellaneous.....	6,971,542	7,007,960	(36,418)	7,116,199	8,359,589
Capital Outlays.....	449,525	367,061	82,464	454,824	2,426,848
Debt Service.....	8,555,443	8,554,569	874	7,946,075	7,899,679
Education.....	49,775,897	49,771,278	4,619	51,409,922	53,532,239
Transfers Out.....	300,000	300,000	-	325,000	-
<b>TOTAL EXPENDITURES .....</b>	<b>92,250,398</b>	<b>91,942,592</b>	<b>307,806</b>	<b>93,739,197</b>	<b>100,078,241</b>
Excess (deficiency) of revenues over expenditures .....	-	979,958	979,958	1,312,611	-

Source: Audit Report 2023; Unaudited Estimate 2024; Adopted Budget 2025.

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

FISCAL YEAR ENDED:	2023	2022	2021	2020	2019
<b>ASSETS</b>					
Cash and cash equivalents .....	\$16,704,519	\$12,957,902	\$15,682,587	\$22,405,042	\$25,141,025
Receivables, net.....	3,301,666	3,415,099	1,684,481	955,923	772,206
Due from Other Funds.....	873,091	1,713,573	784,332	392,384	571,175
Inventory.....	-	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$20,879,276</u></b>	<b><u>\$18,086,574</u></b>	<b><u>\$18,151,400</u></b>	<b><u>\$23,753,349</u></b>	<b><u>\$26,484,406</u></b>
<b>LIABILITIES</b>					
Accounts and Contracts Payable.....	\$ 1,452,013	\$ 1,283,289	\$ 1,493,917	\$ 1,079,567	\$ 958,814
Due to Other Funds.....	3,537,131	4,973,163	7,733,483	7,766,314	11,290,392
Unearned Revenue .....	-	-	-	-	-
Deposit Payable.....	271,944	271,911	331,871	413,846	-
<b>Total Liabilities .....</b>	<b><u>5,261,088</u></b>	<b><u>6,528,363</u></b>	<b><u>9,559,271</u></b>	<b><u>9,259,727</u></b>	<b><u>12,249,206</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes .....	904,705	1,092,929	748,896	733,990	569,868
Deferred Inflows Related to Leases .....	1,723,681	1,902,237	-	-	-
Advance Property Tax Collections.....	6,385,500	2,703,491	766,023	6,123,376	7,879,223
<b>TOTAL DEFERRED INFLOWS.....</b>	<b><u>9,013,886</u></b>	<b><u>5,698,657</u></b>	<b><u>1,514,919</u></b>	<b><u>6,857,366</u></b>	<b><u>8,449,091</u></b>
<b>FUND BALANCE</b>					
Nonspendable .....	-	-	-	-	-
Restricted .....	-	-	-	-	-
Committed .....	-	-	-	-	-
Assigned .....	1,285,289	1,315,159	2,153,281	2,287,918	668,386
Unassigned .....	5,319,013	4,544,395	4,923,929	5,348,338	5,117,723
<b>TOTAL FUND BALANCE.....</b>	<b><u>6,604,302</u></b>	<b><u>5,859,554</u></b>	<b><u>7,077,210</u></b>	<b><u>7,636,256</u></b>	<b><u>5,786,109</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b><u>\$20,879,276</u></b>	<b><u>\$18,086,574</u></b>	<b><u>\$18,151,400</u></b>	<b><u>\$23,753,349</u></b>	<b><u>\$26,484,406</u></b>

Source: Audit Reports 2019-2023.

**GENERAL FUND REVENUES AND EXPENDITURES**  
Summary of Audited Revenues and Expenditures  
(GAAP Basis)

FISCAL YEAR ENDED:	2023	2022	2021	2020	2019
<b>REVENUES</b>					
Taxes and Assessments.....	\$79,425,413	\$76,664,404	\$74,898,728	\$72,368,801	\$68,994,399
Intergovernmental .....	16,343,303	14,405,514	13,817,243	12,844,727	8,868,613
Charges for Services .....	1,475,321	1,019,003	1,112,331	1,003,548	990,903
Income on Investment.....	679,548	30,560	33,733	317,076	433,539
Miscellaneous.....	1,057,553	1,145,711	1,247,785	1,147,639	1,205,323
Transfers In.....	3,162,099 <sup>1</sup>	13,625,899 <sup>2</sup>	-	-	-
<b>Total Revenues &amp; Transfers In .....</b>	<b>\$102,143,237</b>	<b>\$106,891,091</b>	<b>\$91,109,820</b>	<b>\$87,681,791</b>	<b>\$80,492,777</b>
<b>EXPENDITURES</b>					
General Government .....	9,909,450	9,002,588	2,660,238	2,585,465	2,664,972
Public Safety .....	9,740,047	8,529,102	7,242,712	7,230,537	6,969,341
Public Works.....	7,927,394	8,054,966	7,758,904	7,264,026	7,083,253
Health and Human Services.....	779,747	662,455	634,115	632,080	656,842
Parks, Recreation and Facilities.....	4,413,017	4,227,692	3,773,819	3,719,938	3,880,725
Library Services.....	1,061,644	1,069,462	1,057,674	1,025,198	1,023,351
Education.....	57,806,564	54,461,607	51,806,612	50,302,127	44,999,956
Miscellaneous.....	-	-	6,909,299	7,377,960	7,547,315
Capital Outlays.....	906,057	426,126	669,633	968,524	1,332,786
Debt Service.....	8,554,569	8,314,716	7,927,303	4,504,622	4,182,491
Contingency/Reserves.....	-	-	-	-	-
Transfers Out.....	300,000	13,360,033 <sup>3</sup>	1,228,557	221,167	499,643
<b>Total Expenditures &amp; Transfers Out .....</b>	<b>101,398,489</b>	<b>108,108,747</b>	<b>91,668,866</b>	<b>85,831,644</b>	<b>80,840,675</b>
Results from Operations.....	744,748	(1,217,656)	(559,046)	1,850,147	(347,898)
<b>Fund Balance - July 1 .....</b>	<b>5,859,554</b>	<b>7,077,210</b>	<b>7,636,256</b>	<b>5,786,109</b>	<b>6,134,007</b>
<b>Fund Balance - June 30 .....</b>	<b>\$ 6,604,302</b>	<b>\$ 5,859,554</b>	<b>\$ 7,077,210</b>	<b>\$ 7,636,256</b>	<b>\$ 5,786,109</b>

<sup>1</sup> Includes \$38,086 in issuance of lease payable and \$447,264 in issuance of Notes payable.

<sup>2</sup> Includes \$74,950 in premium on Bond issue, \$10,430,000 in Refunding Bonds issued and \$1,713,533 in premium on refunding Bond Issuance.

<sup>3</sup> Includes \$12,022,775 payment to Refunded Bond Escrow Agent.

Source: Audit Reports 2019-2023.

**ANALYSIS OF GENERAL FUND EQUITY**  
(GAAP BASIS)

FISCAL YEAR ENDED:	2023	2022	2021	2020	2019
Assigned.....	\$ 1,285,289	\$ 1,315,159	\$ 2,153,281	\$ 2,287,918	\$ 668,386
Unassigned.....	5,319,013	4,544,395	4,923,929	5,348,338	5,117,723
<b>Total Fund Balance.....</b>	<b>6,604,302</b>	<b>5,859,554</b>	<b>7,077,210</b>	<b>7,636,256</b>	<b>5,786,109</b>
<b>Unassigned Fund Balance As % of</b>					
<b>Total Expenditures.....</b>	<b>5.25%</b>	<b>4.20%</b>	<b>5.37%</b>	<b>6.23%</b>	<b>6.33%</b>

Source: Audit Reports 2019-2023.

**PROPERTY TAX REVENUES**

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Property Tax</b>	<b>Property Tax</b>
	<b>Revenues &amp; Transfers in</b>		<b>Revenues as a Percentage of General Fund Revenues</b>
2025 <sup>1</sup>	\$100,078,241	\$86,795,977	86.7 %
2024 <sup>2</sup>	95,051,808	81,903,005	86.2
2023	102,143,237	79,425,413	77.8
2022	106,891,091	76,664,404	71.7
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

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimates.

**INTERGOVERNMENTAL REVENUES**

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Intergovernmental</b>	<b>Aid as a</b>
	<b>Revenues &amp; Transfers in</b>		<b>Percentage of General Fund Revenues</b>
2025 <sup>1</sup>	\$100,078,241	\$10,362,064	10.4 %
2024 <sup>2</sup>	95,051,808	9,307,690	9.8
2023	102,143,237	16,343,303	16.0
2022	106,891,091	14,405,514	13.5
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

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimates.

**EXPENDITURES**

<b>Fiscal Year</b>	<b>Education</b>	<b>Public Safety</b>	<b>General Government</b>	<b>Public Works</b>	<b>Debt Service</b>
2025 <sup>1</sup>	53.5%	9.5%	4.2%	8.3%	7.9%
2024 <sup>2</sup>	54.8%	9.7%	3.9%	8.7%	8.5%
2023	57.0%	9.6%	9.8%	7.8%	8.4%
2022	50.4%	7.9%	8.3%	7.5%	7.7%
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%

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimates.

**VI. DEBT SUMMARY**

**PRINCIPAL AMOUNT OF INDEBTEDNESS**

As of November 6, 2024  
(Pro Forma)

<b>Long-Term Debt</b>			<b>Debt</b>		
<b>Date of Issue</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Original Issue</b>	<b>Outstanding As of 11/6/2024</b>	<b>Fiscal Year Maturity</b>
<i>General Purpose</i>					
6/22/2017	General Purpose Bonds.....	2.49%	9,950,000	6,835,000	2036
7/30/2019	General Purpose Bonds.....	2.33%	5,000,000	3,945,000	2039
12/18/2019	General Purpose Bonds - Series B.....	2.22%	7,200,000	5,760,000	2040
7/28/2021	General Purpose Bonds.....	2.23%	10,640,000	9,985,000	2041
2/8/2022	General Purpose Refunding Bonds.....	1.53%	3,570,000	3,080,000	2034
11/6/2024	General Purpose (This Issue).....	TBD	6,000,000	6,000,000	2044
	Sub-Total.....		<b>\$42,360,000</b>	<b>\$35,605,000</b>	
<i>Schools</i>					
6/22/2017	School Bonds.....	2.49%	19,000,000	13,100,000	2036
7/30/2019	School Bonds.....	2.33%	25,750,000	20,325,000	2039
2/8/2022	School Refunding Bonds.....	1.53%	6,860,000	6,030,000	2034
	<b>Total Long-Term Debt.....</b>		<b>\$51,610,000</b>	<b>\$39,455,000</b>	
		<b>Total.....</b>	<b>\$93,970,000</b>	<b>\$75,060,000</b>	

**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 November 6, 2024 is \$107,000.

Capital Leases Payable as of November 6, 2024 (principal only):

2025	127,321
2026	107,128
2027	30,499
	\$264,948

## 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 <sup>1</sup>

As of November 6, 2024

(Pro Forma)

Fiscal Year Ending 30-Jun	General Obligation Bonds					
			The Bonds ( <i>This Issue</i> )		Percent	
	Principal <sup>2</sup>	Interest <sup>2</sup>	Principal	Interest	Total	Retired
2025	\$ 3,115,000	\$ 1,434,175	\$ -	\$ -	\$ 4,549,175	4.15%
2026	5,025,000	2,313,500	-	-	7,338,500	10.84%
2027	5,050,000	2,072,625	320,000	-	7,442,625	18.00%
2028	5,070,000	1,830,200	320,000	-	7,220,200	25.18%
2029	5,105,000	1,601,700	320,000	-	7,026,700	32.41%
2030	5,135,000	1,389,150	315,000	-	6,839,150	39.67%
2031	5,160,000	1,205,950	315,000	-	6,680,950	46.96%
2032	5,135,000	1,025,500	315,000	-	6,475,500	54.22%
2033	5,155,000	849,400	315,000	-	6,319,400	61.51%
2034	5,180,000	672,650	315,000	-	6,167,650	68.83%
2035	4,275,000	516,550	315,000	-	5,106,550	74.95%
2036	4,290,000	396,850	315,000	-	5,001,850	81.08%
2037	4,300,000	276,400	315,000	-	4,891,400	87.23%
2038	2,645,000	180,800	315,000	-	3,140,800	91.17%
2039	2,655,000	109,500	315,000	-	3,079,500	95.13%
2040	1,055,000	38,000	315,000	-	1,408,000	96.96%
2041	710,000	14,200	315,000	-	1,039,200	98.32%
2042	-	-	315,000	-	315,000	98.74%
2043	-	-	315,000	-	315,000	99.16%
2044	-	-	315,000	-	315,000	99.58%
2045	-	-	315,000	-	315,000	100.00%
<b>Total</b>	<b>\$69,060,000</b>	<b>\$15,927,150</b>	<b>\$ 6,000,000</b>	<b>\$ -</b>	<b>\$ 90,987,150</b>	

<sup>1</sup> Excludes capital lease obligations and other long-term commitments.

<sup>2</sup> Excludes principal payments of \$2,055,000 and interest payments of \$1,115,500 made in the current Fiscal Year 2024-25.

### 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.

	<b>Outstanding Debt as of August 22, 2024</b>
Member Town's Overlapping Debt.....	\$861,244,206 <sup>1</sup>
<i>Rocky Hill's Share of 6.316%</i>	
<b>Total Overlapping Debt.....</b>	<b>\$54,396,184</b>

<sup>1</sup> Includes approximately \$645,458,159 of Interim Funding Obligations (IFO's), Permanent Loan Obligations (PLO's), General Obligation Bonds and Notes issued pursuant to authorizations totaling \$1.826 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, August 8, 2024 Official Statement.

**DEBT STATEMENT**  
As of November 6, 2024  
(Pro Forma)

<b>Long-Term Indebtedness</b>	
General Purpose <i>(includes this issue)</i> .....	\$ 35,605,000
Schools.....	39,455,000
<b>Total Long-Term Indebtedness.....</b>	<b>75,060,000</b>
<b>Short-Term Indebtedness.....</b>	
Note payable - Direct Borrowing.....	-
<b>Total Short-Term Indebtedness.....</b>	<b>-</b>
<b>Total Direct Indebtedness.....</b>	<b>75,060,000</b>
<b>Net Direct Indebtedness.....</b>	<b>75,060,000</b>
<b>Overlapping Indebtedness - MDC as of 8/22/2024....</b>	<b>54,396,184</b>
<b>Total Overall Net Direct Indebtedness.....</b>	<b>\$ 129,456,184</b>

NOTE: Does not include capital lease obligations, other long-term commitment, and authorized but unissued debt.

**CURRENT DEBT RATIOS**

November 6, 2024  
(Pro Forma)

Population <sup>1</sup> .....	20,712
Net Taxable Grand List (10/1/23).....	\$2,930,693,809
Estimated Full Value.....	\$4,186,705,441
Equalized Net Taxable Grand List (10/1/22) <sup>2</sup> ...	\$4,253,120,951
Per Capita Income (2022) <sup>3</sup> .....	\$54,371

	<b>Total Direct debt \$75,060,000</b>	<b>Total Net Direct Debt \$75,060,000</b>	<b>Total Overall Net Debt \$129,456,184</b>
Per Capita.....	\$3,623.99	\$3,623.99	\$6,250.30
Ratio to Net Taxable Grand List.....	2.56%	2.56%	4.42%
Ratio to Estimated Full Value.....	1.79%	1.79%	3.09%
Ratio to Equalized Net Taxable Grand List.....	1.76%	1.76%	3.04%
Debt per Capita to Money Income per Capita.....	6.67%	6.67%	11.50%

<sup>1</sup> Connecticut Department of Public Health, Population Estimate 2022.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2018-2022 American Community Survey.

**BOND AUTHORIZATION**

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut (“CGS”) subject to statutory debt 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.

**MATURITIES**

General obligation bonds (serial and term) are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The first installment of any series of bonds shall mature not later than three years from the date of the issue of such series. Pursuant to state law, all bonds issued on or after July 1, 2017, including sewer and school bonds, shall be due not later than thirty years from the date of their issuance.

**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 projects 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 Connecticut General Statutes Sections 12-129d and 7-528.

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) for the supply of water, gas, electricity, for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes; (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 November 6, 2024  
(Pro Forma)

Total Receipts for fiscal year ended June 30, 2024 (including interest and lien fees)<sup>1</sup> \$ 81,961,650

State Reimbursement for Revenue Loss on:

Tax Relief for Elderly -

Base for Establishing Debt Limit \$ 81,961,650

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Past Pension</b>	<b>Total Debt</b>
(2.25 times base).....	\$ 184,413,713					
(4.50 times base).....		\$368,827,425				
(3.75 times base).....			\$307,356,188			
(3.25 times base).....				\$266,375,363		
(3.00 times base).....					\$ 245,884,950	
(7.00 times base).....						\$ 573,731,550
<b>Indebtedness</b>						
Bonds Payable (includes this issue).....	\$ 35,605,000 *	\$ 39,455,000	\$ -	\$ -	\$ -	\$ 75,060,000
Notes Payable - Direct Borrowing.....	-	-	-	-	-	-
Authorized but						
Unissued Debt.....	5,280,000	11,857,026	-	-	-	17,137,026
<b>Total Bonded Indebtedness.....</b>	<b>40,885,000</b>	<b>51,312,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,197,026</b>
Overlapping Debt - MDC as of 8/10/2023.	-	-	54,396,184 <sup>2</sup>	-	-	54,396,184
<b>Net Bonded Indebtedness.....</b>	<b>40,885,000</b>	<b>51,312,026</b>	<b>54,396,184</b>	<b>-</b>	<b>-</b>	<b>37,800,842</b>
<b>Excess of Limit Over Outstanding and</b>						
<b>Authorized Debt.....</b>	<b>\$ 143,528,713</b>	<b>\$317,515,399</b>	<b>\$252,960,003</b>	<b>\$266,375,363</b>	<b>\$ 245,884,950</b>	<b>\$ 535,930,708</b>

<sup>1</sup> Excludes overlapping debt and capital lease obligations.

<sup>2</sup> Please refer to page 41 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 \$573,731,550.

**AUTHORIZED BUT UNISSUED DEBT**

As of November 6, 2024  
(Pro Forma)

	<b>Amount of Total Authorization</b>	<b>Previously Bonded/Grants Other/ Bond Premium</b>	<b>Additions/ (Reductions)</b>	<b>Bonds This Issue</b>	<b>Authorized But Unissued Debt</b>
High School Renovations.....	\$ 50,000,000	\$ 49,953,843	\$ -	\$ -	\$ 46,157 <sup>1</sup>
Preserve Land Acquisition.....	10,000,000	4,720,000 <sup>4</sup>	-	-	5,280,000 <sup>2</sup>
New Intermediate School.....	48,350,000	36,539,131 <sup>5</sup>	-	-	11,810,869 <sup>3</sup>
Road Improvement Program (2019).	10,000,000	4,000,000 <sup>6</sup>	6,000,000	6,000,000	-
Total All Projects	<u>\$118,350,000</u>	<u>\$ 95,212,974</u>	<u>\$ 6,000,000</u>	<u>\$6,000,000</u>	<u>\$17,137,026</u>

<sup>1</sup> 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.

<sup>2</sup> Includes \$620,000 encumbrance.

<sup>3</sup> 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.

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

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

<sup>6</sup> 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**  
Fiscal Years Ending June 30

<b>Long-Term Debt</b>	<b>2024 Est.</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Bonds.....	\$71,115,000	\$76,270,000	\$81,260,000	\$77,100,000	\$82,160,000	\$47,345,000
Notes Payable - Direct Borrowing.....	-	448,419	262,333	<sup>1</sup>	<sup>1</sup>	<sup>1</sup>
<b>Short-Term Debt</b>						
Bond Anticipation Notes.....	-	4,250,000	2,250,000	11,350,000	2,250,000	33,000,000
<b>Totals.....</b>	<b>\$71,115,000</b>	<b>\$80,968,419</b>	<b>\$83,772,333</b>	<b>\$88,450,000</b>	<b>\$84,410,000</b>	<b>\$80,345,000</b>

<sup>1</sup> Calculation for Note Payable – Direct Borrowing began with the June 30, 2022 audit.  
Source: Annual Audited Financial Statements 2019-2023; Estimate 2024.

**RATIO OF DIRECT OVERALL DEBT TO VALUATION, POPULATION AND INCOME**

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Direct Debt<sup>1</sup></b>	<b>Ratio of Direct Debt to Net Assessed Value (%)</b>	<b>Ratio of Direct Debt to Estimated Full Value (%)</b>	<b>Population<sup>2</sup></b>	<b>Direct Debt per Capita</b>	<b>Ratio of Direct Debt per Capita to Per Capita Income (%)<sup>3</sup></b>
2024 Est.	\$2,304,414,554	\$3,292,020,791	\$71,115,000	3.09%	2.16%	20,712	\$3,433.52	6.31%
2023	2,286,966,010	3,267,094,300	80,968,419	3.54%	2.48%	20,712	3,909.25	7.19%
2022	2,245,940,669	3,208,486,670	83,772,333	3.73%	2.61%	20,712	4,044.63	7.44%
2021	2,232,910,705	3,189,872,436	88,450,000	3.96%	2.77%	20,746	4,263.47	7.84%
2020	2,208,948,420	3,155,640,600	84,410,000	3.82%	2.67%	20,147	4,189.71	7.71%
2019	2,094,068,745	2,991,526,779	80,345,000	3.84%	2.69%	20,115	3,994.28	7.35%

<sup>1</sup> Does not include underlying debt and capital lease obligations.

<sup>2</sup> State of Connecticut, Department of Health Services Estimate FY 2021-2024; 2020 and 2019 – U.S. Census Bureau American Community Survey.

<sup>3</sup> Income per Capita: \$54,371 – U.S. Census Bureau, 2018-2022 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

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### 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 Bonds. 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 Bonds is contingent upon the issuance and delivery of the Bonds, 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 Bond proceeds.

### TRANSCRIPT AND CLOSING DOCUMENTS

Upon the delivery of the Bonds, the winning bidder will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery of the Bonds no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town signed by the Town Manager, and Director of Finance which will be dated the date of delivery 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 Bonds;
4. The approving opinion of Pullman & Comley LLC, Bond Counsel, of Hartford, Connecticut substantially in the form attached hereto as Appendix B;
5. An executed Continuing Disclosure Agreement for the Bonds substantially in the form attached hereto as Appendix C; and
6. The Town of Rocky Hill has prepared a Preliminary Official Statement for the Bonds which is dated October 15, 2024. 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 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.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the offices of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

**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 Bonds. 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 Bonds 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, *Town Manager*

By: \_\_\_\_\_  
Mona M. McKim, *Director of Finance and Operations*

October \_\_, 2024

**APPENDIX A – BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Appendix A - Basic Financial Statements - is taken from the Annual Report of the Town of Rocky Hill for the Fiscal Year ended June 30, 2023 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

Town Council  
Town of Rocky Hill, Connecticut

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2023, 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.

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, 2023, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Rocky Hill, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Rocky Hill, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Rocky Hill, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Rocky Hill, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

***Supplementary Information***

Our audit for the year ended June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Rocky Hill, Connecticut's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements the year ended June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Town of Rocky Hill, Connecticut as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated December 30, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet for the year ended June 30, 2022 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of the Town of Rocky Hill, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Rocky Hill, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Rocky Hill, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 29, 2023

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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, 2023. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

**Financial Highlights**

On a government-wide basis, the assets of the Town of Rocky Hill exceeded its liabilities for fiscal year 2022-23 by \$37.6 million.

- Net position of our governmental activities increased by \$1.2 million or 3.3%.
- Total cost of all of the Town's programs was \$110.9 million.
- The Town's governmental funds (general fund, special revenue funds, capital projects and permanent funds) had a combined fund balance of \$7.8 million.
- The General Fund reported a fund balance for this year of \$6.6 million. The Unassigned Fund Balance for the General Fund is \$5.7 million or 6.2% of current year budgetary expenditures.

The resources available for appropriation were \$672 thousand greater than budgeted for and expenditures were \$307 thousand below spending limits.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. 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.

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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 VIII and IX) – 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.

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Government-Wide Financial Analysis**

The Town's governmental activities net position increased from \$36.4 million to \$37.6 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	
	2023	2022
<b>Assets:</b>		
Current and Other Assets	\$ 27,199,743	\$ 23,283,071
Capital Assets, Net	152,786,304	152,718,987
Total Assets	<u>179,986,047</u>	<u>176,002,058</u>
<b>Deferred Outflows of Resources</b>	10,423,351	15,094,404
<b>Liabilities:</b>		
Long-Term Debt Outstanding	118,075,499	129,176,856
Other Liabilities	10,533,295	8,212,628
Total Liabilities	<u>128,608,794</u>	<u>137,389,484</u>
Deferred Inflows of Resources	24,187,928	17,306,466
<b>Net Position:</b>		
Net Investment in Capital Assets	64,126,273	60,725,776
Restricted	1,192,842	1,020,066
Unrestricted	(27,706,439)	(25,345,330)
Total Net Position	<u>\$ 37,612,676</u>	<u>\$ 36,400,512</u>

*Unrestricted Net Position* – the part of net position that can be used to finance day-to day operations without constraints established by debt covenants, enabling legislation or other legal requirements – changed from (\$25.3) million at June 30, 2022 to (\$27.7) million at the end of this year.

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Table 2  
CHANGE IN NET POSITION**

	Governmental Activities	
	2023	2022
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 4,037,744	\$ 3,304,355
Operating Grants and Contributions	23,923,030	19,761,646
Capital Grants and Contributions	724,011	338,360
General Revenues:		
Property Taxes	79,237,189	77,008,437
Grants and Contributions Not Restricted to Specific Purposes	2,657,210	2,031,653
Unrestricted Investment Earnings	688,901	30,837
Other General Revenues	874,975	1,763,333
Total Revenues	<u>112,143,060</u>	<u>104,238,621</u>
<b>Program Expenses:</b>		
General Government	10,931,688	9,927,453
Public Safety	13,150,391	13,299,613
Public Works	11,925,621	11,370,797
Health and Human Services	1,028,694	833,942
Parks, Recreation, and Facilities	6,210,284	5,611,811
Library Services	1,210,031	1,115,854
Education	64,289,471	59,146,617
Interest on Long-Term Debt	2,184,716	2,570,638
Total Program Expenses	<u>110,930,896</u>	<u>103,876,725</u>
<b>Change in Net Position</b>	1,212,164	361,896
Beginning Net Position	<u>36,400,512</u>	<u>36,038,616</u>
<b>Ending Net Position</b>	<u>\$ 37,612,676</u>	<u>\$ 36,400,512</u>

The Town's total revenues were \$112.1 million. The total cost of all programs and services was \$110.9 million. Our analysis below separately considers the operations of governmental activities.

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Governmental Activities**

For governmental activities, approximately 70.6% of the revenues were derived from property taxes, followed by 21.3% in other intergovernmental revenues.

Major revenue factors included:

- Property tax revenues recorded during fiscal year 2023 reflect a 0.42 mill increase in the mill rate for the current levy and the impact of a 1.82% increase in the grand list. Property tax revenues for fiscal year 2023 increased 2.9% or \$2.2 million compared to fiscal year 2022.
- Charges for services were \$734 thousand more than the prior year due to an increase in parks and senior programs as participation continue to increase since the pandemic as well as in building permit charges as a reflection of the increase in development.
- Operating grants reflected an increase of \$4.2 million mainly due to an increase in State reimbursement in Education Cost sharing and the Payment in Lieu of taxes and the American Rescue Plan funding (ARPA) grants.
- Unrestricted investment earnings reflected an increase of \$650 thousand due to increased rates and improved investment measures.
- Overall governmental revenue increased by \$7.9 million due to a net increase of property tax revenue of \$2.2 million, the \$2.7 million transfer of ARPA funds and a \$1 million increase in the State Teacher Retirement Fund over the prior year.
- More than 57% of the Town's expenses relate to education, 11.9% to public safety, 5.6% to parks, recreation and facilities, 9.9% to general government, 2.0% to debt, 1.0% library and 10.7% 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 \$7.0 million.
- The increase in the amount of \$5.1 million in the Board of Education expenses primarily due to a \$1 million increase in the calculation for the State Teacher Retirement and OPEB due to GASB 34 calculations and \$2.4 increase in operations.
- The increase in General Government in the amount of \$1 million reflects contractual increases and increase in health benefit costs.

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

- Public Safety expenses decreased slightly by \$150 thousand which reflects the reduction of purchased public safety vehicles.
- Public Works expenses increased by \$554 thousand which reflects the continuation of roadway projects.
- Parks, Recreation and Facilities expenses increased by \$599 thousand which reflects the increase in utility costs and minor building repairs.
- All other expenses decreased by \$386 thousand primarily due to the scheduled decrease in debt interest payments.
- The Town has completed the new Senior Community Center addition to the Town Hall campus. In addition, the Town continues to move forward with the Straska Farm development project, Griswold Middle School science labs upgrades and the Griswold Middle School roof repair.

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	
	2023	2022	2023	2022
Education	\$ 64,289,471	\$ 59,146,617	\$ (43,472,884)	\$ (41,256,140)
General Government	10,931,688	9,927,453	(9,629,836)	(9,206,120)
Public Works	11,925,621	11,370,797	(11,689,673)	(10,957,680)
Public Safety	13,150,391	13,299,613	(8,181,239)	(9,772,436)
Parks, Recreation, and Facilities	6,210,284	5,611,811	(5,017,889)	(4,969,091)
All Others	4,423,441	4,520,434	(4,254,590)	(4,310,897)
Total	<u>\$ 110,930,896</u>	<u>\$ 103,876,725</u>	<u>\$ (82,246,111)</u>	<u>\$ (80,472,364)</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 \$7.8 million, which is a \$2.7 million decrease from last year's total of \$10.5 million.

The General Fund fund balance reflects an increase of \$745 thousand due to prior year Unassigned Balance to Subsequent Year (Exhibit A-1)

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

General Fund Budgetary Highlights

During this year, actual revenues and other revenue sources on a budgetary basis were \$92.2 million, which was favorable by \$5 million.

Tax collections were unfavorable by \$240 thousand due to the economic impact. Intergovernmental revenue was slightly favorable by \$199 thousand due to an increase in the Municipal Revenue Sharing grant. Licenses and permits were favorable by \$443 thousand due to an increase in building improvements and construction projects. Investment income was \$654 thousand over budget.

On the expenditures side, the Town finished the fiscal year with expenditures of \$307 thousand lower than budget. The decrease in expenditures reflects a savings in debt with the issuance of refunding bonds and a reduction in capital project expenditures. The Town budgets for unanticipated and unbudgeted expenditures that occurred during the budget year. For the 2022-23 budget year, the Town budgeted \$425 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 \$6.6 million reported on Exhibit III includes the Unassigned General Fund balance of \$5.3 million, \$875 thousand of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes and the Assigned Balance includes a \$410 thousand appropriation of fund balance to the 2023-24 budget.

Capital Projects Fund

Capital Projects Fund reflects a decrease in fund balance due to the timing of notes payable due and payable in the upcoming year for the Road Referendum project and final review of the Rocky Hill High School project.

Miscellaneous Grants Fund

Miscellaneous Grants fund had a net increase in fund balance of \$45 thousand. This increase in fund balance was primarily due to the unused ARPA funds at the fiscal year end.

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2023, the Town had \$152.8 million invested in a broad range of capital assets, including land, buildings, park facilities, roads, vehicles and equipment. This amount represents a slight net increase (including additions and deductions) of \$.1 thousand or 0.1% over last year.

**CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities	
	2023	2022
Land	\$ 15,083,374	\$ 15,083,374
Buildings and Improvements	107,748,285	108,753,939
Furniture, Vehicles, and Equipment	13,685,322	1,997,418
Infrastructure	15,174,323	15,902,465
Construction in Progress	1,095,000	10,981,791
Total	\$ 152,786,304	\$ 152,718,987

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

New Public Safety Vehicles	\$ 0.2
Equipment - Council Chamber Media	0.1
Construction - Stevens School Roof Project	0.6
Construction - Senior/Community Center Project	7.7
Land Rights - Backiel Farm	1.2
Less: Depreciation	(3.3)
Total	\$ 6.5

The Town's fiscal year 2022-23 capital budget calls for it to spend \$6.5 million for capital projects, principally for public safety vehicles, completion of the community/senior center, land rights for the Backiel farm, 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, 2023, the Town had \$76.2 million in bonds outstanding versus \$81.3 million last year – a decrease of 6.1% – as shown in Table 5.

**Table 5  
OUTSTANDING DEBT**

	Governmental Activities	
	2023	2022
General Obligation Bonds (Backed by the Town)	\$ 76,270,000	\$ 81,260,000

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 \$537 million state-imposed limit.

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

**Economic Factors and Next Year's Budgets and Rates**

The Town's elected and appointed officials considered many factors when setting the fiscal year 2023 budget and tax rate. One of those factors is the economy and the community's ability to pay for municipal services. As of June 2023, the Town's labor force stood at 11,395 with its unemployment rate at 3.7% compared to 6.8% in the greater Hartford region and 4.0% for the State. The Rocky Hill unemployment rate has decreased from the June 2022 rate of 4.3% compared to the greater Hartford region and the State rates that have also decreased from 7.0% and 7.0% respectively.

The consumer price index for June 2023 was 0.3% compared to 1.3% for June 2022. 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 2023-24. Amounts available for appropriation in the General Fund are \$95.2 million, a 3.2% increase over the 2022-23 budget of \$92.3 million. The increase in the 2023-24 Budget includes the one school resource officer, increased funding for Human Services case management and an increase with various Education expenses.

For 2023-24, the Town's October 2022 Net Taxable Grand List increased by .88% from the prior year. The mill rate used by the Town was 35.92 mills for Real Property and Personal Property, an increase of 1.4 mills over the 2022-23 budget year. The Town has also implemented the State imposed mill rate cap on Motor Vehicles of 32.46 mills.

Approximately 9.3% of the Town's budget revenues are derived from revenues received from the State of Connecticut. About 71% 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 \$410 thousand from fund balance to the 2023-24 budget. This is a decrease of \$40 thousand from the prior year.

The Town was allocated \$2,976.523 from the American Rescue Plan Act/ Coronavirus Local Fiscal Recovery Fund in the second tranche. The Town will transfer \$1.1 million of these funds to the 2023-24 budget to offset the economic impact of the pandemic.

The Town's defined benefit plan have been closed to new participants since 2014. However, the Police Pension Plan has been amended to include members retroactive to the closed date. The Town is concerned about the United States as well as the global economy and both its impact on the equities market. Like most towns, Rocky Hill has its pension trusts' assets invested with various mutual funds that hold investments in the stock market. The Town has seen these pension trusts' assets increase in value by 5.7% from July 1, 2021 to June 30, 2022 to July 1, 2022 to June 30, 2023 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.

**TOWN OF ROCKY HILL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Contacting the Town's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF ROCKY HILL, CONNECTICUT  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 22,680,059
Investments	180,812
Receivables, Net	4,312,374
Inventory	26,498
Capital Assets Not Being Depreciated/Amortized	16,178,374
Capital Assets Being Depreciated/Amortized, Net	136,607,930
Total Assets	179,986,047
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pension	6,121,111
Deferred Outflows Related to OPEB	4,302,240
Total Deferred Outflows of Resources	10,423,351
<b>LIABILITIES</b>	
Accounts and Other Payables	3,839,268
Unearned Revenue	2,172,083
Deposits Payable	271,944
Bond Anticipation Notes Payable	4,250,000
Noncurrent Liabilities:	
Due Within One Year	6,315,211
Due in More Than One Year	111,760,288
Total Liabilities	128,608,794
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Advance Property Tax Collections	6,385,500
Deferred Inflows Related to Leases	1,723,681
Deferred Charge on Refunding	357,906
Deferred Inflows Related to Pension	855,990
Deferred Inflows Related to OPEB	14,864,851
Total Deferred Inflows of Resources	24,187,928
<b>NET POSITION</b>	
Net Investment in Capital Assets	64,126,273
Restricted:	
Trust Purposes:	
Nonexpendable	71,040
Expendable	29,075
Grant Purposes	382,739
Restricted for Student Activities	709,988
Unrestricted	(27,706,439)
Total Net Position	\$ 37,612,676

See accompanying Notes to Financial Statements.

TOWN OF ROCKY HILL, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 10,931,688	\$ 698,765	-	\$ (9,629,836)
Public Safety	13,150,391	1,673,049	3,296,103	(8,181,239)
Public Works	11,925,621	-	115,024	(11,689,673)
Health and Human Services	1,028,694	39,615	106,306	(882,773)
Parks, Recreation, and Facilities	6,210,284	1,133,192	59,203	(5,017,889)
Library Services	1,210,031	16,199	6,731	(1,187,101)
Education	64,289,471	476,924	20,339,663	(43,472,884)
Interest on Long-Term Debt	2,184,716	-	-	(2,184,716)
Total Governmental Activities	<u>\$ 110,930,896</u>	<u>\$ 4,037,744</u>	<u>\$ 23,923,030</u>	<u>(82,246,111)</u>
<b>GENERAL REVENUES</b>				
Property Taxes				79,237,189
Grants and Contributions not Restricted to Specific Programs				2,657,210
Unrestricted Investment Earnings				688,901
Miscellaneous				874,975
Total General Revenues				<u>83,458,275</u>
<b>CHANGE IN NET POSITION</b>				1,212,164
Net Position - Beginning of Year				<u>36,400,512</u>
<b>NET POSITION - END OF YEAR</b>				<u>\$ 37,612,676</u>

See accompanying Notes to Financial Statements.

**TOWN OF ROCKY HILL, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General	Capital Projects	Miscellaneous Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 16,704,519	\$ 2,139,565	\$ -	\$ 2,600,868	\$ 21,444,952
Investments	-	-	-	180,812	180,812
Receivables, Net	3,301,666	-	-	1,010,708	4,312,374
Due from Other Funds	873,091	461,039	1,415,282	1,660,810	4,410,222
Inventory	-	-	-	26,498	26,498
Total Assets	\$ 20,879,276	\$ 2,600,604	\$ 1,415,282	\$ 5,479,696	\$ 30,374,858
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts and Contracts Payable	\$ 1,452,013	\$ 151,852	\$ 57,878	\$ 313,518	\$ 1,975,261
Due to Other Funds	3,537,131	120,776	-	752,315	4,410,222
Unearned Revenue	-	-	1,258,943	913,140	2,172,083
Deposits Payable	271,944	-	-	-	271,944
Bond Anticipation Notes Payable	-	4,250,000	-	-	4,250,000
Total Liabilities	\$ 5,261,088	\$ 4,522,628	\$ 1,316,821	\$ 1,978,973	\$ 13,079,510
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	904,705	-	-	-	904,705
Unavailable Revenue - Grants	-	-	-	436,379	436,379
Deferred Inflows Related to Leases	1,723,681	-	-	-	1,723,681
Advance Property Tax Collections	6,385,500	-	-	-	6,385,500
Total Deferred Inflows of Resources	\$ 9,013,886	-	-	\$ 436,379	\$ 9,450,265
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	97,538	97,538
Restricted	-	-	98,461	1,023,341	1,121,802
Committed	-	2,285,931	-	2,364,188	4,650,119
Assigned	1,285,289	-	-	-	1,285,289
Unassigned	5,319,013	(4,207,955)	-	(420,723)	690,335
Total Fund Balances	\$ 6,604,302	\$ (1,922,024)	\$ 98,461	\$ 3,064,344	\$ 7,845,083
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,879,276	\$ 2,600,604	\$ 1,415,282	\$ 5,479,696	\$ 30,374,858

See accompanying Notes to Financial Statements.

TOWN OF ROCKY HILL, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$ 7,845,083
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental Capital Assets	235,264,495
Less: Accumulated Depreciation and Amortization	<u>(82,478,191)</u>
Net Capital Assets	152,786,304
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:	
Property Tax Receivables Greater than 60 Days	706,938
Interest Receivable on Property Taxes	197,767
Unavailable Grants	436,379
Deferred Outflows Related to Pension	6,121,111
Deferred Outflows Related to OPEB	4,302,240
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.	459,373
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	(16,968,382)
Bonds Payable	(76,270,000)
Interest Payable on Bonds and Notes	(1,088,273)
Compensated Absences	(4,027,801)
Lease Payable	(426,726)
Notes Payable	(448,419)
Bond Premium	(6,755,128)
Deferred Charge on Refunding	(357,906)
Net OPEB Liability	(11,540,858)
Total OPEB Liability	(1,638,185)
Deferred Inflows Related to OPEB	(14,864,851)
Deferred Inflows Related to Pension	<u>(855,990)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	<u>\$ 37,612,676</u>

See accompanying Notes to Financial Statements.

**TOWN OF ROCKY HILL, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	General	Capital Projects	Miscellaneous Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes and Assessments	\$ 79,425,413	-	-	-	\$ 79,425,413
Intergovernmental	16,343,303	15,256	3,063,304	4,917,375	24,339,238
Charges for Services	1,475,321	-	-	2,371,294	3,846,615
Income on Investments	679,548	8,878	-	475	688,901
Miscellaneous	1,057,553	20,565	2,664	107,377	1,188,159
Total Revenues	<u>98,981,138</u>	<u>44,699</u>	<u>3,065,968</u>	<u>7,396,521</u>	<u>109,488,326</u>
<b>EXPENDITURES</b>					
Current:					
General Government	9,909,450	-	-	114,841	10,024,291
Public Safety	9,740,047	-	607,693	777,828	11,125,568
Public Works	7,927,394	-	-	252,717	8,180,111
Health and Human Services	779,747	-	-	161,093	940,840
Parks, Recreation, and Facilities	4,413,017	-	-	962,400	5,375,417
Library Services	1,061,644	-	-	27,813	1,089,457
Education	57,806,564	-	-	4,667,593	62,474,157
Capital Outlay	906,057	4,255,606	-	-	5,161,663
Debt Service	8,554,569	-	-	-	8,554,569
Total Expenditures	<u>101,098,489</u>	<u>4,255,606</u>	<u>607,693</u>	<u>6,964,285</u>	<u>112,926,073</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,117,351)	(4,210,907)	2,458,275	432,236	(3,437,747)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,676,749	300,000	-	-	2,976,749
Transfers Out	(300,000)	-	(2,676,749)	-	(2,976,749)
Issuance of Lease Payable	38,086	-	263,912	-	301,998
Issuance of Notes Payable	447,264	-	-	-	447,264
Total Other Financing Sources (Uses)	<u>2,862,099</u>	<u>300,000</u>	<u>(2,412,837)</u>	<u>-</u>	<u>749,262</u>
<b>NET CHANGE IN FUND BALANCES</b>	744,748	(3,910,907)	45,438	432,236	(2,688,485)
Fund Balances - Beginning of Year	5,859,554	1,988,883	53,023	2,632,108	10,533,568
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,604,302</u>	<u>\$ (1,922,024)</u>	<u>\$ 98,461</u>	<u>\$ 3,064,344</u>	<u>\$ 7,845,083</u>

See accompanying Notes to Financial Statements.

**TOWN OF ROCKY HILL, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ (2,688,485)

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

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 and amortization expense:

Capital Outlay	2,000,902
Depreciation and Amortization Expense	(2,514,181)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	603,087
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The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	(22,491)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property Tax Receivable - Accrual Basis Change	(129,193)
Property Tax Interest and Lien Revenue - Accrual Basis Change	(59,031)
Intergovernmental Grants	61,922
Changes in Deferred Outflows Related to Pension	(4,376,013)
Changes in Deferred Outflows Related to OPEB	(11,105)

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	4,990,000
Lease Issued	(301,998)
Lease Payments	144,441
Notes Payable Issued	(447,264)
Notes Payable Payments	261,178

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	(60,287)
Accrued Interest	230,426
Amortization of Deferred Charge on Refunding	35,517
Amortization of Bond Premiums	1,113,910
Net Pension Liability	201,243
Net OPEB Liability	5,664,609
Total OPEB Liability	(464,475)
Changes in Deferred Inflows Related to OPEB	(3,203,826)
Changes in Deferred Inflows Related to Pension	(493,635)

The net income of the internal service funds is reported with governmental activities.	676,913
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Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 1,212,164
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See accompanying Notes to Financial Statements.

**TOWN OF ROCKY HILL, CONNECTICUT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2023**

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,235,107
Total Assets	<u>1,235,107</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts and Other Payables	775,734
Total Liabilities	<u>775,734</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 459,373</u>

See accompanying Notes to Financial Statements.

**TOWN OF ROCKY HILL, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Governmental Activities
	Internal Service Fund
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 7,624,776
<b>OPERATING EXPENSES</b>	
Benefits and Claims	6,947,863
<b>OPERATING INCOME</b>	676,913
Net Position - Beginning of Year	(217,540)
<b>NET POSITION - END OF YEAR</b>	\$ 459,373

*See accompanying Notes to Financial Statements.*

**TOWN OF ROCKY HILL, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Charges for Services and Other	\$ 7,624,776
Payments to Vendors	(6,973,485)
Payments for Interfund Services Used	<u>(848,500)</u>
Net Cash Used by Operating Activities	(197,209)
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 (197,209)
 Cash and Cash Equivalents - Beginning of Year	 <u>1,432,316</u>
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	 <u><u>\$ 1,235,107</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 676,913
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Change in Liabilities:	
Increase (Decrease) in Accounts Payable	(25,622)
Increase (Decrease) in Due to Other Funds	<u>(848,500)</u>
Net Cash Used by Operating Activities	<u><u>\$ (197,209)</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF ROCKY HILL, CONNECTICUT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	<u>Pension and OPEB Trust Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,032,368
Investments:	
Mutual Funds	<u>77,122,211</u>
Total Assets	<u>78,154,579</u>
<b>NET POSITION</b>	
Restricted for:	
Pension Benefits	75,111,690
Other Postemployment Benefits	<u>3,042,889</u>
Total Net Position	<u><u>\$ 78,154,579</u></u>

*See accompanying Notes to Financial Statements.*

**TOWN OF ROCKY HILL, CONNECTICUT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<u>Pension and OPEB Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,890,263
Plan Members	<u>681,217</u>
Total Contributions	2,571,480
Investment Income:	
Net Change in Fair Value of Investments	6,577,216
Interest and Dividends	<u>657,646</u>
Total Investment Income	<u>7,234,862</u>
Total Additions	9,806,342
<b>DEDUCTIONS</b>	
Benefits Paid to Participants of Beneficiaries	5,492,601
Administrative Expenses	72,806
Other	<u>11,340</u>
Total Deductions	<u>5,576,747</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	4,229,595
Net Position - Beginning of Year	<u>73,924,984</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 78,154,579</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF ROCKY HILL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 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 Postemployment 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.

**TOWN OF ROCKY HILL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, 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, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

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 Postemployment Benefits Plans, which accumulate resources for pension benefit and healthcare payments to qualified Town employees.

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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

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.

**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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Receivables and Payables (Continued)**

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

**F. Inventories and Prepaid Items**

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

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

**G. Capital Assets**

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

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant and equipment assets of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

Infrastructure	35 Years
Buildings and Improvements	25-50 Years
Vehicles	3-5 Years
Office Equipment	3-5 Years
Computer Equipment	3-5 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the lease term.

**TOWN OF ROCKY HILL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Deferred Outflows 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 assets 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) or in the case of difference in projected and actual earnings on pension and OPEB plan investments, over a systematic and rational method over a closed five-year period.

**I. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and the governmental funds balance sheet 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 assets 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 and deferred inflows related to leases 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. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

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) and in the case of net difference between projected and actual earning on plan assets over 5 years.

**TOWN OF ROCKY HILL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Deferred Inflows of Resources (Continued)**

The Town reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 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 and grants. 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 the 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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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**

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

**O. 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."

**TOWN OF ROCKY HILL, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Fund Equity**

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.

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.

**Q. 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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. 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.

**NOTE 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 no additional appropriations 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.

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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

- Health insurance co-pays and COBRA payments are reported for GAAP purposes only.
- New leases and notes proceeds are not budgeted and reported as other financing sources and capital outlay for GAAP purposes.
- Board of Education accrued payroll and tax refunds related to prior year collections are reported for GAAP purposes only.

**B. Overspent Appropriations**

During the year ended June 30, 2023, the Town overspent appropriation in the following departments:

Department:	Amount
Town Manager	\$ 69
Town Clerk	37
Police	20,581
Insurance - Employee Benefits	21,163
Contingency	17,264

**C. Fund Deficit**

The Town reported a deficit fund balance of \$32,025 in the DECD Grants fund and a deficit of \$388,698 in the Silas Deane Streetscape Phase III fund. The Town plans to address these deficits via grant revenue.

**NOTE 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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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*, \$20,386,134 of the Town’s bank balance of \$20,637,134 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 18,679,421
Uninsured and Collateral Held by the Pledging Bank’s Trust Department, not in the Town’s Name	1,706,713
Total Amount Subject to Custodial Credit Risk	\$ 20,386,134

**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, 2023, the Town’s had \$5,813,508 in cash equivalents as follows:

STIF	\$ 5,791,950
Money Market Mutual Fund	21,558

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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Cash Equivalents (Continued)**

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
Money Market Mutual Fund	Not Rated

**C. Investments**

Investments as of June 30, 2023 in all funds are as follows:

Investment Type	Credit Rating	Fair Value
Other Investments:		
Mutual Funds	N/A	\$ 74,281,691
Other - Vantage Trust Funds	N/A	3,021,332
Total Investments		\$ 77,303,023

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, 2023, 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  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

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, 2023:

	<u>Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
Mutual Funds	\$ 74,281,691	<u>\$ 74,281,691</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Measured at Net Asset Value (NAV):				
Vantage Trust Funds	<u>3,021,332</u>			
Total Investments	<u>\$ 77,303,023</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, 2023 Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
Vantage Trust Funds	\$ 3,021,332	-	Daily	5 Days

**NOTE 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	\$ 197,769	\$ -	\$ -	\$ 197,769
Taxes	911,907	-	-	911,907
Accounts	493,309	-	556,854	1,050,163
Leases	1,723,681	-	-	1,723,681
Intergovernmental	-	-	453,854	453,854
Gross Receivables	<u>3,326,666</u>	<u>-</u>	<u>1,010,708</u>	<u>4,337,374</u>
Less: Allowance for Uncollectibles	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Net Total Receivables	<u>\$ 3,301,666</u>	<u>\$ -</u>	<u>\$ 1,010,708</u>	<u>\$ 4,312,374</u>

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 RECEIVABLES (CONTINUED)**

**Lease Receivable**

The Town, acting as lessor, leases equipment under long-term, noncancelable lease agreements. The leases expire at various dates through 2042 and provide for renewal options ranging from three months to six years. During the year ended June 30, 2023, the Town recognized \$178,556 and \$33,026 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to maturity under lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 178,556	\$ 27,478	\$ 206,034
2025	177,764	24,619	202,383
2025	176,972	21,696	198,668
2026	176,972	18,722	195,694
2027	559,009	57,991	617,000
2028-2032	395,138	20,327	415,465
2023-2037	59,270	-	59,270
Total	<u>\$ 1,723,681</u>	<u>\$ 170,833</u>	<u>\$ 1,894,514</u>

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 15,083,374	\$ -	\$ -	\$ 15,083,374
Construction in Progress	10,981,791	1,095,000	(10,981,791)	1,095,000
Total Capital Assets Not Being Depreciated	26,065,165	1,095,000	(10,981,791)	16,178,374
Capital Assets Being Depreciated:				
Buildings and Improvements	142,447,570	-	-	142,447,570
Furniture, Vehicles, and Equipment	24,354,249	12,188,782	(158,337)	36,384,694
Infrastructure	39,611,864	-	-	39,611,864
Total Capital Assets Being Depreciated	206,413,683	12,188,782	(158,337)	218,444,128
Less: Accumulated Depreciation for:				
Buildings and Improvements	(33,693,631)	(1,005,654)	-	(34,699,285)
Furniture, Vehicles, and Equipment	(22,621,906)	(663,812)	135,846	(23,149,872)
Infrastructure	(23,709,399)	(728,142)	-	(24,437,541)
Total Accumulated Depreciation	(80,024,936)	(2,397,608)	135,846	(82,286,698)
Right-to-use - lease asset				
Equipment	339,995	301,998	-	641,993
Total Right-to-use - lease asset	339,995	301,998	-	641,993
Less: Accumulated Amortization				
Equipment	(74,920)	(116,573)	-	(191,493)
Total Accumulated Amortization	(74,920)	(116,573)	-	(191,493)
Total Capital Assets Being Depreciated/Amortized, Net	126,653,822	9,976,599	(22,491)	136,607,930
Governmental Activities Capital Assets, Net	<u>\$ 152,718,987</u>	<u>\$ 11,071,599</u>	<u>\$ (11,004,282)</u>	<u>\$ 152,786,304</u>

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

Governmental Activities:	
General Government	\$ 618,634
Public Safety	307,109
Public Works	953,345
Health and Human Services	225,503
Parks, Recreation, and Facilities	13,155
Library Services	43,591
Education	352,844
Total Depreciation Expense - Governmental Activities	<u>\$ 2,514,181</u>

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

**Construction Commitments**

The Town has active construction projects as of June 30, 2023. The following is a summary of capital projects as of June 30, 2023.

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Project Balance</u>
Capital and Nonrecurring	\$ 10,903,808	\$ 9,707,221	\$ 1,196,587
Road Improvements	20,000,000	16,390,846	3,609,154
Land Acquisition	10,000,000	3,951,679	6,048,321
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	10,468,437	31,563
Straska Farmland/Open Space	7,200,000	7,200,000	-
Total Capital Projects	<u>\$ 156,953,808</u>	<u>\$ 134,119,441</u>	<u>\$ 22,834,367</u>

**NOTE 6 INTERFUND RECEIVABLE AND PAYABLE BALANCES**

A summary of interfund balances at June 30, 2023 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 120,776
General Fund	Nonmajor Governmental	752,315
Capital Projects Fund	General Fund	461,039
Miscellaneous Grants	General Fund	1,415,282
Nonmajor Governmental	General Fund	1,660,810
Total		<u>\$ 4,410,222</u>

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

Interfund transfers:

	<u>Transfers In</u>		<u>Total Transfer Out</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfers Out:			
General Fund	\$ -	\$ 300,000	\$ 300,000
Miscellaneous Grants	2,676,749	-	2,676,749
Total Transfers Out	<u>\$ 2,676,749</u>	<u>\$ 300,000</u>	<u>\$ 2,976,749</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. Transfers from Miscellaneous Grants fund were for ARPA funds that were allocated by Town Resolution to the General Fund.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 81,260,000	\$ -	\$ (4,990,000)	\$ 76,270,000	\$ 5,155,000
Issuance Premium	7,869,038	-	(1,113,910)	6,755,128	-
Total Bonds Payable	89,129,038	-	(6,103,910)	83,025,128	5,155,000
Notes Payable - Direct Borrowing	262,333	447,264	(261,178)	448,419	183,470
Lease Payable	269,169	301,998	(144,441)	426,726	143,957
Net Pension Liability	17,169,625	-	(201,243)	16,968,382	-
Compensated Absences	3,967,514	203,625	(143,338)	4,027,801	832,784
Total OPEB Liability	1,173,710	-	464,475	1,638,185	-
Net OPEB Liability	17,205,467	-	(5,664,609)	11,540,858	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 129,176,856</u>	<u>\$ 952,887</u>	<u>\$ (12,054,244)</u>	<u>\$ 118,075,499</u>	<u>\$ 6,315,211</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:

<u>Description</u>	<u>Principal Amount</u>
\$7,160,000 - Refunding Bonds issued in February 6, 2013 and maturing August 1, 2021 various interest rates from 2.00% to 4.00%	\$ 1,135,000
\$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%	22,960,000
\$30,750,000 - General Obligation Bonds for High School, Land Acquisition, Community Center, Road Improvements and Intermediate School on July 8, 2019 and maturing January 15, 2039; various interest rates from 3.00% to 5.00%	25,890,000
\$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%	6,120,000

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds (Continued)**

<u>Description</u>	<u>Principal Amount</u>
\$10,640,000 - General Obligation Bonds for Land Acquisition Senior / Community Center, and Road Improvement, issued on July 28, 2021 and maturing through January 15, 2041, with interest rates from 2.00% to 5.00%	\$ 10,395,000
\$10,430,000 - General Obligation Refunding Bonds issued on January 25, 2022 and maturing on April 15, 2034 with an interest rate of 4%.	<u>9,770,000</u>
Total	<u><u>\$ 76,270,000</u></u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 5,155,000	\$ 2,791,075	\$ 7,946,075
2025	5,170,000	2,549,675	7,719,675
2026	5,025,000	2,313,500	7,338,500
2027	5,050,000	2,072,625	7,122,625
2028	5,070,000	1,830,200	6,900,200
2028-2032	20,535,000	5,222,300	25,757,300
2033-2037	23,200,000	2,711,850	25,911,850
2038-2041	7,065,000	342,500	7,407,500
Total	<u><u>\$ 76,270,000</u></u>	<u><u>\$ 19,833,725</u></u>	<u><u>\$ 96,103,725</u></u>

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2023 to the following:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 172,714,581	\$ 41,955,894	\$ 130,758,687
Schools	345,429,162	55,451,132	289,978,030
Sewers	287,857,635	53,546,763	234,310,872
Urban Renewal	249,476,617	-	249,476,617
Pension Deficit	230,286,108	-	230,286,108

Total debt outstanding may not exceed seven times annual receipts from taxation or \$537,334,252. 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, 2023 was \$862,266,719. The Town's share of the debt at June 30, 2023 was 6.21% or \$53,546,763. The estimated percentage is calculated based upon the proration of tax collection from the eight-member towns.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds (Continued)**

Bonds authorized and unissued as of June 30, 2023 are summarized below:

	<u>Authorization</u>	<u>Bonds and Notes Issued</u>	<u>Grants Received</u>	<u>Bonds Authorized Unissued</u>
School Improvements	\$ 98,350,000	\$ 59,990,969	\$ 26,502,005	\$ 11,857,026
Various Improvements	20,000,000	10,388,966	331,034	9,280,000
Total	<u>\$ 118,350,000</u>	<u>\$ 70,379,935</u>	<u>\$ 26,833,039</u>	<u>\$ 21,137,026</u>

**Notes Payable – Direct Borrowing**

The Town has financed the purchase of certain vehicles and equipment for several Town departments. The outstanding notes payable from the direct borrowing contain a provision that in an event of default, outstanding amounts become immediately due if the Town is unable to make payment.

A summary of payment requirements by year notes payable is presented below:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 183,470	\$ 26,540	\$ 210,010
2025	127,321	16,774	144,095
2025	107,129	8,348	115,477
2026	30,499	1,546	32,045
Total	<u>\$ 448,419</u>	<u>\$ 53,208</u>	<u>\$ 501,627</u>

**Lease Liability**

The Town leases equipment for various terms under long-term, noncancelable, lease agreements. These lease expire at various dates through April 2027. Principal and interest requirements to maturity under lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 143,957	\$ 11,098	\$ 155,055
2025	149,063	7,209	156,272
2026	70,646	3,940	74,586
2027	63,060	1,321	64,381
Total	<u>\$ 426,726</u>	<u>\$ 23,568</u>	<u>\$ 450,294</u>

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Notes Payable – Direct Borrowing**

The Town has financed the purchase of certain vehicles and equipment for several Town departments. The outstanding notes payable from the direct borrowing contain a provision that in an event of default, outstanding amounts become immediately due if the Town is unable to make payment. A summary of payments under these agreements is presented below:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 183,470	\$ 26,540	\$ 210,010
2025	127,321	16,774	144,095
2025	107,129	8,348	115,477
2026	30,499	1,546	32,045
Total	<u>\$ 448,419</u>	<u>\$ 53,208</u>	<u>\$ 501,627</u>

**NOTE 8 SHORT-TERM DEBT**

The following is a summary of bond anticipation note activity for the year ended June 30, 2023:

<u>Project</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2023</u>
High School Renovations	07/27/22	07/27/22	2,250,000	2.00%	\$ 2,250,000	\$ -	\$ 2,250,000	\$ -
High School Renovations	07/27/22	07/26/23	2,250,000	2.35%	-	2,250,000	-	2,250,000
Road Improvement Program	07/27/22	07/26/23	2,000,000	2.35%	-	2,000,000	-	2,000,000
Total								<u>\$ 4,250,000</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, 2023**

**NOTE 9 RISK MANAGEMENT**

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

**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 \$801,356 reported in the Internal Service Fund at June 30, 2023 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 is as follows:

<u>Year Ending</u>	<u>Claims Payable July 1,</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30,</u>
2021-2022	\$ 727,920	\$ 7,263,784	\$ 7,190,348	\$ 801,356
2022-2023	801,356	6,947,863	6,973,485	775,734

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2023 are as follows:

	General Fund	Capital Projects Fund	Miscellaneous Grants	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 26,498	\$ 26,498
Permanent Funds	-	-	-	71,040	71,040
Restricted for:					
Center Cemetery	-	-	-	29,075	29,075
Land Preservation	-	-	-	458	458
Parks, Recreation, and Facilities Grants	-	-	-	4,706	4,706
Economic Development Grants	-	-	-	1,023	1,023
Education Grants	-	-	-	106,212	106,212
Community Development Grants	-	-	-	171,877	171,877
Student Activities	-	-	-	709,988	709,988
Miscellaneous Grants	-	-	98,461	2	98,463
Committed to:					
General Government	-	-	-	149,012	149,012
Recreation Programs	-	-	-	362,096	362,096
Library Services	-	-	-	26,885	26,885
Public Safety	-	-	-	271,410	271,410
Health and Human Services	-	-	-	380,340	380,340
Education	-	-	-	1,077,764	1,077,764
Debt Service Payments	-	-	-	52,840	52,840
Flexible Spending	-	-	-	7,478	7,478
Local Transportation Capital Improvement Program	-	-	-	36,363	36,363
Intermediate School	-	137,875	-	-	137,875
Land Acquisition	-	148,321	-	-	148,321
Senior/Community Center	-	42,260	-	-	42,260
Capital and Nonrecurring Capital Projects	-	1,957,475	-	-	1,957,475
Assigned to:					
Subsequent Year's Budget	410,000	-	-	-	410,000
Education - Encumbrances	816,638	-	-	-	816,638
General Government - Encumbrances	15,000	-	-	-	15,000
Capital Outlay - Encumbrances	31,681	-	-	-	31,681
Public Safety - Encumbrances	11,970	-	-	-	11,970
Unassigned	5,319,013	(4,207,955)	-	(420,723)	690,335
Total Fund Balances	<u>\$ 6,604,302</u>	<u>\$ (1,922,024)</u>	<u>\$ 98,461</u>	<u>\$ 3,064,344</u>	<u>\$ 7,845,083</u>

Encumbrances of \$875,289 at June 30, 2023 are contained in the above table in the assigned category of the General Fund.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 CONTINGENT LIABILITIES**

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

**NOTE 12 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 Postemployment 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, 2022, plan membership consisted of the following:

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan
Active Plan Members	58	404
Retired Members	63	13
Total Participants	121	417

**B. Funding Policy**

The Town’s funding and payment of postemployment benefits for the year ended June 30, 2023 are accounted for in the Other Postemployment Benefits Trust Fund. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town and Board of Education Plans (Continued)**

**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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 12.92% 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.

**D. Total/Net OPEB Liability of the Town**

The Town’s and BOE’s net OPEB liability was measured as of June 30, 2023. The components of the total/net OPEB liability of the Town at June 30, 2023 were as follows:

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan*
Total OPEB Liability	\$ 14,583,747	\$ 1,638,185
Plan Fiduciary Net Position	3,042,889	-
Net OPEB Liability	<u>\$ 11,540,858</u>	<u>\$ 1,638,185</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	20.86%	0.00%

\* The Town did not fund the Board of Education Retiree Healthcare Plan during the year ended June 30, 2023. The Town intends to fund the Board of Education healthcare Plan during the next year, and the additional disclosures will be included then.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town and Board of Education Plans (Continued)**

**D. Total/Net OPEB Liability of the Town (Continued)**

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2023, 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	2.50%	2.00%
Salary Increases	2.50	2.50
Investment Rate of Return	6.00	3.65
Healthcare Cost Trend Rate	7.00% in 2022 declining to 4.75% in 2025 and beyond	7.00% in 2022 declining to 4.75% in 2026 and beyond
Mortality	RPH-2014 Total Dataset mortality table projected using scale MP-2021	RPH-2014 Total Dataset mortality table projected using scale MP-2021

The actuarial assumptions used in the July 1, 2022 valuation were based on general assumptions for the plan, as an actuarial experience study has not been performed to date.

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, 2023 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	<u>100%</u>	

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town and Board of Education Plans (Continued)**

**D. Total/Net OPEB Liability of the Town (Continued)**

Discount Rate

The discount rate used to measure the Town Retiree Healthcare Plan Net OPEB liability was 6.00%, and it was based on a rate that blends the long term expected rate of return with the index rate. The discount rate used to measure the Board of Education Retiree Healthcare Plan Net OPEB liability was 3.65%, 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 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Town Retiree Healthcare Plan	\$ 13,449,446	\$ 11,540,858	\$ 9,974,018
	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Board of Education Retiree Healthcare Plan	\$ 1,766,309	\$ 1,638,185	\$ 1,514,742

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 (5.50% Declining to 4.00%)	Healthcare Cost Trend Rates (6.50% Declining to 5.00%)	1% Increase (7.50% Declining to 6.00%)
Board of Education Retiree Healthcare Plan	\$ 1,445,312	\$ 1,638,185	\$ 1,866,984

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town and Board of Education Plans (Continued)**

**D. Total/Net OPEB Liability of the Town (Continued)**

**Sensitivity of the Total/Net OPEB Liability to Changes in the Healthcare Cost Trend Rates (Continued)**

	1% Decrease (5.50% Declining to 4.00%)	Healthcare Cost Trend Rates (6.50% Declining to 5.00%)	1% Increase (7.50% Declining to 6.00%)
Board of Education Retiree Healthcare Plan	<u>\$ 1,445,312</u>	<u>\$ 1,638,185</u>	<u>\$ 1,866,984</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, 2022	\$ 19,882,520	\$ 2,677,053	\$ 17,205,467
Changes for the Year:			
Service Cost	364,139	-	364,139
Interest on Total OPEB Liability	733,712	-	733,712
Changes of Benefit Terms	74,867		74,867
Differences Between Expected and Actual Experience	(1,683,186)	-	(1,683,186)
Changes in Assumptions	(4,366,158)	-	(4,366,158)
Employer Contributions	-	442,147	(442,147)
Expected Investment Income	-	102,263	(102,263)
Investment Gains (Losses)	-	243,573	(243,573)
Benefit Payments	(422,147)	(422,147)	-
Net Changes	<u>(5,298,773)</u>	<u>365,836</u>	<u>(5,664,609)</u>
Balances as of June 30, 2023	<u>\$ 14,583,747</u>	<u>\$ 3,042,889</u>	<u>\$ 11,540,858</u>

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town and Board of Education Plans (Continued)**

**E. Changes in the Total and Net OPEB Liability (Continued)**

Board of Education Retiree Healthcare Plan	Increase (Decrease)
	Total OPEB Liability (a)
Balances as of July 1, 2022	\$ 1,173,710
Changes for the Year:	
Service Cost	85,677
Interest on Total OPEB Liability	52,114
Differences Between Expected and Actual Experience	189,847
Changes in Assumptions or Other Inputs	171,414
Benefit Payments	(34,577)
Net Changes	464,475
Balances as of June 30, 2023	\$ 1,638,185

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

For the year ended June 30, 2023, the Town recognized OPEB expense of (\$1,690,212) and \$181,733, for the Town Retiree Healthcare Plan, and the Board of Education Retiree Healthcare Plan, respectively, for total OPEB expense of (\$1,508,479). At June 30, 2023, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		
	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total
Difference Between Actual and Expected Experience	\$ -	\$ 241,082	\$ 241,082
Changes of Assumptions or Other Inputs	3,830,286	230,872	4,061,158
Total	\$ 3,830,286	\$ 471,954	\$ 4,302,240

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town and Board of Education Plans (Continued)**

**F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

	Deferred Inflows of Resources		
	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total
Net Difference Between Projected and Actual Earning on OPEB Plan Investments	\$ 180,356	\$ -	\$ 180,356
Difference Between Actual and Expected Experience	5,940,882	130,931	6,071,813
Changes of Assumptions or Other Inputs	8,523,781	88,901	8,612,682
Total	<u>\$ 14,645,019</u>	<u>\$ 219,832</u>	<u>\$ 14,864,851</u>

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

<u>Year Ending June 30,</u>	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total
2024	\$ (2,755,256)	\$ 36,882	\$ (2,718,374)
2025	(2,760,266)	36,790	(2,723,476)
2026	(2,625,554)	31,569	(2,593,985)
2027	(2,370,041)	35,271	(2,334,770)
2028	(378,489)	30,026	(348,463)
Thereafter	74,873	81,584	156,457

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Town and Board of Education Plans (Continued)**

**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, 2023 and changes in net position for the year then ended.

	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total Healthcare Trust Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets:			
Cash and Cash Equivalents	\$ 21,557		\$ 21,557
Investments	3,021,332	-	3,021,332
Total Assets	<u>3,042,889</u>	<u>-</u>	<u>3,042,889</u>
Net Position:			
Restricted for OPEB Benefits	<u>\$ 3,042,889</u>	<u>\$ -</u>	<u>\$ 3,042,889</u>
	Town Retiree Healthcare Plan	Board of Education Retiree Healthcare Plan	Total Healthcare Trust Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Additions:			
Contributions:			
Employer	\$ 442,147	\$ 34,577	\$ 476,724
Investment Income:			
Net Depreciation in Fair Value of Investments	345,122	-	345,122
Interest and Dividends	714	-	714
Total Investment Income	<u>345,836</u>	<u>-</u>	<u>345,836</u>
Less: Investment Expense	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment Income	<u>345,836</u>	<u>-</u>	<u>345,836</u>
Total Additions	787,983	34,577	822,560
Deductions:			
Benefit Payments	<u>422,147</u>	<u>34,577</u>	<u>456,724</u>
Net Increase	365,836	-	365,836
Net Position Restricted for OPEB Benefits - Beginning of Year	<u>2,677,053</u>	<u>-</u>	<u>2,677,053</u>
Net Position Restricted for OPEB Benefits - End of Year	<u>\$ 3,042,889</u>	<u>\$ -</u>	<u>\$ 3,042,889</u>

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**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 multiemployer 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](http://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 Supplemental 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 \$220 per month for a retired member plus an additional \$220 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. A subsidy amount of \$440 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 \$440 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 Supplemental 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 Supplemental 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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**B. Benefit Provisions (Continued)**

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 \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental 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 five 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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**D. Contributions (Continued)**

*State of Connecticut (Continued)*

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, 2023, the amount of “on-behalf” contributions made by the State was \$110,538 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*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, 2023, 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		8,680,959
Total		<u><u>\$ 8,680,959</u></u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense of \$523,266 in Exhibit II.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Investment rate of return	3.53%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2027

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, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**F. Actuarial Assumptions (Continued)**

The changes in the benefit terms since the prior year are as follows:

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

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 (0.98%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- 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 were assumed to be made at the current member contribution rate. Employee 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 toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**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. OPEB Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**J. 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.

**NOTE 13 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.

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

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**A. Plan Description and Benefits Provided (Continued)**

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, 2022 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. During the year ended June 30, 2023 the Town reopened the Police Officers Pension System Plan and rolled the balances from the Police Defined Contribution Pension Plan into the Defined Benefit Plan.

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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**A. Plan Description and Benefits Provided (Continued)**

The retirement benefit for the Town's Firefighters Pension System shall be in accordance with the schedule below:

<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 or More	315	500
Each Year Past 20	5	15

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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**C. Funding Status and Progress**

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

**D. Investments**

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u> General Employee's, Firefighters, Ambulance and Police Officers
U.S. Equity - Large Cap	26.00%
U.S. Equity - Small/Mid-Cap	11.50
Non-U.S. Equity - Developed	16.50
Non-U.S. Equity - Emerging	6.50
U.S. Corporate Bonds - Core	19.00
U.S. Corporate Bonds - High Yield	4.50
Non-U.S. Debt - Developed	2.00
Real Estate	7.00
Hedge Funds	4.50
Commodities	2.50

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**D. Investments**

Rate of Return

For the year ended June 30, 2023, 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.

	<u>Annual Money- Weighted Rate of Return</u>
General Employees	9.84%
Police Officers	9.92
Firefighters	9.77
Ambulance	9.87

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, 2023 were \$982,587.

**E. Net Pension Liability (Asset) of the Town**

The components of the net pension liability (asset) of the Town at June 30, 2023 were as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Ambulance</u>
Total Pension Liability	\$ 51,938,844	\$ 36,037,618	\$ 2,873,460	\$ 1,230,150
Plan Fiduciary Net Position	43,428,083	28,896,794	1,809,657	977,156
Net Pension Liability (Asset)	<u>\$ 8,510,761</u>	<u>\$ 7,140,824</u>	<u>\$ 1,063,803</u>	<u>\$ 252,994</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.61%	80.19%	62.98%	79.43%

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**E. Net Pension Liability (Asset) of the Town (Continued)**

Actuarial Assumptions

The Town's net pension liability (asset) was measured as of June 30, 2023. 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, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

	General Employees	Police Officers	Firefighters	Ambulance
Actuarial Valuation Date	9-1-22	9-1-22	7-1-22	7-1-22
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	2.47%	2.47%	2.47%	2.47%
Mortality	SOA RP-2014 Total Dataset	SOA RP-2014 Total Dataset	SOA RP-2014 Total Dataset	SOA RP-2014 Total Dataset
	Mortality, adjusted to 2006, with MP- 2021 Scaling	Mortality, adjusted to 2006, with MP- 2021 Scaling	Mortality, adjusted to 2006, with MP- 2021 Scaling	Mortality, adjusted to 2006, with MP- 2021 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, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following tables:

<u>General Employees/Police Officers/Firefighters/Ambulance</u>	
<u>Asset Class</u>	<u>Long-Term Expected Rate of of Return</u>
U.S. Equity - Large Cap	6.05%
U.S. Equity - Small/Mid-Cap	7.08
Non-U.S. Equity - Developed	6.74
Non-U.S. Equity - Emerging	8.70
U.S. Corporate Bonds - Core	2.40
U.S. Corporate Bonds - High Yield	4.45
Non-U.S. Debt - Developed	1.31
Real Estate	4.89
Hedge Funds	3.97
Commodities	3.98

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**E. Net Pension Liability (Asset) of the Town (Continued)**

Discount Rate

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

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

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

**F. Changes in Net Pension Liability**

General Employees' Pension Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2022	\$ 49,582,221	\$ 41,895,882	\$ 7,686,339
Changes for the Year:			
Service Cost	788,700	-	788,700
Interest on Total Pension Liability	3,419,848	-	3,419,848
Differences Between Expected and Actual Experience	1,232,140	-	1,232,140
Employer Contributions	-	405,247	(405,247)
Employee Contributions	-	220,903	(220,903)
Net Investment Income (Loss)	-	4,012,977	(4,012,977)
Benefit Payments, Including Refund to Employee Contributions	(3,084,065)	(3,084,065)	-
Administrative Expenses	-	(22,861)	22,861
Other Changes	-	-	-
Net Changes	2,356,623	1,532,201	824,422
Balances as of June 30, 2023	\$ 51,938,844	\$ 43,428,083	\$ 8,510,761

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**F. Changes in Net Pension Liability (Continued)**

	Police Officers' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2022	\$ 34,788,000	\$ 26,866,338	\$ 7,921,662
Changes for the Year:			
Service Cost	1,286,992	-	1,286,992
Interest on Total Pension Liability	2,463,753	-	2,463,753
Differences Between Expected and Actual Experience	(713,870)	-	(713,870)
Employer Contributions	-	762,467	(762,467)
Member Contributions	-	460,314	(460,314)
Net Investment Income (Loss)	-	2,630,275	(2,630,275)
Benefit Payments, Including Refund to Employee Contributions	(1,787,257)	(1,787,257)	-
Administrative Expenses	-	(24,003)	24,003
Other Changes	-	(11,340)	11,340
Net Changes	<u>1,249,618</u>	<u>2,030,456</u>	<u>(780,838)</u>
Balances as of June 30, 2023	<u>\$ 36,037,618</u>	<u>\$ 28,896,794</u>	<u>\$ 7,140,824</u>

	Firefighters' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2022	\$ 2,800,880	\$ 1,613,960	\$ 1,186,920
Changes for the Year:			
Service Cost	26,134	-	26,134
Interest on Total Pension Liability	194,178	-	194,178
Differences Between Expected and Actual Experience	(39,822)	-	(39,822)
Employer Contributions	-	167,283	(167,283)
Net Investment Income (Loss)	-	158,536	(158,536)
Benefit Payments, Including Refund to Employee Contributions	(107,910)	(107,910)	-
Administrative Expenses	-	(22,212)	22,212
Net Changes	<u>72,580</u>	<u>195,697</u>	<u>(123,117)</u>
Balances as of June 30, 2023	<u>\$ 2,873,460</u>	<u>\$ 1,809,657</u>	<u>\$ 1,063,803</u>

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**F. Changes in Net Pension Liability (Continued)**

	Volunteer Ambulance Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2022	\$ 1,246,455	\$ 871,751	\$ 374,704
Changes for the Year:			
Service Cost	31,930	-	31,930
Interest on Total Pension Liability	87,538	-	87,538
Differences Between Expected and Actual Experience	(79,128)	-	(79,128)
Employer Contributions	-	78,542	(78,542)
Member Contributions	-	-	-
Net Investment Income (Loss)	-	87,238	(87,238)
Benefit Payments, Including Refund to Employee Contributions	(56,645)	(56,645)	-
Administrative Expenses	-	(3,730)	3,730
Other Changes	-	-	-
Net Changes	<u>(16,305)</u>	<u>105,405</u>	<u>(121,710)</u>
Balances as of June 30, 2023	<u>\$ 1,230,150</u>	<u>\$ 977,156</u>	<u>\$ 252,994</u>

**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:

	1% Decrease	Current Discount Rate	1% Increase
General Employees Net Pension Liability (Asset)	\$ 13,848,730	\$ 8,510,761	\$ 3,932,925
Police Officer's Net Pension Liability (Asset)	11,744,594	7,140,824	3,324,942
Firefighters Net Pension Liability	1,454,247	1,063,803	744,103
Ambulance Net Pension Liability	418,518	252,994	116,277

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**F. Changes in Net Pension Liability (Continued)**

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

For the year ended June 30, 2023, the Town recognized pension expense of \$2,599,591, \$3,283,527, \$136,743, and \$62,083 for the General Employees, Police Officers, Firefighters, and Volunteer Ambulance pension plans, respectively, for total pension expense of \$6,081,944. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources				
	General Employees	Police Officers	Firefighters	Ambulance	Total
Differences Between Expected and Actual Experience	\$ 947,425	\$ 1,403,603	\$ 16,276	\$ 34,943	\$ 2,402,247
Changes in Assumptions	31,798	316,213	735	25,865	374,611
Net Difference Between Projected and Actual Earning on Pension Plan Investments	2,010,972	1,222,532	72,165	38,584	3,344,253
Total	<u>\$ 2,990,195</u>	<u>\$ 2,942,348</u>	<u>\$ 89,176</u>	<u>\$ 99,392</u>	<u>\$ 6,121,111</u>

	Deferred Inflows of Resources				
	General Employees	Police Officers	Firefighters	Ambulance	Total
Differences Between Expected and Actual Experience	\$ -	\$ 620,268	\$ 32,323	\$ 127,776	\$ 780,367
Changes in Assumptions	21,279	21,565	26,178	6,601	75,623
Total	<u>\$ 21,279</u>	<u>\$ 641,833</u>	<u>\$ 58,501</u>	<u>\$ 134,377</u>	<u>\$ 855,990</u>

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

<u>Fiscal Year Ending June 30,</u>	General Employees	Police Officers	Firefighters	Ambulance	Total
2024	\$ 893,838	\$ 1,708,044	\$ (219)	\$ (1,469)	\$ 2,600,194
2025	233,542	(136,790)	(13,561)	(7,905)	75,286
2026	2,074,660	1,196,055	63,014	32,829	3,366,558
2027	(233,124)	(254,239)	(16,232)	(11,867)	(515,462)
2028	-	(100,263)	(2,327)	(4,898)	(107,488)
Thereafter	-	(112,292)	-	(41,675)	(153,967)

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Town Pension Plans (Continued)**

**G. Combining Statement of Net Position – June 30, 2023**

	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	\$ 527,863	\$ 423,616	\$ 41,192	\$ 18,140	21,557	\$ 1,032,368
Investments	42,900,220	28,473,178	1,768,465	959,016	3,021,332	77,122,211
Total Assets	<u>43,428,083</u>	<u>28,896,794</u>	<u>1,809,657</u>	<u>977,156</u>	<u>3,042,889</u>	<u>78,154,579</u>
Net Position:						
Restricted for Pensions and OPEB	<u>\$ 43,428,083</u>	<u>\$ 28,896,794</u>	<u>\$ 1,809,657</u>	<u>\$ 977,156</u>	<u>\$ 3,042,889</u>	<u>\$ 78,154,579</u>

**H. Combining Statement of Changes in Plan Net Position – Year ended June 30, 2023**

	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	\$ 405,247	\$ 762,467	\$ 167,283	\$ 78,542	\$ 476,724	\$ 1,890,263
Employee	220,903	460,314				681,217
Total Contributions	<u>626,150</u>	<u>1,222,781</u>	<u>167,283</u>	<u>78,542</u>	<u>476,724</u>	<u>2,571,480</u>
Investment Income:						
Net Depreciation in Fair Value of Investments	3,504,958	2,445,113	187,908	94,115	345,122	6,577,216
Interest and Dividends	508,019	185,162	(29,372)	(6,877)	714	657,646
Total Investment Income	<u>4,012,977</u>	<u>2,630,275</u>	<u>158,536</u>	<u>87,238</u>	<u>345,836</u>	<u>7,234,862</u>
Total Additions	<u>4,639,127</u>	<u>3,853,056</u>	<u>325,819</u>	<u>165,780</u>	<u>822,560</u>	<u>9,806,342</u>
Deductions:						
Benefit Payments	3,084,065	1,787,257	107,910	56,645	456,724	5,492,601
Administrative	22,861	24,003	22,212	3,730	-	72,806
Other	-	11,340	-	-	-	11,340
Total Deductions	<u>3,106,926</u>	<u>1,822,600</u>	<u>130,122</u>	<u>60,375</u>	<u>456,724</u>	<u>5,576,747</u>
Net Increase	<u>1,532,201</u>	<u>2,030,456</u>	<u>195,697</u>	<u>105,405</u>	<u>365,836</u>	<u>4,229,595</u>
Net Position Restricted for Pensions - Beginning of Year	<u>41,895,882</u>	<u>26,866,338</u>	<u>1,613,960</u>	<u>871,751</u>	<u>2,677,053</u>	<u>73,924,984</u>
Net Position Restricted for Pensions and OPEB - End of Year	<u>\$ 43,428,083</u>	<u>\$ 28,896,794</u>	<u>\$ 1,809,657</u>	<u>\$ 977,156</u>	<u>\$ 3,042,889</u>	<u>\$ 78,154,579</u>

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**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 multiemployer 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](http://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 three years of highest salary).

**Early Retirement**

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

**Disability Retirement**

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

**C. Contributions**

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

*Employer (School Districts)*

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

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**C. Contributions (Continued)**

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, 2023, the amount of "on-behalf" contributions made by the State was \$7,815,192 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*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, 2023, 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		99,123,662
Total		<u>\$ 99,123,662</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$9,580,413 in Exhibit II.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**E. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2022, 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, 2022 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of 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.

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

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

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**F. Actuarial Assumptions (Continued)**

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:

<u>Asset Class</u>	<u>Expected Return</u>		<u>Target Allocation</u>	
Domestic Equity Fund	5.40	%	20.00	%
Developed Market Intl. Stock Fund	6.40		11.00	
Emerging Market Intl. Stock Fund	8.60		9.00	
Core Fixed Income Fund	0.80		13.00	
Private Credit	6.50		5.00	
Emerging Market Debt Fund	3.80		5.00	
High Yield Bond Fund	3.40		3.00	
Real Estate Fund	5.20		19.00	
Private Equity	9.40		10.00	
Alternative Investments	3.10		3.00	
Liquidity Fund	-0.40		2.00	
 Total			<u>100.00</u>	 %

**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.

**TOWN OF ROCKY HILL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**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. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**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.

**NOTE 14 TAX ABATEMENTS**

The Town provides tax abatement agreements through multiple programs to expand or construct certain properties within town. The agreements call for a 50% reduction in assessment for five years upon meeting certain specific criteria. The exact amount of the assessments that are abated are determined by the tax assessor when the Certificate of Occupancy is issued on the properties. The agreements contain specific criteria allowing for the recapture of all or a part of the abated assessments if the receiving entities fail to comply with the ongoing provisions of the agreements. For the year ended June 30, 2023 the Town abated property taxes of approximately \$90,000 under these agreements.

**NOTE 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 \$141,612 for the year ended June 30, 2023.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF ROCKY HILL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property Taxes:				
Revenues from Property Taxes	\$ 79,025,432	\$ 79,025,432	\$ 78,627,857	\$ (397,575)
Interest and Liens Fees	200,000	200,000	356,999	156,999
Total Property Taxes	<u>79,225,432</u>	<u>79,225,432</u>	<u>78,984,856</u>	<u>(240,576)</u>
Intergovernmental:				
Education:				
Education Cost Sharing Grant	5,778,936	5,778,936	5,795,398	16,462
Other:				
Reimbursement - Elderly, Veterans, and Disability Exemptions	10,884	10,884	9,942	(942)
State Tax-Exempt Property - In Lieu of Taxes and Tobacco Grant	971,432	971,432	971,432	-
LOCIP and Town Aid Road	460,930	460,930	350,457	(110,473)
Pequot Grant	213,545	213,545	213,545	-
Municipal Revenue Sharing	738,342	738,342	1,009,508	271,166
Miscellaneous Grants	44,210	44,210	67,291	23,081
Total Other	<u>2,439,343</u>	<u>2,439,343</u>	<u>2,622,175</u>	<u>182,832</u>
Total Intergovernmental	8,218,279	8,218,279	8,417,573	199,294
Licenses and Permits:				
Building Department	550,000	550,000	998,323	448,323
Business Licenses	1,000	1,000	930	(70)
Land Use Commission	10,000	10,000	3,711	(6,289)
Other Licenses and Permits	5,000	5,000	6,720	1,720
Total Licenses and Permits	<u>566,000</u>	<u>566,000</u>	<u>1,009,684</u>	<u>443,684</u>
Investment Income:				
Interest from Investments	25,000	25,000	679,548	654,548

**TOWN OF ROCKY HILL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Charges for Services:				
Real Estate Conveyance Tax	\$ 300,000	\$ 300,000	\$ 353,913	\$ 53,913
Recording - Legal Instruments	85,000	85,000	70,613	(14,387)
Vital Statistics	30,000	30,000	34,395	4,395
Landlord Fee	500	500	723	223
Library Fines and Fees	3,000	3,000	154	(2,846)
Fire Charges	1,000	1,000	3,380	2,380
All Other	3,200	3,200	177	(3,023)
Total Charges for Services	<u>422,700</u>	<u>422,700</u>	<u>463,355</u>	<u>40,655</u>
Fines, Forfeitures, and Penalties:				
Parking Fines	2,000	2,000	2,282	282
Other Revenues:				
Telephone Access Lines	49,255	49,255	51,936	2,681
Refunds and Recoveries	55,000	55,000	88,667	33,667
Transit District	4,000	4,000	7,740	3,740
Sale of Assets	10,000	10,000	12,964	2,964
Housing Authority PILOT	23,983	23,983	27,295	3,312
Recycling Revenue	37,000	37,000	34,093	(2,907)
Workers' Compensation Insurance	10,000	10,000	71,522	61,522
Lease - Comm Towers	225,000	225,000	228,904	3,904
Solar Energy	90,000	90,000	90,000	-
Other Revenues	60,000	60,000	75,382	15,382
Total Other Revenues	<u>564,238</u>	<u>564,238</u>	<u>688,503</u>	<u>124,265</u>
Total Revenues	89,023,649	89,023,649	90,245,801	1,222,152
Other Financing Sources:				
Transfers from Other Funds	2,776,749	2,776,749	2,676,749	(100,000)
Use of Fund Balance	450,000	450,000	-	(450,000)
Total	<u>\$ 92,250,398</u>	<u>\$ 92,250,398</u>	92,922,550	<u>\$ 672,152</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	
Pension Plan	7,815,192
OPEB Plan	110,538
The Town does budgets for tax refunds related to prior year collections against revenue which are reported as an expenditure under GAAP	440,557
The Town does not budget for lease proceeds which are reported as an other financing source under GAAP	38,086
The Town does not budget for Note proceeds which are reported as an other financing source under GAAP	447,264
The Town budgets for certain revenues as credits to expenditure accounts which are reported as revenues under GAAP	406,185
Cancellation of prior year encumbrances are recognized as budgetary revenue	<u>(37,135)</u>

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

\$ 102,143,237

**TOWN OF ROCKY HILL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Mayor and Town Council	\$ 43,196	\$ 43,196	\$ 33,315	\$ 9,881
Town Manager	324,846	301,846	301,915	(69)
Personnel Administration	269,971	299,971	295,140	4,831
Finance and Accounting	589,519	599,519	597,980	1,539
Tax Assessor	470,471	431,471	428,589	2,882
Tax Collector	310,916	310,916	295,954	14,962
Central Services	80,949	80,949	76,403	4,546
Legal Expenditures	189,000	285,000	282,669	2,331
Probate Court	31,489	31,489	30,637	852
Registrars of Voters	133,990	133,990	127,458	6,532
Town Clerk	302,183	302,183	302,220	(37)
Town Planner	234,371	234,371	197,255	37,116
Economic Development	165,726	54,726	53,520	1,206
Total General Government	3,146,627	3,109,627	3,023,055	86,572
<b>Public Safety:</b>				
Police	6,698,475	6,800,475	6,821,056	(20,581)
Fire Department	1,430,404	1,415,404	1,361,616	53,788
Building Department	355,244	371,744	370,960	784
Volunteer Ambulance Association	232,754	232,754	228,033	4,721
Total Public Safety	8,716,877	8,820,377	8,781,665	38,712
<b>Public Works:</b>				
Highway Department	2,353,340	2,433,840	2,431,707	2,133
Engineering	549,118	549,118	528,454	20,664
Sanitation	5,003,104	4,983,104	4,967,233	15,871
Total Public Works	7,905,562	7,966,062	7,927,394	38,668
<b>Health and Human Services:</b>				
Public Health	145,476	145,476	145,460	16
Human Services	683,538	648,538	634,287	14,251
Total Health and Human Services	829,014	794,014	779,747	14,267
<b>Parks, Recreation, and Facilities:</b>				
Parks and Recreation	2,021,840	2,123,840	2,109,824	14,016
Facilities	2,339,605	2,312,605	2,258,395	54,210
Total Parks, Recreation, and Facilities	4,361,445	4,436,445	4,368,219	68,226
<b>Library Services:</b>				
Cora Belden Public Library	1,121,466	1,071,466	1,061,644	9,822

**TOWN OF ROCKY HILL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Miscellaneous:				
Insurance - Employee Benefits	\$ 5,564,434	\$ 5,564,434	\$ 5,585,597	\$ (21,163)
Insurance - Property and Liability	1,056,108	1,066,108	1,064,099	2,009
Contingency	425,000	341,000	358,264	(17,264)
Total Miscellaneous	<u>7,045,542</u>	<u>6,971,542</u>	<u>7,007,960</u>	<u>(36,418)</u>
Capital Outlays:				
Capital Outlay - Town	804,525	449,525	367,061	82,464
Debt Service:				
Debt Redemption - Principal	5,331,258	5,331,258	5,331,258	-
Debt Redemption - Interest	3,212,185	3,224,185	3,223,311	874
Total Debt Service	<u>8,543,443</u>	<u>8,555,443</u>	<u>8,554,569</u>	<u>874</u>
Board of Education	49,775,897	49,775,897	49,771,278	4,619
Transfers to Other Funds:				
Transfer to Other Funds	-	300,000	300,000	-
Total	<u>\$ 92,250,398</u>	<u>\$ 92,250,398</u>	91,942,592	<u>\$ 307,806</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted

Pension Plan	7,815,192
OPEB Plan	110,538

The Town budgets for certain revenues as credits to expenditure accounts which are reported as revenues under GAAP	406,185
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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	(47,265)
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The Town does not budget for tax refunds related to prior year collections	440,557
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The Town does not budget for expenditures related to lease proceeds which are reported as capital outlay under GAAP	38,086
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The Town does not budget for expenditures related to note proceeds which are reported as capital outlay under GAAP	447,264
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BOE does not budget for accrued payroll	<u>245,340</u>
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Total Expenditures and Other Financing Uses as Reported  
on the Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds - Exhibit IV

\$ 101,398,489

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 788,700	\$ 764,733	\$ 876,499	\$ 852,861	\$ 884,102	\$ 838,947	\$ 937,961	\$ 1,002,384	\$ 1,035,972	\$ 1,048,635
Interest	3,419,848	3,334,556	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	1,232,140	-	1,353,182	-	1,440,376	-	(2,952,420)	(2,983,587)	(1,141,889)	-
Changes of Assumptions	-	89,614	(187,221)	(131,711)	(100,009)	(840,542)		2,850,690		
Benefit Payments, Including Refunds of Member Contributions	(3,084,065)	(2,907,740)	(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	2,356,623	1,281,163	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	49,582,221	48,301,058	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	51,938,844	49,582,221	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	405,247	214,739	430,247	430,247	526,785	526,785	526,785	1,340,000	1,462,942	1,462,942
Contributions - Member	220,903	214,861	229,695	237,235	256,258	274,495	280,589	293,620	301,208	299,540
Net Investment Income	4,012,977	(7,959,293)	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	(3,084,065)	(2,907,740)	(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	(22,861)	(43,944)	(37,061)	(33,435)	(26,260)	(23,100)	(39,000)	(33,257)	(29,950)	(15,100)
Net Change in Plan Fiduciary Net Position	1,532,201	(10,481,377)	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	41,895,882	52,377,259	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	43,428,083	41,895,882	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	\$ 8,510,761	\$ 7,686,339	\$ (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	83.61%	84.50%	108.44%	89.23%	93.47%	98.14%	94.58%	83.88%	88.19%	87.85%
Covered Payroll	\$ 6,767,435	\$ 7,718,507	\$ 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	125.76%	99.56%	-52.81%	59.17%	34.77%	8.80%	25.07%	79.63%	48.61%	49.82%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 1,286,992	\$ 751,462	\$ 708,606	\$ 678,905	\$ 446,332	\$ 431,962	\$ 445,450	\$ 490,958	\$ 455,914	\$ 387,545
Interest	2,463,753	2,290,457	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	-	661,934	-	-	-	-	-	-	(794,661)	-
Differences Between Expected and Actual Experience	(713,870)	-	5,287,484	188,207	262,525	(228,321)	(317,608)	(34,994)	(487,985)	-
Changes of Assumptions	-	29,359	1,226,278	(42,116)	(34,495)	-	-	973,735	553,775	-
Benefit Payments, Including Refunds of Member Contributions	(1,787,257)	(1,798,718)	(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	1,249,618	1,934,494	7,362,633	1,197,126	980,666	475,579	462,848	1,774,062	237,418	930,496
Total Pension Liability - Beginning	34,788,000	32,853,506	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	36,037,618	34,788,000	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	762,467	576,732	205,672	205,672	341,085	341,085	341,085	559,822	523,044	571,380
Contributions - Member	460,314	181,531	166,692	215,124	295,137	194,089	307,145	224,786	182,435	152,513
Net Investment Income	2,630,275	(4,994,625)	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	(1,787,257)	(1,798,718)	(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	(24,003)	(22,669)	(34,336)	(21,810)	(27,250)	(18,550)	(35,800)	(38,050)	(27,950)	(11,800)
Other	(11,340)	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,030,456	(6,057,749)	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	26,866,338	32,924,087	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	28,896,794	26,866,338	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	\$ 7,140,824	\$ 7,921,662	\$ (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)	80.19%	77.23%	100.21%	100.66%	106.55%	108.05%	104.35%	96.40%	106.70%	106.23%
Covered Payroll	\$ 4,586,429	\$ 4,836,368	\$ 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	155.69%	163.79%	-2.37%	-5.16%	-48.57%	-57.16%	-30.26%	24.77%	-56.38%	-62.57%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 26,134	\$ 26,117	\$ 27,346	\$ 27,424	\$ 20,523	\$ 20,592	\$ 17,550	\$ 15,979	\$ 18,274	\$ 18,274
Interest	194,178	187,314	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	(39,822)	-	27,703	-	8,135	-	35,751	(65,336)	(23,854)	-
Changes of Assumptions	-	1,143	(47,086)	(6,568)	(3,909)	(5,909)	-	85,364	102,470	-
Benefit Payments, Including Refunds of Member Contributions	(107,910)	(124,869)	(90,706)	(78,153)	(67,463)	(65,003)	(62,250)	(65,963)	(62,034)	(61,619)
Net Change in Total Pension Liability	72,580	89,705	98,909	116,628	795,347	63,463	97,865	78,359	133,477	50,159
Total Pension Liability - Beginning	2,800,880	2,711,175	2,612,266	2,495,638	1,700,291	1,636,828	1,538,963	1,460,604	1,327,127	1,276,968
Total Pension Liability - Ending	2,873,460	2,800,880	2,711,175	2,612,266	2,495,638	1,700,291	1,636,828	1,538,963	1,460,604	1,327,127
Plan Fiduciary Net Position:										
Contributions - Employer	167,283	167,283	28,163	28,163	47,740	47,740	47,740	81,500	76,500	76,500
Contributions - Member	158,536	(279,367)	476,974	39,639	78,270	117,403	159,761	478	46,075	198,508
Net Investment Income										
Benefit Payments, Including Refunds of Member Contributions	(107,910)	(124,869)	(90,706)	(78,153)	(67,463)	(65,003)	(62,250)	(65,963)	(62,034)	(61,619)
Administrative Expense	(22,212)	(10,644)	(1,110)	(12,925)	(14,364)	(14,300)	(15,632)	(18,700)	(8,900)	(5,500)
Net Change in Plan Fiduciary Net Position	195,697	(247,597)	413,321	(23,276)	44,183	85,840	129,619	(2,685)	51,641	207,889
Plan Fiduciary Net Position - Beginning	1,613,960	1,861,557	1,448,236	1,471,512	1,427,329	1,341,489	1,211,870	1,214,555	1,162,914	955,025
Plan Fiduciary Net Position - Ending	1,809,657	1,613,960	1,861,557	1,448,236	1,471,512	1,427,329	1,341,489	1,211,870	1,214,555	1,162,914
Town's Net Pension Liability - Ending	\$ 1,063,803	\$ 1,186,920	\$ 849,618	\$ 1,164,030	\$ 1,024,126	\$ 272,962	\$ 295,339	\$ 327,093	\$ 246,049	\$ 164,213
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	57.62%	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	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	N/A	N/A

\* 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 TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 31,930	\$ 31,895	\$ 27,160	\$ 27,238	\$ 13,084	\$ 13,129	\$ 13,293	\$ 11,691	\$ 12,451	\$ 11,777
Interest	87,538	82,421	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	(79,128)	-	(16,915)	10,237	21,410	-	(43,777)	37,229	(22,659)	(24,908)
Changes of Assumptions	-	1,907	(3,538)	(2,867)	(1,818)	(2,342)	-	58,156	-	-
Benefit Payments, Including Refunds of Member Contributions	(56,645)	(30,135)	(25,960)	(25,060)	(25,060)	(25,060)	(25,060)	(27,319)	(27,050)	(25,920)
Net Change in Total Pension Liability	(16,305)	86,088	58,860	82,631	369,704	29,183	(11,286)	111,735	(4,148)	(4,705)
Total Pension Liability - Beginning	1,246,455	1,160,367	1,101,507	1,018,876	649,172	619,989	631,275	519,540	523,688	528,393
Total Pension Liability - Ending	1,230,150	1,246,455	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	78,542	72,542	3,312	3,312	5,945	5,945	5,945	-	10,000	28,419
Contributions - Member	87,238	(153,043)	256,023	20,710	41,855	64,806	87,204	(2,599)	27,187	112,461
Net Investment Income (Loss)	(56,645)	(30,135)	(25,960)	(25,060)	(25,060)	(25,060)	(25,060)	(27,319)	(27,050)	(25,920)
Benefit Payments, Including Refunds of Member Contributions	(3,730)	(6,143)	(7,110)	(6,226)	(6,569)	(8,000)	(9,143)	(1,500)	(750)	(1,250)
Administrative Expense	105,405	(116,779)	226,265	(7,264)	16,171	37,691	58,946	(31,418)	9,387	113,770
Net Change in Plan Fiduciary Net Position	871,751	988,530	762,265	769,529	753,358	715,667	656,721	688,139	678,752	565,042
Plan Fiduciary Net Position - Beginning	977,156	871,751	988,530	762,265	769,529	753,358	715,667	656,721	688,139	678,752
Plan Fiduciary Net Position - Ending	\$ 252,994	\$ 374,704	\$ 171,837	\$ 339,242	\$ 249,347	\$ (104,186)	\$ (95,678)	\$ (25,446)	\$ (168,599)	\$ (155,064)
Town's Net Pension Liability (Asset) - Ending	79.43%	69.94%	85.19%	69.20%	75.53%	116.05%	115.43%	104.03%	132.45%	129.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll *	N/A	N/A	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	N/A	N/A

\* Pay for volunteer ambulance is not available

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 302,365	\$ 464,739	\$ 458,990	\$ 430,247	\$ 446,336	\$ 526,785	\$ 674,581	\$ 1,414,908	\$ 1,421,628	\$ 1,461,942
Contributions in Relation to the Actuarially Determined Contribution	405,247	214,739	430,247	430,247	526,785	526,785	526,785	1,340,000	1,462,942	1,462,942
Contribution Deficiency (Excess)	\$ (102,882)	\$ 250,000	\$ 28,743	\$ -	\$ (80,449)	\$ -	\$ 147,796	\$ 74,908	\$ (41,314)	\$ (1,000)
Covered Payroll	\$ 6,767,435	\$ 7,718,507	\$ 7,718,507	\$ 8,315,553	\$ 8,315,553	\$ 8,772,402	\$ 8,772,402	\$ 8,438,036	\$ 9,669,472	\$ 9,418,330
Contributions as a Percentage of Covered Payroll	5.99%	2.78%	5.57%	5.17%	6.33%	6.01%	6.01%	15.88%	15.13%	15.53%

Notes to Schedule

Valuation Date: September 1, 2022  
 Measurement Date: June 30, 2023

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: 21 years
- Asset Valuation Method: 5-year asset average, subject to a 20% corridor around the market value of assets
- Inflation: 2.47%
- 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-2021 scaling

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 1,211,531	\$ 903,826	\$ 787,467	\$ 205,672	\$ 226,289	\$ 329,372	\$ 355,298	\$ 499,336	\$ 484,928	\$ 571,380
Contributions in Relation to the Actuarially Determined Contribution	762,467	576,732	205,672	205,672	341,085	341,085	341,085	559,822	523,044	571,380
Contribution Deficiency (Excess)	\$ 449,064	\$ 327,094	\$ 581,795	\$ -	\$ (114,796)	\$ (11,713)	\$ 14,213	\$ (60,486)	\$ (38,116)	\$ -
Covered Payroll	\$ 4,586,429	\$ 4,836,368	\$ 2,972,675	\$ 3,278,451	\$ 3,278,451	\$ 3,283,573	\$ 3,283,573	\$ 3,249,728	\$ 2,446,151	\$ 2,028,338
Contributions as a Percentage of Covered Payroll	16.62%	11.92%	6.92%	6.27%	10.40%	10.39%	10.39%	17.23%	21.38%	28.17%

Notes to Schedule

Valuation Date: September 1, 2022  
 Measurement Date: June 30, 2023

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: 21 years
- Asset Valuation Method: Five-year asset average, subject to a 20% corridor around the market value of assets
- Inflation: 2.47%
- 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-2021 scaling

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 171,907	\$ 167,283	\$ 167,283	\$ 28,163	\$ 28,163	\$ 44,740	\$ 44,740	\$ 49,697	\$ 49,697	\$ 76,430
Contributions in Relation to the Actuarially Determined Contribution	167,283	167,283	28,163	28,163	47,740	47,740	47,740	81,500	76,500	76,500
Contribution Deficiency (Excess)	4,624	-	\$ 139,120	\$ -	\$ (19,577)	\$ (3,000)	\$ (3,000)	\$ (31,803)	\$ (26,803)	\$ (70)

Covered Payroll\*  
Contributions as a Percentage of Covered Payroll\*

\* Pay for volunteer firefighters is not available

Notes to Schedule

Valuation Date: July 1, 2022  
Measurement Date: June 30, 2023

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: 21 years  
 Asset Valuation Method: Five-year smoothed, subject to a 20% corridor around the market value of assets  
 Inflation: 2.47%  
 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-2021 Scaling

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 64,585	\$ 72,542	\$ 72,542	\$ 3,312	\$ 3,312	\$ 5,945	\$ 5,945	\$ -	\$ -	\$ 6,286
Contribution Deficiency (Excess)	\$ (13,957)	\$ -	\$ 69,230	\$ -	\$ (2,633)	\$ -	\$ -	\$ -	\$ (10,000)	\$ (22,133)

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, 2022  
Measurement Date: June 30, 2022

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: 2.47%
- 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-2021

Other information:

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense:										
General Employees	9.84%	-15.57%	34.09%	2.80%	5.60%	9.20%	13.58%	0.68%	3.20%	19.11%
Police Officers	9.92%	-15.51%	34.23%	2.82%	5.65%	9.24%	13.56%	0.17%	3.21%	19.49%
Firefighters	9.77%	-15.33%	33.85%	2.76%	5.57%	8.99%	13.51%	0.13%	4.07%	20.81%
Ambulance	9.87%	-15.55%	34.18%	2.74%	5.65%	9.25%	13.59%	-0.15%	3.97%	19.74%

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

	2023	2022	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%	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	99,123,662	81,602,029	103,031,762	87,024,703	67,101,102	66,408,496	70,061,472	51,725,859	47,810,191
<b>Total</b>	<b>\$ 99,123,662</b>	<b>\$ 81,602,029</b>	<b>\$ 103,031,762</b>	<b>\$ 87,024,703</b>	<b>\$ 67,101,102</b>	<b>\$ 66,408,496</b>	<b>\$ 70,061,472</b>	<b>\$ 51,725,859</b>	<b>\$ 47,810,191</b>
Town's Covered Payroll	\$ 25,113,906	\$ 24,529,231	\$ 23,240,881	\$ 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%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

- Changes in benefit terms
  - Changes of assumptions
  - Actuarial Cost Method
  - Amortization Method
  - Single Equivalent Amortization Period
  - Asset Valuation Method
  - Inflation
  - Salary Increase
  - Investment Rate of Return
- Legislation was passed restoring the 25% wear down of Plan benefits to vested members as of June 30, 2019.
- None
  - Entry age
  - Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
  - 27.8 years
  - 4-year smoothed market
  - 2.50%
  - 3.00%-6.50%, including inflation
  - 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 SEVEN FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 364,139	\$ 766,993	\$ 874,376	\$ 1,196,745	\$ 1,082,023	\$ 1,496,837	\$ 1,109,463
Interest	733,712	669,127	579,567	796,461	757,195	819,109	817,864
Changes of Benefit Terms	74,867	-	-	-	1,586	-	-
Differences Between Expected and Actual Experience	(1,683,186)	(17,393)	(1,152,576)	(1,706,829)	(5,417,065)	-	-
Changes of Assumptions	(4,366,158)	(2,559,533)	(2,581,986)	5,073,650	1,373,722	(4,383,463)	-
Benefit Payments	(422,147)	(581,811)	(672,068)	(580,059)	(397,430)	(451,411)	(392,917)
Net Change in Total OPEB Liability	(5,298,773)	(1,722,617)	(2,952,687)	4,779,968	(2,599,969)	(2,518,928)	1,534,410
Total OPEB Liability - Beginning	19,882,520	21,605,137	24,557,824	19,777,856	22,377,825	24,896,753	23,362,343
Total OPEB Liability - Ending	14,583,747	19,882,520	21,605,137	24,557,824	19,777,856	22,377,825	24,896,753
Plan Fiduciary Net Position:							
Contributions - Employer	442,147	606,811	722,068	680,059	597,430	651,411	592,917
Expected Investment Income	102,263	91,665	55,919	80,478	73,901	134,676	169,676
Investment Gains	243,573	(464,872)	673,587	(25,069)	27,072	-	-
Benefit Payments	(422,147)	(581,811)	(672,068)	(580,059)	(397,430)	(451,411)	(392,917)
Net Change in Plan Fiduciary Net Position	365,836	(348,207)	779,506	155,409	300,973	334,676	369,676
Plan Fiduciary Net Position - Beginning	2,677,053	3,025,260	2,245,754	2,090,345	1,789,372	1,454,696	1,085,020
Plan Fiduciary Net Position - Ending	3,042,889	2,677,053	3,025,260	2,245,754	2,090,345	1,789,372	1,454,696
Net OPEB Liability - Ending	\$ 11,540,858	\$ 17,205,467	\$ 18,579,877	\$ 22,312,070	\$ 17,687,511	\$ 20,588,453	\$ 23,442,057
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	20.86%	13.46%	14.00%	9.14%	10.57%	8.00%	5.84%
Covered Payroll	\$ 5,810,215	\$ 6,907,382	\$ 6,738,909	\$ 5,582,991	\$ 5,446,820	\$ 10,233,690	\$ 9,984,088
Net OPEB Liability as a Percentage of Covered Payroll	198.63%	249.09%	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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution (1)	\$ 1,653,224	\$ 1,634,879	\$ 1,725,195	\$ 2,071,627	\$ 1,256,429	\$ 1,304,811	\$ 1,374,997	\$ 1,124,929	\$ 1,134,120	\$ 1,199,180
Contributions in Relation to the Actuarially Determined Contribution	1,621,435	1,589,774	1,664,245	592,917	651,411	680,059	722,068	606,811	606,811	442,147
Contribution Deficiency (Excess)	\$ 31,789	\$ 45,105	\$ 60,950	\$ 1,478,710	\$ 605,018	\$ 624,752	\$ 652,929	\$ 518,118	\$ 527,309	\$ 757,033
Covered Payroll	\$ 9,832,453	\$ 9,515,627	\$ 9,515,627	\$ 9,984,088	\$ 5,446,820	\$ 5,582,991	\$ 6,738,909	\$ 6,907,382	\$ 6,907,382	\$ 5,810,215
Contributions as a Percentage of Covered Payroll	16.49%	16.71%	17.49%	5.94%	11.96%	12.18%	10.71%	8.78%	8.78%	7.61%

(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, 2022  
 Measurement Date: June 30, 2023

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:	Entry Age Normal
Actuarial Cost Method	Level percentage of payroll
Amortization Method	30 years
Amortization Period	Market value of assets
Asset Valuation Method	2.00%
Inflation	7.00% initial, decreasing to an ultimate rate of 4.75% in 2026
Healthcare Cost Trend Rates	3.50%, average, including inflation
Salary Increases	6.00%, net of pension plan investment expense, including inflation
Investment Rate of Return	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.
Retirement Age	

Mortality RPH-2014 total dataset mortality table projected with projection scale MP-2021

Other Information:

The mortality table has been updated to the RPH-2014 total dataset mortality table projected using scale MP-2021. The healthcare cost trend was reset to 7.0% in 2022, grading down to an ultimate rate of 4.75% in years 2026 and later.

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

	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.92%	-12.33%	32.22%	2.60%	5.40%	9.25%	0.1515

\* 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 NET OPEB LIABILITY AND RELATED RATIOS  
BOARD OF EDUCATION RETIREE HEALTHCARE PLAN  
LAST SIX FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 85,677	\$ 86,195	\$ 83,474	\$ 72,975	\$ 67,094	\$ 59,592
Interest	52,114	27,134	26,112	38,150	38,287	29,067
Differences Between Expected and Actual Experience	189,847	3,950	(102,355)	(10,699)	37,349	37,349
Changes of Assumptions and Other Inputs	171,414	(99,137)	40,975	91,167	29,389	(47,460)
Benefit Payments	(34,577)	(28,822)	(44,645)	(55,050)	(19,842)	(36,302)
Net Change in Total OPEB Liability	464,475	(10,680)	3,561	136,543	152,277	4,897
Total OPEB Liability - Beginning	1,173,710	1,184,390	1,180,829	1,044,286	892,009	887,112
Total OPEB Liability - Ending	<u>\$ 1,638,185</u>	<u>\$ 1,173,710</u>	<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	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	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, 2022 valuation, the discount rate was 3.54%

The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution (1)	\$ 164,998	\$ 180,143	\$ 188,380	\$ 139,217	\$ 139,217	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	59,260	60,816	60,201	34,624	36,302	19,842	55,050	44,645	28,822	34,577
Contribution Deficiency (Excess)	\$ 105,738	\$ 119,327	\$ 128,179	\$ 104,593	\$ 102,915	\$ (19,842)	\$ (55,050)	\$ (44,645)	\$ (28,822)	\$ (34,577)
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, 2022  
 Measurement Date: June 30, 2023

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: 3.65%, 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-2021

Other Information:

The mortality table has been updated to the RPH-2014 total dataset mortality table projected using scale MP-2021. The healthcare cost trend rate was reset to 7.0% in 2020, grading down to an ultimate rate of 4.5% in years 2026 and later.

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

	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	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	8,680,959	8,890,392	15,367,191	13,571,994	13,413,903	17,092,784
Total	<u>\$ 8,680,959</u>	<u>\$ 8,890,392</u>	<u>\$ 15,367,191</u>	<u>\$ 13,571,994</u>	<u>\$ 13,413,903</u>	<u>\$ 17,092,784</u>
Town's Covered Payroll	25,113,906	24,529,231	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%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

**Notes to Schedule**

**Changes in Benefit Terms**

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

**Changes of Assumptions**

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;

Long-term health care cost trend rates were updated; and

The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

- Actuarial Cost Method
- Amortization Method
- Remaining Amortization Period
- Asset Valuation Method
- Investment Rate of Return
- Price Inflation

- Entry age
- Level percent of payroll over an open period
- 30 years
- Market value of assets
- 3.00% net of investment related expense including price inflation
- 2.50%

**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.

## APPENDIX B – FORM OF OPINION OF BOND COUNSEL

November \_\_, 2024

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 \$6,000,000 General Obligation Bonds, Issue of 2024 (the “Bonds”) dated November 6, 2024. In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, 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 Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds 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 Bonds 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 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds 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 Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including

covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, 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.

The Town has designated the Bonds as “qualified tax exempt obligations” within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds 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; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and 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 Bonds.

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 Bonds.

Town of Rocky Hill, Connecticut  
November \_\_, 2024  
Page 3 of 3

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 Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

## APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

### FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS BY THE TOWN OF ROCKY HILL, CONNECTICUT

#### In Connection With The Issuance and Sale of \$6,000,000 Town of Rocky Hill, Connecticut General Obligation Bonds, Issue of 2024

This Continuing Disclosure Agreement (“Agreement”) is made as of November \_\_, 2024, by the Town of Rocky Hill, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$6,000,000 General Obligation Bonds, Issue of 2024, dated November \_\_, 2024 (the “Bonds”).

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 2 and 3 of this Agreement.

“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 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated October \_\_, 2024 prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 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. Annual Reports.**

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

- (A) the amounts of the gross and net taxable grand list;
  - (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
  - (C) the percentage and amount of the annual property tax levy collected and uncollected;
  - (D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
  - (E) a calculation of the direct debt, net direct debt, and overall net debt (reflecting overlapping and underlying debt);
  - (F) the direct debt and overall net debt of the Issuer per capita;
  - (G) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;
  - (H) a statement of statutory debt limitations and debt margins;
- and
- (I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's Annual Report. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

**Section 3. Timing.** The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Final Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not

available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

**Section 4. 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 Bonds, 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 Bonds, or other events affecting the tax status of the Bonds;
- (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)** Bond 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 Bonds, notice of the occurrence of such event, if material:

- (i) non-payment related defaults;
- (ii) modifications to rights of Bondholders;
- (iii) Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;
- (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 5. Notice of Failure.** The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Agreement on or before the date set forth in Section 3 hereof.

**Section 6. 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 Bonds.

**Section 7. 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 8. 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 Bonds 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. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

**Section 9. 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 10. 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 11. 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 Bonds. 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 Bonds 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 Bonds 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 Bonds.

**Section 12. Governing Law.** This Agreement shall be governed by the laws of the State of Connecticut.

**Section 13. 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  
Town Manager

By: \_\_\_\_\_  
Mona M. McKim  
Director of Finance and Operations

## APPENDIX D – NOTICE OF SALE

### NOTICE OF SALE

**TOWN OF ROCKY HILL, CONNECTICUT  
\$6,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024  
(BANK QUALIFIED)  
BOOK-ENTRY-ONLY**

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

OCTOBER 23, 2024

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$6,000,000 General Obligation Bonds, Issue of 2024, dated November 6, 2024 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on November 1 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2026	320,000	2036	315,000
2027	320,000	2037	315,000
2028	320,000	2038	315,000
2029	315,000	2039	315,000
2030	315,000	2040	315,000
2031	315,000	2041	315,000
2032	315,000	2042	315,000
2033	315,000	2043	315,000
2034	315,000	2044	315,000
2035	315,000		

The Bonds will bear interest commencing November 1, 2025 and semiannually thereafter on May 1 and November 1 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

#### **Optional Redemption**

The Bonds maturing on or before November 1, 2032 are not subject to redemption prior to maturity. The Bonds maturing November 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after November 1, 2032 either in whole or in part at any time, in such order of maturity and amount as the Issuer may determine, and by lot within a maturity, at the respective prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
November 1, 2032 and thereafter	100.0%

### **Nature of Obligation**

The Bonds 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 Bonds when due. Unless paid from other sources, the Bonds 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.

### **Bank Qualification**

The Bonds SHALL 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 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

### **Registration**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. 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 Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form

of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

### **Record Date**

The record dates for the Bonds will be the fifteenth day of April and October, or the preceding business day if such fifteenth day is not a business day, in each year.

### **Proposals**

Each bid must be for the entire \$6,000,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

### **Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms**

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. 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 Bonds in accordance with the provisions of this Notice of Sale.

## **CUSIP Numbers**

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the 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.

## **Electronic Proposals Bidding Procedure**

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY**<sup>®</sup>. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about **PARITY**<sup>®</sup>, including any fee charged, may be obtained from **PARITY**<sup>®</sup>, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: [parity@i-deal.com](mailto:parity@i-deal.com)). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

**Disclaimer.** Each **PARITY**<sup>®</sup> prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**<sup>®</sup> for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY**<sup>®</sup> 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 or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the 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 Bonds. 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 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 of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on **PARITY®** shall constitute the official time.

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

The Bonds 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 Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of 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 Bonds.

The Bonds 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 November 6, 2024 (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 Bonds 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 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 Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

### **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 (the “Code”), relating to the exclusion of interest on the Bonds 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 Bonds 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 Bonds, 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](mailto: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](mailto: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 Bonds, 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 Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, 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

Bonds, 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 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 Bonds) will apply to the initial sale of the Bonds (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 who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost (“TIC”), 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. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

***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 Bonds (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 Bonds 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 (I) of the first price at which ten percent (10%) of each Maturity of Bonds 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 of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. 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 Bonds 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 Bonds 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 Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds 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 Bonds, that each Underwriter will neither offer nor sell unsold Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that Maturity or all Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that

Maturity or all Bonds 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 Bonds 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:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “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.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “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 Bonds 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 Bonds 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 Bonds to the Public).

## **Official Statement**

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated October 15, 2024 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [www.munistat.com](http://www.munistat.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](mailto: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 Bonds or by the seventh (7th) business day after the day bids on the Bonds 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 Bonds, 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 annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF ROCKY HILL, CONNECTICUT

RAYMOND CARPENTINO  
Town Manager

MONA M. MCKIM  
Director of Finance and Operations

October 15, 2024

**ATTACHMENT A**

**ISSUE PRICE CERTIFICATE**

*(If Competitive Sale Rule Met)*

TOWN OF ROCKY HILL, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2024  
Dated November 6, 2024

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF ROCKY HILL, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about November 6, 2024, the Bonds at a price of par (\$ \_\_\_\_\_), plus an aggregate net premium of \$ \_\_\_\_\_ and less an underwriter’s discount of \$ \_\_\_\_\_, resulting in an aggregate net purchase price of \$ \_\_\_\_\_.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of October 23, 2024 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “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. The term “related party” for purposes of this certificate generally means any two or

more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “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 Bonds 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 Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of October 23, 2024.

[UNDERWRITER]

By: \_\_\_\_\_  
Name:  
Title:

**Schedule A to Issue Price Certificate**

<u>Maturity, November 1</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2026	320,000		
2027	320,000		
2028	320,000		
2029	315,000		
2030	315,000		
2031	315,000		
2032	315,000		
2033	315,000		
2034	315,000		
2035	315,000		
2036	315,000		
2037	315,000		
2038	315,000		
2039	315,000		
2040	315,000		
2041	315,000		
2042	315,000		
2043	315,000		
2044	315,000		

**Schedule B to Issue Price Certificate**