TOWN OF AVON
CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2020

Prepared By:
Department of Finance

Director of Finance:
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TOWN OF AVON, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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December 16, 2020

To the Town Manager, Superintendent of Schools,
Honorable Members of the Town Council,
Board of Finance, and Board of Education, and
To the Citizens of the Town of Avon:

Connecticut State Statutes require that all municipal entities publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Avon for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Avon has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Avon's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Avon was part of a broader, federal and state mandated "Single Audits", designed to meet the special needs of federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report, not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Town's separately issued Single Audit Report.

This is the eighteenth year the report has been prepared using the new financial reporting requirements, as outlined in GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State of Local Governments*. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Avon

Avon, formerly Northington, or North Parish of Farmington, was settled in 1645. In 1830, after the construction and opening of the Towpath Canal, Avon was incorporated as a separate Town and took its name from the Avon River in England. Avon is located approximately ten miles west of metropolitan Hartford, has a land area of 23.2 square miles according to the 2016 Plan of Conservation and Development and an estimated population of 18,276 according to figures reported by the American Community Survey (the United States Census).

The Town's topography includes many interesting natural features. Steep ridges and rolling hills give Avon its unique character. Avon is at 93% build-out, but there remains approximately 7% undeveloped, well-regulated land, representing an invaluable resource to the community. Of an approximate total land area of 14,454 acres, approximately 2,175 acres (15%) are wetlands, 329 acres (2%) are on flood plains, and 2,140 acres (15%) are on slopes of a greater than 15% gradient. The Farmington River flows south through the western portion of town and then conversely flows north through the eastern portion of town. This watercourse represents a major recreational, aesthetic, and conservation resource.

The Town has operated under a council-manager form of government since 1959. Policy-making and legislative authority are vested in the governing Town Council. The charter provides for Town meetings, an elected Town Council, an elected Board of Finance, and an elected Board of Education. The Town is empowered to levy a property tax on real estate and personal property located within its boundaries, as well as a tax on motor vehicles. The five-member Town Council elects a Council Chairperson and appoints a Town Manager to administer the non-educational functions of the Town. It also appoints the members of the various Town boards and committees. The Board of Education appoints a Superintendent of Schools to administer the Town's school system. An organizational chart outlining the town government, as well as a listing of principal town officials, can be found later in this section. The redistricting of the State of Connecticut House of Representatives resulted in the Town being split into three districts and required three polling locations. The increase in population resulted in an increased number of voters, required an additional polling place, bringing it to a total of three.

Most homes in Avon are single-family homes with a median of 7.4 rooms selling anywhere from $300,000 to over $1,000,000. Condominiums are generally valued between $150,000 and $500,000. Roughly 7,957 acres of land have been developed for residential purposes resulting in 5,621 single family, 1,829 condominiums, and 538 apartments. Approximately 590 acres of land have been developed for commercial and industrial uses. At present, there are approximately 850 businesses located in Avon. The Town's two business parks still have remaining undeveloped land which can support about 400,000 square feet of additional office and industrial space and 150,000 thousand square feet of retail space. Avon is served by Connecticut Routes 10, 44 (Albany Turnpike), 167, 177, and 202 (16 miles of state roads) that provide thoroughfare access to the 110 miles of Town roads and 23.3 miles of private roads. Interstate 84, a major east-west limited access highway, lies six miles to the south. Numerous public and private passenger and freight common carriers serve the Town. Bradley International Airport is a half-hour drive to the north. Passenger and freight rail service is available in Hartford ten miles to the east.

The Town of Avon provides municipal services in the functional areas of police, a volunteer fire department, public works including engineering, health and social services, recreation and parks, library, planning and community development including zoning, and a K–12 public education system. The Town has no sewer treatment facility of its own, but instead contracts with the neighboring towns of Canton, Farmington, and Simsbury for treatment of sewage effluent. The Town adopts an annual budget for its General Fund and nine nonmajor Special Revenue funds: Sewer, State and Federal Education Grants, Cafeteria, Recreation Activities, Local Capital Improvement Program, Forest Park Management, Use of School Facilities, Town Aid Road, and Police Services. The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum.

The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Note 2A in the Notes to Basic Financial Statements describes the budget process used by the Town. The strength of the Town's economic circumstances and quality of municipal management are reflected in the Town's bond ratings, which remain at the highest levels obtainable, as awarded by Moody's Investors Service, Aaa, and by Standard & Poor's, AAA.

Local Economy

Avon is a desirable low-density suburban community with excellent schools and a high standard of living. Avon continues to experience a moderate increase in the number of new home permits. In fiscal year 2019-2020, a total of 11 new, single-family homes were permitted with the average value of a residence in the amount of $343,155 (not including the cost of a building lot) and an average house size of 3,042 square feet. Commercial permits and other types of residential permits continue to dominate, with the number of plan reviews and inspections required remaining high.

As of June 2020 the Town's unemployment rate of 7.0% compares favorably to the state's rate of 10.2%. Avon's per capita personal income is $72,594, versus the state's average, which is $43,056.

Avon is fortunate to have a well-balanced diverse mix of business and industrial uses, medical services, and a variety of quality housing. Major industries with headquarters or divisions located within the Town of Avon include Oldcastle, manufacturers of concrete

products; Connecticut-On-Line Computer Center, a centralized computer facility for northeast banks; Coupons Inc., an Internet coupon service provider; Ironwood Capital Management; Petroleum Meter and Pump; Magellan Health; Trend Offset Printing Inc., a California based company; Legere Group Ltd., woodworking; O.F.S. Fitel LLC, a fiber optics manufacturing facility, and Orafol Americas Inc. of Germany (formerly Reflexite Film Fibers, Inc.) World Headquarters (located in Avon Park South). Several major insurance-related companies are also located in Avon including Women's Health USA, AUL Reinsurance Management, Ballentine Capital Management, Inc., Odyssey America Reinsurance, Apple Health Care, Adams and Knight Advertising, ERC Long-Term Care Solutions, and the new Research and Development Center for iDevices.

The Town's central business district currently enjoys a 93% occupancy rate with a variety of specialty shops and commercial businesses. Presently, there are more than 1,000,000 square feet of existing retail space, 950,000 square feet of office space, and 600,000 square feet of manufacturing space primarily with access along Route 44, with average daily traffic volume between 19,500 and 28,900 vehicles. Town estimates there are roughly 400,000 square feet of future expansion availability evenly split between office and industrial with about 150,000 square feet of possible future retail expansion. There are nine bank branch offices located in Town including several national and community-based banks. Avon is home to three championship golf courses, two private and one public. The Blue Fox Run Golf Course was voted one of the nation's 10 best woman-friendly public courses. There is a wide array of medical services available in Town, including the Avon Wellness Center, a 75,000-square foot facility operated by Hartford Hospital, the Saint Francis Hospital Medical Center housed in a 25,000 square foot facility, the 20,000 square feet Helen and Harry Gray Cancer Treatment Center operated by Hartford Hospital, and the Hartford Hospital walk-in clinic operating in a 20,000 square foot building. Avon also has a senior housing community for Independent Living, Assisted Living and Reflections Memory Care: the Residence at Brookside. Several large projects were completed in the last five years: Hartford Healthcare Urgent Care Center on Route 44 added to the existing medical services, a 62,500-square-foot assisted living building, "The Residence at Brookside", was constructed at 117 Simsbury Road, and Raymour & Flanigan constructed an additional 15,000 square feet to the existing building located at 15 Waterville Road. Currently commencing with Phase 1A construction is the Avon Village Center project, which includes the construction of a Whole Foods building, as well as four additional commercial buildings, two residential structures, and all infrastructure related to these facilities.

The year 2020 was an active one for the Avon Historical Society. With a grant from Connecticut Humanities, and in partnership with the Avon Free Public Library and the Avon Senior Center, a yearlong series of events and webinars were held to commemorate the 100th anniversary of Women's Suffrage. The Avon Historical Society received a grant from Connecticut Humanities to fund the "Moments in Avon's History" banner project. A joint effort by the Avon Historical Society and the Avon Free Public Library, the banner project continues to serve as a mobile exhibit with eleven (11) retractable, portable banners highlighting Avon's early education, agriculture, religion, and transportation history. The banners are displayed around the various town offices, business, schools, and retail shops as a way to pique interest in local history. The Avon Police Department continues to strive for national re-accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The Department has been awarded this accreditation since 1993; it serves as the international gold standard for Public Safety agencies.

The October 1, 2018 Grand List decreased by $56,242,424 to $2,559,343,136, or a decrease of 2.15%, from the 2017 Grand List of $2,615,585,560. The Town conservatively budgets revenues, such as building permit activity and conveyance fees, which are highly

dependent on the economy and current market conditions. Building permits issued for 2018-2019 indicate a total value of $31,559,903. The Town is not highly dependent on State revenues (represents 3.91% of the Town's total revenues), and because the Town's budget process occurs much earlier than the State's budget schedule, it forces the Town to estimate grants at the current level of funding or based upon the legislative estimates provided at that time. This approach has worked well for the Town.

Avon's Annual Budget document was recently featured as a case study in the second edition of *Understanding Government Budgets: A Guide to Practices in the Public Sector* by R. Mark Musell and Ryan Yeung. The textbook is intended for graduate and undergraduate public administration students and provides a survey on budgeting in the public sector at the federal, state and local levels. Avon serves as a case study for best practices in local government.

As the Town physically matures, and growth begins to slow, the emphasis will change from accommodating growth through the expansion of Town and School facilities, to maintenance and upkeep of existing facilities. Future development will focus on infill rather than straight green field development. The current mix of 70% single-family homes and 30% multi-family homes has generally served the Town well. This ratio has provided opportunities for buyers and renters at varying levels of income and ages. Avon is recognized as a desirable community in which to live. Slight increases in affordable/attainable housing are also on the horizon. A development for 250-unit apartment complex in dwelling duplexes and quadraplex was recently approved at Avon Mill on Waterville Road.

Avon was given an A+ grade in Niche's 2020 "Best Places to Live" in Connecticut, and maintained its high ranking, coming in at #2 in Niche's 2020 "Best" for suburbs to buy a house and to raise a family in Connecticut . Families with children seek access to Avon's excellent school system, and an increasing number of older active adults anxious to take advantage of Avon's lifestyle and amenities, have kept housing prices relatively stable. The baby boom generation, those residents born between 1946 and 1964, comprise a significant portion of the Town's overall population. As a result, we can expect a greater demand in the future for services and a variety of alternative housing choices for seniors. This trend will include a demand for smaller housing units near services and shopping, active adult and senior living facilities, and specialized transportation. A predicted drop in school-age population, a projected reduction in total debt, and anticipated tax revenues from the recently started 1.2M square-foot Avon Village Center mixed-use project, should result in a favorable situation over the next planning period, permitting the Town to continue to offer a top tier educational system and high quality services, while maintaining a modest tax rate. Commuters passing through Avon, the employees of our businesses, the patrons of our stores, health facilities, tourists and professional offices, the inflow and outflow results in more traffic, leading to additional demands for services and increased use of our municipal infrastructure. Expenditure growth in three functions were level to, or exceeds the growth of Town expenditures as a whole. For a ten-year period, expenditures in the public safety function grew 39%, due to town growth and increased demands for services; public works expenditures grew 63%, again, attributed to town growth, increased demands for services and increased road maintenance; and in health and social services, the growth at 36%, due to increased numbers and client services. Expenditures for the Board of Education function grew at 38%, mostly due to transportation and labor contracts; all compared with a 35% increase in total Town expenditures.

Avon's Public Schools continue to be recognized as one of the most outstanding communities for education in the State of Connecticut. A rigorous curriculum, outstanding teachers, and a community invested in high quality education provide students with the foundation needed to be successful. Avon High School, with just under 1,000 students, is

consistently ranked among the most competitive high schools at both the state and national levels. In 2020, Avon students included 9 National Merit Finalists; in the Class of 2021, 18 students received National Merit Letters of Commendation and 5 were Semifinalists. 94% of Avon High School graduates enrolled in an accredited college or university. In 2019, Smarter Balanced Assessment for Grades 3-8 showed that Avon students scored 23rd in the state for English Language Arts/Literacy and 6th in the state for Mathematics. In some grades and subjects Avon students are at or near the top ranking among similar DRG B schools. In the same year, Avon High School placed sixth overall in the state on the Connecticut School Day SAT. The high school was also one of ten high schools in the state of Connecticut to be named to the 8th Annual AP District Honor Roll. Avon High School was recognized by the University of Connecticut for having the greatest growth (#1 in Connecticut) and the tenth greatest participation in Connecticut for students participating in their Early College Experience program.

U.S. News gave Avon High School a silver medal, recognizing the school and its high levels of college readiness upon graduation. In *Newsweek Magazine's Top High Schools 2019,* Avon High School ranked 8th in the State. Avon was the 7th highest scoring district for SAT comparative data in 2020, and achieved scores of 4 or 5 on 65% of AP exams.

Avon Public School System implemented their *Blueprint for Excellence* model, which was created with the assistance and input from Avon's parents and community stakeholders, to guide and direct Avon's school curriculum and practices. While the mission is to inspire in each student a joy and passion for learning and a commitment to excellence, personal integrity and social responsibility, the statement of beliefs add more detail stating that Avon Public Schools educate students intellectually, socially, emotionally, and physically to acquire knowledge and skills, to develop creativity and character, and to pursue their interests, realize their potential and meet the challenges in a constantly changing world. The Blueprint for Excellence encompasses four focus areas: Student Learning; Personal Growth and Relationships; Communication and Partnerships; and Systems. This will be an integral partnership in creating *Avon's Portrait of a Graduate*.

Long-Term Financial Planning

Avon recognized the value of allowing residents a realistic methodology to estimate changes in the Grand List, and in their individual property values, and project tax impacts of additional town borrowings over various periods of time. In a collaborative effort between the three boards (Town Council, Board of Finance, and Board of Education), Town management and the Town's financial advisor, a "formula" was developed whereas residents and business can visit the town website, enter in their individual assessed values (also available on the website) and obtain an estimate of the additional tax payments that would be required on a monthly and annual basis to cover the cost of any proposed bonding projects. The Town expanded this methodology by creating a tax calculator that allows residents to view the impact of the revaluation of property when it occurs and for every proposed budget, including the 2019-2020 fiscal year.

The Town presented, and adopted, at an October 22, 2009 referendum, an appropriation of $9,500,000, with authorization for the issuance of up to $8,000,000 of notes and bonds, for renovations and additions to the Avon Free Public Library. The Library expansion, which was completed in April 2012 (despite a difficult weather year with Storms Alfred and Irene) at a total cost of $8.61 million (roughly $900,000 under the original budget), doubled the square footage and significantly impacted building operating and staff costs. The improvements allowed the Library to expand its print and non-print collections and the programs offered to the public, which are projected to be needed for the Town's build-out population of 21,000. The Avon Free Public Library received a $1,000,000 Connecticut

State Library construction grant, with the remainder of the construction project funded by notes, bonds, fundraisers, and donations. On October 30, 2012, the Town issued General Obligation Bonds in the amount of $7,100,000 at a rate of 2% maturing June 15, 2028.

In May of 2012, the Town was pleased to learn that the State of Connecticut committed to fund 100% of the cost for the Old Farms Road Bridge replacement, Rt. 10 intersection improvements, and reconstruction of Old Farms Road between Rt. 10 and Tillotson Road. These projects have been on the Town's CIP program for more than twenty-five years. The Engineering Department worked with the Connecticut Department of Transportation on the project's final design and permitting, and construction commenced in 2019. The project received a notice of Substantial Completion from the CT DOT in July 2020 with only minor items such as final landscaping and restoration of the construction trailer site remaining as of October 2020. This was nearly three months ahead of the contracted schedule and included amenities that were not in the original contract.

On March 15, 2016, the Town closed on $11.4 million General Obligation Refunding Bonds. A refunding means that future interest payments cease and principal payments are refinanced through a bond issue at lower interest rates. In order to maintain maximum control of the process, and to realize as close to the projected savings as possible, the bonds were sold on a negotiated basis. Additionally, the retention of an independent Pricing Agent assured that the Town received the best rate available in the market on the day of pricing. The refunding will result, over a span of Fiscal Years 2016 through 2027, a total budgetary savings of $385,413.

The Town presented, and adopted, at referendum in December 2018, a combined appropriation of $6,885,000 (all authorized for issuance of notes and bonds) for two new projects: the Avon High School Synthetic Turf Field and Track Improvements Project and the Town and Public Safety Communication System Replacement Project. The Town issued a $3,275,000 General Obligation Bond dated June 16, 2020 for the entire amount of $2,995,000 for the turf fields and $280,000 for a portion of the communication system. In preparation for the issuance of the bond, the Town's AAA rating was reaffirmed by both Standard & Poor's and Moody's following a ratings review process. Interest rates range from 2% to 4% over the next 15 years. More information on these projects are on page viii.

Relevant Financial Policies

For operating funds, the Town currently operates under an investment policy which was approved by the Town Council on November 2, 2000. The Town restricts its activities to instruments which provide the greatest safety, liquidity, and yield in that order. US Treasury obligations maturing less than one year, overnight repurchase agreements, and a US government fund comprise the bulk of the operating investment portfolio. The risk-based capital ratios and collateral requirements (as defined in Connecticut General Statutes Section 36-382) of the qualified public depositories with which the Town does business are monitored.

For pension funds, the Town's pension investments are governed by its *Statement of Investment Policies and Objectives.* The policy details asset mix ranges for various classes of investments: core equities, international equities, small to mid-cap equities, fixed income investments and cash equivalents, where the overall investment return is expected to exceed the actuarial investment return assumption. Investment manager performance and compliance with the investment policy is reviewed periodically by a committee of Town officials and a pension consultant.

A trust fund for other post-employment benefits was created, which allows the Town to invest more aggressively for this liability. The pension investment advisor makes recommendations as to how the money is invested and the Ad Hoc Pension Investment Advisory Committee reviews the recommendation before approval and implementation. In 2018 the Investment Policy Statements (IPS) for the Town and the Board of Education were amended to rebalance between equities and fixed income in order to perform to the actuarial investment return assumptions. The Retiree Medical Benefits Reserve Fund, which was created pursuant to the authority granted under Section 7-403a of the Connecticut General Statutes, will continue to exist until exhausted with a portion transferred to the trust fund on an annual basis to supplement the budgeted amount. The plan is to phase-in, increasing the contribution, so that in the final year of the phase-in, the annual required contribution would be met.

The Town has acted to establish policies regarding Fund Balance. On December 6, 2001, the Town Council adopted a policy to establish, as a long-term goal, a 10% Unreserved Undesignated General Fund Balance and to retain sufficient undesignated fund balances (10% or more) in the Special Revenue Funds. There was no budgeted use of Unassigned General Fund resources for the fiscal year 2019-2020 budget. Even in the face of increasing operating costs for the Town government, Avon has been able to maintain an adequate surplus in its General Fund. To further manage this surplus, the Board of Finance adopted a policy on the use of surplus funds in December of 2006. Use of the funds may be granted by the Board after receiving a showing of substantial support by the requesting authority and finding that “such use will meet an extraordinary need or unusual opportunity.”

In April of 2008, the Town Council and the Board of Finance adopted debt and lease policies, which define the conditions, under what circumstances, and under what limitations, the Town would issue short-term and/or long-term debt and would enter into operating leases.

Per State law, each approved subdivision must contribute a portion of the total property to the Town as dedicated open space or make a payment to the Town in lieu of this land dedication. The Open Space Fund is currently at $649,997; its purpose is for the acquisition of open space in other areas of Town. The Town is constantly looking to acquire open space when it makes sense and is reasonably priced.

Major Initiatives

In 2018, an acquisition of a 38-acre parcel took place by the Town at a purchase price of $2 million. The Town’s Plan of Conservation and Development (POCD) identified the property as one of 21 parcels throughout the Town that were high priority for acquisition; the purpose of the 38 acre acquisition was to preserve Open Space. After the Town obtained the title, it simultaneously leased 22 acres, at the rear of the property, back to the Seller to farm for up to 18 years.

The two approved projects from the December 2018 referendum, the Avon High School Synthetic Turf Field and Track Improvements Project and the Town and Public Safety Communication System Replacement Project, commenced in 2019. The turf and track project began in mid- April 2019 with the ribbon cutting taking place in November 2019 following its final completion earlier in the month. The communication system replacement project, where the Town will replace the existing analog communication system with a 700MHz communication system meeting the Project 25 (P25) standard, unfortunately, is unable to proceed as originally designed and approved. The staff and consultants are working diligently to identify alternative sites for the communications structure.

The Avon Village Center project, a $225 million mixed-use development, has progressed since 2019, when the developer secured Whole Foods as a 45,000 square foot anchor tenant of the project. Most recently, a significant portion of the road, sewer and water utility infrastructure has started to take shape. Two significant tasks relating to the new road system that will enhance traffic flow and safety include lowering the grade of one roadway and constructing a new roundabout connecting an additional roadway. The construction of the Whole Foods building is well underway with the store scheduled to open in early 2021. A retail building behind Whole Foods is also in progress, along with a small public restroom directly adjacent to the Rails-to-Trails. Three additional commercial buildings, two residential structures, and all infrastructure related to these facilities are part of Phase 1A. The project will be completed in five phases, in an anticipated five-year timeframe, with five retail buildings totaling 119,000 square feet.

The Old Farms Bridge over the Farmington River project is substantially complete several months ahead of schedule. The project, 100% funded by Connecticut Department of Transportation, involved construction of a new bridge, demolition of the old bridge, and significant road improvements. During demolition, over 15,000 artifacts were discovered along the west bank of the Farmington River. The contents of this site are estimated to be 12,500 years old and researchers believe that it is the oldest human contact site that has been found in New England.

The Town continues to contract out for grounds and building maintenance, some equipment maintenance, janitorial services, snow removal and catch basin cleaning. The Town participates in regional purchasing and cooperative bidding through the State of Connecticut, CRCOG, Connecticut Conference of Municipalities (CCM), OMNIA, Sourcewell, Connecticut Library consortium, CEN/Nutmeg Network, and other consortiums. The Town, with CCM, offers residents a prescription discount card program, and with the Community Renewal Team, provides lunches to senior residents at the Avon Senior Center. The Town participates in Household Hazardous Waste Collection in a regional cooperative program, Animal Control Officer cost sharing agreement with the Town of Canton, and numerous joint processes for the Town and Board of Education procurement of property and casualty insurance, various employee benefits and for a health and wellness consultant.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the thirty-seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town believes that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the GFOA presented a Distinguished Budget Presentation Award to the Town of Avon for its annual budget for the fiscal year beginning July 1, 2020. This was the thirty-sixth consecutive year that the government has achieved this prestigious award. In order to receive this award a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report could not have been accomplished without the dedicated services of the Finance group, Claudia Frutuoso, Cruz Saubidet, Christine Pescatore, Laurie Dorn, Jeff Morrow, Susanne Farrah, and Paul Sarpong. I would like to thank the audit team of Blum, Shapiro & Company, P.C., for their guidance and assistance. Due credit should also be given to the Town Manager, Superintendent of Schools, Board of Education's Director of Fiscal Affairs, the Town Council, the Board of Finance, and the Board of Education for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,

Margaret Colligan, CPFO
Director of Finance

TOWN OF AVON
PRINCIPAL OFFICIALS
AT JUNE 30, 2020

TOWN COUNCIL

Heather Maguire, Chairperson

Jeff Bernetich	James Speich
Don Polhamus	Anthony Weber

BOARD OF FINANCE

Thomas F. Harrison, Chairman

Ken Birk	Catherine Durdan, Vice-Chair
Margaret Bratton	Katrina Marin
Catherine Salchert	Ellen Retelle

BOARD OF EDUCATION

Debra Chute, Chairperson

Jacqueline Blea	Jay Spivak, Vice-Chair
David Cavanaugh	Bogdan Oprica
Jeffrey S. Fleischman	Lisa Seminara
Jason Indomenico	Laura Young

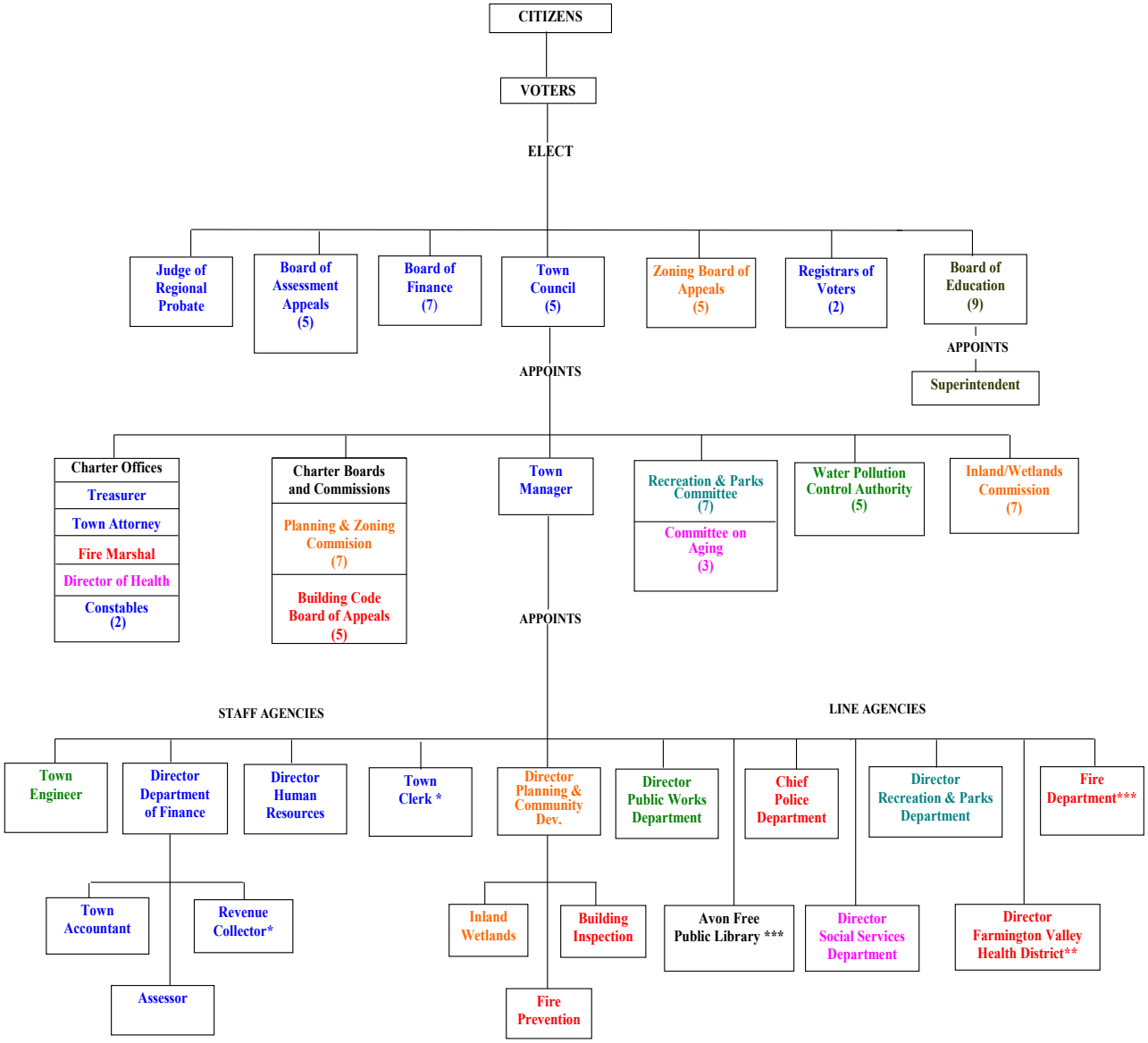
GENERAL GOVERNMENT

Town Manager	Brandon Robertson
Town Accountant	Laurie Dorn
Town Attorney	Alfred E. Smith, Jr.
Town Clerk	Ann L. Dearstyne
Town Engineer	Lawrence E. Baril
Town Planner	Hiram Peck
Town Treasurer	James R. McCarthy
Director of Finance	Margaret Colligan
Director of Human Resources	Brandon Robertson (Acting Director)
Director of Recreation & Parks	Ruth Checko
Director of Social Services	Alan E. Rosenberg
Director of Public Works	Bruce Williams
Assessor	Harry DerAsadourian
Building Official	Raymond Steadward
Collector of Revenue	Deborah Fioretti
Librarian	Glenn Grube
Director of Police Services	James V. Rio
Fire Chief	Bruce Appell

EDUCATION

Superintendent of Schools	Bridget Heston Carnemolla
Director of Fiscal Affairs	Heather Michaud

TOWN OF AVON ORGANIZATIONAL CHART



* Recommended by Town Manager, approved by Town Council.

** The Town participates in a Regional Health District.

*** The Town funds the Avon Volunteer Fire Department and Avon Free Public Library, Inc.

- General Government
- Public Safety
- Public Works
- Health and Social Services
- Recreation and Parks
- Education and Cultural
- Conservation and Development

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Avon
Connecticut

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

blumshapiro
accounting • tax • advisory

29 South Main Street
P.O. Box 272000
West Hartford, CT 06127-2000
Tel 860.561.4000

blumshapiro.com

Independent Auditors' Report

To the Board of Finance
Town of Avon, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Avon, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

An independent member of
Baker Tilly International

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Avon, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Avon, Connecticut, as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 17, 2019, 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 at Exhibit A-3 as of June 30, 2019 and budgetary comparison schedules at Exhibits A-4, A-5, and C-3 through C-11 for the year ended June 30, 2019 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 related directly to the underlying accounting and other records used to prepare the 2019 financial statements. The accompanying General Fund balance sheet and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 on our consideration of the Town of Avon, 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 Avon, 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 Avon, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 16, 2020

As management of the Town of Avon, we offer readers of our financial statements this narrative overview and analysis of our financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the Town of Avon exceeded its liabilities at the close of the 2020 fiscal year by $97,818,094 (net position). Of this amount, $25,796,913 (unrestricted net position) is in a negative amount primarily attributable to the recognition of pension and postemployment benefits on a government wide basis as required by GASB.
- Total net position increased $7,036,038 due to favorable results in tax collections, operating grants and contributions, investment income, and favorable expenditure variances. Education expenses increased due to the increase in the "on-behalf" contributions to the state teachers' retirement program and OPEB. There is an offsetting increase in revenue as the on-half payments are included in the operating grants and contributions.
- As of the close of the current fiscal year, governmental funds reported combining ending fund balances of $32,288,820, an increase of $8,881,805 in comparison from last year's $23,407,015. Of this total amount, $129,822 is nonspendable (prepaid, inventory, or restricted), $1,378,930 use is restricted by governmental grants or other legal restriction, $14,066,534 is committed by the Town Council (budget-making authority), $4,112,896 is assigned and $12,722,454 of General Fund and ($121,816) in Nonmajor Governmental Funds is available for spending at the government's discretion (unassigned fund balance). In Nonmajor Governmental Funds ($121,816) unassigned fund balance is a negative amount due to a $110,330 grant recorded as a deferred inflow as the funds were not received within 60 days of year end and due to a $13,662 operating deficit in a community event that will be covered by a transfer in of revenues in 2020/2021.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $12,722,454 or 13.08% of total General Fund expenditures and transfers out of $97,297,313, including the State's contribution and offsetting expenditures for teacher's retirement and OPEB.
- Total debt increased by $1,076,225 or 5.28% to $21,465,965 (including amortized bond premium) during the current fiscal year, due to a new $3,275,000 general obligation bond issue for the full amount of the Avon High School Turf Fields and a portion of the Public Safety Communication System.

Overview of the Basic Financial Statement

This discussion and analysis is intended to serve as an introduction to the Town of Avon's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues, since the Town does not operate any business-type activities. The governmental activities of the Town include general government, public safety, public works, health and social services, recreation and parks, education - cultural (library), conservation and development, Board of Education and interest expense. The government-wide financial statements can be found on Exhibits I and II of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, a proprietary fund and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and CIFA (Capital Improvement Fund Account), both of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages starting with Exhibit III of this report.

Proprietary Fund. The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured medical benefits. These services benefit governmental functions, thus, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages Exhibits VI through VIII of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits IX and X of this report.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30-75 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 76-89 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 90-117 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Avon, our assets exceeded liabilities by $97,818,094 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position reflects the investment in capital assets (e.g., land, buildings and improvements, equipment, vehicles and infrastructure), less any related debt used to acquire those assets that is still outstanding. Avon uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	
	2020	**2019**
Current assets	$ 48,243,747	$ 39,638,168
Capital assets, net of accumulated depreciation	144,751,767	145,356,991
Total assets	192,995,514	184,995,159
Deferred outflows of resources	3,768,094	2,969,957
Long-term liabilities outstanding	76,782,590	77,092,170
Other liabilities	12,111,397	11,489,507
Total liabilities	88,893,987	88,581,677
Deferred inflows of resources	10,051,527	8,601,383
Net Position:		
Net investment in capital assets	123,550,748	125,283,735
Nonexpendable - purposes of trust	64,259	71,340
Unrestricted	(25,796,913)	(34,573,019)
Total Net Position	$ 97,818,094	$ 90,782,056

The Town's net position increased by $7,036,038 during the current fiscal year. Of this amount, $25,796,913 (unrestricted net position) is a negative amount as a result of the recognition of the pension obligation and the recording of the net OPEB liability as required by GASB. The Town generated net general revenues of $86,088,733 and net general expenses of $79,052,695. Gross expenses of $106,954,849 were offset by $10,343,698 in charges for services, $17,539,610 in operating grants and contributions, and $18,846 in capital grants and contributions. Of the net expenses, the largest amount was $56,589,701, which was for the operating of the Town's school system. Net public safety expenses of $11,188,460, net general government costs of $3,655,656, net public works costs of $3,391,003, net educational - cultural expenses of $1,951,108, recreation and parks expenses of $978,311, net conservation and development costs of $665,332, health and social services expenses of $544,196, and interest expense of $88,928 accounted for almost all net expenses. The majority of the Town's revenue was $84,757,302 in property tax collections, $27,902,154 in charges for services and grants, and $1,331,431 in nonrestricted grants, investment income, miscellaneous and transfers.

Governmental Activities. Governmental activities increased the Town's net position by $7,036,038. Key elements of this decrease are as follows:

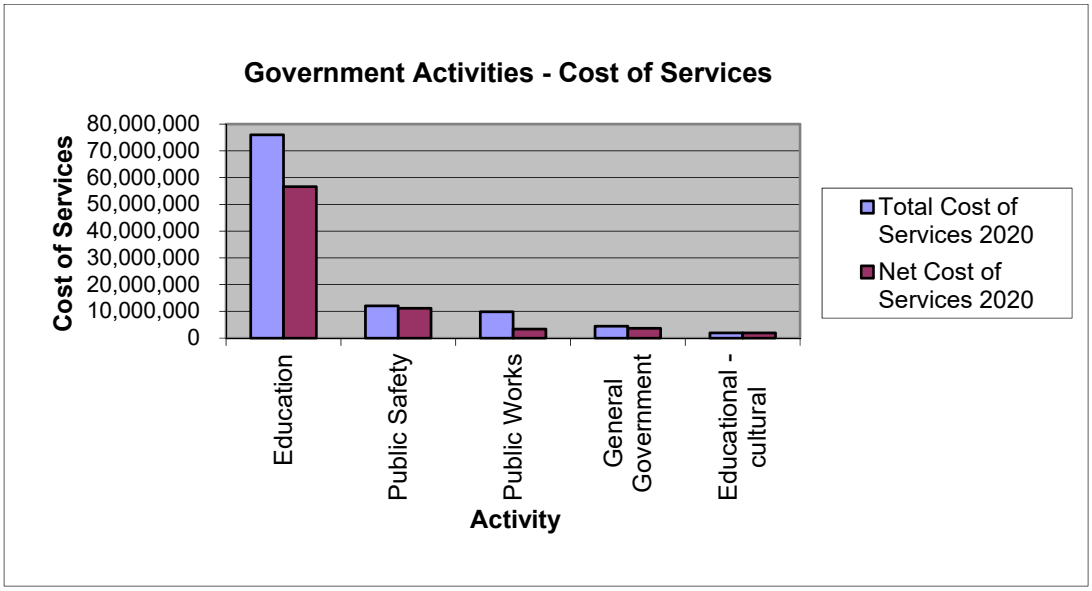
	Governmental Activities	
	2020	**2019**
Revenues:		
Program revenues:		
Charges for services	$ 10,343,698	$ 7,229,361
Operating grants and contributions	17,539,610	8,167,627
Capital grants and contributions	18,846	152,310
General revenues:		
Property taxes	84,757,302	82,628,403
Grants and contributions not restricted to specific programs	267,287	275,936
Investment income	665,824	921,647
Miscellaneous	398,320	546,434
Total revenues	113,990,887	99,921,718
Program Expenses:		
General government	4,438,962	4,081,541
Public safety	12,029,141	11,561,883
Public works	9,841,578	9,520,951
Health and social services	577,294	487,032
Recreation and parks	1,276,822	1,291,138
Education - cultural	1,960,605	1,827,791
Conservation and development	724,082	661,503
Board of Education	76,017,437	67,013,931
Interest expense	88,928	257,298
Total program expenses	106,954,849	96,703,068
Change in net position	7,036,038	3,218,650
Net Position - Beginning of Year	90,782,056	87,563,406
Net Position - End of Year	$ 97,818,094	$ 90,782,056

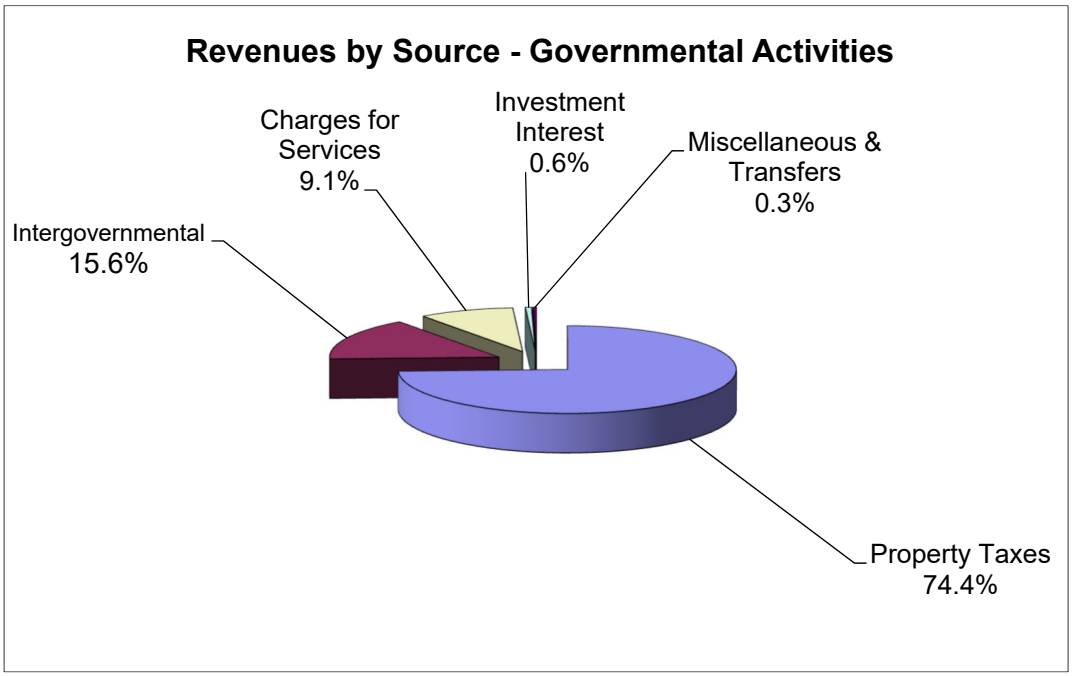
On the revenue side, Property taxes, which comprises 74.4% of Town revenues, increased by $2,128,899 (2.58%) to $84,757,302 due to high collections on the current levy (99%), supplemental motor vehicle, and interest and penalties. The mill rate increased 4.94% over the prior year and was set to meet an adopted budget expenditure increase of 2.66%. Charges for services saw an increase of $3,114,337. General government reported an increase in recording and conveyance and public safety reported an increase in permit activity, dominated by commercial, specifically the Avon Village Center project, and various types of residential permit activity, as stay at home COVID-19 executive orders increased a demand for exterior and interior structural changes to the residential market. Public works reported a slight decrease in landfill fees, and a large increase in sewer fees as Water Pollution Control Authority had instituted incremental rate increases to accommodate current and future operating and capital costs, and education reported decreases in fees for various programs partially funded by parents and students as on-line learning replaced traditional classroom learning. Education also reported over $1.3 million increase inter-district tuition payments as a neighboring city paid higher rates and required more services related to the Open Choice program. Operating grants and contributions increased $9,371,983 primarily due to the recording of the "on-behalf" payments made by the State, towards the teacher's retirement of $8,811,273, and the teacher's OPEB benefit $240,819. There were other education program grants reduced from the prior year. Program revenues for public works grants remained level. Capital grants and contributions decreased $133,464 due to a reduction in public works grants, for capital projects for road and bridge construction. Investment Income decreased $255,823 due to lower interest rates. Miscellaneous revenues decreased in the amount of $148,114 due to unexpected one-time revenues that did not occur in 2020 but were received in 2019.

Major program expenses in 2020 were about the same to slightly higher for public works, health and social services, and recreation and parks. General Government costs increased $357,421 due to increased funding for various position changes and related benefit costs, for additional cleaning for town hall buildings due to COVID-19, and for replacement of doors, frames and electronic entry system for town buildings. Public safety costs increased $467,258, with continued increased overtime and related benefit costs in communication and protective inspection while hydrant and water main rental fees, which historically have been large cost drivers, are closer to budget. Educational-cultural expenses increased $132,814, due to expanded staffing needs and offering alternative access methods to resources in the Avon Free Public Library. Conservation and Development increased $62,579, relating to consulting engineering services in connection with the Avon Village Center Project. The Board of Education program expenses increased $9,003,506 primarily due to the recording of the "on-behalf" payments made by the State towards the teacher's retirement in the amount of $8,811,273, and the teacher's OPEB benefit in the amount of $240,819. Interest expense showed a decrease of $169,000 due to pay down of capital lease obligations.

There continues to be community expectations for a rate of tax growth that approximates inflation with accompanying requests for additional and higher quality services by our residents. In response to these trends, the Town's budget included a mix of initiatives, which are designed to reduce taxpayer costs in some areas, but also increase services where needed in others. Some examples are continued restructured staffing arrangements in Public Safety (Protection and Communication), continued cross training of staff in Conservation and Development (Department of Planning and Community Development), a continued shift of recreation activity and park maintenance costs from the General Fund to be supported by user fees in the Recreation Activities Fund (Special Revenue Fund), continued planning with area towns for shared services arrangements, and increased hours for part-time positions in the Library in an attempt to limit full-time personnel increases with the accompanying benefit costs. The Town has undertaken a conscious policy of trying to restrain the rate of growth in the number of people employed by the Town by seeking alternative methods of service delivery. This has been done by establishing contractual relationships for landscaping and custodial work, bidding snowplowing/sanding on some roads and contracting certain landfill recycling programs.

The following chart presents the costs of each of each of the Town's five largest programs as well as each program's net expenses (total expenses less revenues generated by the activities). The net expenses show the financial burden that was placed on the Town's taxpayers by each of these functions.





The majority of Avon's operating revenues come from property taxes levied on residents' homes, commercial and personal property, and motor vehicles. Roughly 69% of the service charges, $7,143,961, are generated by public works, public safety and general government. The Board of Education contributed $2,799,881 or 27% in service fees as well. Avon has never been reliant on state and federal grants that, while helpful in keeping our overall costs down, do not contribute significantly to total revenues.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Avon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, our governmental funds reported combined ending fund balances of $32,288,820, an increase of $8,881,805 in comparison with the prior year. Of this total amount, $129,822 is nonspendable (prepaid and inventory), $1,378,930 use is restricted by governmental grants or other legal restriction, $14,066,534 is committed by the Town Council (budget-making authority), $4,112,896 is assigned and $12,722,454 of General Fund is available for spending at the government's discretion (unassigned fund balance). In Nonmajor Governmental Funds ($121,816), unassigned fund balance, available for spending at the government's discretion, is a negative amount due to a $110,330 grant recorded as a deferred inflow as the funds were not received within 60 days of year end and due to a $13,662 operating deficit occurring in a community event that will be covered by a transfer in of revenues in 2020/2021.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was $12,722,454, while total fund balance reached $16,895,322. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.08% of total General Fund expenditures and transfers out of $97,297,313, while total General Fund balance represents 17.36% of that same amount.

The fund balance of Avon's General Fund increased by $3,773,589 during the current fiscal year. Key factors contributing to this increase were favorable revenues in intergovernmental revenues, charges for services and investment income, along with favorable expenditure variances in every department. Additional fund balance assignments were approved for funding Presidential election costs ($10,000), funding future capital assets ($13,000), funding a future 27th payroll ($50,000), funding future OPEB liability ($150,000), funding defined benefit pension contributions ($200,000), funding future bonded debt payments ($200,000), funding the Debt Service Fund for future retirement expenditures ($200,000), funding future education operating budget ($250,000), and funding the budgeted use of Unassigned General Fund Balance in 2020/2021 ($1,800,000), all offset by favorable revenues and positive expenditure variances. It should be noted that there were no supplemental appropriations made during the year requiring the use of unassigned fund balance. $573,079 in encumbrances from 2020 are authorized to be carried over to the following fiscal year, classified as assigned amounts in the General Fund.

The Capital Improvement Fund Account (CIFA) is one of Avon's major governmental funds. Most of the Town's major capital expenditures are processed through this account. Bond anticipation notes (BAN) and bond proceeds are also handled in the CIFA account. Fund balance increased $1,962,184, from $5,894,887 to $7,857,071. This was primarily due to the issuance of bonds and the bond premium for the AHS Synthetic Turf Field and Track Improvement project in its' entirety and for a portion of the Public Safety Communication and System Equipment project. The work on the turf field was started in 2018/2019 during the unusually mild winter weather and during the students' summer break, and is substantially completed. Other major projects that are substantially completed are Board of Education security upgrades, Avon Middle and High School elevator hydraulic cylinder replacements and Avon High School Fire Alarm supplement - notification project. As the Town's debt service obligations decrease, the operating funds are shifted to CIFA to finance the cash "pay-as-you-go" projects. The CIFA Fund Balance of $7,857,071 is committed for capital projects.

Proprietary Funds. The Town of Avon's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Avon uses an internal service fund to self-fund employee medical insurance for the Town and the Board of Education.

Net position of the Internal Service Fund at the end of the year amounted to $2,402,237. The total change in net position for the fund was a decrease of $206,727. Operating revenues for the fund, representing charges for services that are health insurance premiums paid by Town and Board of Education, amounted to $8,828,932. Operating expenses for medical claims were $9,035,659.

General Fund Budgetary Highlights

The original budget of $89,440,630 increased $893,569 during the year to $90,334,199. The significant supplemental and additional appropriations are noted below:

Revenues

- $277,307 addition from investment income;
- $206,528 addition from intergovernmental education program grants for Open Choice revenues to provide special education tuition, professional development and personal services for the school district;
- $200,000 addition from assignment for pension contributions;
- $150,000 addition from assignment for post-employment benefits;
- $35,000 addition from assignment for capital asset replacement;
- $24,734 addition from intergovernmental Youth Services Bureau Grant.

Expenditures

- $277,307 for funding transfer out to the State and Federal Education Grants Fund to cover expenditures exceeding appropriations and for funding transfer out to Compensated Absences Debt Service Fund to fund future vacation and sick severance payouts;
- $206,528 for funding programmatic and special education needs, professional development and personnel costs to Avon Public Schools;
- $200,000 for funding Town employee retirement expenditures, all departments;
- $150,000 for funding Town employee future retiree health benefits, all departments;
- $35,000 for planned funding in a Capital Improvement Fund for a Public Works vehicle;
- $24,734 for health and social services to fund the Youth Services Program.

Of the increase, $231,262 was funded from intergovernmental increases in various grants, with detail as provided shown in the second and sixth bullet under General Fund Budgetary Highlights, Revenues and in the second and sixth bullet under Expenditures. $277,307 was funded from other local revenues investment income with the detail provided shown in the first bullet under General Fund Budgetary Highlights, Revenues and in the first bullet under Expenditures. $385,000 was funded from other financing sources, various assignments with the detail provided shown in the third, fourth and fifth bullet under General Fund Budgetary Highlights, Revenues and in the third, fourth and fifth bullet under Expenditures.

Capital Asset and Debt Administration

Capital Assets. The Town of Avon's investment in capital assets for its governmental assets includes land, buildings and improvements, land improvements, equipment, vehicles and infrastructure (roads, sewer lines, storm drains). The total net decrease in our investment in capital assets for the current fiscal year was $605,224 (-.416%). Multi-year projects carried in the capital asset category of construction in progress were transferred to their appropriate asset class, and there were additions in capital assets, which, after accumulated depreciation, diluted the capital asset addition amount.

Major capital asset events during the current fiscal year included the following:

- Synthetic Turf Field and Track Improvements Project at Avon High School $1,968,119;
- Replacement of Avon High School fire alarm $260,000;
- Roaring Brook School roof replacement $162,115;
- Patrol Building improvements $126,121;
- Fire engine replacement for $121,895;
- HVAC Repairs at town buildings $101,202;
- Old Farms Road Bridge, Relocation, Reconstruction Projects, at a cost of $35,638;
- School district-wide security upgrades at a cost of $78,294;
- Fisher Meadows Field Expansion $55,005;
- Purchased radio equipment for police $38,056;
- Purchase of a tractor costing $30,204;
- Purchase of a Pro Field Maintenance & Line Painter costing $26,360.

	Governmental Activities	
	2020	**2019**
Land	$ 7,662,553	$ 7,662,553
Construction in progress	7,024,406	12,399,397
Land improvements	4,709,569	1,237,371
Buildings and improvements	80,067,177	81,739,786
Equipment	4,721,410	4,591,239
Vehicles	4,132,275	2,686,564
Infrastructure	36,434,377	35,040,081
Total	$ 144,751,767	$ 145,356,991

Additional information on the Town of Avon's capital assets can be found in Note 3C on page 42 of this report.

Long-Term Debt. At the end of the current fiscal year, the Town of Avon had $20,010,000 of long-term general obligation bonded debt issued and outstanding. All of the Town's debt is general obligation and backed by the full faith and credit of the Town.

OUTSTANDING DEBT
GENERAL OBLIGATION BONDS
JUNE 30, 2020

Date	Purpose	Rate %	Original Issue	Debt Outstanding	Date of Fiscal Year Maturity
10/30/12	AFPL Renovations, Additions, Improvements	2.00	$ 7,100,000	$ 4,175,000	2028
3/15/16	General Purpose Refunding	2.00-4.00	964,000	952,000	2027
3/15/16	High School Refunding	2.00-4.00	9,423,000	9,307,000	2027
3/15/16	AMS Roof Refunding	2.00-4.00	1,013,000	1,001,000	2027
7/18/18	Land Purchase 2018	1.75	1,600,000	1,300,000	2026
6/16/20	Town & Public Safety Communication System Replacement Project	2.00-4.00	280,000	280,000	2035
6/16/20	Avon High School Turf Field & Track Improvement Project	2.00-4.00	2,995,000	2,995,000	2035
	Total Bonds		$ 23,375,000	$ 20,010,000	

The Town of Avon's total debt decreased by $160,622 (.20%) during the current fiscal year primarily due to the $2,535,000 pay down of principal, offset by new debt dated June 16, 2020 for a $3,275,000 general obligation bond. Avon has earned the highest credit rating possible: "Aaa" from Moody's Investors Service, Inc., and "AAA" from Standard & Poor's, for all of its general obligation debt. The Town's credit rating was affirmed by both credit rating agencies: Standard & Poor's and Moody's in May 2020.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees (seven times $86,537,895). For June 30, 2020, the maximum amount of borrowing permitted under the formula would be $605,765,265. With net borrowings of $20,010,000, the Town of Avon's outstanding general obligation debt is $585,755,265 below the maximum debt limitation (see "Schedule of Debt Limitation" on Table 13 of this report).

Additional information on the Town's long-term debt can be found in Note 3E on pages 44-46 of this document.

Economic Factors and Next Year's Budget and Rates

The Town has successfully managed its budgetary operations through prudent, conservative fiscal management. The Town did slightly exceed the requested State 2.5% soft cap expenditure compliance due to the school district's change in calculation to final budget allocations from the prior years' calculations of a combination of final expenditures and budgets. On March 10, 2020, the Connecticut Governor declared a state of emergency as a result of the COVID-19 outbreak. State agencies were directed to use all resources necessary to prepare for, and respond to, the outbreak. The global outbreak profoundly impacted the Town's budget process and influenced the decision to keep the mill rate stable. To achieve a tax increase of 0.00% and keep the mill rate level, the adopted 2020/2021 budget used $1.8 million in Unassigned General Fund Balance. The Town expects to see a continued decrease in State funding, along with the potential of absorbing a portion of State liabilities such as teachers' retirement, OPEB and the continued unfunded state mandates.

- Grand list growth is expected to increase by .532%.
- Property tax collections will exceed 99% with the reserve for uncollectible at $505,565.
- Assessment appeals and tax refunds will approximate 1% of tax revenues.
- Licenses, Fees and Permits revenue for most of the Town funds are level funded to the 2019/2020 level. Building, Structure and Equipment fees, which are based on prior and current activity, and estimates from the Building Department, will be level funded at $425,000, no change from fiscal year 2019/2020. Commercial permits with the number of plan reviews and inspections required remain high.
- Revenues from building, structures and equipment permit activity and recording and conveyance fees, based on current sales of existing properties and current mortgage interest rates are expected to remain level.
- Discretionary grant revenues are expected to remain essentially the same; formulary are expected to decrease. The Town's adopted budget for 2021 reflects a net decrease in State and Intergovernmental grants of $237,316 or -6.36% as compared to 2020, primarily due to the recommendation by the district, to reduce the Special Education Excess Cost to $900,000. The Town eliminated the Grants for Municipal Projects for $261,442, eliminated the $116,884 for Municipal Stabilization Grant, as well as various Town and Board of Education reductions in grant activities in various amounts. The Connecticut State budget was signed by the Governor without major tax hikes, and without reducing overall aid to cities and towns, but realigning aid in favor of distressed municipalities. It is recommended to budget conservatively for the Intergovernmental State Grants-In-Aid moving forward. Although Avon receives a small portion of its revenues from state grants, reductions in these grants do have an impact on Town services. The Board of Education is recommending minor increase in various educations grants. All other Town and Board of Education intergovernmental grants are level funded. The State budget proposal had maintained the non-education statutory formula grants at the fiscal year 2020 levels providing municipalities with greater funding predictability. Given the speed and breadth of the ongoing Covid-19 pandemic, the budgetary projections are more volatile as virtually all sectors of the economy have incurred lasting economic damage.
- Avon intends that user fees cover the majority of costs of certain services such as sewer use, sewer connection, landfill, recreational and education programs. These fees are reviewed annually and reset according to expected usage and inflation. Sewer use charge per equivalent dwelling is currently $515 per year. Review of activity in Sewer Use charges, Recreation and Parks charges and Education charges for current services warranted a variety of adjustments to their respective budgeted fees. Due to the substantial increase in CREC hourly rates for special education services, the District recommended an $800,000 increase in Special Education Tuition reimbursement.

- The Town has budgeted investment income with a small increase to $340,000. The yield curve has narrowed, and the Federal Reserve has raised interest rates eight times since the last recession, and is anticipated to continue to do so. These factors in combination foreshadow the likelihood of a recession during the next few years.
- Personal services (salary and benefits) increases (not including sewers) will amount to $618,375 (74.84%) of the Town General Fund expenditures. Overall wages increased by $374,176 as compared to 2020. The Town operating expenditures reflect a reclassification of the Assistant Building Official from part-time to full-time status; the reclassification of the Assistant to the Town Manager to the Assistant Town Manager; an Assessment Technician to Assistant Assessor; reclassification of a part-time administrative clerk to a part-time Senior Administrator Coordinator in Public Works; a part-time Recycling Coordinator at the Landfill; and four additional hours/week in the Children's & Teen Room at the Avon Free Public Library. For the fourth year, the School Resource Officer position did not receive funding from the Board of Education budget. The total number of full-time positions increased from 106 to 107.
- Increased insurance premium sharing by employees. All current Town employees, except Police Officers and Dispatchers, have the option to participate in either the PPO healthcare plan or the HDHP offered by the Town. All such employees contribute either 15% or 20% toward their PPO healthcare coverage (depending on their date of hire). Employees electing healthcare coverage under a HDHP offered by the Town contribute 18% toward their participation in the plan, with the exception of Public Works employees hired before 1/1/2007 who contribute 13% toward their healthcare coverage under a HDHP. The HDHP is the only healthcare coverage option offered by the Town to Police Officers and Dispatchers. Police Officers and Dispatchers participating in the HDHP contribute 15% toward their coverage under the plan. All employees hired before 1/1/2007 contribute 15%, and all employees hired after 1/1/2007 contribute 20% toward coverage under the dental plan offered by the Town.
- Employee benefits have increased by $170,014 (1.94%). The increase is caused by a number of factors including increased contribution to the defined benefit plan ($24,119 or 3.05%), where the interest rate return assumption was reduced in 2021 from 6.50% to 6.25%, where it remained, resulting in an increased funding requirement. Hospitalization funding decreased $15,349 or -0.94% mitigated by participation of thirty-two (32) employees opting out through the Town's Health Insurance Waiver Program. The budgeted OPEB increase in contributions supported by supplementing the budgeted amount with a contribution from the Post-Retirement Medical Benefits Reserve Fund until exhausted, is winding down and closing in on the plan of full funding for the annual required contribution supported in the budget. The Town of Avon does not provide post-retirement medical benefits to those dispatcher retirees, or their families, if hired after 7/1/2013. The Town of Avon does not provide post-retirement medical benefits to those public works retirees, or their families, if hired after 7/1/2014. Both Police and Non-Organized may continue with post-retirement medical benefits. However, effective 7/1/2015, once age 65, Police hired after 7/1/2009 and their spouses, will be covered at 50%, paid by each, the Town and the retiree.
- The Board of Education's criteria that was used to shape the budget was to continue to advance with the Blueprint for Excellence. We are committed to meeting the needs of all students, clear communication and transparent processes, rigorous, comprehensive, and innovative programs, collaboration, professional development and ethical practices, continuous improvement through systematically assessing our actions and outcome and using all resources to the greatest advantage of our students.
- 80% of the Board of Education budget relates to salaries and benefits. 10.75% relates to transportation and tuition, followed by contracted services, utilities, supplies and equipment.

- Transportation has remained relatively stable. Special education outplacement facilities and magnet school tuition obligations continue to escalate between 4.00% and 8.00% annually. However, the District is expecting a rather drastic increase in Special Education Tuition Reimbursement from the City of Hartford. This assumption is based on a substantial rise in the CREC hourly rates for special education services.
- The budget again supported capital improvement by including large multi-year capital projects, such as those on a phased-in basis, including police building improvements, HVAC repairs for Town Buildings, sewer projects, dump truck and fire apparatus replacement and for the Board of Education, phased-in roof replacement for Roaring Brook School, and district-wide security upgrades.
- At the close of the 2020 fiscal year, unassigned fund balance in the General Fund amounted to $12,722,454. In order to achieve a tax increase of 0.00% and keep the mill rate level, the Board of Finance adopted a budget for 2020/2021 using $1.8 million of Unassigned General Fund Balance. Due to favorable operations for 2019/2020, an assignment was approved for the $1.8 million for the subsequent year expenditures.

All of these factors were considered in preparing the budget for the 2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town of Avon's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 60 West Main Street, Avon, CT 06001.

BASIC FINANCIAL STATEMENTS

EXHIBIT I

TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Current assets:	
Cash and cash equivalents	$ 45,232,621
Investments	56,836
Receivables, net of allowance for uncollectibles:	
Property taxes	697,768
Assessments	1,196,243
Intergovernmental	272,288
Accounts	680,428
Due from fiduciary funds	42,000
Other current assets	65,563
Total current assets	48,243,747
Noncurrent assets:	
Capital assets, nondepreciable	14,686,959
Capital assets, net of accumulated depreciation	130,064,808
Total noncurrent assets	144,751,767
Total assets	192,995,514
Deferred Outflows of Resources:	
Deferred charge on refunding	641,650
Deferred outflows - pension	1,697,461
Deferred outflows - OPEB	1,428,983
Total deferred outflows of resources	3,768,094
Liabilities:	
Current liabilities:	
Accounts payable	2,371,340
Accrued liabilities	515,969
Unearned revenue	168,687
Due to fiduciary funds	5,390,388
Noncurrent liabilities, due within one year	3,665,013
Total current liabilities	12,111,397
Noncurrent liabilities:	
Due in more than one year	76,782,590
Total liabilities	88,893,987
Deferred Inflows of Resources:	
Advance property tax collections	3,553,964
Deferred inflows - pension	1,351,687
Deferred inflows - OPEB	5,145,876
Total deferred inflows of resources	10,051,527
Net Position:	
Net investment in capital assets	123,550,748
Nonexpendable - purposes of trust	64,259
Unrestricted	(25,796,913)
Total Net Position	$ 97,818,094

The accompanying notes are an integral part of the financial statements

EXHIBIT II

TOWN OF AVON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:					
General government	$ 4,438,962	$ 677,224	$ 106,082	$	$ (3,655,656)
Public safety	12,029,141	814,525	26,156		(11,188,460)
Public works	9,841,578	5,652,212	779,517	18,846	(3,391,003)
Health and social services	577,294	33,098			(544,196)
Recreation and parks	1,276,822	298,511			(978,311)
Educational - cultural	1,960,605	9,497			(1,951,108)
Conservation and development	724,082	58,750			(665,332)
Board of Education	76,017,437	2,799,881	16,627,855		(56,589,701)
Interest on long-term debt	88,928				(88,928)
Total Governmental Activities	$ 106,954,849	$ 10,343,698	$ 17,539,610	$ 18,846	(79,052,695)

General Revenues:	
Property taxes	84,757,302
Grants and contributions not restricted to specific programs	267,287
Investment income	665,824
Miscellaneous	398,320
Total general revenues	86,088,733
Change in net position	7,036,038
Net Position at Beginning of Year	90,782,056
Net Position at End of Year	$ 97,818,094

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	CIFA	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 44,426,384	$ 575,433	$ 230,804	$ 45,232,621
Investments			56,836	56,836
Receivables, net	1,282,938		1,518,627	2,801,565
Due from other funds	169,016	7,428,016	7,441,832	15,038,864
Other	59,972		5,591	65,563
Total Assets	$ 45,938,310	$ 8,003,449	$ 9,253,690	$ 63,195,449
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,408,007	$ 146,378	$ 386,841	$ 1,941,226
Accrued liabilities	426,070			426,070
Due to other funds	23,092,587		127,016	23,219,603
Unearned revenue	9,057		159,630	168,687
Total liabilities	24,935,721	146,378	673,487	25,755,586
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	553,303			553,303
Unavailable revenue - special assessments			837,415	837,415
Unavailable revenue - grants receivable			206,361	206,361
Advance property tax collections	3,553,964			3,553,964
Total deferred inflows of resources	4,107,267	-	1,043,776	5,151,043
Fund Balances:				
Nonspendable	59,972		69,850	129,822
Restricted			1,378,930	1,378,930
Committed		7,857,071	6,209,463	14,066,534
Assigned	4,112,896			4,112,896
Unassigned	12,722,454		(121,816)	12,600,638
Total fund balances	16,895,322	7,857,071	7,536,427	32,288,820
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 45,938,310	$ 8,003,449	$ 9,253,690	$ 63,195,449

(Continued on next page)

TOWN OF AVON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

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

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balance (Exhibit III)	$	32,288,820
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets		221,549,892
Accumulated depreciation		(76,798,125)
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Property tax receivable - accrual basis change		553,303
Property tax interest and lien accrual		56,452
Allowance for doubtful accounts		(11,290)
Sewer assessment receivable - accrual basis change		837,415
Grants receivable - accrual basis change		206,361
Deferred outflows - pension		1,697,461
Deferred outflows - OPEB		1,428,983
Internal service funds are used by management to charge the cost of medical insurance to individual departments. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,402,237
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(20,010,000)
Net pension liability		(26,289,672)
Capital leases		(376,704)
Compensated absences		(4,104,818)
Net OPEB liability		(28,090,444)
Landfill postclosure liability		(120,000)
Bond premium		(1,455,965)
Deferred inflows - pension		(1,351,687)
Deferred inflows - OPEB		(5,145,876)
Deferred charge on refunding		641,650
Accrued interest payable		(89,899)
Net Position of Governmental Activities (Exhibit I)	$	97,818,094

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General	CIFA	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 84,561,255	$	$	$ 84,561,255
Intergovernmental	11,862,214		1,547,729	13,409,943
Charges for services	3,493,542		6,102,414	9,595,956
Investment income	646,011	12,949	6,864	665,824
Other local revenues	179,057	13,750	498,924	691,731
Total revenues	100,742,079	26,699	8,155,931	108,924,709
Expenditures:				
Current:				
Town Council:				
General government	3,459,478		225,969	3,685,447
Public safety	11,140,143		150,176	11,290,319
Public works	5,990,069		2,315,311	8,305,380
Health and social services	563,164			563,164
Recreation and parks	802,709		349,380	1,152,089
Educational - cultural	1,744,194			1,744,194
Conservation and development	672,032			672,032
Miscellaneous	304,891			304,891
Total town council	24,676,680		3,040,836	27,717,516
Board of Education	67,467,694		1,984,833	69,452,527
Debt service	3,036,692			3,036,692
Capital outlay		3,645,412	252,495	3,897,907
Total expenditures	95,181,066	3,645,412	5,278,164	104,104,642
Excess (Deficiency) of Revenues over Expenditures	5,561,013	(3,618,713)	2,877,767	4,820,067
Other Financing Sources (Uses):				
Issuance of bonds		3,275,000		3,275,000
Premium on bond issuance		507,915		507,915
Capital lease issuance	278,823			278,823
Transfers in	50,000	1,806,940	1,078,265	2,935,205
Transfers out	(2,116,247)	(8,958)	(810,000)	(2,935,205)
Net other financing sources (uses)	(1,787,424)	5,580,897	268,265	4,061,738
Net Change in Fund Balances	3,773,589	1,962,184	3,146,032	8,881,805
Fund Balances at Beginning of Year	13,121,733	5,894,887	4,390,395	23,407,015
Fund Balances at End of Year	$ 16,895,322	$ 7,857,071	$ 7,536,427	$ 32,288,820

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TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	$ 8,881,805
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlay	3,898,242
Depreciation expense	(4,457,492)
Loss on disposal of capital assets	(45,974)
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:	
Increase (decrease) in property tax receivable - accrual basis change	175,957
Increase (decrease) in property tax interest and lien revenue	23,023
(Increase) decrease in property tax and sewer use allowance for doubtful accounts	(2,933)
Increase (decrease) in sewer assessments receivable - accrual basis change	747,742
Increase (decrease) in grants receivable - accrual basis change	206,361
Increase (decrease) in deferred outflows amounts related to pension	817,961
Increase (decrease) in deferred outflows amounts related to OPEB	53,507
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, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Accrued interest	13,789
Issuance of bonds	(3,275,000)
Principal payments	2,535,000
Premium on bond issuance	(507,915)
Amortization of bond premiums	171,690
Amortization of deferred charge on refunding	(73,331)
Capital leases issuance	(278,823)
Capital leases payments	300,616
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
(Increase) decrease in compensated absences	(478,901)
(Increase) decrease in net pension liability	(1,673,310)
(Increase) decrease in OPEB liability	3,337,265
Landfill postclosure payments	30,000
(Increase) decrease in deferred inflows amounts related to pension	(189,440)
(Increase) decrease in deferred inflows amounts related to OPEB	(2,967,074)
The net revenue of the internal service funds is reported with the governmental activities.	(206,727)
Change in Net Position of Governmental Activities (Exhibit II)	$ 7,036,038

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	$ 84,624,710	$ 84,624,710	$ 84,561,255	$ (63,455)
Intergovernmental	2,278,650	2,509,912	2,810,122	300,210
Charges for services	2,016,925	2,016,925	3,493,542	1,476,617
Investment income	300,000	577,307	638,415	61,108
Other local revenues	220,345	220,345	188,129	(32,216)
Total revenues	89,440,630	89,949,199	91,691,463	1,742,264
Expenditures:				
Current:				
Town Council:				
General government	3,501,609	3,559,280	3,409,238	150,042
Public safety	11,178,397	11,344,193	11,093,250	250,943
Public works	6,443,445	6,529,924	6,026,635	503,289
Health and social services	549,921	579,212	561,123	18,089
Recreation and parks	857,169	864,316	794,803	69,513
Educational - cultural	1,720,491	1,744,194	1,736,517	7,677
Conservation and development	688,158	695,938	659,674	36,264
Miscellaneous	345,913	342,780	304,891	37,889
Total town council	25,285,103	25,659,837	24,586,131	1,073,706
Board of Education	58,605,549	58,812,077	58,062,523	749,554
Debt service	3,746,038	3,746,038	3,036,692	709,346
Total expenditures	87,636,690	88,217,952	85,685,346	2,532,606
Excess of Revenues over Expenditures	1,803,940	1,731,247	6,006,117	4,274,870
Other Financing Sources (Uses):				
Assignment of fund balance		385,000		(385,000)
Transfers in			50,000	50,000
Transfers out	(1,803,940)	(2,116,247)	(2,116,247)	-
Net other financing uses	(1,803,940)	(1,731,247)	(2,066,247)	(335,000)
Net Change in Fund Balance	$ -	$ -	3,939,870	$ 3,939,870
Fund Balance at Beginning of Year			12,532,535	
Fund Balance at End of Year			$ 16,472,405	

The accompanying notes are an integral part of the financial statements

EXHIBIT VI

TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Governmental Activities
	Internal Service Fund
Assets:	
Current assets:	
Due from other funds	$ 2,832,351
Liabilities:	
Current liabilities:	
Claims payable	430,114
Total Net Position	$ 2,402,237

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Charges for services:	
Town	$ 1,898,952
Board of Education	6,725,239
Other	204,741
Total operating revenues	8,828,932
Operating expenses:	
Medical claims:	
Town	2,015,177
Board of Education	7,020,482
Total operating expenses	9,035,659
Change in Net Position	(206,727)
Net Position at Beginning of Year	2,608,964
Net Position at End of Year	$ 2,402,237

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

		Governmental Activities
		Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from customers and users	$	8,961,488
Claims paid		(8,961,488)
Net cash provided by (used in) operating activities		-
Net Increase (Decrease) in Cash		-
Cash at Beginning of Year		-
Cash at End of Year	$	-
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	$	(206,727)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in due from other funds		132,556
Increase (decrease) in claims payable		74,171
Net Cash Provided by (Used in) Operating Activities	$	-

The accompanying notes are an integral part of the financial statements

EXHIBIT IX

TOWN OF AVON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	$ 183,201	$ 225,448
Investments, at fair value:		
Guaranteed interest contract	1,362,141	
Mutual funds	38,625,471	
Total investments	39,987,612	-
Accounts receivable	42,000	53,872
Due from other funds	5,390,388	
Total assets	45,603,201	$ 279,320
Liabilities:		
Fiduciary deposits		$ 266,320
Accounts payable	200,062	13,000
Due to other funds	42,000	
Total liabilities	242,062	$ 279,320
Net Position:		
Restricted for Pension Benefits	33,173,416	
Restricted for OPEB Benefits	12,187,723	
Total net position	$ 45,361,139	

The accompanying notes are an integral part of the financial statements

EXHIBIT X

TOWN OF AVON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	$ 6,833,273
Plan members	210,397
Total contributions	7,043,670
Investment income:	
Net change in fair value of investments	268,945
Interest and dividends	2,351,945
Total investment income	2,620,890
Total additions	9,664,560
Deductions:	
Benefits	6,090,737
Administration	48,177
Total deductions	6,138,914
Change in Net Position	3,525,646
Net Position at Beginning of Year	41,835,493
Net Position at End of Year	$ 45,361,139

The accompanying notes are an integral part of the financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

The notes to basic financial statements contain a summary of significant accounting policies and other notes considered necessary for a clear understanding of the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Avon, Connecticut (the Town) was incorporated in May 1830 under the provisions of the Connecticut General Statutes. The Town operates under the Town Manager/Town Council form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations that, by the nature and significance of their relationship with the primary government, would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

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

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. Governmental activities are normally supported by taxes and intergovernmental revenues.

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. Certain indirect costs are included as part of the program expense reported for individual funds and activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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 revenues 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. Agency funds do not have a measurement focus but are accounted for using the 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.

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, transfers 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *CIFA Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases. The major sources of revenue for this fund are bond proceeds and intergovernmental revenues.

Additionally, the government reports the following fund types:

The *Internal Service Fund* accounts for risk financing activities for medical insurance benefits.

The *Pension and Other Employee Benefit Trust Funds* account for the activities of the Avon Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees and also the activities for both Town and Board of Education other postemployment benefits plans (e.g., health insurance, life insurance), which accumulate resources for other postemployment benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of students and others and for various Board of Education and Town programs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Internal Service Fund and various other functions of the government. 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 all taxes.

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

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

C. Cash Equivalents

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.

D. Investments

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).

F. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectible accounts.

In the fund financial statements, all property taxes receivable at June 30, 2020 that have not been collected within 60 days of June 30 have been recorded as unavailable revenue, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of 1-1/2% per month. An amount of $163,151 has been established as an allowance for uncollected taxes. At June 30, 2020, this allowance represents 20% of property taxes receivable.

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 for equipment, $20,000 for improvements and $100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings	50
Building improvements	10-20
Land improvements	15-25
Roads	80
Sewer lines	100
Storm drains	40
Vehicles	7-25
Equipment	5-35
Computer equipment	5-10

H. 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.

I. Net Other Post Employment Benefit 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.

J. Compensated Absences

The Town and Board of Education employees are granted vacation and sick leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation and sick time, and the expenditure is recognized in the governmental fund financial statements, typically, the General Fund or the Debt Service Fund.

K. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and, so, will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections and advance sewer collections in both the government-wide statement of net position and the governmental funds balance sheet. The Town also reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. Both advance property tax collections and advance sewer collections represent taxes and fees inherently associated with a future period. These amounts will be recognized during the period with which the revenue is associated. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). 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 three sources: property taxes, special assessments and grants receivable. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. 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 the 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.

M. Fund Equity and Net Position

In the government-wide financial statements, net position is classified into 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. Debt issued for noncapital purposes is excluded.

Restricted Net Position
This category presents the net position restricted by external parties (creditors, grantors, contributors, or laws and regulations).

Unrestricted Net Position
This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Nonspendable Fund Balance
This balance represents amounts that cannot be spent due to form, including inventories, prepaid amounts and the corpus of permanent funds.

Restricted Fund Balance
This balance 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 balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. Fund balance commitments are created when a formal resolution from the Town Manager (as prepared by the Finance Director) is presented to the Town Council and a recommendation is made to the Board of Finance to approve the resolution and subsequent approval is attained.

Assigned Fund Balance
This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the Town Charter. This body or official includes department heads, heads of offices, and designees or authorized agents of the Town Manager.

Unassigned Fund Balance
This balance 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.

N. Accounting 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 and liabilities, including disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

O. Subsequent Events Evaluation by Management

In preparing these financial statements, management has evaluated subsequent events through December 16, 2020, which represents the date the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Town established a Town-wide budget in accordance with provisions of its Charter and the Connecticut General Statutes. Budgets for the General Fund, Sewer Fund, State and Federal Education Grants Fund, School Cafeteria Fund, Recreational Activities Fund, Local Capital Improvement Program Fund, Forest Park Management Fund, Town Aid Road Fund, Police Special Services Fund and Use of School Facilities Fund are legally adopted annually at the Annual Town Meeting. Transfers and supplemental appropriations were approved during the year in accordance with provisions of its Charter and the Connecticut General Statutes. There were $893,569 of additional appropriations during the year in the General Fund, $385,000 from fund balance, $50,000 in transfers in from other funds and $508,569 from additional revenue sources.

- Annual operating budgets are prepared and employed for management control for the General Fund. Unencumbered appropriations of these funds lapse at year end. Encumbered appropriations are carried forward. Transfer of funds between appropriations shall be approved by the Town Council for amounts not exceeding 1/10 of 1% of the current Town operating budget. Transfers exceeding 1/10 of 1% are approved by the Board of Finance upon recommendation of the Town Council. Additional appropriations may be made by the Board of Finance upon favorable recommendation of the Town Council. The legal level of control is at the department level. Line items within these departments may individually exceed their appropriations, as long as in the aggregate they do not. Management is not authorized to transfer budgeted amounts or to approve additional appropriations.

- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have Board of Education, Board of Finance and Town Council approval.

- Nonlapsing project budgets exceeding one year in length are employed for the capital projects funds. These budgets are not “annual” budgets; they are nonlapsing budgets and span two to three years.

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

A reconciliation of revenues, expenditures and fund balance between the accounting treatment required by GAAP and budgetary requirements is as follows:

	Revenues & Other Financing Sources	Expenditures & Other Financing Uses	Fund Balance
Balance, budgetary basis - June 30, 2020	$ 91,741,463	$ 87,801,593	$ 16,472,405
Encumbrances outstanding June 30, 2020 charged to budgetary expenditures during the year ended June 30, 2020		(512,248)	512,248
Encumbrances received and liquidated in the current year		588,855	
Underliquidation of encumbrances from June 30, 2019	(9,072)		
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			60,832
Change in accrued payroll		88,198	(268,638)
Capital lease issuance	278,823	278,823	
State Teachers' Retirement pension expense (revenue)	8,811,273	8,811,273	
State Teachers' Retirement OPEB expense (revenue)	240,819	240,819	
Activity of OPEB Special Revenue, combined with General Fund for GASB 54	7,596		118,475
Balance, GAAP Basis - June 30, 2020	$ 101,070,902	$ 97,297,313	$ 16,895,322

Capital Projects Authorizations

The following is a summary of capital projects at June 30, 2020:

Capital Project	Authorization	Current Year Expenditures	Cumulative Expenditures	Balance June 30, 2020
Capital and nonrecurring	$ 4,351,053	$ 252,495	$ 3,341,528	$ 1,009,525
CIFA:				
General government	25,114,508	1,018,782	19,898,874	5,215,634
Board of Education	6,721,791	2,626,630	6,326,093	395,698
Total	$ 36,187,352	$ 3,897,907	$ 29,566,495	$ 6,620,857

B. Deficit Fund Balances

For the year ended June 30, 2020, the following funds had deficit fund balances:

Avon Day Fund	$	(13,662)
Local Capital Improvement Program Fund		(108,154)

These amounts will be funded through grant revenue, donations and transfers in the future.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, $14,517,615 of the Town's bank balance of $15,205,626 was exposed to custodial credit risk at June 30, 2020, as follows:

Uninsured and uncollateralized	$ 13,015,853
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	1,501,762
Total Amount Subject to Custodial Credit Risk	$ 14,517,615

Cash Equivalents

At June 30, 2020, the Town's cash equivalents amounted to $31,192,986. 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
STIF	AAAm
Raymond James Bank	N/A
Webster Bank	N/A

Investments

As of June 30, 2020, the Town had the following investments:

Investment Type	Credit Rating	Fair Value
Other Investments:		
Mutual Fund	N/A	$ 38,682,307
Guaranteed Interest Contract	N/A	1,362,141
Total Investments		$ 40,044,448

Interest Rate Risk
The Town limits its maximum final stated maturities to 15 years, unless specific authority is given to exceed that limit. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments
As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same types of investments as State Statutes.

Concentration of Credit Risk
The Town has no policy limiting 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, 2020, 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.

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government-sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service.

The Town's pension investments are governed by its *Statement of Investment Policies and Objectives*. The policy details asset mix ranges for the following classes of investments: core equities (40% - 50%), international equities (0% - 10%), small to mid-cap equities (0% - 10%), fixed income investments (40% - 50%) and cash equivalents (0% - 10%). The overall investment return is expected to exceed the actuarial investment return assumption, the inflation rate as measured by the Consumer Price Index, and the return of a passively managed portfolio. Each portfolio has specific objectives as well. The annualized return of the Balanced Portfolio should exceed by at least 1% the return of a specified group of weighted balanced indexes. The annualized return of the Domestic Equity portfolio should exceed the return of the S&P 500 Stock Index by 1.5% and rank in the upper 40% of a broad universe of managers with similar objectives. The annualized return of the fixed income portfolio is expected to exceed by 1% the Lehman Brothers Aggregate Note Index and rank in the upper 40% of a broad universe of managers with similar objectives.

Investment guidelines further spell out the parameters under which the plan's active managers must operate. Overall, no more than 5% of total assets can be invested in any one company's securities, and no more than 15% in any one industry (except for U.S. government securities). In addition, no more than 5% of a corporation's outstanding issues in a given security class may be purchased. Each portfolio has specific guidelines which reflect or further define the general guidelines.

Investment manager performance and compliance with the investment policy is reviewed periodically by a committee of Town officials and a pension consultant.

For the Capital and Nonrecurring Expenditures Fund, not more than 31% can be invested in equity securities.

Fair Value

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, 2020:

	June 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Mutual funds	$ 38,682,307	$ 38,682,307	$	$
Guaranteed interest contract	1,362,141		1,362,141	
Total Investments Measured at Fair Value	$ 40,044,448	$ 38,682,307	$ 1,362,141	$ -

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

B. Receivables

Fund receivables as of June 30, 2020, including the applicable allowances for collection losses, are as follows:

	General	Nonmajor and Other Funds	Total
Property taxes*	$ 815,757	$	$ 815,757
Assessments		1,196,243	1,196,243
Intergovernmental		272,288	272,288
Accounts	630,332	145,968	776,300
Gross receivables	1,446,089	1,614,499	3,060,588
Allowances	(163,151)		(163,151)
Net Receivables	$ 1,282,938	$ 1,614,499	$ 2,897,437

*Property tax interest is not included.

C. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 7,662,553	$	$	$ 7,662,553
Construction in progress	12,399,397	1,116,334	6,491,325	7,024,406
Total capital assets not being depreciated	20,061,950	1,116,334	6,491,325	14,686,959
Capital assets being depreciated:				
Land improvements	2,646,684	3,595,000		6,241,684
Buildings and improvements	124,977,402	967,812		125,945,214
Equipment	15,022,184	1,013,736	100,091	15,935,829
Vehicles	6,345,170	1,816,297	176,484	7,984,983
Infrastructure	48,874,835	1,880,388		50,755,223
Total capital assets being depreciated	197,866,275	9,273,233	276,575	206,862,933
Less accumulated depreciation for:				
Land improvements	1,409,313	122,802		1,532,115
Buildings and improvements	43,237,616	2,640,421		45,878,037
Equipment	10,430,945	881,201	97,727	11,214,419
Vehicles	3,658,606	326,976	132,874	3,852,708
Infrastructure	13,834,754	486,092		14,320,846
Total accumulated depreciation	72,571,234	4,457,492	230,601	76,798,125
Total capital assets being depreciated, net	125,295,041	4,815,741	45,974	130,064,808
Governmental Activities Capital Assets, Net	$ 145,356,991	$ 5,932,075	$ 6,537,299	$ 144,751,767

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

General government	$ 455,300
Public safety	254,272
Public works	722,227
Recreation and parks	128,119
Educational - cultural	140,489
Board of Education	2,757,085
Total Depreciation Expense - Governmental Activities	$ 4,457,492

D. Interfund Receivables, Payables and Transfers

A summary of interfund balances as of June 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 127,016
General Fund	Pension Fund	42,000
CIFA	General Fund	7,428,016
Nonmajor Governmental Funds	General Fund	7,441,832
Internal Service Fund	General Fund	2,832,351
Other Post Employment Benefits Fund	General Fund	5,390,388
		$ 23,261,603

Several Nonmajor Governmental Funds owe the General Fund for expenditures paid by the General Fund. The Pension Fund owes the General Fund for benefits payments made. The CIFA Fund owes the General Fund for ongoing project expenditures. The General Fund paid for employer contributions for medical expenditures for employees for the Internal Service Fund and Other Post Employment Benefits Fund.

A summary of interfund transfers as of June 30, 2020 is as follows:

	General Fund	CIFA Fund	Nonmajor Governmental Funds	Total Transfers Out
General Fund	$	$ 1,046,940	$ 1,069,307	$ 2,116,247
CIFA Fund			8,958	8,958
Nonmajor Governmental Funds	50,000	760,000		810,000
Total Transfers In	$ 50,000	$ 1,806,940	$ 1,078,265	$ 2,935,205

The General Fund transferred funds to the CIFA Fund for budgeted capital projects for town facilities. General Fund transfers to nonmajor governmental funds were to the Capital and Nonrecurring Expenditures Fund for town equipment, to Debt Service Fund to cover debt payments, and to Education Grants Fund to cover expenditures pending grant reimbursement. Transfers from the Nonmajor Governmental Funds to the CIFA fund were for budgeted projects in the Sewer Fund. Transfers from the Nonmajor Governmental Funds to the General Fund were for funds returned from Capital and Nonrecurring Fund.

E. Long-Term Debt

Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations during the fiscal year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	$ 17,670,000	$ 3,275,000	$ 2,235,000	$ 18,710,000	$ 2,345,000
General obligation bonds - direct placement	1,600,000		300,000	1,300,000	300,000
Premium on bonds	1,119,740	507,915	171,690	1,455,965	
Total bonds payable	20,389,740	3,782,915	2,706,690	21,465,965	2,645,000
Capital lease obligations	398,497	278,823	300,616	376,704	169,049
Compensated absences	3,625,917	1,254,784	775,883	4,104,818	820,964
Net pension liability	24,616,362	1,673,310		26,289,672	
Net OPEB liability	31,427,709		3,337,265	28,090,444	
Landfill post-closure costs	150,000		30,000	120,000	30,000
Total Governmental Activities Long-Term Liabilities	$ 80,608,225	$ 6,989,832	$ 7,150,454	$ 80,447,603	$ 3,665,013

Liabilities for general obligations bonds, capital lease obligations, compensated absences, net pension liability, net OPEB liability, and landfill post-closure costs have historically been liquidated by 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 have been issued for general improvements, sewer additions and school construction.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. These bonds are generally issued as 15-year serial bonds with varying annual principal payments.

General obligation bonds currently outstanding are as follows:

Description	Interest Rate (%)	Amount
General purpose:		
General obligation improvement	2-4%	$ 5,407,000
General obligation direct placement	1.75%	1,300,000
School:		
School improvement	2-4%	13,303,000
Total Outstanding		$ 20,010,000

Future maturities for outstanding general obligation bonds are as follows:

	General Obligation Bonds	
	Principal	Interest
2021	$ 2,345,000	$ 539,922
2022	2,340,000	481,025
2023	2,335,000	413,950
2024	2,340,000	338,900
2025	2,340,000	271,750
2026-2028	7,010,000	555,250
Total	$ 18,710,000	$ 2,600,797

On June 16, 2020, the Town issued general obligation bonds of $3,275,000 to be used to provide funds for various school and general-purpose projects. The bonds are set to mature on June 15, 2035 with interest rates ranging from 2% to 4%.

General Obligation Bonds - Direct Placement

During 2018, the Town purchased approximately 38 acres having the address of 828 West Avon Road, Avon, Connecticut, leasing approximately 22 acres to the seller Severni. The property was purchased for $2,000,000 with $400,000 payable at closing and a 7-year nontransferable bond with an interest rate of 1.75% in the amount of $1,600,000 payable in annual installments.

Future maturities for outstanding direct placement general obligation bonds are as follows:

	General Obligation Bonds Direct Placement	
	Principal	Interest
2021	$ 300,000	$ 22,750
2022	200,000	17,500
2023	200,000	14,000
2024	200,000	10,500
2025	200,000	7,000
2026	200,000	3,500
Total	$ 1,300,000	$ 75,250

Prior Year Defeasance of Debt

In prior years, the Town defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. The bonds were called on October 15, 2019.

Statutory Debt Limitations

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Net Indebtedness	Balance
General purpose	$ 194,710,264	$ 10,317,000	$ 184,393,264
Schools	389,420,528	13,303,000	376,117,528
Sewers	324,517,106		324,517,106
Urban renewal	281,248,159		281,248,159
Pension deficit	259,613,685		259,613,685

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, $605,765,265.

The indebtedness reflected above includes bonds outstanding, school construction grants receivable and sewer assessments receivable.

Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require landfill closures to meet certain standards. The Town landfill has been closed. Estimated monitoring costs for the next 5 years at $30,000 per year are $120,000. This amount is based on estimates that are subject to change due to inflation, technology or applicable laws and regulations.

Authorized/Unissued Bonds

At June 30, 2020, there were $3,610,000 of authorized, unissued general purpose bonds.

F. Capital Leases

The Town has entered into a lease agreement as lessee for financing the acquisition of certain computer equipment. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The assets acquired through the capital lease are as follows:

	Governmental Activities
Equipment	$ 1,170,648
Less accumulated depreciation	(751,013)
Net Book Value	$ 419,635

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2020 were as follows:

Year Ending June 30		Governmental Activities
2021	$	185,932
2022		146,003
2023		74,745
Less amount for interest		(29,976)
Minimum Lease Payments	$	376,704

G. Fund Balance

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	General Fund	CIFA	Nonmajor Governmental Funds	Total
Fund balances:				
Nonspendable:				
Inventory	$	$	$ 5,591	$ 5,591
Prepaid items	59,972			59,972
Police Officers' meritorious service			64,259	64,259
Restricted:				
Fisher Meadow donations			555,090	555,090
State and federal education grant			433	433
Town aid road projects			812,606	812,606
Police Officers' meritorious service			10,801	10,801
Committed to:				
Public safety			276,703	276,703
Public works drainage		80,500	8,121	88,621
Public works sewer		2,433,706	3,470,225	5,903,931
Recreation and parks		644,625	203,432	848,057
Forest management			23,279	23,279
Debt service			220,492	220,492
Cafeteria			260,157	260,157
School facilities			123,931	123,931
Town Clerk			47,965	47,965
Property damage			12,513	12,513
Donations			49,156	49,156
Public works roadway		158,145	864,053	1,022,198
Town Hall capital projects		363,987	137,352	501,339
Public safety capital projects		1,195,999		1,195,999
Fire capital projects		55,143		55,143
Public works capital projects		283,530		283,530
Other Town projects		1,595,741	512,084	2,107,825
Board of Education capital projects		395,698		395,698
Open space		649,997		649,997
Assigned to:				
Payroll escrow	75,000			75,000
Pension contributions	400,000			400,000
Post-employment benefits	300,000			300,000
Election workers	10,000			10,000
Capital reserve	3,000			3,000
Capital asset replacement	83,342			83,342
Subsequent year expenditures	1,800,000			1,800,000
Debt service	200,000			200,000
General government	44,237			44,237
Public safety	303,078			303,078
Public works	71,199			71,199
Recreation and parks	9,169			9,169
Conservation and development	18,390			18,390
Health and social services	18,995			18,995
Education	658,011			658,011
Other post-employment benefits	118,475			118,475
Unassigned	12,722,454		(121,816)	12,600,638
Total Fund Balances	$ 16,895,322	$ 7,857,071	$ 7,536,427	$ 32,288,820

Significant encumbrances in total by each major fund and nonmajor funds in the aggregate is as follows:

General Fund	$ 573,080
CIFA	3,575,338
Nonmajor Governmental Funds	32,425
Total	$ 4,180,843

Significant encumbrances are included in the committed and assigned categories of fund balance.

4. EMPLOYEE RETIREMENT PLANS

A. Defined Benefit Pension Plans

The Town of Avon administers two single-employer, contributory, defined benefit pension plans (Town and Board of Education) to provide pension benefits for its police officers, public works employees, management unclassified and classified nonorganized employees, dispatch employees and Board of Education employees, except certified personnel who are eligible to participate in the State of Connecticut Teachers' Retirement System. The police and nonorganized portions of the Town plan closed to new entrants effective January 1, 1997, and public works and dispatchers closed to new entrants effective July 1, 1997. All new employees of the above classes become part of the Town's defined contribution plan. The plans are considered to be part of the Town's financial reporting entity and, therefore, are included in the Town's financial reports as pension trust funds. Separate, stand-alone financial reports are not issued by the pension plans.

Management of the plan rests with the Ad Hoc Pension Investment Advisory Committee, established in 1991 and comprised of the Town Manager, Director of Finance, Director of Human Resources, Chairman of the Board of Finance, Town of Avon Treasurer and the Board of Education Business Office Manager.

The Ad Hoc Pension Investment Advisory Committee is advisory to the Town Council, provides oversight of the activities of the pension investment managers and the pension investment advisor, and has authority to make operational changes within the parameters of existing pension policies:

- Review, discuss, and may change strategies on investment performance, policies and managers at semi-annual meetings (with the advice of the pension investment advisor), if it falls within current policies, allocations and strategies.

- Revisions, establishment of new policies, or changes to the investment policy that fall outside current policies, allocations and strategies require a majority rule vote by the members of the Ad Hoc Pension Investment Advisory Committee and the approval of the Town Council.

When benefit terms are established or amended, the terms must be determined, reviewed, and/or approved independently and/or collectively (depending on the nature of the change) and involve the following parties:

- Town Manager Office
- Human Resources Office
- Actuarial Firm Representative(s)
- Legal Firm Representative(s)
- Director of Finance for Town or Board of Education, as applicable
- Bargaining Unit Representative(s), as applicable
- IRS Regulation(s), if applicable

Plan Descriptions and Benefits Provided

Town Employees
Plan provisions and contribution requirements and the authority to amend the provisions are established by the plans approved by the Town Council. Under the plan, all employees hired before age 65, having attained age 23 for police officers or age 22 for public works, nonorganized employees and dispatchers, having one year of service and agreeing to make the required employee contributions as set out below, are eligible. Employees are 100% vested after 5 years of service for the plan.

Board of Education
Plan provisions and contribution requirements and the authority to amend the provisions are established by the plans approved by the Town Council. Under the plan, all employees hired before age 65, having attained age 25 for Board of Education employees, having one year of service and agreeing to make the required employee contributions as set out below, are eligible. Employees are 100% vested after 5 years of service for the plan.

At July 1, 2019, retirement plan membership consisted of:

	Town	Board of Education
Retirees and beneficiaries currently receiving benefits	88	45
Terminated employees entitled to benefits but not yet receiving them	2	50
Current active employees	4	97
Total	94	192

The plan was closed as follows: (Town Plan) police and nonorganized as of January 1, 1997, public works and dispatchers as of July 1, 1997; and (BOE Plan) effective July 1, 2012, new custodians, nurses and unaffiliated employees will not be covered by this plan.

Summary of Significant Accounting Policies

Basis of Accounting

The pension trust funds' financial statements are prepared using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned, and expenses (benefits and administration) are recognized when they are due and payable, in accordance with the terms of each plan.

Valuation of Investments

Investments are valued at fair value based upon quoted market prices. Securities traded on national exchanges are valued at the last reported sales price.

Funding Policy

Required employee contributions under the plans are as follows:

Town	Board of Education
7.5%	4% or 7%

The Town's contributions are actuarially determined on an annual basis using the entry age normal cost actuarial method. Administration costs are generally financed through investment earnings.

Investments

Investment Policy
The Town's pension investments are governed by its Statement of Investment Policies and Objectives. The policy details asset mix ranges for the following classes of investments: core equities (40% - 50%), international equities (0% - 10%), small to mid-cap equities "SMIDs" (0% - 10%), fixed income investments (40% - 50%), and cash equivalents (0% - 10%). The overall investment return is expected to exceed the actuarial investment return assumption, the inflation rate as measured by the Consumer Price Index, and the return of a passively managed portfolio. Each portfolio has specific objectives as well. The annualized return of the Enhanced Core Equity portfolio is expected to exceed the return of the S & P 500 Stock Index by 1.5% and rank in the upper 40% of a broad universe of managers working under similar objectives. The annualized return of the Fixed Income portfolio is expected to exceed by 1% the Lehman Brothers Aggregate Note Index and rank in the upper 40% of a broad universe of managers with similar objectives. Investment guidelines further spell out the parameters under which the plan's active managers must operate. Overall, no more than 5% of total assets can be invested in any one company's securities, and no more than 15% in any one industry (except for US government securities). In addition, no more than 5% of a corporation's outstanding issues in a given security class may be purchased. Each portfolio has specific guidelines which reflect or further define the general guidelines. Investment manager performance and compliance with the investment policy is reviewed periodically by a committee of Town officials and a pension consultant.

Asset Class	Target Allocation
US Core Fixed Income	40.00%
Large Cap US Equities	35.00%
Mid Cap US Equities	10.00%
Developed Foreign Equities	15.00%
Total	100.00%

Rate of Return
For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.87% for the Town and 7.64% for the Board of Education. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

Town Employees Retirement Plan
The Town's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019.

The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total pension liability	$	43,812,469
Plan fiduciary net position		20,112,806
Net Pension Liability	$	23,699,663
Plan fiduciary net position as a percentage of the total pension liability		45.91%

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.25%

Mortality rates were based on the PubG-2010 Mortality with generational projection per the MP Ultimate Scale entry age normal.

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, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US Core Fixed Income	2.28%
Large Cap US Equities	4.46%
Mid Cap US Equities	4.84%
Developed Foreign Equities	6.09%

Discount Rate
The discount rate used to measure the total pension liability was 6.25%, a decrease from the prior year rate of 6.50%. 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of July 1, 2019	$ 42,198,229	$ 19,188,970	$ 23,009,259
Changes for the year:			
Service cost	15,576		15,576
Interest on total pension liability	2,623,031		2,623,031
Effect of economic/demographic gains or losses	(283,029)		(283,029)
Effect of assumptions changes or inputs	3,037,111		3,037,111
Benefit payments	(3,778,449)	(3,778,449)	-
Employer contributions		3,315,082	(3,315,082)
Member contributions			-
Net investment income		1,410,151	(1,410,151)
Administrative expenses		(22,948)	22,948
Net Changes	1,614,240	923,836	690,404
Balances as of June 30, 2020	$ 43,812,469	$ 20,112,806	$ 23,699,663

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

The following presents the net pension liability of the Town, calculated using the current discount rate, 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 or 1 percentage point higher than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Town Employees	$ 27,606,739	$ 23,699,663	$ 20,346,363

Board of Education Retirement Plan

The components of the net pension liability of the Board of Education at June 30, 2020 were as follows:

Total pension liability	$ 15,650,619
Plan fiduciary net position	13,060,610
Net Pension Liability	$ 2,590,009
Plan fiduciary net position as a percentage of the total pension liability	83.45%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.25%

Mortality rates were based on the PubG-2010 Mortality with generational projection per the MP Ultimate Scale entry age normal.

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, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US Core Fixed Income	2.28%
Large Cap US Equities	4.46%
Mid Cap US Equities	4.84%
Developed Foreign Equities	6.09%

Discount Rate

The discount rate used to measure the total pension liability was 6.25%, a decrease from 6.50% for the prior year. 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of July 1, 2019	$ 13,461,062	$ 11,853,959	$ 1,607,103
Changes for the year:			
Service cost	495,815		495,815
Interest on total pension liability	890,338		890,338
Effect of economic/demographic gains or losses	(40,629)		(40,629)
Effect of assumptions changes or inputs	1,371,068		1,371,068
Benefit payments	(527,035)	(527,035)	-
Employer contributions		610,663	(610,663)
Member contributions		210,397	(210,397)
Net investment income		930,705	(930,705)
Administrative expenses		(18,079)	18,079
Net Changes	2,189,557	1,206,651	982,906
Balances as of June 30, 2020	$ 15,650,619	$ 13,060,610	$ 2,590,009

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

The following presents the net pension liability of the Board of Education, calculated using the current discount rate, 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 or 1 percentage point higher than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Board of Education	$ 44,467,207	$ 2,590,009	$ 1,001,085

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

For the year ended June 30, 2020, the Town recognized pension expense of $4,249,757 for the Town Plan and $720,777 for the Board of Education Plan. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Town	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earning on pension plan investments	$	$ 418,630
Total	$ -	$ 418,630

	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 75,208	$ 667,984
Changes of assumptions	1,622,253	
Net difference between projected and actual earning on pension plan investments		265,073
Total	$ 1,697,461	$ 933,057

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

Year Ending June 30	
2021	$ (118,280)
2022	160,578
2023	263,853
2024	39,623
	$ 345,774

B. Defined Contribution Plans

Plan Description

The Town maintains two single-employer, defined contribution pension plans, the Avon 401(a) Management Money Purchase Plan and the Avon 401(a) Full-Time Employees' Plan. Both plans are administered by the International City/County Management Association (ICMA). The Town is required to contribute 2.75% of compensation for the Management Money Purchase Plan participants and between 7.50% and 9.25% for the Full-Time Employees' Plan participants. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Management Plan covers Town management employees hired prior to July 1, 1997, and the Full-Time Employees' Plan covers regular, full-time employees hired after July 1, 1997.

Summary of Plan Provisions

For both plans, eligible employees must be at least 21 years of age on or prior to their date of employment. Benefits vest 100% after three years. Any nonvested Town contributions and related interest thereon of employees who leave employment are reserved in a forfeiture account to offset future Town contributions. Normal retirement date is age 65. Plan provisions and contribution requirements and the authority to amend the provisions are established by the Town Council.

Contribution Requirements and Contributions Made

The total Town contributions for the Management Money Purchase Plan and Full-Time Employees' Plan during the year ended June 30, 2020 were $9,340 and $753,845, respectively. Members of the Management Money Purchase Plan are required to contribute 2.75% of their annual earnings, and members of the Full-Time Employees' Plan are required to contribute between 7.50% and 9.25% of their annual earnings. The employees' contributions to each plan were $9,340 and $753,845, respectively.

C. Connecticut Teachers Retirement System - Pension

Plan Description

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

Benefit Provisions

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

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

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

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

Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was $8,811,273 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.

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

At June 30, 2020, 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	116,405,455
Total	$ 116,405,455

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of $14,296,574 in Exhibit II.

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

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

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

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

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

Asset Class	Expected Return	Target Allocation	Standard Deviation
Public Equity - US Equity	8.10 %	20.00 %	17.00 %
Public Equity - International Developed Equity	8.50	11.00	19.00
Public Equity - Emerging Markets Equity	10.40	9.00	24.00
Fixed Income - Core Fixed Income	4.60	16.00	7.00
Fixed Income - Inflation Linked Bonds	3.60	5.00	7.00
Fixed Income - High Yield	6.50	6.00	11.00
Fixed Income - Emerging Market Debt	5.20	5.00	11.00
Private Equity	9.80	10.00	23.00
Real Estate	7.00	10.00	15.00
Alternative Investments - Real Assets	8.20	4.00	17.00
Alternative Investments - Hedge Funds	5.40	3.00	7.00
Liquidity Fund	2.90	1.00	1.00
Total		100.00 %	

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.

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.

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.

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.

5. POSTEMPLOYMENT HEALTHCARE PLAN - OTHER POST EMPLOYMENT BENEFITS PROGRAM

A. Town and Board of Education Plans

Summary of Significant Accounting Policies

Basis of Accounting
The financial statements of the Other Post Employment Benefits Program (OPEBP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

Investments are reported at fair value. Investment income is recognized as earned.

Plan Description and Benefits Provided

The OPEBP is a single-employer defined benefit healthcare plan administered by the Town of Avon. The OPEBP provides medical and dental to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

The Town established a Trust on June 4, 2009. The plan 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 plan does not issue a stand-alone financial report.

Management of the OPEB plan is vested with the Town Manager and Director of Finance. Policy oversight is provided by the Ad Hoc Pension Investment Advisory Committee, which consists of six members.

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

	Other Post Employment Benefits Program	
	Town	Board of Education
Retired members	66	37
Beneficiaries	8	2
Spouses of retired members	43	24
Active plan members	94	343
Total Participants	211	406

Funding Policy

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

2019-2020 Monthly Premiums	Employee	Spouse
Medical - Group 046 Pre 65 Town	$ 929.67	$ 1,066.57
Medical - Group 046 Pre 65 Police	756.29	756.29*
Medical - Groups 047 Post 65	777.65	892.11
Medical - Group 023 Post 65	477.90	477.90
Dental - All Groups	47.60	67.35

*Includes child dependent costs.

Board of Education Employees

2019-2020 Monthly Premiums	Employee	Spouse
Medical - HDHP	$ 577.28	$ 624.42
Medical - OAP	749.71	810.95
Dental	57.72	81.69

For the year ended June 30, 2020, there were no plan member contributions to the plan. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan were $2,020,072 for the Town Plan and $887,456 for the Board of Education Plan. These contributions were made in accordance with actuarially determined requirements.

The Town has assigned a portion of general fund balance to fund these benefits in the future. Net position available for future benefits at June 30, 2020 was $118,475. The Town plans on transferring these monies into the OPEB Trust Fund in the future.

Investments

Investment Policy
The OPEB Plan's policy in regard to the allocation of invested assets are governed by its Investment Policy Statement (IPS), approved by the Town Council on January 6, 2011. A change was made to the allocation rations in the IPS; approved by Town Council September 6, 2018. The investment of these assets shall be guided by the following underlying goals: to achieve the stated actuarial target of the Trust; to exceed the rate of inflation as defined by CPI, by approximately 4% per annum over a full market cycle (a 5-10 year period); to maintain sufficient liquidity to meet the obligations of the Trust; to diversify the assets of the Trust in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that could occur from concentrated positions; to achieve investment results over the long-term that compare favorably with those of other municipal investment pools, professionally managed portfolios and appropriate market indexes.

Investment manager performance and compliance with the investment policy is reviewed periodically by a committee of Town officials and an investment advisor consultant.

Rate of Return
For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 1.07% and 5.78% for the Town Employees OPEB Plan and Board of Education Employees OPEB Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Town Employees

Total OPEB liability	$	31,951,410
Plan fiduciary net position		9,223,795
Net OPEB Liability	$	22,727,615
Plan fiduciary net position as a percentage of the total OPEB liability		28.87%

Board of Education Employees

Total OPEB liability	$	8,326,757
Plan fiduciary net position		2,963,928
Net OPEB Liability	$	5,362,829
Plan fiduciary net position as a percentage of the total OPEB liability		35.60%

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

Discount rate	6.50%
Inflation rate - Town	2.75%
Inflation rate - BOE	2.70%
Medical trend rate - Town	5.70% - 4.40% over 53 years
Medical trend rate - BOE	5.30% - 4.60% over 59 years
Salary increases	3.50% including inflation*

*graded by service for
teachers and administrators

Mortality - Teachers and Administrators
Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA with a two-year age setback, healthy and an eight-year age set forward, disabled. This assumption includes a margin for mortality improvement beyond the valuation date.

Mortality - All Others
Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for males and females with generational projection per Scale AA. This assumption includes a margin for mortality improvement beyond the valuation date.

The plan has not had a formal actuarial experience study performed.

The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2018. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Core Fixed Income	30.00 %	2.28 %
US Large Caps	25.00	4.46
Foreign Developed Equity	17.50	6.09
US Inflation-Indexed Bonds	10.00	1.27
US Mid Caps	6.00	4.84
Emerging Markets Equity	5.00	8.28
US Small Caps	4.00	5.79
US REITs	1.25	5.08
Non-US REITs	1.25	6.23
Total	100.00 %	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability - Town

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of July 1, 2019	$ 33,731,366	$ 8,416,207	$ 25,315,159
Changes for the year:			
Service cost	769,285		769,285
Interest on total OPEB liability	2,200,650		2,200,650
Effect of assumptions changes or inputs	(3,440,258)		(3,440,258)
Benefit payments	(1,309,633)	(1,309,633)	-
Employer contributions		2,020,072	(2,020,072)
Net investment income		104,299	(104,299)
Administrative expenses		(7,150)	7,150
Net Changes	(1,779,956)	807,588	(2,587,544)
Balances as of June 30, 2020	$ 31,951,410	$ 9,223,795	$ 22,727,615

Changes in the Net OPEB Liability - Board of Education

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of July 1, 2019	$ 8,488,907	$ 2,376,357	$ 6,112,550
Changes for the year:			
Service cost	324,791		324,791
Interest on total OPEB liability	557,676		557,676
Effect of assumptions changes or inputs	(568,997)		(568,997)
Benefit payments	(475,620)	(475,620)	-
Employer contributions		887,456	(887,456)
Net investment income		175,735	(175,735)
Net Changes	(162,150)	587,571	(749,721)
Balances as of June 30, 2020	$ 8,326,757	$ 2,963,928	$ 5,362,829

Sensitivity of the Net OPEB liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's 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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability - Town	$ 27,609,711	$ 22,727,615	$ 18,801,992

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability - BOE	$ 6,116,699	$ 5,362,829	$ 4,688,342

Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, as well as what the Town's 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 (4.70% Decreasing to 3.40%)	Healthcare Cost Trend Rates (5.70% Decreasing to 4.40%)	1% Increase (6.70% Decreasing to 5.40%)
Net OPEB Liability - Town	$ 18,019,567	$ 22,727,615	$ 28,687,777

	1% Decrease (4.30% Decreasing to 3.60%)	Healthcare Cost Trend Rates (5.30% Decreasing to 4.60%)	1% Increase (6.30% Decreasing to 5.60%)
Net OPEB Liability - BOE	$ 4,351,646	$ 5,362,829	$ 6,571,070

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

For the year ended June 30, 2020, the Town recognized OPEB expense of $2,054,727 for the Town and $429,103 for the Board of Education. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Town	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 5,447
Changes of assumptions	408,113	2,738,165
Net difference between projected and actual earning on pension plan investments	734,204	
Total	$ 1,142,317	$ 2,743,612

	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 1,883,526
Changes of assumptions	286,666	499,607
Net difference between projected and actual earning on pension plan investments		19,131
Total	$ 286,666	$ 2,402,264

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

Year Ending June 30	
2021	$ (638,287)
2022	(638,285)
2023	(707,889)
2024	(765,185)
2025	(282,305)
Thereafter	(684,942)
	$ (3,716,893)

B. Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

Plan Description

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

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

Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

Eligibility

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

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

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

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

Proratable Retirement
Age 60 with 10 years of Credited Service.

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

Termination of Employment
Ten or more years of Credited Service.

Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was $240,819 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.

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

At June 30, 2020, 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	18,154,088
Total	$ 18,154,088

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of ($1,328,454) in Exhibit II.

Actuarial Assumptions

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

Inflation	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

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 (0.41%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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.

Other Information

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

6. COMBINING TRUST FUND SCHEDULES

Financial statements for the individual pension plans and the OPEB plans as of and for the year ended June 30, 2020 are as follows:

Statement of Fiduciary Net Position

	Pension Town	Pension Board of Education	Other Post Employment Benefit Fund Town	Other Post Employment Benefit Fund Board of Education	Total Trust Funds
Assets:					
Cash and cash equivalents	$ 20,183	$ 51,138	$ 37,666	$ 74,214	$ 183,201
Investments, at fair value:					
Guaranteed interest contract	899,755	462,386			1,362,141
Mutual funds	19,192,868	12,547,086	2,352,237	4,533,280	38,625,471
Total investments	20,092,623	13,009,472	2,352,237	4,533,280	39,987,612
Accounts receivable	42,000				42,000
Due from other funds			7,033,954		7,033,954
Total receivables	42,000	-	7,033,954	-	7,075,954
Total assets	20,154,806	13,060,610	9,423,857	4,607,494	47,246,767
Liabilities:					
Accounts payable			200,062		200,062
Due to other funds	42,000			1,643,566	1,685,566
Total liabilities	42,000	-	200,062	1,643,566	1,885,628
Net Position:					
Restricted for Pension Benefits	$ 20,112,806	$ 13,060,610	$ 9,223,795	$ 2,963,928	$ 45,361,139

Statement of Changes in Fiduciary Net Position

	Pension Town	Pension Board of Education	Other Post Employment Benefit Fund Town	Other Post Employment Benefit Fund Board of Education	Total Trust Funds
Additions:					
Contributions:					
Employer	$ 3,315,082	$ 610,663	$ 2,020,072	$ 887,456	$ 6,833,273
Plan members		210,397			210,397
Total contributions	3,315,082	821,060	2,020,072	887,456	7,043,670
Investment income:					
Net change in fair value of investments	12,148	256,797			268,945
Interest and dividends	1,398,003	673,908	104,299	175,735	2,351,945
Total investment income	1,410,151	930,705	104,299	175,735	2,620,890
Total additions	4,725,233	1,751,765	2,124,371	1,063,191	9,664,560
Deductions:					
Benefits	3,778,449	527,035	1,309,633	475,620	6,090,737
Administration	22,948	18,079	7,150		48,177
Total deductions	3,801,397	545,114	1,316,783	475,620	6,138,914
Net change in net position	923,836	1,206,651	807,588	587,571	3,525,646
Net position at beginning of year	19,188,970	11,853,959	8,416,207	2,376,357	41,835,493
Net Position at End of Year	$ 20,112,806	$ 13,060,610	$ 9,223,795	$ 2,963,928	$ 45,361,139

7. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Town purchases commercial insurance for all risks of loss except medical insurance. Settled claims have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year.

The Town established an internal service fund, the medical claims fund, to account for and finance the retained risk of loss for the Town's medical benefits claims. A third party administers the medical insurance plan for which the Town pays a fee. The medical claims fund provides coverage for regular full-time Town employees. The fund is substantially funded by the Town's General Fund through annual appropriations. The claims liability is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

An analysis of the activity in the claims liability for the medical claims fund is as follows:

	Balance July 1	Current Year Claims and Changes in Estimates	Claims Payments	Balance June 30
Medical Claims Fund:				
2019-2020	$ 355,943	$ 9,035,659	$ 8,961,488	$ 430,114
2018-2019	507,004	8,914,851	9,065,912	355,943

B. Commitments and Litigation

Amounts received or receivable from federal and state grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is currently a defendant in a number of lawsuits. It is the opinion of Town officials and legal counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially adversely affect its financial position.

C. COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the COVID-19 coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and future federal or state fiscal relief.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF AVON, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AVON RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS*

TOWN

	2014	2015	2016	2017	2018	2019	2020
Total pension liability:							
Service cost	$ 163,905	$ 149,834	$ 146,076	$ 106,979	$ 72,683	$ 14,551	$ 15,576
Interest	2,980,790	2,979,055	2,925,097	2,881,746	2,801,325	2,721,665	2,623,031
Effect of economic/demographic gains or losses						189,868	(283,029)
Differences between expected and actual experience		436,694	(87,525)	142,719	297,926	808,194	
Changes of assumptions		430,089	426,171	820,553	814,832		3,037,111
Benefit payments, including refunds of member contributions	(3,266,880)	(3,429,651)	(3,595,436)	(3,665,823)	(3,625,343)	(3,625,729)	(3,778,449)
Net change in total pension liability	(122,185)	566,021	(185,617)	286,174	361,423	108,549	1,614,240
Total pension liability - beginning	41,183,864	41,061,679	41,627,700	41,442,083	41,728,257	42,089,680	42,198,229
Total pension liability - ending	41,061,679	41,627,700	41,442,083	41,728,257	42,089,680	42,198,229	43,812,469
Plan fiduciary net position:							
Contributions - employer	2,367,723	2,611,489	2,718,922	2,784,344	2,974,142	3,156,575	3,315,082
Contributions - employee	61,664	62,311	58,945	47,386	31,969	87,658	
Net investment income	2,615,214	392,103	(221,261)	2,065,484	1,604,141	1,066,219	1,410,151
Benefit payments, including refunds of member contributions	(3,266,880)	(3,429,651)	(3,595,436)	(3,665,823)	(3,625,343)	(3,625,729)	(3,778,449)
Administrative expense	(21,273)	(21,105)	(21,846)	(21,453)	(22,640)	(22,342)	(22,948)
Net change in plan fiduciary net position	1,756,448	(384,853)	(1,060,676)	1,209,938	962,269	662,381	923,836
Plan fiduciary net position - beginning	16,043,463	17,799,911	17,415,058	16,354,382	17,564,320	18,526,589	19,188,970
Plan fiduciary net position - ending	17,799,911	17,415,058	16,354,382	17,564,320	18,526,589	19,188,970	20,112,806
Town's Net Pension Liability - Ending	$ 23,261,768	$ 24,212,642	$ 25,087,701	$ 24,163,937	$ 23,563,091	$ 23,009,259	$ 23,699,663
Plan fiduciary net position as a percentage of the total pension liability	43.35%	41.84%	39.46%	42.09%	44.02%	45.47%	45.91%
Covered payroll	$ 1,528,161	$ 1,244,618	$ 1,146,084	$ 1,008,320	$ 968,415	$ 835,010	$ 644,025
Town's net pension liability as a percentage of covered payroll	1522.21%	1945.39%	2188.99%	2396.46%	2433.16%	2755.57%	3679.93%

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

TOWN OF AVON, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AVON RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS*

BOARD OF EDUCATION

	2014	2015	2016	2017	2018	2019	2020
Total pension liability:							
Service cost	$ 525,256	$ 556,668	$ 536,754	$ 563,301	$ 576,814	$ 490,495	$ 495,815
Interest	611,000	658,710	712,072	782,703	858,481	903,576	890,338
Changes in benefit terms			(152,845)				
Effect of economic/demographic gains or losses						(896,489)	(40,629)
Differences between expected and actual experience	119,783	(193,612)	252,702	175,488	(68,982)		
Changes of assumptions				310,917	347,954	354,292	1,371,068
Benefit payments, including refunds of member contributions	(402,777)	(364,877)	(293,632)	(308,945)	(448,848)	(564,062)	(527,035)
Net change in total pension liability	853,262	656,889	1,055,051	1,523,464	1265419	287,812	2,189,557
Total pension liability - beginning	7,819,165	8,672,427	9,329,316	10,384,367	11,907,831	13,173,250	13,461,062
Total pension liability - ending	8,672,427	9,329,316	10,384,367	11,907,831	13,173,250	13,461,062	15,650,619
Plan fiduciary net position:							
Contributions - employer	507,738	506,967	508,433	514,235	622,289	698,616	610,663
Contributions - employee	299,105	293,265	304,720	277,493	227,313	226,274	210,397
Net investment income	871,716	175,505	(46,816)	1,048,650	861,522	676,111	930,705
Benefit payments, including refunds of member contributions	(402,777)	(364,877)	(293,632)	(308,945)	(448,848)	(564,062)	(527,035)
Administrative expense	(14,704)	(14,465)	(13,785)	(14,746)	(17,793)	(17,293)	(18,079)
Net change in plan fiduciary net position	1,261,078	596,395	458,920	1,516,687	1,244,483	1,019,646	1,206,651
Plan fiduciary net position - beginning	5,756,750	7,017,828	7,614,223	8,073,143	9,589,830	10,834,313	11,853,959
Plan fiduciary net position - ending	7,017,828	7,614,223	8,073,143	9,589,830	10,834,313	11,853,959	13,060,610
Town's Net Pension Liability - Ending	$ 1,654,599	$ 1,715,093	$ 2,311,224	$ 2,318,001	$ 2,338,937	$ 1,607,103	$ 2,590,009
Plan fiduciary net position as a percentage of the total pension liability	80.92%	81.62%	77.74%	80.53%	82.24%	88.06%	83.45%
Covered payroll	$ 4,234,029	$ 4,580,259	$ 4,872,609	$ 4,459,116	$ 4,885,541	$ 4,793,820	$ 3,977,673
Town's net pension liability as a percentage of covered payroll	39.08%	37.45%	47.43%	51.98%	47.87%	33.52%	65.11%

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

TOWN OF AVON, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
AVON RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

TOWN

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially-determined contribution	$ 1,966,862	$ 2,030,829	$ 2,119,020	$ 2,367,723	$ 2,611,489	$ 2,718,922	$ 2,784,344	$ 2,965,142	$ 3,140,575	$ 3,298,082
Contributions in relation to the actuarially-determined contribution	1,966,862	2,030,829	2,119,020	2,367,723	2,611,489	2,718,922	2,784,344	2,974,142	3,156,575	3,315,082
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (9,000)	$ (16,000)	$ (17,000)
Covered payroll	$ 2,481,802	$ 1,954,201	$ 1,540,675	$ 1,528,161	$ 1,244,618	$ 1,146,084	$ 1,008,320	$ 968,415	$ 835,010	$ 644,025
Contributions as a percentage of covered payroll	79.25%	103.92%	137.54%	154.94%	209.82%	237.24%	276.14%	307.11%	378.03%	514.74%

Notes to Schedule

Valuation date	July 1, 2019
Measurement date	June 30, 2020

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 percent, layered
Remaining amortization period	10 years
Asset valuation method	5 year non-asymptotic
Inflation	3.50%, Prior: 2.75%
Investment rate of return	6.25%, Prior: 6.50%
Salary Scale	3.50%
Retirement age	All members are assumed to retire on their normal retirement date
Mortality	PubS-2010 Mortality Table for Police and PubG-2010 Mortality Table for all others with generational projection per the MP Ultimate scale Prior: RP-2000 Combined Healthy Mortality with generational projection per Scale AA

TOWN OF AVON, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
AVON RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

BOARD OF EDUCATION

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially-determined contribution	$ 283,245	$ 318,093	$ 330,426	$ 480,771	$ 506,967	$ 504,392	$ 514,235	$ 622,289	$ 698,616	$ 610,663
Contributions in relation to the actuarially-determined contribution	283,000	318,093	480,000	507,738	506,967	508,433	514,235	622,289	698,616	610,663
Contribution Deficiency (Excess)	$ 245	$ -	$ (149,574)	$ (26,967)	$ -	$ (4,041)	$ -	$ -	$ -	$ -
Covered payroll	$ 3,754,830	$ 3,880,490	$ 4,041,241	$ 4,234,029	$ 4,580,259	$ 4,872,609	$ 4,459,116	$ 4,885,541	$ 4,793,820	$ 3,988,673
Contributions as a percentage of covered payroll	7.54%	8.20%	11.88%	11.99%	11.07%	10.43%	11.53%	12.74%	14.57%	15.31%

Notes to Schedule

Valuation date	July 1, 2019
Measurement date	June 30, 2020

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 percent, layered
Remaining amortization period	10 years
Asset valuation method	5 year non-asymptotic
Inflation	3.50%, Prior: 2.75%
Investment rate of return	6.25%, Prior: 6.50%
Amortization growth rate	3.50%
Retirement age	Age-based table
Mortality	PubG-2010 Mortality with generational projection per the MP Ultimate scale Prior: RP-2000 Combined Healthy Mortality with generational projection per Scale AA

TOWN OF AVON, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
AVON RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS *

TOWN

	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	15.71%	2.34%	(1.22%)	12.52%	8.62%	5.40%	6.87%

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

TOWN OF AVON, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
AVON RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS *

BOARD OF EDUCATION

	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	15.55%	2.42%	(0.58%)	12.59%	8.67%	5.94%	7.64%

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

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST SIX FISCAL YEARS*

	2015	2016	2017	2018	2019	2020
Town's proportion of the net pension liability	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	68,083,931	73,660,024	95,715,132	90,724,585	89,755,368	116,405,455
Total	$ 68,083,931	$ 73,660,024	$ 95,715,132	$ 90,724,585	$ 89,755,368	$ 116,405,455
Town's covered payroll	$ 26,073,558	$ 26,651,752	$ 27,614,326	$ 27,547,607	$ 28,723,475	$ 29,414,259
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%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%

Notes to Schedule

Changes in benefit terms	HB 7424 made the following provision changes: - Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0% - For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.
Changes of assumptions	HB 7424 made the following assumption changes: - Reduce the inflation assumption from 2.75% to 2.50%. - Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%. - Increase the annual rate of wage increase assumption from 0.50% to 0.75%. - Phase in to a level dollar amortization method for the June 30, 2024 valuation
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense

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

TOWN OF AVON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS*

TOWN	2017	2018	2019	2020
Total OPEB liability:				
Service cost	$ 555,395	$ 594,273	$ 727,436	$ 769,285
Interest	1,942,235	2,052,127	2,190,751	2,200,650
Effect of economic/demographic gains or losses			(8,561)	
Changes of assumptions			641,321	(3,440,258)
Benefit payments	(1,095,722)	(833,086)	(764,223)	(1,309,633)
Net change in total OPEB liability	1,401,908	1,813,314	2,786,724	(1,779,956)
Total OPEB liability - beginning	27,729,420	29,131,328	30,944,642	33,731,366
Total OPEB liability - ending	29,131,328	30,944,642	33,731,366	31,951,410
Plan fiduciary net position:				
Contributions - employer	1,946,608	2,130,593	1,975,319	2,020,072
Contributions - member	153,311			
Net investment income	169,420	132,046	142,369	104,299
Benefit payments	(1,079,312)	(833,086)	(764,223)	(1,309,633)
Administrative expense	(16,410)	(5,900)	(23,473)	(7,150)
Net change in plan fiduciary net position	1,173,617	1,423,653	1,329,992	807,588
Plan fiduciary net position - beginning	4,488,945	5,662,562	7,086,215	8,416,207
Plan fiduciary net position - ending	5,662,562	7,086,215	8,416,207	9,223,795
Net OPEB Liability - Ending	$ 23,468,766	$ 23,858,427	$ 25,315,159	$ 22,727,615
Plan fiduciary net position as a percentage of the total OPEB liability	19.44%	22.90%	24.95%	28.87%
Covered payroll	$ 4,848,188	$ 5,277,848	$ 5,277,848	$ 7,970,045
Net OPEB liability as a percentage of covered payroll	484.07%	452.05%	479.65%	285.16%

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

TOWN OF AVON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS*

BOARD OF EDUCATION	**2017**	**2018**	**2019**	**2020**
Total OPEB liability:				
Service cost	$ 349,565	$ 374,035	$ 283,422	$ 324,791
Interest	607,202	654,981	700,168	557,676
Effect of economic/demographic gains or losses			(2,385,800)	
Effect of assumptions changes or inputs			363,110	(568,997)
Benefit payments	(381,547)	(212,941)	(375,581)	(475,620)
Net change in total OPEB liability	575,220	816,075.00	(1,414,681)	(162,150)
Total OPEB liability - beginning	8,512,293	9,087,513	9,903,588	8,488,907
Total OPEB liability - ending	9,087,513	9,903,588	8,488,907	8,326,757
Plan fiduciary net position:				
Contributions - employer	1,096,301	1,389,412	620,355	887,456
Contributions - member	162,121			
Net investment income (loss)	16,759	53,128	190,834	175,735
Benefit payments	(381,137)	(212,941)	(375,581)	(475,620)
Administrative expense	(410)			
Net change in plan fiduciary net position	893,634	1,229,599	435,608	587,571
Plan fiduciary net position - beginning	(182,484)	711,150	1,940,749	2,376,357
Plan fiduciary net position - ending	711,150	1,940,749	2,376,357	2,963,928
Net OPEB Liability - Ending	$ 8,376,363	$ 7,962,839	$ 6,112,550	$ 5,362,829
Plan fiduciary net position as a percentage of the total OPEB liability	7.83%	19.60%	27.99%	35.60%
Covered payroll	$ 27,317,927	$ 29,004,929	$ 29,004,929	$ 26,770,839
Net OPEB liability as a percentage of covered payroll	30.66%	27.45%	21.07%	20.03%

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

TOWN OF AVON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB
LAST TEN FISCAL YEARS

TOWN

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution (1)	$ 1,389,000	$ 1,617,000	$ 1,715,000	$ 1,915,000	$ 2,007,000	$ 2,169,173	$ 2,356,683	$ 2,548,324	$ 2,700,739	$ 2,986,851
Contributions in relation to the actuarially determined contribution	1,040,000	1,142,000	1,545,000	1,712,000	1,895,000	1,809,878	1,946,608	2,130,593	1,975,319	2,020,072
Contribution Deficiency (Excess)	$ 349,000	$ 475,000	$ 170,000	$ 203,000	$ 112,000	$ 359,295	$ 410,075	$ 417,731	$ 725,420	$ 966,779
Covered payroll	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ 4,848,188	$ 4,848,188	$ 5,277,848	$ 4,848,188	$ 7,970,045
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	37.33%	40.15%	40.37%	40.74%	25.35%

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2018 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date:	July 1, 2018
Measurement date:	June 30, 2020

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 percent, closed
Amortization period	14 years
Amortization growth rate	3.50%
Asset valuation method	5-year smoothed market value, non-asymptotic, no corridor
Inflation	2.75%
Salary increases, including inflation	3.50%
Discount rate	6.50%
Healthcare trend rates	5.70% - 4.40% over 53 years

TOWN OF AVON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB
LAST TEN FISCAL YEARS

BOARD OF EDUCATION

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution (1)	$ 825,000	$ 854,000	$ 913,000	$ 935,000	$ 1,016,000	$ 974,866	$ 1,063,989	$ 1,111,525	$ 1,177,141	$ 887,456
Contributions in relation to the actuarially determined contribution	714,000	607,000	601,000	507,000	540,000	569,278	1,096,301	1,389,412	620,355	887,456
Contribution Deficiency (Excess)	$ 111,000	$ 247,000	$ 312,000	$ 428,000	$ 476,000	$ 405,588	$ (32,312)	$ (277,887)	$ 556,786	$ -
Covered payroll	$ N/A	$ N/A	$ N/A	$ 25,533,000	$ 25,533,000	$ 27,317,927	$ 27,317,927	$ 29,004,929	$ 29,004,929	$ 26,770,839
Contributions as a percentage of covered payroll	N/A	N/A	N/A	1.99%	2.11%	2.08%	4.01%	4.79%	2.14%	3.32%

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2018 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date:	July 1, 2018
Measurement date:	June 30, 2020

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 percent, closed
Amortization period	14 years
Amortization growth rate	3.50%
Asset valuation method	5-year smoothed market, non-asymptotic
Inflation	2.70%
Salary increases	Graded by service for Teachers and Administrators; 3.50% for all others
Discount rate	6.50%
Healthcare trend rates	Current: 5.30% - 4.60% over 59 years

TOWN OF AVON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB
LAST FOUR FISCAL YEARS*

TOWN

	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	4.10%	2.45%	1.64%	1.07%

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

TOWN OF AVON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB
LAST FOUR FISCAL YEARS*

BOARD OF EDUCATION

	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	10.20%	4.73%	8.05%	5.78%

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

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST THREE FISCAL YEARS*

	2018	2019	2020
Town's proportion of the net OPEB liability	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	23,351,462	17,942,658	18,154,088
Total	$ 23,351,462	$ 17,942,658	$ 18,154,088
Town's covered payroll	$ 27,547,607	$ 28,723,475	$ 29,414,259
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%

Notes to Schedule

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
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, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019.
	Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019.
	The expected rate of inflation was decreased, and the real wage growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

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

GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

EXHIBIT A-1

TOWN OF AVON, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2020

	General	Other Post Employment Benefits	Eliminations	Total General Fund
ASSETS				
Cash and cash equivalents	$ 43,061,537	$ 1,364,847	$	$ 44,426,384
Receivables, net	1,282,938			1,282,938
Due from other funds	465,388		(296,372)	169,016
Other	59,972			59,972
Total Assets	$ 44,869,835	$ 1,364,847	$ (296,372)	$ 45,938,310
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,408,007	$	$	$ 1,408,007
Accrued liabilities	426,070			426,070
Due to other funds	22,142,587	1,246,372	(296,372)	23,092,587
Unearned revenue	9,057			9,057
Total liabilities	23,985,721	1,246,372	(296,372)	24,935,721
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	553,303			553,303
Advance property tax collections	3,553,964			3,553,964
Total deferred inflows of resources	4,107,267	-	-	4,107,267
Fund Balances:				
Nonspendable	59,972			59,972
Assigned	3,994,421	118,475		4,112,896
Unassigned	12,722,454			12,722,454
Total fund balances	16,776,847	118,475	-	16,895,322
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 44,869,835	$ 1,364,847	$ (296,372)	$ 45,938,310

EXHIBIT A-2

TOWN OF AVON, CONNECTICUT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	General	Other Post Employment Benefits	Total General Fund
Revenues:			
Property taxes	$ 84,561,255	$	$ 84,561,255
Intergovernmental	11,862,214		11,862,214
Charges for services	3,493,542		3,493,542
Investment income	638,415	7,596	646,011
Other local revenues	179,057		179,057
Total revenues	100,734,483	7,596	100,742,079
Expenditures:			
Current:			
Town Council:			
General government	3,459,478		3,459,478
Public safety	11,140,143		11,140,143
Public works	5,990,069		5,990,069
Health and social services	563,164		563,164
Recreation and parks	802,709		802,709
Educational - cultural	1,744,194		1,744,194
Conservation and development	672,032		672,032
Miscellaneous	304,891		304,891
Total town council	24,676,680	-	24,676,680
Board of Education	67,467,694		67,467,694
Debt service	3,036,692		3,036,692
Total expenditures	95,181,066	-	95,181,066
Excess of Revenues over Expenditures	5,553,417	7,596	5,561,013
Other Financing Sources (Uses):			
Capital lease issuance	278,823		278,823
Transfers in	50,000		50,000
Transfers out	(2,116,247)		(2,116,247)
Net other financing uses	(1,787,424)	-	(1,787,424)
Net Change in Fund Balances	3,765,993	7,596	3,773,589
Fund Balances at Beginning	13,010,854	110,879	13,121,733
Fund Balances at End of Year	$ 16,776,847	$ 118,475	$ 16,895,322

EXHIBIT A-3

TOWN OF AVON, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and cash equivalents	$ 44,426,384	$ 37,851,280
Receivables (net of allowance for uncollectibles of $163,151 in 2020 and $117,291 in 2019)	1,282,938	472,163
Due from other funds	169,016	575,924
Other	59,972	43,294
Total Assets	$ 45,938,310	$ 38,942,661
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 1,408,007	$ 1,011,277
Accrued liabilities	426,070	226,151
Due to other funds	23,092,587	19,205,989
Unearned revenue	9,057	9,057
Total liabilities	24,935,721	20,452,474
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	553,303	377,346
Advance property tax collections	3,553,964	4,991,108
Total deferred inflows of resources	4,107,267	5,368,454
Fund Balance:		
Nonspendable	59,972	43,294
Assigned	4,112,896	1,902,980
Unassigned	12,722,454	11,175,459
Total fund balance	16,895,322	13,121,733
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 45,938,310	$ 38,942,661

TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020					2019
	Original Budget	Supplemental Appropriations	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:						
Property taxes:						
Current levy	$ 83,696,824	$	$ 83,696,824	$ 83,195,139	$ (501,685)	$ 81,165,530
Supplemental real estate	55,750		55,750	80,483	24,733	27,270
Supplemental MV	492,136		492,136	824,443	332,307	916,069
Prior levies	175,000		175,000	209,693	34,693	187,439
Interest and penalties	150,000		150,000	212,184	62,184	227,395
Telephone gross receipts	55,000		55,000	39,313	(15,687)	39,655
Total property taxes	84,624,710	-	84,624,710	84,561,255	(63,455)	82,563,358
Intergovernmental:						
State grants-in aid:						
Equalized cost sharing (ECS)	391,430		391,430	607,677	216,247	628,124
Education Program Grants	1,850,000	206,528	2,056,528	1,739,578	(316,950)	1,741,330
PILOT - Pequot funds					-	
Property tax relief - elderly				1,263	1,263	1,237
Grants in lieu of taxes	27,370		27,370	27,370	-	27,370
Veteran reimbursements	4,750		4,750	3,832	(918)	4,212
Youth services grant		24,734	24,734	24,819	85	19,753
Emergency management grants					-	18,386
Judicial branch				1,632	1,632	1,562
Miscellaneous State grant receipts	5,100		5,100	750	(4,350)	9,045
Grants for municipal projects				261,442	261,442	261,442
School building construction					-	
Municipal revenue sharing				142,054	142,054	142,054
FEMA Grant (Alfred 4046-Dr-CT)					-	
JAG Grant				(295)	(295)	6,000
Total intergovernmental	2,278,650	231,262	2,509,912	2,810,122	300,210	2,860,515

(Continued on next page)

TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020					2019
	Original Budget	Supplemental Appropriations	Final Budget	Actual	Variance with Final Budget	Actual
Charges for Services:						
General government:						
Hunting and fishing	$ 75	$	$ 75	$ 32	$ (43)	$ 98
Recording and conveyance	550,000		550,000	620,209	70,209	567,065
Sale of maps and publications	20,000		20,000	23,948	3,948	23,274
PA 05-228 Local CAP Recording Fee	7,600		7,600	7,062	(538)	6,707
Court	150		150		(150)	
Town Clerk land recording fee	3,600		3,600	120	(3,480)	670
Public safety:						
Accident reports and photos	2,400		2,400	2,462	62	2,092
Animal pound fees	700		700	420	(280)	540
Police protection	10,000		10,000	3,765	(6,235)	4,315
Fire services					-	264
Blds. struct. and equipment	425,000		425,000	405,785	(19,215)	559,178
Animal licenses	1,900		1,900	12,682	10,782	15,518
Public works:						
Landfill - residential fees	128,000		128,000	104,553	(23,447)	115,580
Landfill - bulky waste	25,000		25,000	44,549	19,549	30,849
Lakeview water main extension				70	70	27
Water main interest				30	30	273
Street and curb	2,000		2,000	4,700	2,700	2,850
Health and social services:						
Vital statistics	22,500		22,500	33,098	10,598	31,472
Recreation and parks:						
Swim fees	55,000		55,000	40,447	(14,553)	63,459
Recreation fees					-	78
Organized summer programs	43,000		43,000	17,943	(25,057)	40,762
Educational - cultural:						
Library	15,000		15,000	9,497	(5,503)	12,861
BOE empl bnft contr dental/life	106,000		106,000	116,233	10,233	108,814
BOE misc receipts				134,143	134,143	2,259
BOE tuition receipts parent paid	75,000		75,000	116,819	41,819	106,725
BOE team mentor prog state pmts				1,929	1,929	
BOE student parking fees	30,000		30,000	30,000	-	30,377
BOE sped interdist tuition receipt	300,000		300,000	1,617,404	1,317,404	607,287
BOE sports program participation fees	184,000		184,000	86,892	(97,108)	185,430
Conservation and development	10,000		10,000	58,750	48,750	9,564
Total charges for services	2,016,925	-	2,016,925	3,493,542	1,476,617	2,528,388
Investment Income	300,000	277,307	577,307	638,415	61,108	875,388
Other Local Revenues:						
Refunds and reimbursements	129,565		129,565	56,059	(73,506)	136,408
Miscellaneous	8,280		8,280	3,715	(4,565)	4,759
Admin allowance ICMA				10,000	10,000	10,000
Rents and reimbursements	60,000		60,000	76,670	16,670	74,437
Salvage and demolition sales	10,000		10,000	13,032	3,032	11,797
Donations from private source				2,500	2,500	250
Interlocal program funding	2,500		2,500	2,465	(35)	2,797
Sale of property	10,000		10,000	14,616	4,616	21,212
Cancelled encumbrances				9,072	9,072	23,532
Total other local revenues	220,345	-	220,345	188,129	(32,216)	285,192
Total revenues	89,440,630	508,569	89,949,199	91,691,463	1,742,264	89,112,841
Other Financing Sources:						
Assigned for pension		200,000	200,000		(200,000)	
Assigned for capital asset replacement		35,000	35,000		(35,000)	
Assigned to post employment benefits		150,000	150,000		(150,000)	
Transfers in				50,000	50,000	521,000
Total other financing sources	-	385,000	385,000	50,000	(335,000)	521,000
Total Revenues and Other Financing Sources	$ 89,440,630	$ 893,569	$ 90,334,199	$ 91,741,463	$ 1,407,264	$ 89,633,841

TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020					2019
	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures:						
Town Council:						
General Government:						
Legislative - Town Council	$ 49,006	$ 1	$ 49,007	$ 48,651	$ 356	$ 45,604
Executive - Town Manager	551,987	9,050	561,037	557,930	3,107	541,893
Judicial - probate	7,400		7,400	6,988	412	7,200
Elections	118,029		118,029	82,739	35,290	103,337
Legal services	185,000		185,000	173,891	11,109	209,982
Recording and reporting	444,210	11,533	455,743	440,701	15,042	430,197
Office building - Town hall	121,940	6,983	128,923	128,354	569	121,183
Human resources	175,362	(420)	174,942	140,808	34,134	156,635
Finance	1,848,675	30,524	1,879,199	1,829,176	50,023	1,839,149
Total general government	3,501,609	57,671	3,559,280	3,409,238	150,042	3,455,180
Public Safety:						
Police protection	7,534,396	80,573	7,614,969	7,437,082	177,887	7,385,754
Fire protection	2,059,548	39,055	2,098,603	2,095,031	3,572	2,087,573
Central communications	929,518	9,397	938,915	912,265	26,650	891,266
Protective inspection	383,949	36,770	420,719	415,494	5,225	370,368
Other protection	270,986	1	270,987	233,378	37,609	254,551
Total public safety	11,178,397	165,796	11,344,193	11,093,250	250,943	10,989,512
Public Works:						
Administration	489,608	5,013	494,621	474,820	19,801	476,278
Highways	2,195,347	17,396	2,212,743	2,085,237	127,506	2,120,563
Sanitation	431,073	(12,174)	418,899	353,468	65,431	383,801
Machinery and equipment	669,782	17,937	687,719	576,412	111,307	636,925
Building and grounds	2,240,982	51,462	2,292,444	2,140,908	151,536	1,996,414
Engineering	416,653	6,845	423,498	395,790	27,708	397,495
Total public works	6,443,445	86,479	6,529,924	6,026,635	503,289	6,011,476
Health and Social Services:						
Conservation of health	153,000		153,000	150,030	2,970	140,002
Social services	396,921	29,291	426,212	411,093	15,119	391,580
Total health and social services	549,921	29,291	579,212	561,123	18,089	531,582
Recreation and Parks:						
Recreation	774,028	10,063	784,091	741,809	42,282	745,824
Parks	20,580	16,578	37,158	25,184	11,974	12,576
Senior citizens	29,155	(108)	29,047	17,825	11,222	32,106
Community activities	33,406	(19,386)	14,020	9,985	4,035	25,245
Total recreation and parks	857,169	7,147	864,316	794,803	69,513	815,751
Educational-Cultural:						
Library	1,720,491	23,703	1,744,194	1,736,517	7,677	1,705,237

(Continued on next page)

TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020					2019
	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget	Actual
Conservation and Development:						
Planning and zoning	$ 495,700	$ 4,377	$ 500,077	$ 471,808	$ 28,269	$ 492,762
Conservation of natural resources	192,458	3,403	195,861	187,866	7,995	173,434
Total conservation and development	688,158	7,780	695,938	659,674	36,264	666,196
Miscellaneous:						
Claims and losses	15,000		15,000	7,702	7,298	1,420
Municipal insurance	261,313	(3,133)	258,180	248,537	9,643	239,113
Intergovernmental expenditure	59,600		59,600	48,573	11,027	50,454
Contingency	10,000		10,000	79	9,921	96
Total miscellaneous	345,913	(3,133)	342,780	304,891	37,889	291,083
Total Town Council	25,285,103	374,734	25,659,837	24,586,131	1,073,706	24,466,017
Board of Education:						
Salaries	36,963,958	(406,792)	36,557,166	36,542,908	14,258	35,572,413
Employee benefits	9,870,882	(58,128)	9,812,754	9,956,034	(143,280)	9,379,322
Purchased prf & tech services	1,410,948	130,044	1,540,992	1,367,231	173,761	1,397,763
Property services	796,286	76,277	872,563	934,936	(62,373)	981,433
Other purchased services	6,835,614	(376,424)	6,459,190	5,979,432	479,758	6,944,449
General supplies & utilities	2,198,266	647,471	2,845,737	2,648,624	197,113	2,407,001
Equipment	419,200	198,760	617,960	550,846	67,114	823,996
Fees & membership	110,395	(4,680)	105,715	82,512	23,203	84,844
Total Board of Education	58,605,549	206,528	58,812,077	58,062,523	749,554	57,591,221
Debt service:						
Bonds and bond anticipation notes	3,746,038		3,746,038	3,036,692	709,346	2,755,750
Total expenditures	87,636,690	581,262	88,217,952	85,685,346	2,532,606	84,812,988
Transfers out	1,803,940	312,307	2,116,247	2,116,247	-	3,062,646
Total Expenditures and Other Financing Uses	$ 89,440,630	$ 893,569	$ 90,334,199	$ 87,801,593	$ 2,532,606	$ 87,875,634

TOWN OF AVON, CONNECTICUT
GENERAL FUND
REPORT OF THE PROPERTY TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2020

Grand List Date	Uncollected Taxes July 1, 2019	Current Year Levy	Lawful Corrections		Transfers to Suspense	Transfers from Suspense	Adjusted Taxes Collectible	Collections					Uncollected Taxes June 30, 2020
			Additions	Deductions				Taxes Collected	Refunds	Net Taxes Collected	Interest and Fees	Total Collections	
2004 & Earlier	$ 1,414	$	$	$ 1,313	$	$ 231	$ 332	$	$	$ -	$	$ -	$ 332
2005	340			210		210	340			-		-	340
2006	839					95	934	95		95	197	292	839
2007	864					114	978	114		114	227	341	864
2008	1,056					86	1,142	86		86	156	242	1,056
2009	1,094					87	1,181	87		87	142	229	1,094
2010	1,125					22	1,147	22		22	13	35	1,125
2011	8,725			472		576	8,829	104		104	145	249	8,725
2012	11,749			440		533	11,842	93		93	114	207	11,749
2013	15,028					320	15,348	320		320	307	627	15,028
2014	27,055				8		27,047	8,681		8,681	2,405	11,086	18,366
2015	48,264		1,812	186	947	81	49,024	12,780	44	12,736	3,415	16,151	36,288
2016	147,963		937	518	4,285	322	144,419	45,643	262	45,381	17,738	63,119	99,038
2017	320,938		4,201	20,054	7,522		297,563	131,339	18,896	112,443	27,335	139,778	185,120
Total Prior Years	586,454		6,950	23,193	12,762	2,677	560,126	199,364	19,202	180,162	52,194	232,356	379,964
October 1, 2018		85,035,140	142,236	617,832	1,908		84,557,636	84,202,189	80,346	84,121,843	159,990	84,281,833	435,793
Total	$ 586,454	$ 85,035,140	$ 149,186	$ 641,025	$ 14,670	$ 2,677	$ 85,117,762	$ 84,401,553	$ 99,548	$ 84,302,005	$ 212,184	$ 84,514,189	$ 815,757

Grand List of October 1, 2019 $ 2,572,968,792

Taxes Receivable on Grand List of October 1, 2019, due July 1, 2020 $ 84,650,673

CIFA FUND

The CIFA Fund accounts for the financial resources to be used for major capital asset construction and/or purchase.

EXHIBIT B

TOWN OF AVON, CONNECTICUT
CIFA FUND
PROJECT LENGTH SCHEDULE OF EXPENDITURES - PROJECT BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Project Appropriations July 1, 2019	Additions (Reductions)	Project Appropriations June 30, 2020	Expenditures Incurred to July 1, 2019	Current Year Expenditures	Expenditures Incurred to June 30, 2020	Current Year Encumbrances	Unexpended Appropriations June 30, 2020
General Government:								
Underground Storage Tank Repl.	$ 460,000	$	$ 460,000	$ 275,003	$ 68,344	$ 343,347	$	$ 116,653
Town Clerk Vault Exp.	25,000		25,000					25,000
DPW Shop Floor & Wall Coating	50,000		50,000	27,908		27,908		22,092
DPW-Salt Shed Replacement	200,000		200,000	193,937	1,475	195,412		4,588
Reconstruct Tillotson Rd	35,000		35,000					35,000
Dry Hydrant Oak Bluff	47,772	(8,958)	38,814	38,814		38,814		-
Town Energy Efficiency Impr.	28,643		28,643					28,643
Patrol Building Improvements	825,000		825,000	195,827	126,121	321,948	8,106	494,946
Sidewalk Improvement		25,000	25,000					25,000
Tennis Court Repair- Sycamore	38,145		38,145	31,755		31,755	6,390	-
Sycamore Hills Pool Improvements	310,400		310,400	204,456		204,456		105,944
Sewer Pump Station Replacement	220,000		220,000					220,000
Lateral Extension Program	2,488,999	310,000	2,798,999	1,355,835	(3,750)	1,352,085	4,213	1,442,701
Infiltration & Inflow Study	500,000	450,000	950,000	368,995		368,995		581,005
DPW-Phone System	135,000		135,000	46,670	650	47,320	3,497	84,183
Fire Co. Bldg. Impr.-Incl. Consult.	150,000	100,000	250,000	149,701	45,156	194,857		55,143
Fisher Meadows Field Expansion	691,674		691,674	369,371	55,005	424,376	8,992	258,306
Infrastructure Security Improvements	25,000		25,000				25,000	-
HVAC Repairs- Town Bldg.	100,000	355,257	455,257	6,943	101,202	108,145	41,090	306,022
Riverdale Pump Station Rehab	155,000		155,000					155,000
Old Farm Rd Rehab. Design	55,000		55,000	53,759		53,759	1,241	-
Senior Center Improvements		50,000	50,000		2,520	2,520		47,480
School House #3 Improvement		30,000	30,000					30,000
COVID 19			-		21,907	21,907		(21,907)
Drainage Improve-Cider Brook Rd	75,000		75,000					75,000
Drainage Improvements	100,000		100,000	94,500		94,500		5,500
Road Overlay Project	7,512,700	135,580	7,648,280	7,139,044	371,091	7,510,135		138,145
School St.Curve Reconstruct.	105,000	(28,737)	76,263	70,963	5,300	76,263		-
Cider Brook Drainage & Road Impr.	20,000		20,000					20,000
Fisher Meadows Irrig. Impr.	320,000		320,000	152,566	4,336	156,902		163,098
Fire Engine Replacement	1,824,193		1,824,193	1,644,340	121,895	1,766,235	57,958	-
Highway Division Equip. Replace	1,165,000	(8,861)	1,156,139	1,156,139		1,156,139		-
Buildings & Grounds Equipment	350,000		350,000	341,551		341,551		8,449
Replace 1994 Dump Truck	200,000	(4,099)	195,901	195,901		195,901		-
Large Field Toro Mower	112,000	(33,844)	78,156	77,001		77,001	1,155	-
Pro Field M & Line Painter (KROMER)		26,360	26,360		26,360	26,360		-
1995 Ford Pickup Replacement		50,000	50,000				32,220	17,780
Tractor		45,000	45,000		30,204	30,204		14,796
IT Infrastructure Upgrade	35,000		35,000	19,244	2,910	22,154	12,846	-
Police Dept Radio System Equip	4,450,000		4,450,000	433,795	38,056	471,851	3,277,096	701,053
Vehicles	484,000		484,000	468,647		468,647		15,353
2008 Mower Replacement	108,000	(4,716)	103,284	103,284		103,284		-
7.58 Cu. Dump Truck	190,000		190,000	184,339		184,339		5,661
DPW Vehicle		35,000	35,000					35,000
Total General Government	23,591,526	1,522,982	25,114,508	15,400,288	1,018,782	16,419,070	3,479,804	5,215,634
Board of Education:								
Synthetic Field Project	3,026,855		3,026,855	861,943	1,968,119	2,830,062	78,909	117,884
PGS Air Handling PHS 1 RTU Rpl. 3	548,813		548,813	541,456		541,456	4,525	2,832
AHS Boiler Replacement	72,615		72,615	6,683		6,683		65,932
RBS HVAC Units	376,699		376,699	373,994	1,055	375,049		1,650
BOE Security-Cameras, Locks, Doors	265,000		265,000	254,221	5,079	259,300		5,700
Classroom Flooring & Replacement	543,397		543,397	522,801	13,941	536,742		6,655
BOE Security Upgrades	907,412	70,000	977,412	899,118	78,294	977,412		-
AHS Water Htr./Boiler Repl.	211,000		211,000		7,200	7,200	10,000	193,800
RBS Roof Replacement		165,000	165,000		162,115	162,115	2,100	785
BOE LED Light Replacements	120,000		120,000	118,957	1,021	119,978		22
AMS/AHS Elevator		130,000	130,000		129,806	129,806		194
Fire Alarm	175,000	110,000	285,000	24,756	260,000	284,756		244
Total Board of Education	6,246,791	475,000	6,721,791	3,603,929	2,626,630	6,230,559	95,534	395,698
Total	$ 29,838,317	$ 1,997,982	$ 31,836,299	$ 19,004,217	$ 3,645,412	$ 22,649,629	$ 3,575,338	$ 5,611,332

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sewer Fund - To account for the collection of sewer use charges used to partially defray the operating expenditures related to sewer use and to account for the collection of inspection fees which are used to reimburse the Town for engineering and inspection services incurred by the General Fund. The fund also accounts for the collection of sewer connection charges and sewer assessments.

State and Federal Education Grants Fund - To account for state and federal education prepayment grants. Resources utilized in the various programs are detailed in the accompanying combining schedules of revenues, expenditures and changes in fund balances for this fund.

School Cafeteria Fund - To separately account for the operations of the school cafeterias. The Town's participation in the state-administered Federal Child Nutrition Program is reported in this fund.

Recreational Activities Fund - To account for various activities and programs conducted by the Recreation Department.

Local Capital Improvement Program Fund - To account for funding pursuant to Public Act 87-584 to reimburse municipalities for funds spent on infrastructure projects.

Forest Park Management Fund - To provide a dedicated source of revenue from, and improvements and maintenance to, Town-owned or Town-managed forests, parks and open space areas.

Use of School Facilities Fund - To account for user charges and expenditures associated with the after-school use of Board of Education facilities by outside organizations.

Town Aid Road Fund - To account for improvements to Town roads funded by State funds.

Fisher Meadow Maintenance Fund - To account for conservation, farming, recreation and open space in accordance with the deeds, agreements and grant requirements of the Fisher Family and the State of Connecticut.

Police Special Services Fund - To account for the collection of billed amounts from individuals, businesses and groups, which are used to reimburse the Town for the salaries and overhead costs paid to police officers in connection with providing special services to these individuals, businesses or groups.

Donations Fund - To account for donor-restricted donations to the Town and expenditures of those amounts accordingly.

Avon Day Fund – To account for funding from donations, rental of booths and also from proceeds from Avon Day token sales. Funds collected are used to reimburse operating expenses associated with the event. The Avon Day Committee then decides, of the remaining fund balance, what percentage will be held back for the next Avon Day's needs and what percentage is donated to Town of Avon Special Needs.

Property Damage Fund - To account for funding from claims filed with parties for damages to Town property. Any surplus funds remaining after the repairs to the property is completed, are used for future damages where there is no third party to file a claim with or to cover unfunded property damage insurance deductibles.

Town Clerk Fund - To account for the Town Clerk's collection of fees related to land records, foreclosures and document recorded fees, which are remitted to the State.

Debt Service Fund

The Debt Service Fund is used to account for financial resources to be used for the payment of compensated absences payable to retired or terminated employees.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital and Nonrecurring Expenditures Fund - to account for appropriations and expenditures related to certain capital and large nonrecurring expenditures. The Fund is authorized by Connecticut General Statutes as a mechanism for establishing a "reserve" for future large expenditures. Statutory limits are placed on the annual addition and total accumulation of the reserve.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal may be used.

Police Officers' Meritorious Service Fund - This fund was established November 21, 2007 and approved by Town Council December 6, 2007. The purpose is to aid in avoidable hardships suffered by qualified officers of the Avon Police Department arising in the line of duty to the extent not compensated by any source, to encourage unfunded scholarly effort to the Police Department, and to recognize exceptionally meritorious conduct performed in the line of duty. This fund may receive bequests, gifts or donations by third parties for the benefit of the fund.

TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Special Revenue Funds								
	Sewer Fund	State and Federal Education Grants Fund	School Cafeteria Fund	Recreational Activities Fund	Local Capital Improvement Program Fund	Forest Park Management Fund	Use of School Facilities Fund	Town Aid Road Fund	Fisher Meadow Maintenance Fund
ASSETS									
Cash and cash equivalents	$	$	$	$	$	$	$	$	$ 206,380
Investments									
Receivables	1,196,243	99,384	62,574		110,330				
Due from other funds	3,418,207	52,554	255,444	211,574		23,279	123,931	812,606	348,710
Other			5,591						
Total Assets	$ 4,614,450	$ 151,938	$ 323,609	$ 211,574	$ 110,330	$ 23,279	$ 123,931	$ 812,606	$ 555,090
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 306,810	$	$	$ 8,142	$	$	$	$	$
Due to other funds					108,154				
Unearned revenue		55,474	57,861						
Total liabilities	306,810	55,474	57,861	8,142	108,154	-	-	-	-
Deferred Inflows of Resources:									
Unavailable revenue - special assessments	837,415								
Unavailable revenue - grants receivable		96,031			110,330				
Total deferred inflows of resources	837,415	96,031	-	-	110,330	-	-	-	-
Fund Balances:									
Nonspendable			5,591						
Restricted		433						812,606	555,090
Committed	3,470,225		260,157	203,432		23,279	123,931		
Unassigned					(108,154)				
Total fund balances	3,470,225	433	265,748	203,432	(108,154)	23,279	123,931	812,606	555,090
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,614,450	$ 151,938	$ 323,609	$ 211,574	$ 110,330	$ 23,279	$ 123,931	$ 812,606	$ 555,090

(Continued on next page)

TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Special Revenue Funds						Capital Projects Fund	Permanent Fund	
	Police Special Services Fund	Donations Fund	Avon Day Fund	Property Damage Fund	Town Clerk Fund	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	Police Officers' Meritorious Service Fund	Total Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	$	$	$	$	$	$	$	$ 24,424	$ 230,804
Investments								56,836	56,836
Receivables	50,096								1,518,627
Due from other funds	278,517	55,598		23,799	47,965	221,270	1,568,378		7,441,832
Other									5,591
Total Assets	$ 328,613	$ 55,598	$ -	$ 23,799	$ 47,965	$ 221,270	$ 1,568,378	$ 81,260	$ 9,253,690
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 5,615	$ 6,442	$	$ 11,286	$	$ 778	$ 46,768	$ 1,000	$ 386,841
Due to other funds			13,662					5,200	127,016
Unearned revenue	46,295								159,630
Total liabilities	51,910	6,442	13,662	11,286	-	778	46,768	6,200	673,487
Deferred Inflows of Resources:									
Unavailable revenue - special assessments									837,415
Unavailable revenue - grants receivable									206,361
Total deferred inflows of resources	-	-	-	-	-	-	-	-	1,043,776
Fund Balances:									
Nonspendable								64,259	69,850
Restricted								10,801	1,378,930
Committed	276,703	49,156		12,513	47,965	220,492	1,521,610		6,209,463
Unassigned			(13,662)						(121,816)
Total fund balances	276,703	49,156	(13,662)	12,513	47,965	220,492	1,521,610	75,060	7,536,427
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 328,613	$ 55,598	$ -	$ 23,799	$ 47,965	$ 221,270	$ 1,568,378	$ 81,260	$ 9,253,690

TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds								
	Sewer Fund	State and Federal Education Grants Fund	School Cafeteria Fund	Recreational Activities Fund	Local Capital Improvement Program Fund	Forest Park Management Fund	Use of School Facilities Fund	Town Aid Road Fund	Fisher Meadow Maintenance Fund
Revenues:									
Intergovernmental	$	$ 996,385	$ 220,064	$	$	$	$	$ 312,434	$
Charges for services	4,750,023		696,461	240,121					
Investment income									4,644
Other local revenues							47,304		118,988
Total revenues	4,750,023	996,385	916,525	240,121	-	-	47,304	312,434	123,632
Expenditures:									
Current:									
General government									
Public safety									
Public works	2,027,224				110,330			177,757	
Recreation and parks				318,052		4,721			
Education		1,073,691	881,548				29,594		
Capital outlay									
Total expenditures	2,027,224	1,073,691	881,548	318,052	110,330	4,721	29,594	177,757	-
Excess (Deficiency) of Revenues over Expenditures	2,722,799	(77,306)	34,977	(77,931)	(110,330)	(4,721)	17,710	134,677	123,632
Other Financing Sources (Uses):									
Transfers in		77,307							
Transfers out	(760,000)								
Net other financing sources (uses)	(760,000)	77,307	-	-	-	-	-	-	-
Net Change in Fund Balances	1,962,799	1	34,977	(77,931)	(110,330)	(4,721)	17,710	134,677	123,632
Fund Balances at Beginning of Year	1,507,426	432	230,771	281,363	2,176	28,000	106,221	677,929	431,458
Fund Balances at End of Year	$ 3,470,225	$ 433	$ 265,748	$ 203,432	$ (108,154)	$ 23,279	$ 123,931	$ 812,606	$ 555,090

(Continued on next page)

TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds						Capital Projects Fund	Permanent Fund	
	Police Special Services Fund	Donations Fund	Avon Day Fund	Property Damage Fund	Town Clerk Fund	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	Police Officers' Meritorious Service Fund	Total Nonmajor Governmental Funds
Revenues:									
Intergovernmental	$	$	$	$	$	$	$ 18,846	$	$ 1,547,729
Charges for services	140,349				26,398		249,062		6,102,414
Investment income								2,220	6,864
Other local revenues		58,052	12,945	45,436			214,699	1,500	498,924
Total revenues	140,349	58,052	12,945	45,436	26,398	-	482,607	3,720	8,155,931
Expenditures:									
Current:									
General government		32,363		52,490	5,499	135,617			225,969
Public safety	150,176								150,176
Public works									2,315,311
Recreation and parks			26,607						349,380
Education									1,984,833
Capital outlay							252,495		252,495
Total expenditures	150,176	32,363	26,607	52,490	5,499	135,617	252,495	-	5,278,164
Excess (Deficiency) of Revenues over Expenditures	(9,827)	25,689	(13,662)	(7,054)	20,899	(135,617)	230,112	3,720	2,877,767
Other Financing Sources (Uses):									
Transfers in						200,000	800,958		1,078,265
Transfers out							(50,000)		(810,000)
Net other financing sources (uses)	-	-	-	-	-	200,000	750,958	-	268,265
Net Change in Fund Balances	(9,827)	25,689	(13,662)	(7,054)	20,899	64,383	981,070	3,720	3,146,032
Fund Balances at Beginning of Year	286,530	23,467	-	19,567	27,066	156,109	540,540	71,340	4,390,395
Fund Balances at End of Year	$ 276,703	$ 49,156	$ (13,662)	$ 12,513	$ 47,965	$ 220,492	$ 1,521,610	$ 75,060	$ 7,536,427

TOWN OF AVON, CONNECTICUT
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Sewer assessments	$ 120,000	$ 120,000	$ 227,841	$ 107,841	$ 357,446
Sewer connections	45,000	45,000	139,495	94,495	55,055
Sewer use charges	2,980,173	2,980,173	4,296,526	1,316,353	2,837,811
Permits and inspections	2,500	2,500	1,100	(1,400)	1,250
Interest and lien fees	14,000	14,000	57,395	43,395	20,859
Miscellaneous			27,666	27,666	20,860
Total revenues	3,161,673	3,161,673	4,750,023	1,588,350	3,293,281
Expenditures:					
Current:					
Public works	2,401,673	2,420,091	2,018,889	401,202	2,119,877
Excess of Revenues over Expenditures	760,000	741,582	2,731,134	1,989,552	1,173,404
Other Financing Sources (Uses):					
Transfers out	(760,000)	(760,000)	(760,000)	-	(752,000)
Net other financing uses	(760,000)	(760,000)	(760,000)	-	(752,000)
Net Change in Fund Balances	$ -	$ (18,418)	1,971,134	$ 1,989,552	421,404
Fund Balances at Beginning of Year			1,486,337		1,064,933
Fund Balances at End of Year			$ 3,457,471		$ 1,486,337

Reconciliation to GAAP Basis

	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis	$ 4,750,023	$ 2,018,889	$ 3,457,471
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			12,754
Prior year encumbrances paid		8,335	
Balance, GAAP Basis	$ 4,750,023	$ 2,027,224	$ 3,470,225

TOWN OF AVON, CONNECTICUT
STATE AND FEDERAL EDUCATION GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	$ 834,800	$ 834,800	$ 996,385	$ 161,585	$ 883,113
Other revenue					4,399
Total revenues	834,800	834,800	996,385	161,585	887,512
Expenditures:					
Education	834,800	834,800	1,073,691	(238,891)	887,080
Excess of Revenues over Expenditures	-	-	(77,306)	(77,306)	432
Other Financing Sources (Uses):					
Transfers in			77,307	77,307	
Net Change in Fund Balances	$ -	$ -	1	$ 1	432
Fund Balances at Beginning of Year			432		-
Fund Balances at End of Year			$ 433		$ 432

TOWN OF AVON, CONNECTICUT
SCHOOL CAFETERIA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	$ 180,130	$ 180,130	$ 206,060	$ 25,930	$ 184,029
Charges for services	868,861	868,861	696,461	(172,400)	742,961
Total revenues	1,048,991	1,048,991	902,521	(146,470)	926,990
Expenditures:					
Education	1,048,991	1,048,991	867,544	181,447	909,701
Net Change in Fund Balances	$ -	$ -	34,977	$ 34,977	17,289
Fund Balances at Beginning of Year			230,771		213,482
Fund Balances at End of Year			$ 265,748		$ 230,771

Reconciliation to GAAP Basis

	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis	$ 902,521	$ 867,544	$ 265,748
Commodities received	14,004	14,004	
Balance, GAAP Basis	$ 916,525	$ 881,548	$ 265,748

TOWN OF AVON, CONNECTICUT
RECREATIONAL ACTIVITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Charges for services	$ 400,690	$ 400,690	$ 240,121	$ (160,569)	$ 371,905
Other revenues		1,260	300	(960)	3,406
Total revenues	400,690	401,950	240,421	(161,529)	375,311
Expenditures:					
Recreation and parks	400,690	462,050	314,752	147,298	321,740
Net Change in Fund Balances	$ -	$ (60,100)	(74,331)	$ (14,231)	53,571
Fund Balances at Beginning of Year			270,802		217,231
Fund Balances at End of Year			$ 196,471		$ 270,802

Reconciliation to GAAP Basis

	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis	$ 240,421	$ 314,752	$ 196,471
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			6,961
Prior year encumbrances paid		3,300	
Cancelled encumbrances	(300)		
Balance, GAAP Basis	$ 240,121	$ 318,052	$ 203,432

TOWN OF AVON, CONNECTICUT
LOCAL CAPITAL IMPROVEMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	$ 127,104	$ 127,104	$	$ (127,104)	$ 127,426
Expenditures:					
Public works	127,104	127,104	110,330	16,774	127,426
Deficiency of Revenues over Expenditures	$ -	$ -	(110,330)	$ (110,330)	-
Fund Balances at Beginning of Year			2,176		2,176
Fund Balances at End of Year			$ (108,154)		$ 2,176

TOWN OF AVON, CONNECTICUT
FOREST PARK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Other local revenues	$ 10,000	$ 10,000	$	$ (10,000)	$
Expenditures:					
Recreation and parks	10,000	22,700	4,721	(17,979)	2,000
Net Change in Fund Balances	$ -	$ (12,700)	(4,721)	$ (27,979)	(2,000)
Fund Balances at Beginning of Year			15,300		17,300
Fund Balances at End of Year			$ 10,579		$ 15,300

Reconciliation to GAAP Basis

	Revenues	Expenditures	Fund Balance
Ending Balance, Budgetary Basis	$	$ 4,721	$ 10,579
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			12,700
Ending Balance, GAAP Basis	$ -	$ 4,721	$ 23,279

TOWN OF AVON, CONNECTICUT
TOWN AID ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	$ 312,623	$ 312,623	$ 312,434	$ (189)	$ 316,097
Expenditures:					
Public works	312,623	562,623	177,757	384,866	179,720
Excess (Deficiency) of Revenues over Expenditures	$ -	$ (250,000)	134,677	$ 384,677	136,377
Fund Balances at Beginning of Year			677,929		541,552
Fund Balances at End of Year			$ 812,606		$ 677,929

TOWN OF AVON, CONNECTICUT
USE OF SCHOOL FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Other local revenues	$ 40,000	$ 40,000	$ 47,304	$ 7,304	$ 50,242
Expenditures:					
Education	40,000	40,000	29,594	10,406	50,670
Net Change in Fund Balances	$ -	$ -	17,710	$ 17,710	(428)
Fund Balances at Beginning of Year			100,551		100,979
Fund Balances at End of Year			$ 118,261		$ 100,551

Reconciliation to GAAP Basis

	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis	$ 47,304	$ 29,594	$ 118,261
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			5,670
Balance, GAAP Basis	$ 47,304	$ 29,594	$ 123,931

TOWN OF AVON, CONNECTICUT
POLICE SPECIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Other local revenues	$ 17,634	$ 24,552	$ 140,349	$ 115,797	$ 267,561
Expenditures:					
Public safety	17,634	201,576	201,576	-	178,515
Excess of Revenues over Expenditures	-	(177,024)	(61,227)	115,797	89,046
Other Financing Uses:					
Appropriation of fund balance		177,024		(177,024)	
Net Change in Fund Balances	$ -	$ -	(61,227)	$ (61,227)	89,046
Fund Balances at Beginning of Year			286,530		197,484
Fund Balances at End of Year			$ 225,303		$ 286,530

Reconciliation to GAAP Basis

	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis	$ 140,349	$ 201,576	$ 225,303
Prior year encumbrances paid			
Current year encumbrances		(51,400)	51,400
Balance, GAAP Basis	$ 140,349	$ 150,176	$ 276,703

EXHIBIT C-12

TOWN OF AVON, CONNECTICUT
CAPITAL AND NONRECURRING EXPENDITURES FUND
PROJECT LENGTH SCHEDULE OF EXPENDITURES - PROJECT BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Project Appropriations July 1, 2019	Additions (Reductions)	Project Appropriations June 30, 2020	Expenditures Incurred to July 1, 2019	Current Year Expenditures	Expenditures Incurred to June 30, 2020	Current Year Encumbrances	Unexpended Appropriations June 30, 2020
General Government:								
Severni Property	$ 2,070,000	$ (70,000)	$ 2,000,000	$ 2,000,000	$	$ 2,000,000	$	$ -
Secret Lake Drainage	17,171		17,171	9,050		9,050		8,121
Soft Cost CIP	70,000	(19,295)	50,705	50,705		50,705		-
Cider Brook Bridge Replacement	100,000	435,000	535,000	23,724	18,500	42,224	54,300	438,476
Old Farms Bridge Lrfd 04-116	400,000		400,000	358,360	34,928	393,288		6,712
Old Farms Rd Relocation Feasibility	328,415		328,415	328,415		328,415		-
Revaluation (2018)	175,000	50,000	225,000	96,439	5,908	102,347		122,653
Reconstruction Old Farms/Thompson Rds	236,585	307,000	543,585	101,361	711	102,072	22,929	418,584
15 Darling Drive		36,478	36,478		36,478	36,478		-
Service and Consultant		204,699	204,699		155,970	155,970	34,030	14,699
OFR CEPA expense		10,000	10,000				9,720	280
Total Capital and Nonrecurring	$ 3,397,171	$ 953,882	$ 4,351,053	$ 2,968,054	$ 252,495	$ 3,220,549	$ 120,979	$ 1,009,525

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Pension Trust Funds

A fiduciary fund type used to report resources that are required to be held in trust for the member and beneficiaries of defined benefit pension plans.

> To account for the accumulation of resources for pension benefit payments to qualified Town and Board of Education employees.

Other Post Employment Benefits Fund

A fiduciary fund type used to report resources that are required to be held in trust for the member and beneficiaries for other post retirement benefits.

> To account for the accumulation of resources for other post retirement benefit payments to qualified Town and Board of Education employees.

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Student Activity Funds - To account for various student functions and programs in the Town's schools.

Flexible Spending Account - To account for the flexible health spending account activity for the Town's Board of Education employees.

C-PACE Clean Energy Fund - To account for assessments collected on behalf of and remitted to the Clean Energy Finance and Investment Authority (CEFIA) for the Commercial & Industrial Property Assessed Clean Energy (C-PACE) program. C-PACE enables building owners to access private capital for energy upgrades. The capital is secured by a lien on the owner's property and paid back over time.

Police Cadet Activities Fund - To account for various cadet functions and programs in the Town's Police Department.

Compliance Bond Deposits Fund - To account for compliance bonds between the Town and various contractors. Compliance bonds are often required in a real estate transaction or property development to ensure compliance with municipal codes and regulations. The Town refunds the originator of the bond upon successful completion and compliance.

Trail Equipment Replacement Fund - This fund was established by The Equipment Sharing Agreement: Farmington Valley Trail Maintenance was established November 1, 2008 and shall automatically renew for successive terms of five (5) additional years unless all but one Participating Municipality provides written notice to the other of its election not to renew the Agreement for another five (5) assessment years. The participating municipalities are the Towns of Avon, Canton, East Granby, Suffield, Simsbury, Farmington, Granby and Burlington. The Agreement is for the shared use of trail maintenance equipment for the ongoing maintenance of the Farmington Valley Trail. The housing town (Avon) will cover routine operating expenses and will bill the other towns on a regular basis.

Asset Forfeiture Fund - The Avon Police Department receives proceeds for forfeited property obtained in drug or gang-related crimes and uses the funds to cover costs associated with training officers for crime prevention and law enforcement.

EXHIBIT D-1

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2020

	Pension	Other Post Employment Benefit Fund	Total
Assets:			
Cash and cash equivalents	$ 71,321	$ 111,880	$ 183,201
Investments, at fair value:			
Guaranteed interest contract	1,362,141		1,362,141
Mutual funds	31,739,954	6,885,517	38,625,471
Total investments	33,102,095	6,885,517	39,987,612
Accounts receivable	42,000		42,000
Due from other funds		5,390,388	5,390,388
Total assets	33,215,416	12,387,785	45,603,201
Liabilities:			
Accounts payable		200,062	200,062
Due to other funds	42,000		42,000
Total liabilities	42,000	200,062	242,062
Net Position:			
Restricted for Pension Benefits and OPEB Benefits	$ 33,173,416	$ 12,187,723	$ 45,361,139

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension	Other Post Employment Benefit Fund	Total
Additions:			
Contributions:			
Employer	$ 3,925,745	$ 2,907,528	$ 6,833,273
Plan members	210,397		210,397
Total contributions	4,136,142	2,907,528	7,043,670
Investment income:			
Net increase in fair value of investments	268,945		268,945
Interest and dividends	2,071,911	280,034	2,351,945
Total investment income	2,340,856	280,034	2,620,890
Total additions	6,476,998	3,187,562	9,664,560
Deductions:			
Benefits	4,305,484	1,785,253	6,090,737
Administration	41,027	7,150	48,177
Total deductions	4,346,511	1,792,403	6,138,914
Changes in Net Position	2,130,487	1,395,159	3,525,646
Net Position at Beginning of Year	31,042,929	10,792,564	41,835,493
Net Position at End of Year	$ 33,173,416	$ 12,187,723	$ 45,361,139

EXHIBIT E

TOWN OF AVON, CONNECTICUT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
ASSETS				
Cash:				
Flexible spending account	$ 31,863	$ 82,437	$ 68,129	$ 46,171
High school student activity fund	122,974	317,004	308,328	131,650
Middle school student activity fund	19,816	96,452	99,130	17,138
Roaring Brook student activity fund	8,094	13,580	7,587	14,087
Pine Grove student activity fund	23,590	19,190	31,542	11,238
Thompson Brook student activity fund	5,425	22,865	23,126	5,164
Total cash	211,762	551,528	537,842	225,448
Accounts Receivable:				
C-PACE clean energy fund	1,000	22,199	21,699	1,500
Police cadet activities fund	817			817
Compliance bond deposits fund	160,080		115,000	45,080
Trail equipment replacement fund	6,759	2,100	3,554	5,305
Asset forfeiture fund	1,170			1,170
Total accounts receivable	169,826	24,299	140,253	53,872
Total Assets	$ 381,588	$ 575,827	$ 678,095	$ 279,320
LIABILITIES				
Accounts Payable:				
Compliance bond deposits fund		13,000		13,000
Fiduciary Deposits:				
Flexible spending account	$ 31,863	$ 82,437	$ 68,129	$ 46,171
High school student activity fund	122,974	317,004	308,328	131,650
Middle school student activity fund	19,816	96,452	99,130	17,138
Roaring Brook student activity fund	8,094	13,580	7,587	14,087
Pine Grove student activity fund	23,590	19,190	31,542	11,238
Thompson Brook student activity fund	5,425	22,865	23,126	5,164
C-PACE clean energy fund	1,000	22,199	21,699	1,500
Police cadet activities fund	817			817
Compliance bond deposits fund	160,080		128,000	32,080
Trail equipment replacement fund	6,759	2,100	3,554	5,305
Asset forfeiture fund	1,170			1,170
Total fiduciary deposits	381,588	575,827	691,095	266,320
Total Liabilities	$ 381,588	$ 588,827	$ 691,095	$ 279,320

DETAILED SCHEDULE OF LONG-TERM DEBT OBLIGATIONS

TOWN OF AVON, CONNECTICUT
LONG-TERM DEBT OBLIGATIONS
SCHEDULE OF BOND MATURITIES
JUNE 30, 2020

Description	Original Issue Amount	Original Issue Date	Year Ending June 30,	Principal	Interest	Total
General Purpose:						
Bonds:						
Avon Public Library	$ 7,100,000	10-30-12	2021	$ 525,000	$ 83,500	$ 608,500
Interest payable December 15			2022	525,000	73,000	598,000
and June 15 of each year			2023	525,000	62,500	587,500
at 2.0%			2024	525,000	52,000	577,000
principal payable - June			2025	525,000	41,500	566,500
			2026	525,000	31,000	556,000
			2027	525,000	20,500	545,500
			2028	500,000	10,000	510,000
				4,175,000	374,000	4,549,000
General Purpose Refunding	964,000	3-15-16	2021	135,000	28,640	163,640
Interest payable October 15			2022	135,000	25,265	160,265
and April 15 of each year			2023	134,000	21,230	155,230
at 2.0-4.0%			2024	135,000	16,520	151,520
principal payable - October			2025	135,000	12,470	147,470
			2026	138,000	8,360	146,360
			2027	140,000	2,800	142,800
				952,000	115,285	1,067,285
Town & Public Safety	280,000	6-16-20	2021	18,809	10,069	28,878
Communications System			2022	18,809	9,345	28,154
Replacement Project			2023	18,809	8,592	27,401
Interest payable December 15			2024	18,809	7,840	26,649
and June 15 of each year			2025	18,809	7,088	25,897
at 2.0-4.0%			2026	18,809	6,335	25,144
principal payable - June			2027	18,809	5,583	24,392
			2028	18,809	4,831	23,640
			2029	18,809	4,078	22,887
			2030	18,809	3,326	22,135
			2031	18,382	2,573	20,955
			2032	18,382	1,838	20,220
			2033	18,382	1,287	19,669
			2034	18,382	735	19,117
			2035	18,382	368	18,750
				280,000	73,888	353,888
Total General Purposes				5,407,000	563,173	5,970,173
Private Placement:						
Bonds:						
Land Purchase 2018 *	$ 1,600,000	7-01-18	2021	$ 300,000	$ 22,750	$ 322,750
Interest payable July 15			2022	200,000	17,500	217,500
of each year at 1.75%			2023	200,000	14,000	214,000
principal payable - July			2024	200,000	10,500	210,500
* 2019: $470,000, paid from			2025	200,000	7,000	207,000
Capital Budget			2026	200,000	3,500	203,500
Total Private Placement				1,300,000	75,250	1,375,250
Total Town				6,707,000	638,423	7,345,423

(Continued on next page)

TOWN OF AVON, CONNECTICUT
LONG-TERM DEBT OBLIGATIONS
SCHEDULE OF BOND MATURITIES (CONTINUED)
JUNE 30, 2020

Description	Original Issue Amount	Original Issue Date	Year Ending June 30,	Principal	Interest	Total
Schools:						
Bonds:						
Refunding	$ 9,423,000	3-15-16	2021	$ 1,323,000	$ 279,900	$ 1,602,900
Avon High School			2022	1,318,000	246,900	1,564,900
Renovations			2023	1,315,000	207,405	1,522,405
Interest payable October 15			2024	1,318,000	161,320	1,479,320
and April 15 of each year			2025	1,318,000	121,780	1,439,780
at 2.0-4.0%			2026	1,352,000	81,560	1,433,560
principal payable - October			2027	1,363,000	27,260	1,390,260
				9,307,000	1,126,125	10,433,125
Refunding	$ 1,013,000	3-15-16	2021	142,000	30,110	172,110
Avon Middle School			2022	142,000	26,560	168,560
Roof			2023	141,000	22,315	163,315
Interest payable October 15			2024	142,000	17,360	159,360
and April 15 of each year			2025	142,000	13,100	155,100
at 2.0-4.0%			2026	145,000	8,780	153,780
principal payable - October			2027	147,000	2,940	149,940
				1,001,000	121,165	1,122,165
Avon High School Turf Field &	$ 2,995,000	6-16-20	2021	201,191	107,703	308,894
Track Improvement Project			2022	201,191	99,955	301,146
Interest payable December 15			2023	201,191	91,908	293,099
and June 15 of each year			2024	201,191	83,860	285,051
at 2.0-4.0%			2025	201,191	75,812	277,003
principal payable - June			2026	201,191	67,765	268,956
			2027	201,191	59,717	260,908
			2028	201,191	51,669	252,860
			2029	201,191	43,622	244,813
			2030	201,191	35,574	236,765
			2031	196,618	27,527	224,145
			2032	196,618	19,662	216,280
			2033	196,618	13,763	210,381
			2034	196,618	7,865	204,483
			2035	196,618	3,932	200,550
				2,995,000	790,334	3,785,334
Total Schools				13,303,000	2,037,624	15,340,624
Grand Total-All Bonded Debt				$ 20,010,000	$ 2,676,047	$ 22,686,047

STATISTICAL SECTION

This part of the Town of Avon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the government's financial health.

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

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.

- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).

- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

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

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

TABLE 1

TOWN OF AVON, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Governmental Activities:										
Net investment in capital assets	$ 107,467,654	$ 115,379,009	$ 118,098,045	$ 117,881,652	$ 118,793,898	$ 119,384,191	$ 121,244,059	$ 122,926,656	$ 125,283,735	$ 123,550,748
Nonexpendable - purposes of trust						(55,309)	61,304	66,141	71,340	64,259
Unrestricted	16,205,739	12,329,474	13,660,559	(7,580,353)	(8,973,932)	(8,996,683)	(35,884,141) *	(35,429,391)	(34,573,019)	(25,796,913)
Total Governmental Activities Net Position	$ 123,673,393	$ 127,708,483	$ 131,758,604	$ 110,301,299	$ 109,819,966	$ 110,332,199	$ 85,421,222	$ 87,563,406	$ 90,782,056	$ 97,818,094

* Restated for GASB 75

TABLE 2

TOWN OF AVON, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	$ 2,997,029	$ 3,699,703	$ 3,887,306	$ 3,856,414	$ 4,646,274	$ 5,054,762	$ 5,092,723	$ 5,259,593	$ 4,081,541	$ 4,438,962
Public safety	8,837,647	9,135,168	9,128,593	9,447,490	9,791,364	10,225,228	10,380,345	10,615,016	11,561,883	12,029,141
Public works	6,459,180	9,025,502	6,067,288	7,378,074	8,495,593	9,173,641	8,707,196	9,562,683	9,520,951	9,841,578
Health and social services	449,695	455,739	454,762	761,000	566,900	610,314	618,921	604,707	487,032	577,294
Recreation and parks	1,407,889	1,370,892	1,348,905	1,254,944	1,189,960	1,197,746	1,229,717	1,309,141	1,291,138	1,276,822
Educational cultural	1,341,831	1,402,620	1,392,800	1,396,274	1,343,538	1,384,043	1,449,442	1,487,041	1,827,791	1,960,605
Conservation and development	621,526	561,273	517,166	592,945	492,487	535,617	531,433	539,068	661,503	724,082
Board of Education	51,384,252	55,476,822	58,665,309	60,926,974	63,530,460	64,741,526	70,345,291	67,239,900	71,816,351	76,017,437
Interest expense	1,083,857	1,045,803	1,049,140	921,075	816,154	500,118	584,557	519,206	257,298	88,928
Total governmental activities expenses	74,582,906	82,173,522	82,511,269	86,535,190	90,872,730	93,422,995	98,939,625	97,136,355	101,505,488	106,954,849
Program Revenues:										
Governmental activities:										
Charges for services	5,899,335	5,809,050	6,905,655	5,926,742	5,903,556	5,651,311	5,645,635	5,637,127	7,229,361	10,343,698
Operating grants and contributions	7,603,548	11,127,231	9,387,422	11,335,763	10,676,357	11,336,604	15,639,406	11,503,400	12,970,047	17,539,610
Capital grants and contributions	186,048	1,065,967	240,923	262,989	321,473	901,473	1,054,261	550,371	152,310	18,846
Total governmental activities program revenues	13,688,931	18,002,248	16,534,000	17,525,494	16,901,386	17,889,388	22,339,302	17,690,898	20,351,718	27,902,154
Net revenues (expenses):										
Governmental activities	(60,893,975)	(64,171,274)	(65,977,269)	(69,009,696)	(73,971,344)	(75,533,607)	(76,600,323)	(79,445,457)	(81,153,770)	(79,052,695)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	64,376,632	66,459,769	68,880,202	71,382,861	72,768,968	74,759,366	77,168,752	80,382,156	82,628,403	84,757,302
Grants and contributions not restricted to specific programs	466,877	608,088	564,786	587,848	488,888	382,132	367,241	287,610	275,936	267,287
Unrestricted investment earnings	259,529	94,451	130,883	135,539	87,150	204,928	290,352	586,602	921,647	665,824
Miscellaneous	1,244,847	1,044,056	451,519	600,473	527,893	699,414	454,531	331,273	546,434	398,320
Total governmental activities	66,347,885	68,206,364	70,027,390	72,706,721	73,872,899	76,045,840	78,280,876	81,587,641	84,372,420	86,088,733
Change in Net Position:										
Governmental activities	$ 5,453,910	$ 4,035,090	$ 4,050,121	$ 3,697,025	$ (98,445)	$ 512,233	$ 1,680,553	$ 2,142,184	$ 3,218,650	$ 7,036,038

TABLE 3

TOWN OF AVON, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
General Fund:										
Nonspendable	$ 133,724	$ 190,147	$ 7,406	$ 5,157	$ 27,237	$ 11,398	$ 13,077	$ 96,320	$ 43,294	$ 59,972
Assigned	1,786,555	2,318,586	2,664,114	4,164,774	3,050,722	2,326,985	2,116,988	2,234,305	1,902,980	4,112,896
Unassigned	6,084,975	6,610,507	8,035,653	8,687,086	8,003,009	8,443,716	8,954,322	9,594,498	11,175,459	12,722,454
Total General Fund	$ 8,005,254	$ 9,119,240	$ 10,707,173	$ 12,857,017	$ 11,080,968	$ 10,782,099	$ 11,084,387	$ 11,925,123	$ 13,121,733	$ 16,895,322
All other governmental funds:										
Nonspendable	$ 5,300	$ 5,326	$ 5,871	$ 4,221	$ 8,824	$ 61,671	$ 64,034	$ 70,832	$ 76,931	$ 69,850
Restricted	128,262	147,936	202,058	275,270	344,654	760,214	691,402	880,410	1,111,995	1,378,930
Committed	2,821,971	2,646,944	6,858,931	7,592,171	9,220,651	9,257,902	10,264,955	9,467,597	9,366,115	14,066,534
Unassigned	(75,208)	(3,563,089)						(2,042)	(269,759)	(121,816)
Total All Other Governmental Funds	$ 2,880,325	$ (762,883)	$ 7,066,860	$ 7,871,662	$ 9,574,129	$ 10,079,787	$ 11,020,391	$ 10,416,797	$ 10,285,282	$ 15,393,498

TABLE 4

TOWN OF AVON, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property taxes	$ 64,340,735	$ 66,477,970	$ 68,836,758	$ 71,328,459	$ 72,702,548	$ 74,777,579	$ 77,085,268	$ 80,359,926	$ 82,563,358	$ 84,561,255
Intergovernmental (state and federal grants)	8,409,103	12,974,621	9,986,030	12,159,977	11,409,523	12,464,156	17,006,783	16,922,028	8,523,573	13,409,943
Charges for services	5,899,335	5,809,050	6,905,655	5,926,742	5,949,951	5,689,126	5,686,935	5,678,186	7,256,193	9,595,956
Contributions										
Investment income	259,529	94,451	130,883	135,539	87,150	204,928	290,352	586,602	921,647	665,824
Other local revenues	1,294,266	1,061,483	657,594	653,548	614,239	862,793	519,041	475,291	618,732	691,731
Total revenues	80,202,968	86,417,575	86,516,920	90,204,265	90,763,411	93,998,582	100,588,379	104,022,033	99,883,503	108,924,709
Expenditures:										
Town Council:										
General government	3,265,992	3,143,074	3,233,325	3,254,877	3,112,248	3,123,409	3,535,117	3,697,800	3,683,960	3,685,447
Public safety	8,158,581	8,606,336	8,728,912	8,960,231	9,599,202	10,058,947	10,403,599	10,874,651	11,180,560	11,290,319
Public works	5,532,928	8,361,461	6,250,964	6,695,152	7,265,068	7,682,977	7,621,372	8,344,648	8,464,351	8,305,380
Health and social services	428,700	434,439	453,173	486,497	502,740	506,087	520,032	513,906	515,599	563,164
Recreation and parks	1,222,190	1,216,090	1,218,102	1,160,087	1,115,972	1,127,639	1,159,410	1,251,232	1,160,315	1,152,089
Educational - cultural	1,412,445	1,392,328	1,455,561	1,402,014	1,479,743	1,541,279	1,607,338	1,657,693	1,705,979	1,744,194
Conservation and development	524,858	550,396	559,185	602,191	613,764	650,786	655,995	665,679	666,166	672,032
Miscellaneous	257,016	232,806	451,039	298,811	333,033	275,247	280,949	282,880	291,084	304,891
Total Town Council	20,802,710	23,936,930	22,350,261	22,859,860	24,021,770	24,966,371	25,783,812	27,288,489	27,668,014	27,717,516
Board of Education	50,625,619	53,902,777	55,758,766	58,831,942	60,392,678	61,659,117	67,664,985	69,839,858	64,331,909	69,452,527
Debt Service:										
Principal	3,650,000	3,550,000	3,365,000	2,895,000	2,775,000	2,910,000	2,365,000	2,220,000	2,220,000	2,535,000
Interest	1,126,412	1,108,237	1,072,321	963,788	872,488	789,813	664,750	598,850	535,750	501,692
Total Debt Service	4,776,412	4,658,237	4,437,321	3,858,788	3,647,488	3,699,813	3,029,750	2,818,850	2,755,750	3,036,692
Capital improvements	4,511,277	6,448,853	1,902,921	2,053,230	2,809,696	3,451,950	3,115,689	3,989,441	5,931,070	3,897,907
Total expenditures	80,716,018	88,946,797	84,449,269	87,603,820	90,871,632	93,777,251	99,594,236	103,936,638	100,686,743	104,104,642
Excess (Deficiency) of Revenues over Expenditures	(513,050)	(2,529,222)	2,067,651	2,600,445	(108,221)	221,331	994,143	85,395	(803,240)	4,820,067
Other Financing Sources (Uses):										
Proceeds from sale of land/capital assets										
Issuance of capital lease				354,201	155,863	299,906	248,749	151,747	268,335	278,823
Issuance of Bond/BAN			7,100,000						1,600,000	3,275,000
Bond/BAN issue premium			250,025							507,915
Issuance of refunding bonds						11,400,000				
Premium on refunding bonds						1,367,508				
Payment to escrow agent						(12,603,307)				
Loan issuance										
Transfers in	1,888,652	1,376,492	1,928,933	3,360,194	3,859,133	4,330,203	4,769,823	4,768,645	4,335,646	2,935,205
Transfers out	(1,888,652)	(1,376,492)	(1,928,933)	(3,360,194)	(4,066,008)	(4,755,203)	(4,769,823)	(4,768,645)	(4,335,646)	(2,935,205)
Total other financing sources (uses)	-	-	7,350,025	354,201	(51,012)	39,107	248,749	151,747	1,868,335	4,061,738
Net Change in Fund Balances	(513,050)	(2,529,222)	9,417,676	2,954,646	(159,233)	260,438	1,242,892	237,142	1,065,095	8,881,805
Fund Balance at Beginning of Year *	11,398,629	10,885,579	8,356,357	17,774,033	20,729,819	20,601,448	20,861,886	22,104,778	22,341,920	23,407,015
Fund Balance at End of Year	$ 10,885,579	$ 8,356,357	$ 17,774,033	$ 20,728,679	$ 20,570,586	$ 20,861,886	$ 22,104,778	$ 22,341,920	$ 23,407,015	$ 32,288,820
Debt Service as a Percentage to Noncapital Expenditures	6.24%	5.65%	5.44%	4.50%	4.12%	4.12%	4.12%	2.81%	2.81%	3.03%
Total Debt Service	4,776,412	4,658,237	4,437,321	3,858,788	3,647,488	3,699,813	3,029,750	2,818,850	2,755,750	3,036,692
Noncapital expenditures	76,486,372	82,489,875	81,632,751	85,830,005	88,570,430	90,652,884	96,745,852	100,363,020	94,760,502	100,206,400

**FY 2015 fund balance is restated at beginning of year due to moving donations revenues and expenditures to new Special Revenue Fund (Donations Fund).

***FY 2016 fund balance is restated at beginning of year due to moving revenues and expenditures to two new Special Revenue Funds (Avon Day Fund and Property Damage Fund).

TABLE 5

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

Fiscal Year	Real Property		Personal Property		Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2011	$ 2,069,142,780	$ 317,552,310	$ 152,291,800	$ 79,166,770	$ 271,062,110	$ 2,618,153,660	24.44	$ 3,946,859,780	66.3 %
2012	2,082,821,950	318,054,740	161,455,980	76,284,190	271,385,060	2,638,616,860	25.04	3,742,718,950	70.5
2013	2,099,240,690	319,617,200	173,638,190	75,610,970	279,639,180	2,668,107,050	25.65	3,747,341,362	71.2
2014	2,116,947,550	323,533,960	169,534,790	78,810,320	281,023,970	2,688,826,620	26.32	3,697,904,084	72.7
2015	1,975,267,600	325,431,330	175,775,500	82,606,100	240,650,750	2,559,080,530	28.32	3,655,829,328	70.0
2016	1,992,524,590	327,845,890	178,142,700	83,561,770	240,632,240	2,582,074,950	28.80	3,786,173,057	68.2
2017	2,000,794,600	329,328,350	176,244,430	86,335,450	240,552,120	2,592,702,830	29.52	3,812,798,280	68.0
2018	2,013,787,610	330,070,100	178,545,800	89,406,430	241,507,800	2,611,809,940	30.59	3,785,231,800	69.0
2019	2,021,499,800	329,276,340	175,759,330	89,050,090	241,516,850	2,615,585,560	31.35	3,763,432,460	69.5
2020	1,956,003,078	332,558,398	180,813,340	89,968,320	241,529,423	2,559,343,136	32.90	3,656,204,480	70.0

Source: Town Assessor's Office

Note: By state law, property is assessed at 70% of actual value with periodic revaluation of real property.
The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

TABLE 6

TOWN OF AVON, CONNECTICUT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per $1,000 of assessed value)

	Direct Rates			Overlapping Rates	
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct	State	County
2011	22.65	1.79	24.44	N/A	N/A
2012	23.32	1.72	25.04	N/A	N/A
2013	24.08	1.57	25.65	N/A	N/A
2014	25.00	1.32	26.32	N/A	N/A
2015	27.01	1.31	28.32	N/A	N/A
2016	27.62	1.18	28.80	N/A	N/A
2017	28.53	0.99	29.52	N/A	N/A
2018	29.58	1.01	30.59	N/A	N/A
2019	30.36	0.99	31.35	N/A	N/A
2020	31.52	1.38	32.90	N/A	N/A

TABLE 7

TOWN OF AVON, CONNECTICUT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2020			2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List
CL&P, a/k/a Eversource	$ 20,563,710	1	0.80 %	$ 12,171,490	4	0.46 %
GAIA Avon Place LLC	15,984,540	2	0.62	13,934,790	1	0.53
Two Fifty-Five West Main LLC	14,651,339	3	0.57	13,179,390	3	0.50
Avon Mill LLC	14,437,050	4	0.56	13,647,330	2	0.52
Connecticut Water Company *	14,165,780	5	0.55	9,123,580	10	0.35
Avon Marketplace Investors	13,816,530	6	0.54	10,813,240	6	0.41
Nod Brook LLC	13,309,031	7	0.52	8,157,080	8	0.31
KRE-BSL Husky Avon LLC (River Ridge)	9,849,474	8	0.38			
BRE Apex Property Owner LLC (Marriott)	9,326,685	9	0.36			
Brookside Propco LLC (Residence at Brookside)	9,091,135	10	0.35			
Ensign Bickford Realty Corp.				11,261,660	5	0.43
Family Wellness Center				8,895,050	9	0.34
Riverdale Farms LLC				9,963,070	7	0.38
	$ 135,195,274		5.25 %	$ 111,146,680		4.25 %

* Formerly Avon Water Company
Source: Town Assessor's Office

TABLE 8

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Percentage of Levy Uncollected	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2011	$ 64,184	$ 64,017	99.74 %	0.26 %	116	$ 64,133	99.92 %
2012	66,262	66,073	99.72	0.28	134	66,207	99.92
2013	68,687	68,528	99.77	0.23	85	68,613	99.89
2014	71,181	71,014	99.76	0.24	81	71,094	99.88
2015	72,652	72,412	99.67	0.33	145	72,558	99.87
2016	74,538	74,333	99.73	0.27	104	74,437	99.86
2017	76,942	76,689	99.67	0.33	109	76,798	99.81
2018	80,215	79,920	99.63	0.37	135	80,055	99.80
2019	82,409	82,088	99.61	0.39	112	82,200	99.75
2020	84,558	84,122	99.48	0.52	N/A	84,122	99.48

Source: Town Assessor's Office, Collector of Revenue and Finance Office

TABLE 9

TOWN OF AVON, CONNECTICUT
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt: General Obligation Bonds	Accumulated Resources Restricted for Debt Repayment	Net Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Taxable Value (1)	Bonded Debt per Capita (2)	Other Debt: Capital Leases	Other Debt: Total Debt	Total Debt Per Capita (2)	Percentage of Personal Income (2)
2011	$ 33,487,141	$ 180,079	$ 33,307,062	0.84%	$ 1,820	$	$ 33,487,141	$ 1,820	3.52%
2012	29,906,570	155,446	29,751,124	0.79%	1,599		29,906,570	1,599	3.09%
2013	33,861,024	48,073	33,812,951	0.90%	1,782		33,861,024	1,782	3.45%
2014	30,919,827	25,338	30,894,489	0.84%	1,602	230,043	31,149,870	1,614	2.61%
2015	28,098,630	31,247	28,067,383	0.77%	1,434	232,484	28,331,114	1,445	2.34%
2016	26,014,575	90,761	25,923,814	0.68%	1,307	313,279	26,327,854	1,323	2.14%
2017	23,509,630	67,070	23,442,560	0.61%	1,282	402,088	23,911,718	1,304	1.95%
2018	21,149,685	49,680	21,100,005	0.56%	1,152	358,138	21,507,823	1,172	1.74%
2019	20,389,740	64,391	20,325,349	0.54%	1,099	398,497	20,788,237	1,120	1.69%
2020	21,465,965	220,492	21,245,473	0.58%	1,175	376,704	21,842,669	1,195	1.65%

(1) See Table 5 for taxable property value data.
(2) See Table 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

TABLE 10

TOWN OF AVON, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	$ 448,646,527	$ 470,001,581	$ 489,834,639	$ 504,598,451	$ 522,097,100	$ 532,901,257	$ 549,535,427	$ 566,255,025	$ 590,060,653	$ 605,765,265
Total net debt applicable to limit	58,609,091	54,999,110	35,312,055	32,741,930	27,635,000	24,208,066	21,884,367	19,773,495	19,270,000	23,620,000
Legal Debt Margin	$ 390,037,436	$ 434,237,064	$ 454,522,584	$ 471,856,521	$ 494,462,100	$ 508,693,191	$ 527,651,060	$ 546,481,530	$ 570,790,653	$ 582,145,265
Total net debt applicable to the limit as a percentage of debt limit	13.06%	11.70%	7.21%	6.49%	5.29%	4.54%	3.98%	3.49%	3.27%	3.90%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2019 debt limit can be found on Table 13 of this report.

TABLE 11

TOWN OF AVON, CONNECTICUT
DEBT STATEMENT
AS OF JUNE 30, 2020

Long-Term Debt:	
Bonds:	
General public improvement	$ 6,707,000
School	13,303,000
Total bonds	20,010,000
Total Net Direct Debt	$ 20,010,000

TABLE 12

TOWN OF AVON, CONNECTICUT
CURRENT DEBT RATIOS
AS OF JUNE 30, 2020

Population (a)	18,276	(est.)
Net Taxable Grand List (October 1, 2018) (b)	$ 2,559,343,136	
Estimated Full Value (70%)	$ 3,656,204,480	
Equalized Net Taxable Grand List (2018) (c)	$ 3,656,627,123	
Income per Capita (2018) (d)	$ 72,594	

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	$ 20,010,000	$ 20,010,000	$ 20,010,000
Per Capita	$ 1,095	$ 1,095	$ 1,095
Ratio to Net Taxable Grand List	0.78%	0.78%	0.78%
Ratio to Estimated Full Value	0.55%	0.55%	0.55%
Ratio to Equalized Net Taxable Grand List	0.55%	0.55%	0.55%
Debt per Capita to Income per Capita	1.51%	1.51%	1.51%

(a) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. July 1, 2019

(b) Revalued October 1, 2018, Town of Avon Division of Assessing

(c) State of Connecticut, Office of Policy and Management, Fiscal Indicators, Town of Avon, 2018

(d) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. July 1, 2019

TABLE 13

TOWN OF AVON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2020

Total tax collections (including interest and lien fees) received by Treasurer at June 30, 2019	$ 82,515,760
Total tax collections (including interest and lien fees) received by Treasurers of all other taxing districts within Town for current fiscal year	4,022,135
Reimbursement for Revenue Loss: Tax Relief for Elderly	
Base for Debt Limitation Computation	$ 86,537,895

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 times base	$ 194,710,264	$	$	$	$
4-1/2 times base		389,420,528			
3-3/4 times base			324,517,106		
3-1/4 times base				281,248,159	
3 times base					259,613,685
Total debt limitation	194,710,264	389,420,528	324,517,106	281,248,159	259,613,685
Indebtedness:					
Bonds payable	6,707,000	13,303,000			
Bonds authorized and unissued	3,610,000				
Net indebtedness (1)	10,317,000	13,303,000	-	-	-
Debt Limitation in Excess of Outstanding Debt	$ 184,393,264	$ 376,117,528	$ 324,517,106	$ 281,248,159	$ 259,613,685

(1) The total of the above net indebtedness amounts to:	$ 23,620,000
In no event shall total indebtedness exceed seven times the base for debt limitation computation:	$ 605,765,265

TABLE 14

TOWN OF AVON, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (3)	Median Age (3)	Education Level in Years of Schooling (4)	School Enrollment (5)	Unemployment Rate (6)
2011	18,400	$ 951,390	$ 51,706	42.0	16	3,540	5.7
2012	18,700	966,902	51,706	42.0	16	3,534	5.3
2013	19,000	982,414	51,706	42.0	16	3,405	5.2
2014	19,300	1,191,852	61,754	45.1	16	3,379	4.7
2015	19,600	1,210,378	61,754	45.1	16	3,320	4.1
2016	19,900	1,228,905	61,754	45.1	16	3,273	3.6
2017	18,335	1,225,181	66,822	45.1	16	3,289	3.5
2018	18,352	1,237,475	67,430	45.8	16	3,208	3.4
2019	18,561	1,229,258	66,228	45.7	16	3,156	2.6
2020	18,276	1,326,728	72,594	45.8	16	3,146	3.4

Sources:

(1) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. July 1, 2019
(2) Formula of population times per capita personal income, divided by one thousand
(3) U.S. Department of Commerce, Bureau of the Census, 2018 American Community Survey, 2014-2018
(4) U.S. Department of Commerce, Bureau of the Census, 2000 and 2010, and 2013-2017 Census Estimates
2010 Census: percentage of Avon population with Bachelor's Degree or higher is 62.0%
2013-2017 Census Estimates: percentage of Avon population with Bachelor's Degree or higher is 70.0%
(5) Town of Avon, Board of Education
(6) State of Connecticut, Department of Labor

TABLE 15

TOWN OF AVON, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Town of Avon	559	1	5.90 %	559	1	6.99 %
Avon Health Center, Inc.	207	2	2.18	216	5	2.70
Women's Health USA	183	3	1.93	220	4	2.75
Big Y Supermarket	166	4	1.75	195	6	2.44
Apple Health Care, Inc	147	5	1.55	216	5	2.70
O.F.S Fitel LLC	142	6	1.50	177	7	2.21
Legere Group	136	7	1.44	155	9	1.94
Wal-Mart	134	8	1.41	220	3	2.75
Orifal (formerly Reflexite Tech Center)	134	9	1.41	91	10	1.14
Connecticut On-Line Computer Center (COCC)	72	10	0.76	330	2	4.12
	1,880		19.84 %	2,379		29.74 %

Source: Town of Avon, Official Statements

TABLE 16

TOWN OF AVON, CONNECTICUT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
JUNE 30, 2020

	FISCAL YEAR									
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
General Government										
Manager	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Planning	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0	4.0
Other	10.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0
Public Safety										
Sworn Officers	35.0	35.0	35.0	35.0	35.0	35.0	36.0	44.0	44.0	44.0
Dispatchers*	9.0	9.0	9.0	9.0	9.0	9.0	9.0			
Public Works	28.0	28.0	28.0	28.0	28.0	28.0	28.0	27.0	27.0	27.0
Parks and Recreation	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Library	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Human Services	0.6	0.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Board of Education										
Certified	292.6	293.7	288.7	301.7	294.4	295.9	295.1	294.9	288.4	291.8
Total	397.6	399.7	395.7	407.7	400.4	400.9	402.1	399.9	393.4	397.8

Source: Annual Operating Budgets

Notes: Building includes Fire Marshal. Other includes Town Clerk,Town Hall, Accounting, Assessor, Tax Collection and Human Resources. Public works includes Engineering. A full-time general government, public safety administrator, public works administrator, parks and recreation, nonbargaining unit, public library and human services employee is scheduled to work 1,950 hours per year (including vacation and sick leave). A public safety and public works bargaining unit member employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by the scheduled number of work hours per year for each department, as detailed in the previous sentence.

* Beginning in fiscal year 2013/2014, Dispatchers and Administrative Support (Civilians) are listed separately from Sworn Officers.

TABLE 17

TOWN OF AVON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
JUNE 30, 2020

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Marriage licenses	83	103	124	122	122	114	115	114	87	102
Birth certificates	136	154	146	142	140	99	128	99	73	118
Death certificates	218	211	228	221	189	191	176	191	120	125
Boards and Agencies										
Registered voters	13,267	12,996	12,651	12,526	11,590	11,231	11,272	11,981	11,824	12,051
Elections and referenda	1	5	2	2	4	3	2	2	3	2
Planning and Development										
Building permits issued	1,836	1,789	1,749	618	700	752	604	567	617	575
Building inspections conducted	2,346	2,814	2,563	2,026	2,282	2,387	2,249	2,404	2,171	1,970
Value of building permits	41,578,462	31,559,903	33,736,397	23,065,385	32,967,887	35,540,625	42,734,952	52,928,314	34,205,274	32,317,339
Public Safety										
Arrests	106	187	214	164	219	292	180	280	280	287
Parking violations					1	5	4	14	12	27
Traffic violations	956	727	1,478	426	1,175	1,166	812	1,554	1,635	2,509
Emergency responses	1,813	1,940	1,831	1,821	1,847	1,673	1,780	2,009	1,603	1,503
Fires extinguished	43	41	31	45	38	45	45	32	7	28
Inspections/fire prevention	237	292	348	388	256	451	439	381	381	485
Calls for service	13,922	16,593	19,464	16,126	21,053	19,646	15,125	12,343	18,638	19,126
Citations issued	437	564	948	380	659	917	586	932	1,293	1,481
Public Works										
Miles of roads maintained	111	111	110	110	110	110	106	108	108	108
Refuse collected (tons per year)	653	650	660	670	700	746	756	782	862	872
Recyclables collected (tons per year)	388	375	448	418	413	421	554	481	504	553
Parks and Recreation										
Total park reservations	3,817	4,017	3,965	3,652	4,032	3,422	1,758	1,826	1,886	1,657
Total day camp registrations	141	457	474	499	495	452	531	519	539	465
Total swim memberships	357	426	373	417	358	360	371	382	443	400
Pool attendance	14,022	14,821	13,189	13,627	13,717	12,949	12,375	9,748	12,430	10,654
Public Library										
Volumes in collection	191,571	195,637	195,684	153,962	124,772	122,367	117,374	94,978	96,440	89,399
Items circulated	212,594	225,318	258,724	285,596	299,743	291,256	295,590	290,058	208,132	261,141
Human Services										
Senior mini-bus trips	2,323	2,971	2,708	2,205	2,535	2,682	2,494	2,903	2,647	2,143
Households provided energy assistance	129	143	131	129	78	89	80	76	43	45
Households provided food bank assistance	113	130	121	110	110	127	127	114	106	83
Education										
Elementary schools	2	2	2	2	2	2	2	2	2	2
Grade 5/6 schools	1	1	1	1	1	1	1	1	1	1
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments

TABLE 18

TOWN OF AVON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
JUNE 30, 2020

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Police vehicles	20	20	20	23	23	23	23	28	28	28
Fire vehicles	17	15	18	13	14	14	14	13	13	14
Public Works										
Miles of town roads	111	111	111	111	111	111	111	108	108	108
Linear feet of sidewalks (See Note)	53065	53065	53065	53065	53065	53065	53065	50865	50865	50865
Streetlights	795	795	795	795	795	781	781	828	828	836
Traffic signals	21	21	21	22	22	22	22	18	18	18
Public works vehicles	31	32	32	32	31	31	31	30	33	33
Parks and Recreation										
Acreage (parks only)	1167	1155	1155	1155	1155	1155	1155	1155	1155	1155
Parks and greens	14	14	14	14	14	14	14	14	14	14
Athletic fields (includes Board of Education)	36	30	30	30	30	30	30	30	30	30
Swimming pools	2	2	2	2	2	2	2	2	2	2
Public Library										
Library	1	1	1	1	1	1	1	1	1	1
Human Services										
Senior center	1	1	1	1	1	1	1	1	1	1
Education										
Schools	5	5	5	5	5	5	5	5	5	5
Water										
Fire hydrant rentals	767	771	765	765	764	761	748	721	721	721
Sewer										
Sanitary sewers (miles)	91.4	91.4	91.98	90.1	90.1	89.4	88	88	77.39	76.43
Storm sewers (miles)	85	85	85	85	85	85	85	85	75	45.5

Source(s): Various Town Departments

Note: No capital asset indicator is available for the conservation and development function.
Per implementation of Pavement Management Program effective in 06-07 information to be captured in square feet.