

# **TOWN OF AVON CONNECTICUT**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Prepared By:  
Department of Finance

Director of Finance:  
Margaret Colligan

**TOWN OF AVON, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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# TOWN OF AVON

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**POLICE, FIRE & MEDICAL  
EMERGENCY - 911**

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**ASSESSOR'S OFFICE**

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**COLLECTOR OF REVENUE**

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**ENGINEERING DEPARTMENT**

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**FINANCE DEPARTMENT**

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**FIRE MARSHAL**

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**LANDFILL**

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**POLICE DEPARTMENT**

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**PROBATE**

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**PUBLIC LIBRARY**

281 Country Club Road  
Tel. (860) 673-9712  
Fax (860) 675-6364

**PUBLIC WORKS**

11 Arch Road  
Tel. (860) 673-6151  
Fax (860) 673-0338

**RECREATION AND PARKS**

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Cancellation (860) 409-4365

**REGISTRAR OF VOTERS**

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**SOCIAL SERVICES**

Tel. (860) 409-4346  
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**TOWN CLERK**

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Fax (860) 677-8428

**TDD-HEARING IMPAIRED**

Tel. (860) 409-4361

January 25, 2010

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, 2009.

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, 2009 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Avon's financial statements for the fiscal year ended June 30, 2009 are fairly presented in conformity with GAAP. The independent auditors' 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 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 seventh 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 and 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 22.6 square miles and an estimated population of 17,800, according to figures provided by the Town Planner’s office.

The Town’s topography includes many interesting natural features. Steep ridges and rolling hills give Avon its unique character. While two-thirds of Avon is developed, there still remains an abundant amount of 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 Chairman 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 two districts and required two polling locations. The large increase in population resulted in an increased number of voters, which required an additional polling place, bringing it to a total of three.

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; recreations and parks; library; planning and 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 annual budget serves as the foundation for the Town’s financial planning and control. The Town maintains budgetary controls with the objective 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. First noticed two years ago, residential growth decline continued in fiscal year 2008-2009 with 12 single family home building permits, down from last year's 19 single family home building permits. Avon, along with the rest of the nation, is experiencing a construction slowdown of new homes.

As of June 2009, the Town's unemployment rate of 5.5% compares favorably to the state's average of 8.0%. Avon's per capita personal income is \$51,706 versus the state's average, which is \$28,766.

Avon is fortunate to have a well-balanced diverse mix of business and industrial uses. Major industries with headquarters or divisions located within the Town of Avon include Old Castle, manufacturers of concrete products; Connecticut-On-Line Computer Center, a centralized computer facility for northeast banks; Ironwood Capital Management; Petroleum Meter and Pump; Magellan Health; R.R. Donnelley, Inc.; Legere Group Ltd., woodworking; O.F.S. Fitel LLC (formerly Lucent Technologies), fiber optic manufacturing facility, and Reflexite Film Fibers, Inc., World Headquarters. Several major insurance related companies are also located in Avon including Women's Health USA, Ceridian Employer Services, AUL Reinsurance Management, Ballentine Capital Management, Inc., Odyssey America Reinsurance, Apple Health Care, Adams and Knight Advertising and ERC Long-Term Care Solutions.

The Town's central business district currently enjoys a 95% occupancy rate with a variety of specialty shops and commercial businesses. Presently, there is 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 along U.S. Route 44, with traffic counts in the range of 30,000 vehicles per day. The Town estimates there are roughly 750,000 square feet of future expansion availability evenly split between office and industrial with about 100,000 square feet of possible future retail. There are 14 bank branch offices located in Town, with Sovereign Bank and Northwest Community Bank having constructed new facilities within the past 2 years. Avon is currently home to three championship golf courses, two private and one public. The Blue Fox Run Golf Course has been 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 and Saint Francis Hospital and Medical Center housed in a 25,000 square foot facility, and a recently completed 20,000 square feet Helen and Harry Gray Cancer Treatment Center operated by Hartford Hospital.

Revaluation has been completed for the list of October 1, 2008 for fiscal year 2009-2010. There will be no phase-in of new property values. The October 1, 2007 Grand List grew by \$34,808,800 to \$2,261,808,210, or an increase of 1.56%, from the 2006 Grand List of \$2,226,999,410. Real estate increased \$28,353,430, or 1.43%, which was consistent with the increase in property values. Building permits issued for 2008-2009 indicate a total value of new work of \$5,982,395. 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. The current mix of 72% single-family homes and 28% multi-family homes has served the Town well. This ratio has provided opportunities for buyers and renters with varying levels of income as well as age. Avon is recognized as a desirable community in which to live.

Hartford Magazine, in its November 2005 issue “Rating the Suburbs,” ranked Avon first as the most desirable community among the 12,500 to 25,000 population category and in 2008, ranked Avon second in the same category; however, it was ranked number 1 in the economy sub-category. Connecticut Magazine, in its November 2006 issue, ranked Avon fifth overall in the 15,000 to 25,000 population category within Connecticut, on the combined data of education, economy, cost of living, crime and leisure/culture, areas that seem to be important to most people. In July 2005, a national media source, CNN Money, ranked Avon as one of the safest places in the United States to live.

A number of citizens have expressed concern over the rapid development of the Town and its impact on Town services. The fact is that the rate of population growth in terms of the percent increase has actually been declining since the peak during the 1950’s (66% increase from the 1950 population of 3,171 to 5,273 in 1960). The gain in population over the past fifty-five years has been relatively stable, averaging about 2,500 per decade, with the current population in 2009 being 17,800. The impact of this growth on Town services has been gradual, predictable and manageable. What is not often calculated into the cost of Town services are the transient populations that visit Avon - the commuters passing through Avon, the employees of our businesses, the patrons of our stores, health facilities, tourists and professional offices. This inflow and outflow results in more traffic, additional demands for services and increased use of our municipal infrastructure. Expenditure growth in two functions exceeds the growth of Town expenditures as a whole. For a ten-year period, expenditures in the public works function grew at 74.54% due to increased demands for services, expenditures for health and social services function grew at 74.00% due to an increase of client services, and expenditures for the Board of Education function grew at 85.71% due to increased school enrollment, all compared with a 72.74% increase in total Town expenditures.

A comprehensive impartial town-wide survey of Avon residents professionally administered by the University of Connecticut Center for Survey Research and Analysis found that 99% of residents rank Avon’s quality of life as good or excellent. A follow-up study of Avon Businesses conducted in conjunction with the Avon Chamber of Commerce by the same center found that 89% of Avon businesses found Avon a good or excellent place to do business.

In November 2008 Connecticut Magazine ranked Avon High School as one of Connecticut’s top public high schools. In addition, Hartford Magazine, in their June 2009 issue, named Avon High School as the top high school in Hartford County. Avon’s educational system continues to be regarded as one of the best in the State of Connecticut. During the 2008-2009 school year:

- 91.8% of 8th grade students at Avon Middle School met mastery on the State of Connecticut Test Science subtest, the highest percentage in the State. Tenth graders averaged the second highest science scores on the Connecticut Academic Performance Test (CAPT) among similar District Reference Group (DRG B) districts.
- 56% of tenth grade students met state goal on all four CAPT subtests.
- Among all students taking the Connecticut Mastery Test (CMTs) in grades 3-8, 87.7% to 97.2% achieved the NCLB “proficiency” level.
- CMT reading scores in grade eight have sustained a performance level over 90% at or above the state goal for the past eight years.
- 61.9% regular education students in sixth grade and 60.4% in seventh grade scored at the advanced level on the CMT math subtest, this assessment’s highest level of performance.
- Average SAT scores in critical reading, math and writing increased from 10 to 16 points from the previous year in each of these subtests.

### ***Long-Term Financial Planning***

A long-term goal of the Town is to retain sufficient undesignated fund balances (10% or more) in the General Fund and Special Revenue Funds. No use of Undesignated General Fund resources had been included in the fiscal year 2008-2009 budget, and historically the Town uses a small portion to mitigate the impact of revaluation in those affected years. 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.”

The December 2003 *Report on High School Facility Needs* showed that space utilization continued to increase proportionately as enrollment increased. A High School Facilities Committee was created to study the facilities needs options to accommodate the projected growth from the building maximum as originally designed of 850 students to projected enrollment of 1,200 students by the 2012 school year. The Committee agreed to and proposed a recommendation for additions, renovations and building improvements in the amount of \$25,998,000, which was approved at referendum on June 20, 2005. An additional \$4,700,000 was needed to cover the higher-than-expected construction costs for the expansion. The additional funding was approved at referendum on October 11, 2006. The project has proceeded on time and under budget, with notes, bonds and state grant funds financing the project with an estimated impact to the Board of Education’s operating budget of 1% for the first year, and 2.5% in inflation adjustments made in each subsequent year for facility operating costs. Dedication of the \$30,698,000 Addition and Renovation to Avon High School project took place September 14, 2008.

Avon High School expansion project had highlighted the need for a realistic methodology to estimate changes in the Grand List and in individual property values that can be utilized to project tax impacts of additional town borrowings over various periods of time. The joint effort of the three boards, Town management and the financial advisor led to a “formula” in which residents and business can visit the town website, enter in their individual assessed values, which are 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 new tax calculator that will allow residents to view the impact of the recent revaluation of property and the proposed budget for the 2009-2010 fiscal year.

In response to a growing increase in elementary school population in grades K-4, the Board of Education formed an ad hoc committee to study elementary school facility needs and operational capacities. In response to a report by this committee, the Board of Education approved a policy to redistrict students, which enabled the Board to better control future budget expenditures by reducing teaching personnel.

The Town presented at a February 26, 2009 referendum \$2,845,000 for replacement and related improvements to the Avon Middle School Roof, and Town Clerk’s vault expansion in the amount of \$875,000. The Town Clerk’s vault was defeated. The Middle School Roof project will lessen the impact on the operating budget. By replacing the roof, it will eliminate further repair costs and by replacing the HVAC units with more energy efficient models, it is anticipated that will also have a favorable impact. On June 26, 2009, the Town issued Bond Anticipation Notes in the amount of \$2,515,000 for temporary financing.

Future projects anticipated by the Town include the renovations, additions and improvements to the Library renovation and expansion, a replacement (Company Number 2 Secret Lake) Fire Station, a new fire training facility and additional athletic and recreational facilities. The Library expansion will double the square footage and significantly impact building operating and staff costs.

It may be necessary to acquire more land to meet the expanding functions of the Library and to meet the open space and parking requirements required by Zoning. The Avon Free Public Library has received a \$1,000,000 Connecticut State Library construction grant, with the remainder of this approximately \$9,500,000 total construction project funded by notes, bonds and donations.

The Town is in the final year of a five-year renewable lease agreement with a telecommunications service provider and approved a permit for this provider to construct a tower on a small piece of Town-owned property, which will generate rental income for the Town, as well as providing additional antennae space for municipal communications.

### ***Relevant Financial Policies***

The Town accepted \$45,967 in fees in lieu of deeded open space land from developers in 2008-2009 for the Open Space Fund, which is used 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. The Town demolished the 1948 Towpath School, turning the site into additional green space for Avon center.

At the Town Council meeting of June 4, 2009, approval was sought and received to set up a trust fund for other post employment benefits which would allow the Town to invest more aggressively for this liability. The pension investment advisor will make recommendations as to how the money is invested. The Pension Investment Advisory Committee reviews the recommendation before approval and implementation. The reserve fund 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 over a period of seven years, increasing the contribution so that in the final year of the phase-in the annual required contribution would be met.

### ***Major Initiatives***

Avon is tied with Farmington for fifth place out of 169 cities and towns in Connecticut in the number of cooperative/collaborative programs that the Town participates in. For example, Avon is one of the eight municipalities that participate in an equipment sharing agreement by which they share equipment housed in Avon for use in maintaining their respective portions of the Farmington Valley Trail.

During the recent budget sessions there were many suggestions by a number of citizens that the Town undertake an administrative service review by an outside consultant. In response, the Town Council appointed a committee to hire a consultant, through an RFP process, to explore the combining of Town and Board of Education administrative and operational procedures relating to finance, facilities and human resources. The consultant has presented the report to the committee for review. The Town Council, the Board of Finance and the Board of Education are currently reviewing to determine which of the recommendations will be adopted.

A special study for Avon Center, which was part of the Town-wide Plan of Development, is proposing to make the center more aesthetically pleasing and welcoming to pedestrians with landscaping, new streetlamps and sidewalks, in hopes that through its efforts, the special village character of this area can be preserved while making the center a more vibrant area. The Town has been awarded a Small Town Economic Assistance Program (STEAP) grant for sidewalk, lighting and other improvements to Avon Center. Design is complete and construction will begin in September 2009.

The Town has received several grants that will be managed by the Department of Planning and Community Development. The first is a \$50,000 State grant to study ways of incorporating Low Impact Development, which is preserving and recreating natural landscape features, in land use regulations. Utilizing a \$24,000 State grant allowed completion of construction of two miles of trails at Fisher Farm, and utilizing a \$44,000 State grant allowed the initial design work for an extension of the Farmington Valley Greenway through Avon Park South.

### *Awards and Acknowledgements*

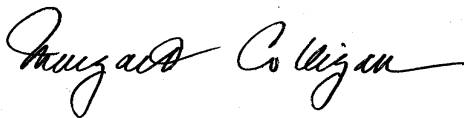
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the twenty-fourth consecutive 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 Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award to the Town of Avon for its annual budget for the fiscal year beginning July 1, 2009. This was the twenty-fifth 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 entire staff of the Finance Department, in particular Charles Lucas, Kara Song and Michelle Farrell. 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, 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,

A handwritten signature in black ink, appearing to read "Margaret Colligan". The signature is fluid and cursive, with the first name "Margaret" written in a larger, more prominent script than the last name "Colligan".

Margaret Colligan, CPFO  
Director of Finance

# **TOWN OF AVON, CONNECTICUT**

## **PRINCIPAL OFFICIALS**

**AT JUNE 30, 2009**

### **TOWN COUNCIL**

John Carlson, Chairman

William J. Shea, II	Mark Zacchio
David Pena	Pamela Samul

### **BOARD OF FINANCE**

Thomas F. Harrison, Chairman

Catherine Durdan	William R. Hooper, II
Thomas A. Gugliotti	Margaret Bratton
James Speich	Brett Eisenlohr

### **BOARD OF EDUCATION**

Margaret Roell, Chairperson

Douglas Evans	Michael J. Eagen
Bernadette R. Mayer	Kenneth Notestine
Angela Shelton	Barbara Zuras
William Stokesbury	Houston Putnam Lowry

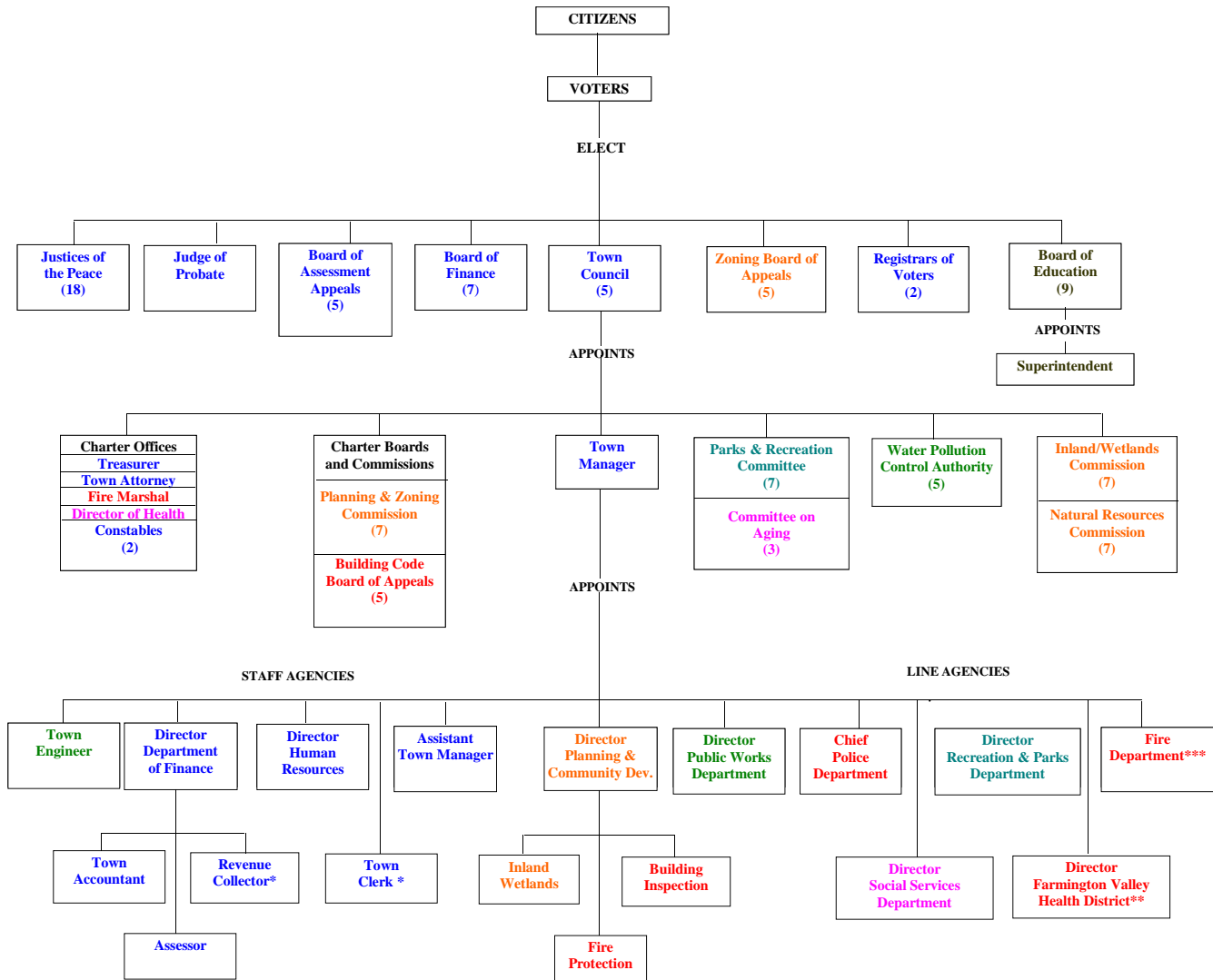
### **GENERAL GOVERNMENT**

Town Manager	Philip K. Schenck, Jr.
Assistant Town Manager	Blythe C. Robinson
Town Accountant	Charles M. Lucas, Jr.
Town Attorney	Dwight A. Johnson
Town Clerk	Ann L. Dearstyne
Town Engineer	Lawrence E. Baril
Town Treasurer	James R. McCarthy
Director of Finance	Margaret Colligan
Director of Human Resources	William F. Vernile
Director of Recreation & Parks	Glenn M. Marston
Director of Planning & Community Development	Steven M. Kushner
Director of Public Works	Bruce Williams
Director of Social Services	Alan E. Rosenberg
Assessor	Harry DerAsadourian
Building Official	James Sansone
Collector of Revenue	Deborah Fioretti
Librarian	Virginia G. Vocelli
Police Chief	Mark Rinaldo
Fire Chief	James DiPace

### **EDUCATION**

Superintendent of Schools	Richard Kisiel, Ed.D
Director of Finance	Gary Franz

# ORGANIZATIONAL CHART FOR THE TOWN OF AVON



\* Recommended by Manager, approved by Council.

\*\* The Town participates in a Regional Health District.

\*\*\* The Town funds the Avon Volunteer Fire Department.

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

## Department of Finance

### Director of Finance

1. Budget Formulation, Execution, and Research
2. Treasury, Cash, and Debt Management
3. General Accounting
4. Appropriation Accounting and Financial Reporting
5. Internal and External Auditing
6. Revenue Collections
7. Materials Administration
8. Purchasing Administration

### Division of Accounting

1. General & Appropriation Accounting
2. Treasury and Cash Management
3. Internal Auditing
4. Accounts Payable
5. Accounts Receivable
6. Payroll and Benefits
7. Electronic/Automated Data Processing Operations

### Division of Revenue Collection

1. Property, Tax, Billing, and Collection
2. Departmental Revenue Collection
3. Sewer Billing and Collection

### Division of Assessment

1. Property Assessment, Records, and Administration
2. Grand List Preparation
3. New Valuations

# 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, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R.", is positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is positioned above the title "Executive Director".

Executive Director



Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Board of Finance  
Town of Avon  
Avon, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the Town of Avon, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of the internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 13 and the required supplementary information on pages 53 and 54 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Blum, Shapiro & Company, P.C.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated January 25, 2010 on our consideration of the Town of Avon, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over compliance on the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

January 25, 2010

**TOWN OF AVON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2009**

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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, 2009. 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 2009 fiscal year by \$115,736,108 (net assets). Of this amount, \$9,407,746 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets increased by \$2,120,317 due primarily to the addition of new capital assets in excess of depreciation expense and construction in progress costs for the Town school projects of \$2,075,749.
- As of the close of the current fiscal year, governmental funds reported combining ending fund balances of (\$14,502,672), a decrease of \$2,058,713 in comparison from last year's (\$12,443,959). \$5,253,522 of General Fund and \$3,326,360 of Other Governmental Funds is available for spending at the government's discretion (unreserved fund balance). In CIFA (\$23,536,240) unreserved fund balance is a negative amount due to the issuance of bond anticipation notes that are reported as a fund liability until the notes are replaced with long-term debt. As of June 30, 2009, \$492,558 of the combining fund balances has been designated for specific purposes.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$4,789,580 or 6.92% of total General Fund expenditures and transfers out of \$69,213,929, including the State's contribution and offsetting expenditures for teacher's retirement.
- Total debt decreased by \$3,111,091 (20.24%) to \$12,262,647 (including amortized bond premium) during the current fiscal year.

**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 assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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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 14 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 12 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 Exhibits III through V 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The basic fiduciary fund financial statements can be found on pages 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 26-52 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 53-54 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 55-75 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Avon, our assets exceeded liabilities by \$115,736,108 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets, \$106,328,362 (89.62%), 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.

<b>NET ASSETS</b>			
<b>JUNE 30, 2009 AND 2008</b>			
		<b>Governmental</b>	
		<b>Activities</b>	
		<b>2009</b>	<b>2008</b>
Current assets	\$	18,254,939	\$ 17,350,509
Capital assets		144,294,534	142,788,131
Noncurrent assets		392,552	733,604
Total assets		162,942,025	160,872,244
Long-term liabilities outstanding		11,271,813	14,487,599
Other liabilities		35,934,104	32,768,854
Total liabilities		47,205,917	47,256,453
Net assets:			
Invested in capital assets, net of related debt.		106,328,362	100,992,393
Unrestricted		9,407,746	12,623,398
Total Net Assets	\$	115,736,108	\$ 113,615,791

At the end of the current fiscal year, we are able to report positive balances in both categories of net assets. The same situation held true for the prior fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Town's net assets increased by \$2,120,317 during the current fiscal year. Unrestricted net assets, the portion of net assets that may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation or other legal requirements, is \$12,016,221. The Town generated net general revenues of \$61,869,828, which exceeded its net operating expenses for governmental activities of \$59,749,511 by the amount of the net asset increase. Gross expenses of \$72,991,983 were offset by \$5,254,615 in charges for services, \$6,795,638 in operating grants and contributions, and \$1,192,219 in capital grants and contributions. Of the net expenses, the largest amount was \$40,295,110, which was for the operating of the Town's school system. Net public safety expenses of \$7,659,356, public works net outlays of \$3,924,378, net general government costs of \$3,362,973, interest expense of \$1,571,924 and education-cultural (library) expenses of \$1,306,299 accounted for almost all net expenses. The majority of the Town's revenue was \$60,502,992 in property tax collections, \$13,242,472 in charges for services and grants, and \$1,366,836 in nonrestricted grants, investment income, miscellaneous and transfers.

**Governmental Activities.** Governmental activities increased the Town's net assets by \$2,120,317. Key elements of this increase are as follows:

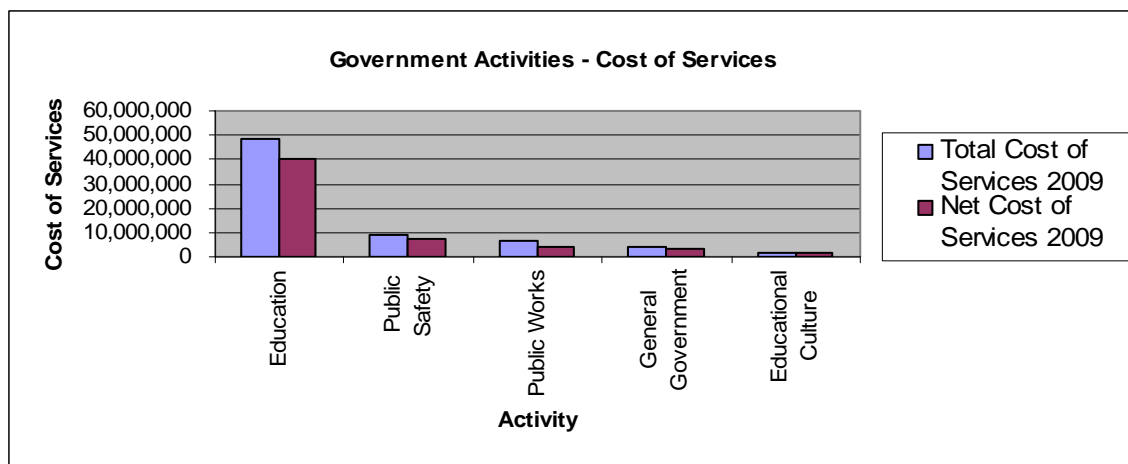
<b>CHANGE IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008</b>		
	<b>2009</b>	<b>2008</b>
Revenues:		
Program revenues:		
Charges for services	\$ 5,254,615	\$ 4,585,742
Operating grants and contributions	6,795,638	19,168,475
Capital grants and contributions	1,192,219	7,676,918
General revenues:		
Property taxes	60,502,992	57,525,758
Grants and contributions not restricted to specific programs	451,350	484,160
Investment income	469,404	1,361,187
Miscellaneous	446,082	988,047
Total revenues	<u>75,112,300</u>	<u>91,790,287</u>
Program Expenses:		
General government	4,366,653	3,150,197
Public safety	8,646,361	8,386,614
Public works	6,803,932	6,379,490
Health and social services	409,643	418,457
Recreation and parks	1,198,231	1,259,443
Educational - cultural	1,325,196	1,340,878
Conservation and development	493,509	470,631
Board of Education	48,148,966	58,762,865
Interest expense	1,599,492	1,420,878
Total program expenses	<u>72,991,983</u>	<u>81,589,453</u>
Increase in net assets	2,120,317	10,200,834
Net assets - Beginning of Year	<u>113,615,791</u>	<u>103,414,957</u>
Net Assets - End of Year	<u>\$ 115,736,108</u>	<u>\$ 113,615,791</u>

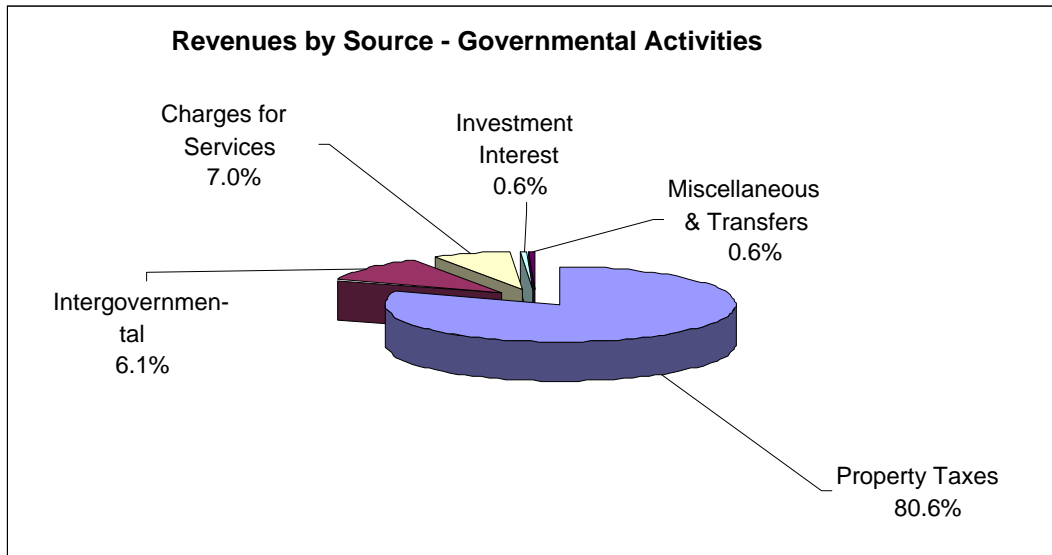
## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

On the revenue side, property taxes, which comprise 80.6% of Town revenues, increased by \$2,977,234 (5.18%) to \$60,502,992 due to high collections on the current levy (99%); supplemental motor vehicle exceeded the original budget as well. Charges for services saw an increase of \$668,873 in the areas of police services for road project work and public works fees. Recording and conveyance and building structures and equipment permit activity dropped as expected, along with other fee and permit activity that is directly related to the housing slowdown. Operating grants and contributions and capital grants and contributions decreased \$18,857,536 primarily in the Board of Education function due to the substantial decrease in pension contributions made by the State on behalf of the Town's teachers (\$16,089,746 in 2008, decreasing to \$3,445,855 in 2009), and the decrease in progress payments made by the State for the high school construction project as the project nears completion. Investment income declined from \$1,361,187 in 2008 to \$469,404 in 2009 due to the steady decline in interest rates, and miscellaneous revenues decreased due to the Connecticut Resources Recovery Authority (CRRA) distribution reflected in the 2008 revenues that did not take place in 2009.

Major program expenses include funding other post employment benefits and pension contributions for general government (\$1,216,456), hydrant rental and police protection costs for public safety (\$259,747), overtime, energy/utility, gas costs and sewer installation for public works (\$424,442), and interest expense (\$178,614), which, in total, was offset by a discretionary spending freeze and by reductions in health and social services, recreation and parks, and educational - cultural (\$137,882) due to restructured staffing arrangements and retirement. The decrease in the Board of Education program expenses was due to the substantial reduction in pension contributions made by the State on behalf of the Town's teachers as mentioned previously. There are growing 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 restructured staffing arrangements in Public Safety (Protection and Communication) and Conservation and Development (Department of Planning and Community Development), a continued shift of recreation activity and park maintenance costs from the General Fund to 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 new 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 71% of the service charges, \$3,753,845, are generated by public works, the police and general government. The Board of Education contributed over \$1,000,000 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, unreserved fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, our governmental funds reported combined ending fund balances of (\$14,502,672), a decrease of \$2,058,713 in comparison with the prior year. Of this total amount, (\$14,956,358) constitutes unreserved fund balance, which is available for spending at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period in the amount of \$286,281; and 2) to contribute to the payment of compensated absences (debt service fund) in the amount of \$167,405.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$4,789,580, while total fund balance reached \$5,253,522. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.92% of total General Fund expenditures and transfers out of \$69,213,929, while total General fund balance represents 7.59% of that same amount.

The fund balance of Avon's General Fund increased by \$577,295 during the current fiscal year. Key factors contributing to the growth was the planned return of excess equity from multiple capital projects and the transfer in from multiple closed capital projects.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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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 (BANs) and bond proceeds are also handled in the CIFA account. Fund balance decreased \$1,258,473 from (\$22,277,767) to (\$23,536,240) primarily due to the issuance of BANs that are reported as a fund liability until the notes are replaced with long-term debt. The CIFA Fund Balance of (\$23,536,240) that is available for future capital projects is negative due to the issuance of the BANs. The Town also accepted \$45,967 of open space fees in 2008-2009.

**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.

Unrestricted net assets of the Internal Service Fund at the end of the year amounted to \$161,957. The total change in net assets for the fund was a decrease of \$162,684. Operating revenues for the fund, representing charges for services that are health insurance premiums paid by Town and Board of Education, amounted to \$6,833,346. Operating expenses for medical claims were \$6,996,030.

### **General Fund Budgetary Highlights**

The original budget of \$65,429,853 increased \$764,133 during the year to \$66,193,986. The significant additional appropriations are noted below:

#### **Revenues**

- \$497,854 for outside police services reimbursement, which was used for increased police program expenditures;
- \$124,105 appropriation of fund balance, which includes funding for Old Farms School property study (\$6,750), funding for Old Farms School Appraisal (\$7,500), funding for 457 New Road demolition (\$12,893), funding for Heart/Hypertension (\$20,638), funding for Administrative Services Study (\$45,000) and to fund budgeted interest expense with transfer from Designated Capital Debt Service (\$31,324);
- \$5,367 addition of a Federal grant for homeland security for emergency management;
- \$24,405 addition of state revenue grant for Youth Services Program for health and social services;
- \$56,824 for partial use of the state revenue grant for Equalized Cost Sharing for Board of Education expenditures;
- \$42,994 addition of state revenue grant from OPM for school heating assistance;
- \$4,466 addition of miscellaneous state grant receipts for various Public Safety programs;
- \$8,118 addition of funds from a cooperative agreement with neighboring town and third party to construct a bathroom for mobile emergency medical services staff when vehicle is stationed in Avon.

#### **Expenditures**

- \$497,854 for public safety for police service outside jobs/construction/traffic monitoring;
- \$9,833 for public safety for emergency management expenditures and overtime supplemental police patrols;
- \$99,817 for the Board of Education operating budget shortfall funded with State grants that could not be covered by transfers;

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- \$24,405 for health and social services to fund the Youth Services Program;
- \$8,118 for public works to construct bathroom for mobile emergency medical unit.

Of the increase, \$640,028 was funded out of miscellaneous increases in various grants, one-time revenues, transfers in from other line items and reductions in other expenditures, detail as provided in the highlights above. The remaining \$124,105 was budgeted from available fund balance with the detail provided in the second bullet under General Fund Budgetary Highlights, Revenues.

### **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 increase in our investment in capital assets for the current fiscal year was \$1,506,403 (1.06%).

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

- The Avon High School Renovations and Additions Capital Project have been substantively completed for a total of \$1,498,004.
- Boiler Replacement at Roaring Brook School has been completed for a total of \$364,982.
- The Verville Road Sewer Project was completed. Current year expenditures were \$241,572.
- AMS Roof Design and Repair; \$204,550 spent in the current year for initial costs of multi-year project.
- Department of Public Works Roof Replacement was completed. Total expenditures during the year were \$174,966.
- Senior Center Roof Replacement was completed. Current year expenditures amounted to \$137,313.
- The Town accepted \$768,750 for contractor-provided roads and associated sewer infrastructure.
- Police Communication Center Upgrade commenced, purchased dump truck and field mower for Public Works, new SUV for Public Safety, and incurred expenditures for year two of a five-year sidewalk improvement program at Town Hall.

### **CAPITAL ASSETS, NET OF DEPRECIATION JUNE 30, 2009 AND 2008**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
Land	\$ 7,662,553	\$ 7,662,553
Construction in progress	53,883,967	51,145,773
Land improvements	1,289,579	1,229,880
Buildings and improvements	42,238,564	43,497,260
Equipment	1,940,518	2,074,059
Vehicles	2,479,944	2,698,730
Infrastructure	34,799,409	34,479,876
Total	<u>\$ 144,294,534</u>	<u>\$ 142,788,131</u>

Additional information on the Town of Avon's capital assets can be found in Note 3C on page 37 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Long-Term Debt.** At the end of the current fiscal year, the Town of Avon had \$12,185,000 of long-term general obligation bonded debt issued and \$28,312,000 of BANs 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 AND BOND ANTICIPATION NOTES JUNE 30, 2009

<b>Bonds</b>					<b>Date of Fiscal Year Maturity</b>
<b>Date</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Original Issue</b>	<b>Debt Outstanding</b>	
9/15/97	High School Renovations	4.25-6.25	\$ 4,300,000	\$ 815,000	2012
9/15/97	Police Department Renovations	4.25-6.25	1,800,000	335,000	2012
1/15/98	High School Renovations	4.00-5.75	5,825,000	1,350,000	2012
7/15/98	High School Renovations	4.10-4.75	6,915,000	2,098,500	2013
7/15/98	Sewer Interceptor	4.10-4.75	550,000	166,500	2013
7/15/02	Fisher Farms Open Space	3.00-5.00	1,295,000	580,000	2016
7/15/02	Thompson Brook School	3.00-5.00	14,245,000	6,240,000	2016
5/04/07	MH Rhodes Property	3.60	600,000	600,000	2010
Total Bonds			\$ 35,530,000	\$ 12,185,000	
<b>Notes</b>					
10/27/05	High School Renovations	3.54	\$ 24,062,000	\$ 23,437,000	2009
10/26/07	Town Hall Renovations	3.54	2,360,000	2,360,000	2009
6/26/09	Avon Middle School Roof	1.0	2,515,000	2,515,000	2009
Total Notes			\$ 28,937,000	\$ 28,312,000	

The Town of Avon's total debt decreased by \$3,090,459 (17.11%) during the current fiscal year. The Town retired \$24,062,000 of BANs and issued \$23,437,000 of BANs used to finance the construction of innovations and additions to Avon High School during the year along with a paydown in principal of \$625,000, retired and reissued \$2,360,000 of BANs to finance the renovations, additions and improvements to Buildings 5 and 6 at the Town Hall campus, and issued \$2,515,000 of BANs to temporarily finance the replacement of the Avon Middle School roof and related improvements. The Town anticipates receiving a State construction grant estimated at \$330,000 for the school roof project. The Town's policy of aggressively retiring its bonds (shorter maturities than statutory maximums) prevents us from being able to refund our higher rate bonds at current low interest rates.

Avon has earned the highest credit rating possible, "Aaa" from Moody's Investors Service, Inc., and "AAA" from Standard & Poors for all of its general obligation debt. In October 2008, Avon received national attention in its attempt to market \$26,422,000 in BANs at the height of the credit market meltdown. The Town's credit rating was affirmed by both Moody's and Standard & Poors.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its tax collections plus interest and lien fees (seven times \$63,209,981). For June 30, 2009, the maximum amount of borrowing permitted under the formula would be \$442,469,867. With net borrowings of \$84,129,441 the Town of Avon's outstanding general obligation debt is \$358,340,426 below the maximum debt limitation (see "Schedule of Debt Limitation" on Table 12 of this report).

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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Additional information on the Town's long-term debt can be found in Note 3F on pages 39-41 of this document.

### **Economic Factors and Next Year's Budget and Rates**

- Grand list is expected to be approximately 15.21%. Legislative changes now call for a five-year cycle for revaluation process, which has been substantively completed by the end the 2008-2009 budget year.
- Property tax collections will exceed 99% and the reserve for uncollectible is increased to \$650,565.
- Assessment appeals and tax refunds will approximate 1% of tax revenues.
- A third year of significant decline (lowest in over 52 years) in growth in terms of new single family housing permits. However, families with children seeking Avon's premier school system and older active adults anxious to take advantage of Avon's lifestyle and amenities have kept housing prices relatively stable (a 5.0% decline from last year).
- Discretionary grant revenues may decline slightly due to State of Connecticut budget issues. However, because Avon receives such a small portion of its revenues from state grants, they should have only a marginal effect on Town services.
- Avon intends that user fees cover the majority of costs of certain services such as sewer use, sewer connection, landfill and recreational programs. These fees are reviewed annually and reset according to expected usage and inflation. Sewer charges will remain at \$300 per year and landfill fees are anticipated to increase slightly based upon an emphasis in monitoring proper use of permits.
- Construction grants continue to decline in the education construction reimbursement area, reflecting the State's change to progress payments versus reimbursements.
- The Town has projected investment income to fall from \$819,400 to \$700,000, a decrease of 14.57% due to historically low interest rates.
- Personal services (salary and benefits) growth will amount to \$313,472 (71.25%) of the Town budget increase, 3.60% of the Town operating expenditures reflecting hourly increases for nonorganized personnel, classification adjustments, increased overtime, additional positions, step increases and a net reduction of six positions. Conversion, reassignments and re-alignments account for a decline in funded full time position from 112 to 105.
- Increased insurance premium sharing by employees. All current employees contribute 8.33% - 20%; all new hires for Police, Dispatch, Non-Organized and Public works contribute 20% toward both health and dental care.
- The Board of Education's criteria that was used to shape the budget was to evenly distribute the impact of reductions, budget the necessary instructional materials, fund required program needs per Federal and State special education legislation, meet employment contractual obligations, adequately fund utilities, maintenance, and transportation and level fund or reduce budget by prioritizing needs without impacting teaching and learning for any student.
- Virtually the entire Board of Education increase relates to teacher salary and benefit increases.
- A substantial increase in the required pension contributions (\$168,810, or 34%) for the second year in a row due to poor investment performance. To help offset this increase, the Town reduced the 2009-2010 contribution for funding its post-retiree benefits to \$15,000.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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- Continue cooperative ventures regionally, and with the Town and Board of Education. Renewed arrangements with the Town of Canton to provide Assessing, Social Services and Animal Control Officer Services for a fee and entered into new agreement with the Town of Burlington to provide building official services.
- Anticipating that the change in health insurance carriers for the Town and the Board of Education will produce total savings of \$202,189.
- After several years of dramatic increases, across the board impact of energy costs are mixed with an overall increase of 3.54%.
- Fund larger multi-year capital projects on a phased-in basis, with \$270,000 of the cash CIP projects funded from the Sewer Fund Special Revenue Fund.
- At the close of the 2009 fiscal year, unreserved fund balance in the General Fund amounted to \$4,760,964. The Board of Finance has decided to use \$148,076 of General Fund undesignated fund balance to mitigate the tax impact of the October 1, 2008 revaluation in the 2009-2010 budget.

All of these factors were considered in preparing the budget for the 2010 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**

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## TOWN OF AVON, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2009

	<b>Governmental Activities</b>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 15,627,358
Investments	1,786,994
Receivables:	
Property taxes	151,340
Assessments	-
Intergovernmental	532,377
Accounts	109,077
Other current assets and deferred charges	47,793
Total current assets	<u>18,254,939</u>
Noncurrent assets:	
Receivables, net:	
Assessments	6,580
Intergovernmental	285,160
Net pension asset	68,557
Deferred charges	32,255
Capital assets, nondepreciable	61,546,520
Capital assets, net of accumulated depreciation	82,748,014
Total noncurrent assets	<u>144,687,086</u>
Total assets	<u>162,942,025</u>
Liabilities:	
Current liabilities:	
Bank overdraft	1,225,939
Accounts payable	468,718
Accrued liabilities	823,003
Unearned revenue	751,152
Bond anticipation notes	28,312,000
Due to fiduciary funds	657,000
Noncurrent liabilities, due within one year	3,696,292
Total current liabilities	<u>35,934,104</u>
Noncurrent liabilities:	
Due in more than one year	11,271,813
Total liabilities	<u>47,205,917</u>
Net Assets:	
Invested in capital assets, net of related debt	106,328,362
Unrestricted	9,407,746
Total Net Assets	<u>\$ 115,736,108</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
General government	\$ 4,366,653	\$ 1,003,680	\$ 49,984	\$	\$ (3,362,973)
Public safety	8,646,361	937,021	297,660		(7,659,356)
Public works	6,803,932	1,813,144		768,750	(3,924,378)
Health and social services	409,643	14,330			(395,313)
Recreation and parks	1,198,231	415,420	5,000		(777,811)
Educational - cultural	1,325,196	17,000	1,897		(1,306,299)
Conservation and development	493,509	37,162			(456,347)
Board of Education	48,148,966	1,016,858	6,441,097	395,901	(40,295,110)
Interest on long term debt	1,599,492			27,568	(1,571,924)
Total Governmental Activities	<u>\$ 72,991,983</u>	<u>\$ 5,254,615</u>	<u>\$ 6,795,638</u>	<u>\$ 1,192,219</u>	<u>(59,749,511)</u>
General Revenues:					
Property taxes					60,502,992
Grants and contributions not restricted to specific programs					451,350
Investment income					469,404
Miscellaneous					446,082
Total general revenues					<u>61,869,828</u>
Change in net assets					2,120,317
Net Assets at Beginning of Year					<u>113,615,791</u>
Net Assets at End of Year					<u>\$ 115,736,108</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2009

	<u>General</u>	<u>CIFA</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,674,421	\$ 6,778,268	\$ 174,669	\$ 15,627,358
Investments			1,786,994	1,786,994
Receivables:				
Property taxes	84,245			84,245
Sewer assessments/use charges			6,714	6,714
Intergovernmental	23,428	27,858	121,700	172,986
Accounts	95,582		13,495	109,077
Due from other funds	2,103,843		2,592,537	4,696,380
Other	39,203		8,591	47,794
Total Assets	<u>\$ 11,020,722</u>	<u>\$ 6,806,126</u>	<u>\$ 4,704,700</u>	<u>\$ 22,531,548</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Bank overdraft	\$ 1,225,939	\$	\$	\$ 1,225,939
Accounts payable	369,489	28,566	70,663	468,718
Accrued liabilities	235,305			235,305
Due to other funds	3,233,642	2,001,800	759,043	5,994,485
Deferred revenue	702,825		94,948	797,773
Bond anticipation notes payable		28,312,000		28,312,000
Total liabilities	<u>5,767,200</u>	<u>30,342,366</u>	<u>924,654</u>	<u>37,034,220</u>
<b>Fund balances:</b>				
Reserved for:				
Encumbrances			286,281	286,281
Debt service			167,405	167,405
Unreserved, reported in:				
General fund	5,253,522			5,253,522
Special revenue funds			3,131,777	3,131,777
Capital projects funds		(23,536,240)	194,583	(23,341,657)
Total fund balances	<u>5,253,522</u>	<u>(23,536,240)</u>	<u>3,780,046</u>	<u>(14,502,672)</u>
Total Liabilities and Fund Balances	<u>\$ 11,020,722</u>	<u>\$ 6,806,126</u>	<u>\$ 4,704,700</u>	<u>\$ 22,531,548</u>

(Continued on next page)

## TOWN OF AVON, CONNECTICUT

**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**STATEMENT OF NET ASSETS**

**JUNE 30, 2009**

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:  
 Amounts reported for governmental activities in the statement of net asset (Exhibit I)  
 are different from the governmental fund balance sheet. The details  
 of this difference are as follows:

Total fund balance (Exhibit III)	\$ (14,502,672)
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Capital assets used in governmental activities are not financial resources and, therefore,  
 are not reported in the funds:

Capital assets	182,361,807
Accumulated depreciation	(38,067,273)

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

Property tax and sewer assessment interest and lien accrual	126,606
Property tax and sewer assessment receivable - accrual basis change	46,621
School building grant receivable	644,559
Allowance for doubtful accounts	(59,654)
Bond issue costs	32,255
Net pension asset	68,557

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 assets.	161,957
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Some liabilities, including bonds payable, are not due and payable in the current period  
 and, therefore, are not reported in the funds:

Bonds payable	(12,185,000)
Compensated absences	(1,831,458)
Net other post employment benefit obligation	(424,000)
Landfill postclosure liability	(450,000)
Bond premium	(77,647)
Accrued interest payable	<u>(108,550)</u>

Net Assets of Governmental Activities (Exhibit I)	\$ <u><u>115,736,108</u></u>
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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, 2009

	<u>General</u>	<u>CIFA</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 60,443,984	\$	\$	\$ 60,443,984
Intergovernmental	5,662,776	442,762	1,924,310	8,029,848
Charges for services	1,839,152		3,414,749	5,253,901
Investment income (loss)	190,766	363,031	(84,393)	469,404
Other local revenues	303,871	45,967	96,244	446,082
Total revenues	<u>68,440,549</u>	<u>851,760</u>	<u>5,350,910</u>	<u>74,643,219</u>
Expenditures:				
Current:				
Town Council:				
General government	2,782,382		1,288,621	4,071,003
Public safety	8,098,565		82,196	8,180,761
Public works	3,824,103		2,171,432	5,995,535
Health and social services	407,956			407,956
Recreation and parks	766,295		291,944	1,058,239
Educational - cultural	1,312,882			1,312,882
Conservation and development	485,868			485,868
Miscellaneous	288,255			288,255
Total town council	<u>17,966,306</u>	<u>-</u>	<u>3,834,193</u>	<u>21,800,499</u>
Board of Education	44,212,809		2,610,189	46,822,998
Debt service	4,738,189			4,738,189
Capital outlay		3,092,180	248,066	3,340,246
Total expenditures	<u>66,917,304</u>	<u>3,092,180</u>	<u>6,692,448</u>	<u>76,701,932</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,523,245</u>	<u>(2,240,420)</u>	<u>(1,341,538)</u>	<u>(2,058,713)</u>
Other Financing Sources (Uses):				
Transfers in	1,350,678	2,434,625	247,000	4,032,303
Transfers out	<u>(2,296,625)</u>	<u>(1,452,678)</u>	<u>(283,000)</u>	<u>(4,032,303)</u>
Net other financing sources (uses)	<u>(945,947)</u>	<u>981,947</u>	<u>(36,000)</u>	<u>-</u>
Net Change in Fund Balances	577,298	(1,258,473)	(1,377,538)	(2,058,713)
Fund Balances at Beginning of Year	<u>4,676,224</u>	<u>(22,277,767)</u>	<u>5,157,584</u>	<u>(12,443,959)</u>
Fund Balances at End of Year	<u>\$ 5,253,522</u>	<u>\$ (23,536,240)</u>	<u>\$ 3,780,046</u>	<u>\$ (14,502,672)</u>

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 (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (2,058,713)
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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	3,985,731
Depreciation expense	(2,468,181)
Loss on disposal of capital assets	(11,147)

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

School building grant receipts	(359,391)
Decrease in property tax and assessments receivable - accrual basis change	7,868
Increase in property tax interest and lien revenue	67,104
Increase in property tax and sewer use allowance for doubtful accounts	(15,254)
Net pension asset	16,919

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 assets. Also, governmental  
funds report the effect of issuance costs, 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	32,106
Principal payments	3,100,000
Amortization of bond issue costs	(4,500)
Amortization of bond premiums	11,091

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:

Change in long-term compensated absences	373,368
Increase in other post employment benefit obligation	(424,000)
Landfill postclosure payments	30,000

The net income of the internal service funds is reported with the governmental activities.	<u>(162,684)</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u><u>\$ 2,120,317</u></u>
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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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 60,359,640	\$ 60,359,640	\$ 60,443,984	\$ 84,344
Intergovernmental	2,111,422	2,245,478	2,216,921	(28,557)
Charges for services	1,902,360	2,400,214	1,839,152	(561,062)
Investment income	819,400	819,400	190,766	(628,634)
Other local revenues	237,031	245,149	303,871	58,722
Total revenues	<u>65,429,853</u>	<u>66,069,881</u>	<u>64,994,694</u>	<u>(1,075,187)</u>
Expenditures:				
Current:				
Town Council:				
General government	2,708,339	2,786,903	2,786,910	(7)
Public safety	7,820,191	8,292,825	8,093,554	199,271
Public works	3,875,678	3,835,116	3,818,948	16,168
Health and social services	391,174	409,042	409,039	3
Recreation and parks	793,651	788,688	767,616	21,072
Educational - cultural	1,332,866	1,319,537	1,307,314	12,223
Conservation and development	510,294	505,345	484,191	21,154
Miscellaneous	295,890	423,619	288,156	135,463
Total town council	<u>17,728,083</u>	<u>18,361,075</u>	<u>17,955,728</u>	<u>405,347</u>
Board of Education	40,667,137	40,766,954	40,766,954	-
Debt service	5,363,008	5,394,332	5,363,189	31,143
Total expenditures	<u>63,758,228</u>	<u>64,522,361</u>	<u>64,085,871</u>	<u>436,490</u>
Excess of Revenues over Expenditures	<u>1,671,625</u>	<u>1,547,520</u>	<u>908,823</u>	<u>(638,697)</u>
Other Financing Sources (Uses):				
Appropriation of fund balance		124,105		(124,105)
Transfers in			1,350,678	1,350,678
Transfers out	<u>(1,671,625)</u>	<u>(1,671,625)</u>	<u>(1,671,625)</u>	<u>-</u>
Net other financing uses	<u>(1,671,625)</u>	<u>(1,547,520)</u>	<u>(320,947)</u>	<u>1,226,573</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	587,876	<u>\$ 587,876</u>
Fund Balance at Beginning of Year			<u>4,795,104</u>	
Fund Balance at End of Year			<u>\$ 5,382,980</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

## STATEMENT OF NET ASSETS

## PROPRIETARY FUND

JUNE 30, 2009

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Asset:	
Current assets:	
Due from other funds	\$ <u>641,105</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>479,148</u>
Total Net Assets	\$ <u><u>161,957</u></u>

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

## PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Operating revenues:	
Charges for services:	
Town	\$ 2,119,004
Board of Education	4,714,342
Total operating revenues	<u>6,833,346</u>
Operating expenses:	
Medical claims:	
Town	1,938,159
Board of Education	5,057,871
Total operating expenses	<u>6,996,030</u>
Changes in Net Assets	(162,684)
Net Assets at Beginning of Year	<u>324,641</u>
Net Assets at End of Year	<u>\$ 161,957</u>

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, 2009**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 6,833,346
Claims paid	<u>(6,833,346)</u>
Net cash provided by operating activities	<u>-</u>
Net Increase in Cash	-
Cash at Beginning of Year	<u>-</u>
Cash at End of Year	\$ <u><u>-</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating loss	\$ (162,684)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Decrease in due from other funds	153,423
Increase in claims payable	<u>9,261</u>
Net Cash Provided by Operating Activities	\$ <u><u>-</u></u>

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2009

	<u>Pension</u>	<u>Other Post Employment Benefit Fund</u>	<u>Agency Funds</u>
Assets:			
Cash	\$ 42,784	\$	\$ 257,846
Investments, at fair value:			
Guaranteed interest contract	1,810,652		
Fixed income mutual funds	6,821,636		
Small/mid capitalization equity mutual funds	792,207		
International equity mutual funds	795,571		
Core equity mutual funds	7,308,025		
Total investments	<u>17,528,091</u>	<u>-</u>	<u>-</u>
Accounts receivable:			
Employee	<u>57,135</u>		
Due from other funds		<u>657,000</u>	
Total assets	17,628,010	657,000	257,846
Liabilities:			
Fiduciary deposits			<u>257,846</u>
Net Assets:			
Net Assets Held in Trust for Pension Benefits and Other Purposes	\$ <u>17,628,010</u>	\$ <u>657,000</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

**FIDUCIARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Pension</u>	<u>Other Post Employment Benefit Fund</u>
Additions:		
Contributions:		
Employer	\$ 1,707,819	\$ 1,861,000
Plan members	581,890	
Total contributions	<u>2,289,709</u>	<u>1,861,000</u>
Investment income (loss):		
Net depreciation in fair value of investments	(6,406,487)	
Interest and dividends	2,118,896	
Total investment loss	<u>(4,287,591)</u>	<u>-</u>
Less investment expenses	128,850	
Net investment loss	<u>(4,416,441)</u>	<u>-</u>
Total additions (reductions)	<u>(2,126,732)</u>	<u>1,861,000</u>
Deductions:		
Benefits	2,954,383	1,204,000
Administration	10,635	
Total deductions	<u>2,965,018</u>	<u>1,204,000</u>
Changes in Net Assets	(5,091,750)	657,000
Net Assets at Beginning of Year	<u>22,719,760</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 17,628,010</u>	<u>\$ 657,000</u>

The accompanying notes are an integral part of the financial statements

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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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.

**TOWN OF AVON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Avon, Connecticut, 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 which 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 assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities 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.

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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 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.

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Additionally, the government reports the following fund types:

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

The *Pension Trust Funds* account for the activities of the Avon Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees. The postemployment healthcare trust fund accounts for resources for postretirement medical costs.

The *Other Post Employment Benefit Trust Fund* is used to account for the activities for both Town and Board of Education for other postemployment benefits (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 for various Board of Education programs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

#### **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.

## **TOWN OF AVON, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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#### **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 uncollectibles. Allowance percentages range from 2% to 47% of outstanding receivable balances at June 30, 2009 and are calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, 2009, which have not been collected within 60 days of June 30, have been recorded as deferred 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.

#### **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 are recorded at estimated fair market value at the date of donation.

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

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

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<u>Assets</u>	<u>Years</u>
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 Assets/Net Other Post Employment Benefit Obligation**

The net pension asset/net other post employment benefit (OPEB) obligation represents the cumulative difference between the annual pension/OPEB cost and the Town's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as noncurrent assets or liabilities, respectively, in the government-wide financial statements.

#### **I. 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.

#### **J. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

## **TOWN OF AVON, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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#### **K. Fund Equity and Net Assets**

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

In the government-wide financial statements, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt - This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for noncapital purposes is excluded.

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

Unrestricted Net Assets - This category represents the net assets of the Town which are not restricted.

#### **L. Accounting Estimates**

The preparation of financial statements in conformity with GAAP 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.

## **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 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. Additional appropriations from fund balance of \$124,105 and additional appropriations of \$640,028 funded by revised revenue estimates were made during the year in the General Fund. These adjustments were presented

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

for approval to the Town Council on January 7, 2010 and to the Board of Finance on January 25, 2010.

- 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 their budget at their 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:

	<u>Revenues</u>	<u>Expenditures and Transfers</u>	<u>Fund Balance</u>
Balance, budgetary basis - June 30, 2009	\$ 66,345,372	\$ 65,757,496	\$ 5,382,980
Change in accrued payroll		10,578	(129,458)
State Teachers' Retirement on-behalf payment	<u>3,445,855</u>	<u>3,445,855</u>	
Balance, GAAP Basis - June 30, 2009	<u>\$ 69,791,227</u>	<u>\$ 69,213,929</u>	<u>\$ 5,253,522</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### B. Capital Projects Authorizations

The following is a summary of capital projects at June 30, 2009:

Capital Project	Authorization	Current Year Expenditures	Cumulative Expenditures	Balance June 30, 2009
Capital and nonrecurring CIFA:	\$ 1,152,612	\$ 248,066	\$ 958,030	\$ 194,582
General government	8,648,838	1,016,433	7,382,889	1,265,949
Board of Education	34,092,555	2,075,747	30,841,004	3,251,551
Total	\$ 43,894,005	\$ 3,340,246	\$ 39,181,923	\$ 4,712,082

### 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.

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 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*, \$0- of the Town's bank balance of \$285,444 was exposed to custodial credit risk.

### Cash Equivalents

At June 30, 2009, the Town's cash equivalents amounted to \$15,668,993. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard and Poor's</u>	<u>Fitch Ratings</u>
SBT Investment Services*		
ING Investments*		
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)		AAA

\*Not rated

### Investments

As of June 30, 2009, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Guaranteed Investment Certificate	A	\$ 1,332,226	\$	\$ 1,332,226	\$
Guaranteed Investment Certificate	A-2/P-2	478,426	478,426		
Mutual Fund	Aa2	6,821,636		6,821,636	
Mutual Fund	N/A	9,520,875	9,520,875		
Mutual Fund	A2/BBB+	173,284		173,284	
Mutual Fund	AAA	<u>988,638</u>		<u>988,638</u>	
		<u>\$ 19,315,085</u>	<u>\$ 9,999,301</u>	<u>\$ 9,315,784</u>	<u>\$ -</u>

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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*Interest Rate Risk* - The Town limits their maximum final stated maturities to 15 years, unless specific authority is given to exceed. 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 type 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, 2009, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

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

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

### **B. Receivables**

Receivables as of year end for the Town's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	<b>Property Taxes</b>			<b>Sewer Assessments</b>
	<b>Taxes</b>	<b>Interest and Lien Fees</b>	<b>Total</b>	
Current portion	\$ 127,297	\$ 67,095	\$ 194,392	\$
Less allowance for uncollectibles	<u>43,052</u>	<u></u>	<u>43,052</u>	<u></u>
Total	\$ <u>84,245</u>	\$ <u>67,095</u>	\$ <u>151,340</u>	\$ <u>-</u>
Long-term portion	\$ 2,934	\$ 39,809	\$ 42,743	\$ 6,714
Less allowance for uncollectibles	<u>2,934</u>	<u>39,809</u>	<u>42,743</u>	<u></u>
Total	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,714</u>

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

	<b>Unavailable</b>	<b>Unearned</b>
General Fund:		
Delinquent property taxes receivable	\$ 39,907	\$
Property taxes collected in advance		662,918
Nonmajor Funds:		
Special assessments not yet due	6,714	
Special assessments collected in advance		31,861
Education revenues collected in advance		43,187
Grant draw downs prior to meeting eligibility requirements	<u></u>	<u>13,186</u>
	\$ <u>46,621</u>	\$ <u>751,152</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### C. Capital Assets

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

	<u>Balance July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,662,553	\$	\$	\$ 7,662,553
Construction in progress	<u>51,145,773</u>	<u>2,888,566</u>	<u>150,372</u>	<u>53,883,967</u>
Total capital assets not being depreciated	<u>58,808,326</u>	<u>2,888,566</u>	<u>150,372</u>	<u>61,546,520</u>
Capital assets being depreciated:				
Land improvements	1,425,534	150,000		1,575,534
Buildings and improvements	63,127,783	147,616		63,275,399
Equipment	6,671,216	152,525	24,146	6,799,595
Vehicles	5,274,577	28,646	91,825	5,211,398
Infrastructure	<u>43,184,611</u>	<u>768,750</u>		<u>43,953,361</u>
Total capital assets being depreciated	<u>119,683,721</u>	<u>1,247,537</u>	<u>115,971</u>	<u>120,815,287</u>
Less accumulated depreciation for:				
Land improvements	195,654	90,301		285,955
Buildings and improvements	19,630,523	1,406,312		21,036,835
Equipment	4,597,157	282,389	20,469	4,859,077
Vehicles	2,575,847	239,962	84,355	2,731,454
Infrastructure	<u>8,704,735</u>	<u>449,217</u>		<u>9,153,952</u>
Total accumulated depreciation	<u>35,703,916</u>	<u>2,468,181</u>	<u>104,824</u>	<u>38,067,273</u>
Total capital assets being depreciated, net	<u>83,979,805</u>	<u>(1,220,644)</u>	<u>11,147</u>	<u>82,748,014</u>
Governmental Activities Capital Assets, Net	<u>\$ 142,788,131</u>	<u>\$ 1,667,922</u>	<u>\$ 161,519</u>	<u>\$ 144,294,534</u>

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

Governmental activities:	
General government	\$ 110,757
Public safety	289,741
Public works	586,350
Recreation and parks	140,937
Educational - cultural	18,100
Board of Education	<u>1,322,296</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,468,181</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### D. Interfund Receivables, Payables and Transfers

A summary of interfund balances as of June 30, 2009 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds CIFA Fund	\$ 102,043 2,001,800 <u>2,103,843</u>
Nonmajor Governmental Funds	General Fund	2,592,537
Internal Service Fund	General Fund	641,105
Other Post Employment Benefit Fund	Nonmajor Governmental Funds	<u>657,000</u>
		\$ <u><u>5,994,485</u></u>

Interfund balances are a result of temporary loans to various funds.

A summary of interfund transfers as of June 30, 2009 is as follows:

	<u>General Fund</u>	<u>CIFA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers In</u>
Transfers:				
General Fund	\$	\$ 1,350,678	\$	\$ 1,350,678
CIFA	2,171,625		263,000	2,434,625
Nonmajor Governmental Funds	<u>125,000</u>	<u>102,000</u>	<u>20,000</u>	<u>247,000</u>
Total Transfers Out	\$ <u><u>2,296,625</u></u>	\$ <u><u>1,452,678</u></u>	\$ <u><u>283,000</u></u>	\$ <u><u>4,032,303</u></u>

Transfers are used to account for the financing by the General Fund of various program and activities in other funds.

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### E. Short-Term Obligations - Bond Anticipation Notes

The Town uses bond anticipation notes during the construction period of various public projects prior to the issuance of bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2009 was as follows:

<u>Type of Obligation</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>
Bond Anticipation Notes:				
Town Hall Renovations - interest rate +/- 3.50%, matures October 22, 2009	\$ 2,360,000	\$ 2,360,000	\$ 2,360,000	\$ 2,360,000
Avon High School Renovations - interest rate +/- 3.50%, matures October 22, 2009	24,062,000	23,437,000	24,062,000	23,437,000
Avon Middle School Roof - interest rate +/- 1.00%, matures October 22, 2009		<u>2,515,000</u>		<u>2,515,000</u>
	<u>\$ 26,422,000</u>	<u>\$ 28,312,000</u>	<u>\$ 26,422,000</u>	<u>\$ 28,312,000</u>

### F. Long-Term Debt

#### 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 generally are issued as 15-year serial bonds with varying annual principal payments. School building grants of \$644,559 will be used to repay a portion of the respective debt; however, the Town is liable for all outstanding bonds.

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
General purpose:		
General obligation - improvement	3-6.25%	\$ 1,515,000
Sewer:		
General obligation - improvement	4.1-4.75%	166,500
School:		
School - improvement	3-6.25%	<u>10,503,500</u>
Total Outstanding		<u>\$ 12,185,000</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<b>General Obligation Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2010	\$ 3,300,000	\$ 521,793
2011	2,250,000	385,742
2012	2,170,000	288,666
2013	1,465,000	192,409
2014	1,000,000	132,250
2015 - 2016	<u>2,000,000</u>	<u>141,250</u>
Total	<u>\$ 12,185,000</u>	<u>\$ 1,662,110</u>

### Changes in Long-Term Liabilities

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 15,285,000	\$	\$ 3,100,000	\$ 12,185,000	\$ 3,300,000
Plus deferred amounts:					
Issuance premium on refunding	88,738		11,091	77,647	
Total bonds payable	<u>15,373,738</u>	-	<u>3,111,091</u>	<u>12,262,647</u>	<u>3,300,000</u>
Compensated absences	2,204,826	809,514	1,182,882	1,831,458	366,292
Other post retirement benefits obligation		2,285,000	1,861,000	424,000	
Landfill post-closure costs	<u>480,000</u>		<u>30,000</u>	<u>450,000</u>	<u>30,000</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 18,058,564</u>	<u>\$ 3,094,514</u>	<u>\$ 6,184,973</u>	<u>\$ 14,968,105</u>	<u>\$ 3,696,292</u>

### 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:

<b>Category</b>	<b>Debt Limit</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 142,222,457	\$ 8,075,000	\$ 134,147,457
Schools	284,444,915	75,893,941	208,550,974
Sewers	237,037,429	160,500	236,876,929
Urban renewal	205,432,438		205,432,438
Pension deficit	189,629,943		189,629,943

## **TOWN OF AVON, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$442,469,867.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$644,559 are reflected as deductions in the computation of net indebtedness.

#### **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 15 years at \$30,000 per year are \$450,000. 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, 2009, the amount of authorized, unissued bonds for general purposes is \$4,200,000 and \$40,083,000 for school purposes.

## **4. EMPLOYEE RETIREMENT PLANS**

### **A. Defined Benefit Pension Plans**

The Town of Avon administers five single-employer, contributory, defined benefit pension plans (Police Plan, Public Works Plan, Nonorganized Plan, Board of Education Plan and Dispatchers Plan) to provide pension benefits for its police officers, public works employees, management unclassified and classified nonorganized employees, dispatchers 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 plans 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.

#### **Plan Description**

Plan provisions and contribution requirements and the authority to amend the provisions are established by the plans approved by the Town Council. Under the plans, all employees hired before age 65, having attained age 23 for police officers, age 22 for public works, nonorganized employees and dispatchers, or 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 all plans.

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Summary of Significant Accounting Policies and Plan Asset Matters

**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.

**Change in Plan Year** - During the fiscal year ended June 30, 2008, the Town changed their plan year from a calendar reporting period to a fiscal year reporting period. As a result, the beginning of the year net assets was restated from January 1, 2007 to July 1, 2007. The last actuarial valuation relevant to the plan year was January 1, 2007 for Police, Public Works, Nonorganized and Dispatchers. The last actuarial valuation relevant to the plan year was January 1, 2008 for the Board of Education.

### Classes of Employees Covered

	<u>Police</u>	<u>Public Works</u>	<u>Non-Organized</u>	<u>Board of Education</u>	<u>Dispatchers</u>
Retirees and beneficiaries currently receiving benefits	25	8	34	29	2
Terminated employees entitled to benefits but not yet receiving them		1	2	13	1
Current active employees	<u>10</u>	<u>9</u>	<u>24</u>	<u>91</u>	<u>1</u>
Total	<u>35</u>	<u>18</u>	<u>60</u>	<u>133</u>	<u>4</u>

### Benefit Provisions

Required employee contributions under the plans are as follows:

<u>Police</u>	<u>Public Works</u>	<u>Non-Organized</u>	<u>Board of Education</u>	<u>Dispatchers</u>
7.5%	7.5%	7.5%	4% or 7%	7.5%

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

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Schedule of Employer Contributions and Net Pension Obligation (Asset)

<u>Year Ended</u>	<u>Actual Contribution</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
<b>Police</b>						
12/31/2003	\$ 588,606	\$ 588,601	100.0%	\$ 587,409	100.2%	\$ (6,550)
12/31/2004	523,683	523,683	100.0%	522,394	100.2%	(7,839)
12/31/2005	476,216	476,216	100.0%	476,218	100.0%	(7,837)
12/31/2006	531,162	531,162	100.0%	531,187	100.0%	(7,812)
12/31/2007	647,809	647,809	100.0%	647,791	100.0%	(7,830)
6/30/2008	647,809	647,809	100.0%	647,791	100.0%	(7,848)
<b>Public Works</b>						
12/31/2003	281,502	281,500	100.0%	281,578	100.0%	(800)
12/31/2004	212,076	212,076	100.0%	212,160	100.0%	(716)
12/31/2005	199,939	199,939	100.0%	199,939	100.0%	(716)
12/31/2006	216,922	216,922	100.0%	216,924	100.0%	(714)
12/31/2007	259,686	259,686	100.0%	259,684	100.0%	(716)
6/30/2008	259,686	259,686	100.0%	259,684	100.0%	(718)
<b>Nonorganized</b>						
12/31/2003	548,058	548,057	100.0%	548,959	99.8%	(14,783)
12/31/2004	444,532	444,532	100.0%	445,508	99.8%	(13,807)
12/31/2005	424,493	424,493	100.0%	424,497	100.8%	(13,803)
12/31/2006	433,205	433,205	100.0%	433,249	100.0%	(13,759)
12/31/2007	609,472	609,472	100.0%	609,440	100.0%	(13,791)
6/30/2008	609,472	609,472	100.0%	609,440	100.0%	(13,823)
<b>Board of Education</b>						
12/31/2003	93,000	42,392	219.4%	66,335	140.2%	(207,569)
12/31/2004	25,000	63,062	39.64%	96,603	25.8%	(135,966)
12/31/2005	32,000	34,088	94.00%	34,126	99.9%	(133,840)
12/31/2006	76,088	144,845	52.5%	145,272	52.4%	(64,656)
12/31/2007	182,860	222,572	82.1%	222,995	82.0%	(24,521)
12/31/2008	227,962	210,811	108.1%	211,063	108.0%	(41,420)
<b>Dispatchers</b>						
12/31/2003	38,802	38,801	100.0%	38,028	102.0%	(3,993)
12/31/2004	34,668	34,668	100.0%	33,832	102.5%	(4,829)
12/31/2005	23,501	23,501	100.0%	23,503	100.0%	(4,827)
12/31/2006	20,220	20,220	100.0%	20,236	99.9%	(4,811)
12/31/2007	14,022	14,022	100.0%	14,053	99.8%	(4,780)
6/30/2008	14,022	14,022	100.0%	14,054	99.8%	(4,748)

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Funded Status and Funding Progress - Pension Plans

The funded status of the Police, Public Works, Nonorganized and Dispatchers plans as of January 1, 2007, the most recent actuarial valuation date, and the funded status of the Board of Education plan as of January 1, 2008, the most recent actuarial valuation date, are as follows:

Plan	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
Police	\$ 9,809,097	\$ 16,332,911	\$ (6,523,814)	60.1%	\$ 887,531	(735.1)%
Public Works	2,572,578	5,196,224	(2,623,646)	49.5%	568,978	(461.1)%
Nonorganized	7,830,949	12,266,859	4,435,910	63.8%	1,726,076	(257.0)%
BOE	3,477,901	3,983,460	(505,559)	87.3%	3,485,185	(14.5)%
Dispatchers	560,893	677,069	(116,176)	82.8%	54,317	(213.9)%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

### Actuarial Assumptions

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for each plan as of the latest valuation date is as follows:

	Police	Public Works	Non-Organized	Board of Education	Dispatchers
Valuation Date	January 1, 2007	January 1, 2007	January 1, 2007	January 1, 2008	January 1, 2007
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent	Level Percent	Level Percent	Level Percent	Level Percent
Remaining Amortization Period (closed)	20	20	20	20	20
Asset Valuation Method	*	*	*	*	*
Investment Return Rate	8.25%	8.25%	8.25%	8.25%	8.25%
Projected Salary Increases:					
Merit	1.75%	1.75%	1.75%	1.75%	1.75%
Inflation	1.75%	1.75%	1.75%	1.75%	1.75%

\*75% of the expected reported value of plan assets plus 25% of the actual reported value, with the result constrained to within plus/minus 20% of the actual reported value.

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Annual Pension Cost and Net Pension Asset (NPA)

	<u>Police</u>	<u>Public Works</u>	<u>Non-Organized</u>	<u>Board of Education</u>	<u>Dispatchers</u>
Annual required contribution	\$ 647,809	\$ 259,686	\$ 609,472	\$ 210,811	\$ 14,022
Interest on net pension obligation	(646)	(59)	(1,138)	(2,023)	(394)
Adjustment to annual required contribution	628	57	1,106	2,275	426
Annual pension cost	647,791	259,684	609,440	211,063	14,054
Contribution made	647,809	259,686	609,472	227,962	14,022
Decrease in net pension obligation	(18)	(2)	(32)	(16,899)	32
Net pension asset at beginning of year	(7,830)	(716)	(13,791)	(24,521)	(4,780)
Net Pension Asset at End of Year	\$ (7,848)	\$ (718)	\$ (13,823)	\$ (41,420)	\$ (4,748)

Financial statements for each individual pension plan as of and for the year ended June 30, 2009 are as follows:

	<u>Pension Trust Funds</u>					<u>Total Pension Trust Funds</u>
	<u>Police</u>	<u>Public Works</u>	<u>Non-Organized</u>	<u>Board of Education</u>	<u>Dispatchers</u>	
Assets:						
Cash and cash equivalents	\$ 5,115	\$ 4,138	\$ 13,298	\$ 18,737	\$ 1,496	\$ 42,784
Investments, at fair value:						
Guaranteed investment contract	363,212	125,252	342,442	974,055	5,691	1,810,652
Mutual funds:						
Fixed income mutual funds	2,558,169	680,484	2,474,528	933,012	175,443	6,821,636
Small/mid-cap equity	298,121	74,901	289,823	109,578	19,784	792,207
International equity	296,613	72,076	287,475	118,988	20,419	795,571
Core equity	2,731,207	755,068	2,655,012	984,645	182,093	7,308,025
Total investments	6,247,322	1,707,781	6,049,280	3,120,278	403,430	17,528,091
Accounts receivable -employee	38,301			18,834		57,135
Total assets	6,290,738	1,711,919	6,062,578	3,157,849	404,926	17,628,010
Net Assets:						
Held in Trust for Pension Benefits and Other Purposes	\$ 6,290,738	\$ 1,711,919	\$ 6,062,578	\$ 3,157,849	\$ 404,926	\$ 17,628,010

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	Pension Trust Funds					Total Pension Trust Funds
	Police	Public Works	Non- Organized	Board of Education	Dispatchers	
Additions:						
Contributions:						
Employer	\$ 647,809	\$ 259,686	\$ 609,472	\$ 176,830	\$ 14,022	\$ 1,707,819
Plan members	101,921	53,926	186,299	235,232	4,512	581,890
Total contributions	749,730	313,612	795,771	412,062	18,534	2,289,709
Investment income (loss):						
Net depreciation in						
fair value of investments	(2,494,977)	(803,682)	(2,286,871)	(670,337)	(150,620)	(6,406,487)
Interest and dividends	790,573	247,773	741,986	291,045	47,519	2,118,896
Total investment income	(1,704,404)	(555,909)	(1,544,885)	(379,292)	(103,101)	(4,287,591)
Less investment expenses	45,325	13,589	43,067	24,099	2,770	128,850
Net investment loss	(1,749,729)	(569,498)	(1,587,952)	(403,391)	(105,871)	(4,416,441)
Total additions (reductions)	(999,999)	(255,886)	(792,181)	8,671	(87,337)	(2,126,732)
Deductions:						
Benefits	1,283,860	602,962	819,275	214,983	33,303	2,954,383
Administration	1,823	2,076	2,764	3,909	63	10,635
Total deductions	1,285,683	605,038	822,039	218,892	33,366	2,965,018
Net change in net assets	(2,285,682)	(860,924)	(1,614,220)	(210,221)	(120,703)	(5,091,750)
Net assets at beginning of year	8,576,420	2,572,843	7,676,798	3,368,070	525,629	22,719,760
Net Assets at End of Year	\$ 6,290,738	\$ 1,711,919	\$ 6,062,578	\$ 3,157,849	\$ 404,926	\$ 17,628,010

### 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 a third-party vendor. The Town is required to contribute 2.5% of compensation for the Management Money Purchase Plan participants and 7.5% 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

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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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, 2009 were \$29,520 and \$364,211, respectively. Members of the Management Money Purchase Plan are required to contribute 2.5% of their annual earnings, and members of the Full-Time Employees' Plan are required to contribute 7.5% of their annual earnings. The employees' contributions to each plan were \$29,520 and \$363,859, respectively.

#### **C. State Teachers Retirement - On-Behalf Payments**

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. Full-time certified teachers are vested in the system after ten years of service in this state.

All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After 10 years of service, teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S. Sections 10-183b(7). For the year ended June 30, 2009, teachers of the Town contributed \$1,617,762 to the plan, and covered payroll for the year was \$22,313,959. The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2009 was \$3,445,855 and is recognized in the governmental funds GAAP-basis income statement. This amount is significantly lower than the prior year because of a one-time prior year increase in contribution by the State of Connecticut.

#### **5. POSTEMPLOYMENT HEALTHCARE PLAN - OTHER POST EMPLOYMENT BENEFITS PROGRAM**

##### **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.

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

#### Plan Description

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.

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

	<b>Other Post Employment Benefits Program</b>	
	<b>Town</b>	<b>Board of Education</b>
Retired members	60	46
Spouses of retired members	32	37
Active plan members	90	379
Total Participants	182	462

#### 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

<b>2008-2009 Monthly COBRA Premiums</b>	<b>Employee</b>	<b>Spouse</b>
Medical - Groups 046, 047 Pre 65	\$ 538.40	\$ 617.68
Medical - Groups 046, 047 Post 65	493.14	565.74
Medical - Group 023 Post 65	431.51	431.50
Dental - All Groups	42.39	59.97

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### **Board of Education Employees**

<u>2008-2009 Monthly COBRA Premiums</u>	<u>Employee</u>	<u>Spouse</u>
Medical	\$ 463.85	\$ 502.85
Dental	44.31	62.69

For the year ended June 30, 2009, plan members contributed \$529,969. 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 of \$1,861,000 were made in accordance with actuarially determined requirements.

The Town has created a post-employment healthcare fund, a special revenue fund, to set aside assets to fund these benefits in the future. Net assets available for future benefits at June 30, 2009 were \$1,191,813. The Town plans on transferring these monies into the OPEB Trust Fund in the future.

### **Annual OPEB Cost and Net OPEB Obligations**

The Town's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

	<b>Other Post Employment Benefits Program</b>	
	<u>Town</u>	<u>Board of Education</u>
Annual required contribution (ARC)	\$ 1,233,000	\$ 1,052,000
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost (expense)	1,233,000	1,052,000
Contributions made	1,233,000	628,000
Increase in net OPEB obligation	-	424,000
Net OPEB obligation, beginning of year	-	-
Net OPEB Obligation, End of Year	\$ -	\$ 424,000

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
6/30/09	\$ 2,285,000	\$ 1,861,000	81.4%	\$ 424,000

As of July 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$24,517,000 (\$14,435,000 Town and \$10,164,000 BOE) and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$24,517,000. The covered payroll (annual payroll of active employees covered by the plan) was not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8% investment rate of return for the Town and a 4% investment rate of return for the Board of Education, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 7.1% initially, reduced by decrements to an ultimate rate of 4.5% after 52 years. Projected salary increases were 3.5%. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2009 was 25 years.

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 6. 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:

	<b>Balance July 1</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Balance June 30</b>
Medical Claims Fund:				
2008-2009	\$ 469,886	\$ 6,996,030	\$ 6,986,768	\$ 479,148
2007-2008	366,830	6,492,578	6,389,522	469,886

#### 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.

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### **C. Subsequent Event**

On October 15, 2009, the Town issued \$27,885,000 of general obligation bonds to permanently finance the design and construction of renovations, additions, and improvements to the Avon High School, permanently finance renovations, additions and improvements to Buildings Five and Six at the Avon Town Hall campus, and permanently finance the replacement of the Avon Middle School roof and related improvements. The bonds bear interest of 2-3.25% and mature serially on October 15, 2026.

**TOWN OF AVON, CONNECTICUT**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS**  
**AVON RETIREMENT SYSTEM**

**JUNE 30, 2009**

<b>Police</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarially Accrued Liability (AAL) Projected Unit Credit</b>	<b>Under Funded AAL</b>	<b>Funded AAL Ratio</b>	<b>Covered Payroll</b>	<b>Under Funded AAL as a Percentage of Covered Payroll</b>
January 1,						
2002	\$ 9,458,208	\$ 11,918,407	\$ (2,460,199)	79.4%	\$ 1,243,885	(197.8)%
2003	8,908,623	12,719,461	(3,810,838)	70.0%	1,520,098	(250.7)%
2004	8,570,406	13,548,473	(4,978,067)	63.3%	1,450,828	(343.1)%
2005	9,591,824	13,897,698	(4,305,874)	69.0%	1,306,158	(329.7)%
2006	9,713,517	14,516,980	(4,803,463)	66.9%	1,081,533	(444.1)%
2007	9,809,097	16,332,911	(6,523,814)	60.1%	877,531	(743.4)%

<b>Public Works</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarially Accrued Liability (AAL) Projected Unit Credit</b>	<b>Under Funded AAL</b>	<b>Funded AAL Ratio</b>	<b>Covered Payroll</b>	<b>Under Funded AAL as a Percentage of Covered Payroll</b>
January 1,						
2002	\$ 1,705,634	\$ 3,623,247	\$ (1,917,613)	47.1%	\$ 576,558	(332.6)%
2003	1,786,229	3,777,332	(1,991,103)	47.3%	523,155	(380.6)%
2004	1,901,704	3,930,724	(2,029,020)	48.4%	573,530	(353.8)%
2005	2,217,515	4,051,406	(1,833,891)	54.7%	542,871	(337.8)%
2006	2,351,521	4,397,134	(2,045,613)	53.5%	611,625	(334.5)%
2007	2,572,578	5,196,224	(2,623,646)	49.5%	568,978	(461.1)%

<b>Nonorganized</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarially Accrued Liability (AAL) Projected Unit Credit</b>	<b>Under Funded AAL</b>	<b>Funded AAL Ratio</b>	<b>Covered Payroll</b>	<b>Under Funded AAL as a Percentage of Covered Payroll</b>
January 1,						
2002	\$ 5,451,711	\$ 7,470,470	\$ (2,018,759)	73.0%	\$ 1,419,460	(142.2)%
2003	5,501,941	8,156,346	(2,654,405)	67.5%	1,752,242	(151.5)%
2004	5,710,713	9,166,831	(3,456,118)	62.3%	1,914,087	(180.6)%
2005	6,686,654	9,807,260	(3,120,606)	68.2%	1,878,045	(166.2)%
2006	7,311,314	10,593,831	(3,282,517)	69.0%	1,708,965	(192.1)%
2007	7,830,949	12,266,859	(4,435,910)	63.8%	1,726,076	(257.0)%

(Continued on next page)

## TOWN OF AVON, CONNECTICUT

## REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS (CONTINUED)  
AVON RETIREMENT SYSTEM

JUNE 30, 2009

## Board of Education

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarially Accrued Liability (AAL) Projected Unit Credit</u>	<u>Over (Under) Funded AAL</u>	<u>Funded AAL Ratio</u>	<u>Covered Payroll</u>	<u>Over/Under Funded AAL as a Percentage of Covered Payroll</u>
January 1,						
2003	\$ 2,339,865	\$ 2,299,112	\$ 40,753	101.8%	\$ 1,547,146	2.6%
2004	2,416,425	2,529,991	(113,566)	95.5%	1,671,965	(6.8)%
2005	2,599,242	2,516,806	82,436	103.3%	2,147,958	3.8%
2006	2,742,769	3,105,729	(362,960)	88.3%	2,506,058	(14.5)%
2007	3,076,069	3,663,003	(586,934)	84.0%	3,132,908	(18.7)%
2008	3,477,901	3,983,460	(505,559)	87.3%	3,485,158	(14.5)%

## Dispatchers

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarially Accrued Liability (AAL) Projected Unit Credit</u>	<u>Under Funded AAL</u>	<u>Funded AAL Ratio</u>	<u>Covered Payroll</u>	<u>Under Funded AAL as a Percentage of Covered Payroll</u>
January 1,						
2002	\$ 367,565	\$ 524,025	\$ (156,460)	70.1%	\$ 172,049	(90.9)%
2003	394,427	594,804	(200,377)	66.3%	141,187	(141.9)%
2004	421,699	697,007	(275,308)	60.5%	109,766	(250.8)%
2005	497,371	617,946	(120,575)	80.5%	114,956	(104.9)%
2006	529,549	652,940	(123,391)	81.1%	57,492	(214.6)%
2007	560,893	677,069	(116,176)	82.8%	54,317	(213.9)%

## **GENERAL FUND**

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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.

**TOWN OF AVON, CONNECTICUT**

**GENERAL FUND**

**COMPARATIVE BALANCE SHEETS**

**JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,674,421	\$ 6,709,256
Receivables:		
Property taxes	84,245	48,242
Intergovernmental	23,428	166,515
Accounts	95,582	254,541
Due from other funds	2,103,843	3,141,469
Other	<u>39,203</u>	
Total Assets	\$ <u><u>11,020,722</u></u>	\$ <u><u>10,320,023</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Bank overdraft	\$ 1,225,939	\$ 956,570
Accounts payable	369,489	419,068
Accrued liabilities	235,305	224,727
Due to other funds	3,233,642	3,956,303
Deferred revenue:		
Unavailable	39,907	32,753
Collected in advance	<u>662,918</u>	<u>54,375</u>
Total liabilities	<u>5,767,200</u>	<u>5,643,796</u>
Fund Balance:		
Unreserved:		
Designated for payroll	150,000	125,000
Designated for post employment benefits	100,000	
Designated for pension	180,000	
Designated for capital asset replacement	33,942	31,234
Designated for capital debt service		31,324
Undesignated	<u>4,789,580</u>	<u>4,488,669</u>
Total fund balance	<u>5,253,522</u>	<u>4,676,227</u>
Total Liabilities and Fund Balance	\$ <u><u>11,020,722</u></u>	\$ <u><u>10,320,023</u></u>

## TOWN OF AVON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009					2008
	Original Budget	Supplemental Appropriations	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:						
Property taxes:						
Current levy	\$ 59,372,740	\$	\$ 59,372,740	\$ 59,559,475	\$ 186,735	\$ 56,581,682
Supplemental real estate	130,800		130,800	82,017	(48,783)	204,838
Supplemental MV	476,100		476,100	532,563	56,463	524,750
Prior levies	70,000		70,000	49,510	(20,490)	59,339
Interest and penalties	120,000		120,000	133,113	13,113	125,677
Telephone gross receipts	190,000		190,000	87,306	(102,694)	110,809
Total property taxes	<u>60,359,640</u>	<u>-</u>	<u>60,359,640</u>	<u>60,443,984</u>	<u>84,344</u>	<u>57,607,095</u>
Intergovernmental:						
State grants-in aid:						
Adult education	1,419		1,419	-	(1,419)	1,164
Equalized cost sharing (ECS)	1,240,632	56,824	1,297,456	1,243,373	(54,083)	1,191,189
Transportation	34,155		34,155	20,815	(13,340)	18,691
Schools building construction	386,959		386,959	386,959	-	401,349
PILOT - mfg. mach./equipme	261,000		261,000	260,170	(830)	307,859
Pequot funds	33,822		33,822	34,073	251	33,124
PILOT- colleges and hospitals	10,919		10,919	10,984	65	11,057
Public library	1,880		1,880	1,897	17	1,871
Property tax relief - elderly	60,000		60,000	61,866	1,866	60,615
DUI Enf. Veh Fed			-	12,682	12,682	7,364
Grants in lieu of taxes	70,236		70,236	70,468	232	68,648
Veteran reimbursements	3,000		3,000	4,033	1,033	3,683
Youth services grant		24,405	24,405	24,405	-	20,250
State reimb for roof			-	8,565	8,565	162,733
Homeland security		5,367	5,367	5,367	-	
School heating assistance		42,994	42,994	42,994	-	
Miscellaneous State grant receipts	7,400	4,466	11,866	28,270	16,404	10,231
Federal grants-in aid:						
Mass transportation			-	-	-	12,581
Total intergovernmental	<u>2,111,422</u>	<u>134,056</u>	<u>2,245,478</u>	<u>2,216,921</u>	<u>(28,557)</u>	<u>2,312,409</u>

(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, 2009

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009					2008
	Original Budget	Supplemental Appropriations	Final Budget	Actual	Variance with Final Budget	Actual
Charges for Services:						
General government:						
Hunting and fishing	\$ 700	\$	\$ 700	\$ 166	\$ (534)	\$ 979
Recording and conveyance	769,911		769,911	438,313	(331,598)	612,012
Sale of maps and publications	32,000		32,000	21,721	(10,279)	25,759
PA 05-228 Local CAP Recording Fee	10,000		10,000	12,097	2,097	12,708
Court	1,600		1,600	700	(900)	675
Public safety:						
Police services	81,800	497,854	579,654	598,872	19,218	365,220
Accident reports and photos	1,700		1,700	1,355	(345)	1,029
Alarm system	5,000		5,000	5,894	894	5,406
Animal pound fees	1,800		1,800	2,033	233	1,705
Police protection	1,200		1,200	2,085	885	1,330
Blds. struct. and equipment	500,000		500,000	313,655	(186,345)	459,799
Animal licenses	5,500		5,500	13,127	7,627	12,517
Public works:						
Landfill - residential fees	184,000		184,000	171,606	(12,394)	118,719
Landfill - bulky waste	57,700		57,700	50,072	(7,628)	47,157
Sewer connections	13,000		13,000	13,000		51,808
Sewer assessments			-			7,447
Lakeview water main extension	37,000		37,000	15,819	(21,181)	20,695
Water main interest			-	3,018	3,018	4,274
Street and curb	3,500		3,500	750	(2,750)	1,650
Health and social services:						
Vital statistics	12,500		12,500	14,330	1,830	14,283
Recreation and parks:						
Swim fees	72,000		72,000	63,707	(8,293)	62,711
Recreation fees	3,750		3,750	3,946	196	3,575
Fisher Meadow lease	400		400	400	-	400
Organized summer programs	26,500		26,500	38,324	11,824	36,094
Educational - cultural:						
Library	40,249		40,249	17,000	(23,249)	18,561
Conservation and development	40,550		40,550	37,162	(3,388)	15,013
Total charges for services	<u>1,902,360</u>	<u>497,854</u>	<u>2,400,214</u>	<u>1,839,152</u>	<u>(561,062)</u>	<u>1,901,526</u>
Investment Income	<u>819,400</u>	<u>-</u>	<u>819,400</u>	<u>190,766</u>	<u>(628,634)</u>	<u>992,992</u>
Other Local Revenues:						
Refunds and reimbursements	177,586	8,118	185,704	255,564	69,860	302,779
Miscellaneous	4,445		4,445	70	(4,375)	448,321
Rents and reimbursements	30,000		30,000	38,888	8,888	30,321
Salvage and demolition sales			-	6,640	6,640	
Sale of property	25,000		25,000	2,709	(22,291)	13,798
Total other local revenues	<u>237,031</u>	<u>8,118</u>	<u>245,149</u>	<u>303,871</u>	<u>58,722</u>	<u>795,219</u>
Total revenues	<u>65,429,853</u>	<u>640,028</u>	<u>66,069,881</u>	<u>64,994,694</u>	<u>(1,075,187)</u>	<u>63,609,241</u>
Other Financing Sources:						
Appropriation of fund balance			124,105		(124,105)	
Transfers in			-	1,350,678	1,350,678	1,225,653
Total other financing sources	<u>-</u>	<u>-</u>	<u>124,105</u>	<u>1,350,678</u>	<u>1,226,573</u>	<u>1,225,653</u>
Total Revenues and Other Financing Sources	<u>\$ 65,429,853</u>	<u>\$ 640,028</u>	<u>\$ 66,193,986</u>	<u>\$ 66,345,372</u>	<u>\$ 151,386</u>	<u>\$ 64,834,894</u>

## TOWN OF AVON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009					2008
	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures:						
Town Council:						
General Government:						
Legislative - Town Council	\$ 74,396	\$ 56,498	\$ 130,894	\$ 130,894	\$ -	\$ 76,757
Executive - Town Manager	424,154	(7,306)	416,848	416,848	-	369,347
Judicial - probate	7,384	(1,286)	6,098	6,099	(1)	5,421
Elections	91,186	2,283	93,469	93,469	-	94,165
Legal services	120,000	58,538	178,538	178,538	-	131,031
Recording and reporting	332,142	(10,768)	321,374	321,374	-	302,462
Office building - Town hall	182,001	(697)	181,304	181,304	-	156,659
Human resources	195,862	(5,012)	190,850	190,850	-	179,574
Finance	1,281,214	(13,686)	1,267,528	1,267,534	(6)	1,198,186
Total general government	2,708,339	78,564	2,786,903	2,786,910	(7)	2,513,602
Public Safety:						
Police protection	5,191,917	447,529	5,639,446	5,515,732	123,714	5,279,063
Fire protection	1,505,209	67,524	1,572,733	1,567,361	5,372	1,535,017
Central communications	614,978	(59,459)	555,519	532,577	22,942	509,039
Protective inspection	306,726	5,303	312,029	266,092	45,937	299,797
Other protection	201,361	11,737	213,098	211,792	1,306	219,771
Total public safety	7,820,191	472,634	8,292,825	8,093,554	199,271	7,842,687
Public Works:						
Administration	304,760	(2,612)	302,148	302,148	-	187,392
Highways	1,486,230	86,045	1,572,275	1,566,382	5,893	1,438,211
Sanitation	482,409	(54,750)	427,659	427,659	-	498,596
Machinery and equipment	343,026	(3,745)	339,281	339,281	-	394,566
Building and grounds	964,013	(51,922)	912,091	901,818	10,273	862,149
Engineering	295,240	(13,578)	281,662	281,660	2	310,974
Total public works	3,875,678	(40,562)	3,835,116	3,818,948	16,168	3,691,888
Health and Social Services:						
Conservation of health	109,469	-	109,469	109,469	-	102,115
Social services	281,705	17,868	299,573	299,570	3	282,747
Total health and social services	391,174	17,868	409,042	409,039	3	384,862
Recreation and Parks:						
Recreation	448,707	(5,177)	443,530	428,925	14,605	438,650
Parks	203,497	(2,415)	201,082	195,237	5,845	197,622
Senior citizens	58,076	1,519	59,595	58,973	622	56,362
Community activities	83,371	1,110	84,481	84,481	-	78,175
Total recreation and parks	793,651	(4,963)	788,688	767,616	21,072	770,809
Educational-Cultural:						
Library	1,332,866	(13,329)	1,319,537	1,307,314	12,223	1,288,157

(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, 2009

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009					2008
	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget	Actual
Conservation and Development:						
Planning and zoning	\$ 373,235	\$ (2,749)	\$ 370,486	\$ 360,865	\$ 9,621	\$ 342,526
Conservation of natural resources	137,059	(2,200)	134,859	123,326	11,533	118,276
Total conservation and development	510,294	(4,949)	505,345	484,191	21,154	460,802
Miscellaneous:						
Claims and losses	22,500	32,302	54,802	54,748	54	25,205
Municipal insurance	190,390	(265)	190,125	184,571	5,554	186,549
Intergovernmental expenditure	43,000	-	43,000	28,991	14,009	38,919
Contingency	40,000	95,692	135,692	19,846	115,846	186,104
Total miscellaneous	295,890	127,729	423,619	288,156	135,463	436,777
Total Town Council	17,728,083	632,992	18,361,075	17,955,728	405,347	17,389,584
Board of Education:						
Administration	845,949	159,480	1,005,429	1,005,429	-	969,017
Instruction	26,539,415	156,000	26,695,415	26,695,415	-	25,691,818
Health services	250,483	13,046	263,529	263,529	-	257,863
Transportation	1,689,193	66,163	1,755,356	1,755,356	-	1,559,236
Operation of plant	3,324,083	(107,422)	3,216,661	3,216,661	-	2,981,660
Maintenance of plant	1,106,641	(146,294)	960,347	960,347	-	825,134
Fixed charges	5,632,298	8,560	5,640,858	5,640,858	-	5,095,133
Student body activities	477,250	(93,467)	383,783	383,783	-	504,074
Capital outlay	43,349	(8,971)	34,378	34,378	-	5,041
Expenditure to other schools	758,476	52,722	811,198	811,198	-	716,368
Total Board of Education	40,667,137	99,817	40,766,954	40,766,954	-	38,605,344
Debt service:						
Bonds and bond anticipation notes	5,363,008	31,324	5,394,332	5,363,189	31,143	5,134,468
Total expenditures	63,758,228	764,133	64,522,361	64,085,871	436,490	61,129,396
Transfers out	1,671,625	-	1,671,625	1,671,625	-	2,746,493
Total Expenditures and Other Financing Uses	\$ 65,429,853	\$ 764,133	\$ 66,193,986	\$ 65,757,496	\$ 436,490	\$ 63,875,889

## TOWN OF AVON, CONNECTICUT

## GENERAL FUND

## REPORT OF THE PROPERTY TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2009

Grand List Date	Uncollected Taxes July 1, 2008	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections					Uncollected Taxes June 30, 2009
			Additions	Deductions			Taxes Collected	Refunds	Net Taxes Collected	Interest and Fees	Total Collections	
1995	\$ 85	\$	\$	\$	\$	\$ 85	\$	\$	\$	\$ 267	\$ 267	\$ 85
1996	87					87				68	68	87
1997	361					361					-	361
1998	368					368					-	368
1999	445					445					-	445
2000	703					703					-	703
2001	486					486				98	98	486
2002	503					503				481	481	503
2003	464					464				238	238	464
2004	429					429				296	296	429
2005	5,192			782	2,658	1,752	1,445	134	1,311	405	1,716	441
2006	39,166		2,124	12,722	5,345	23,223	24,166	10,959	13,207	4,716	17,923	10,016
Tax settlements										222	222	-
Suspense collections	(47)		7,352	767		6,538	6,715	130	6,585		6,585	(47)
Total Prior Years	48,242		9,476	14,271	8,003	35,444	32,326	11,223	21,103	6,791	27,894	14,341
2007		60,550,171	141,362	389,071	15,892	60,286,570	60,204,019	30,405	60,173,614	126,322	60,299,936	112,956
TOTAL	\$ 48,242	\$ 60,550,171	\$ 150,838	\$ 403,342	\$ 23,895	\$ 60,322,014	\$ 60,236,345	\$ 41,628	\$ 60,194,717	\$ 133,113	\$ 60,327,830	\$ 127,297
Grand List of October 1, 2008						\$ 2,605,775,050						
Taxes Receivable on Grand List of October 1, 2008, due July 1, 2009						\$ 61,001,194						

## **CIFA FUND**

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

**TOWN OF AVON, CONNECTICUT  
CIFA FUND  
PROJECT LENGTH SCHEDULE OF EXPENDITURES - PROJECT BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Project Appropriations July 1, 2008</b>	<b>Additions (Reductions)</b>	<b>Project Appropriations June 30, 2009</b>	<b>Expenditures Incurred to July 1, 2008</b>	<b>Current Year Expenditures</b>	<b>Expenditures Incurred to June 30, 2009</b>	<b>Unexpended Appropriations June 30, 2009</b>
General Government:							
Addition Town Clerk's Office	\$ 44,000	\$	\$ 44,000	\$ 412	\$ 41,581	\$ 41,993	\$ 2,007
DPW Roof Replacement	332,000	(1,370)	330,630	155,664	174,966	330,630	-
Senior Center Roof Replacement	162,500	(14,884)	147,616	10,303	137,313	147,616	-
Buckingham Rd. Area Playground		385	385		385	385	-
Lighting Town Center	36,600	27,858	64,458	27,205	27,858	55,063	9,395
Senior Center Repairs	44,346		44,346	22,800	2,977	25,777	18,569
Police Communications Center	250,000		250,000		52,967	52,967	197,033
Police Emergency Operations Center	38,000		38,000		34,443	34,443	3,557
Sewer Pump Station Replacement	70,000		70,000				70,000
Verville Road Sewer	245,000.00		245,000	2,662	241,572	244,234	766
Road Drainage and Overlay Program	4,047,406		4,047,406	3,084,323	106,446	3,190,769	856,637
Thompson Old Farms Redesign	167,176		167,176	152,971	14,205	167,176	-
Town CIP - Facil/Town Hall	2,360,000		2,360,000	2,240,254	26,270	2,266,524	93,476
Fisher Meadows Complex		6,031	6,031				6,031
Fire SCBA (RPL)	450,000	(1,455)	448,545	445,612	2,356	447,968	577
1/2 Ton Pick-up	50,000	(2,000)	48,000		41,499	41,499	6,501
Field Mower	50,000	(1,700)	48,300		48,300	48,300	-
DPW Generator	532,000	(293,055)	238,945	224,250	13,295	237,545	1,400
1 Ton Dump Truck	50,000		50,000		50,000	50,000	-
Total General Government	<u>8,929,028</u>	<u>(280,190)</u>	<u>8,648,838</u>	<u>6,366,456</u>	<u>1,016,433</u>	<u>7,382,889</u>	<u>1,265,949</u>
Board of Education:							
Boiler Replacement	427,111	(41,661)	385,450	20,468	364,982	385,450	-
RBS Underground Fuel Tank	82,241	(23,936)	58,305	50,092	8,213	58,305	-
AMS Roof Repair Design	105,800	2,845,000	2,950,800	79	204,550	204,629	2,746,171
AHS Renovations and Additions	<u>30,698,000</u>		<u>30,698,000</u>	<u>28,694,618</u>	<u>1,498,002</u>	<u>30,192,620</u>	<u>505,380</u>
Total Board of Education	<u>31,313,152</u>	<u>2,779,403</u>	<u>34,092,555</u>	<u>28,765,257</u>	<u>2,075,747</u>	<u>30,841,004</u>	<u>3,251,551</u>
Total	<u>\$ 40,242,180</u>	<u>\$ 2,499,213</u>	<u>\$ 42,741,393</u>	<u>\$ 35,131,713</u>	<u>\$ 3,092,180</u>	<u>\$ 38,223,893</u>	<u>\$ 4,517,500</u>

## NONMAJOR GOVERNMENTAL FUNDS

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### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure 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.

Postemployment Healthcare Fund - To provide funding for the actuarially determined share of the Town's liability for postretirement employee medical costs for qualified Police, Public Works, Non-organized and Dispatchers, and to fund all or part of such liability on an annual basis using revenues generated by the fund. Costs for management of the fund shall include, but not be limited to, direct administrative, actuarial and investment management costs.

### **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.

**TOWN OF AVON, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

**JUNE 30, 2009**

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	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
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$
Investments							
Receivables:							
Sewer assessments	6,714						
Intergovernmental			17,481		104,219		
Accounts				6,999			
Due from other funds	1,803,361	13,513	222,149	67,319		32,602	20,152
Other			4,039	4,552			
Total Assets	\$ 1,810,075	\$ 13,513	\$ 243,669	\$ 78,870	\$ 104,219	\$ 32,602	\$ 20,152
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 6,906	\$ 327	\$	\$ 14,852	\$	\$	\$
Due to other funds					102,043		
Unearned revenue	38,575	13,186	43,187				
Total liabilities	45,481	13,513	43,187	14,852	102,043	-	-
Fund Balances:							
Reserved for encumbrances	263,146			23,135			
Reserved for debt service							
Total reserved	263,146	-	-	23,135	-	-	-
Unreserved:							
Unreserved and undesignated	1,501,448	-	200,482	40,883	2,176	32,602	20,152
Total fund balances	1,764,594	-	200,482	64,018	2,176	32,602	20,152
Total Liabilities and Fund Balances	\$ 1,810,075	\$ 13,513	\$ 243,669	\$ 78,870	\$ 104,219	\$ 32,602	\$ 20,152

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

**JUNE 30, 2009**

Special Revenue Funds						Capital Projects Fund	
Town Aid Road Fund	Fisher Meadow Maintenance Fund	Postemployment Healthcare Fund	Total	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	Total Nonmajor Governmental Funds	
ASSETS							
Cash and cash equivalents	\$	\$ 113,598	\$ 61,071	\$ 174,669	\$	\$ 174,669	
Investments			1,786,994	1,786,994		1,786,994	
Receivables:							
Sewer assessments				6,714		6,714	
Intergovernmental				121,700		121,700	
Accounts		6,496		13,495		13,495	
Due from other funds	15,232	6,895	748	2,181,971	215,983	2,592,537	
Other				8,591		8,591	
Total Assets	\$ 15,232	\$ 126,989	\$ 1,848,813	\$ 4,294,134	\$ 215,983	\$ 4,704,700	
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$	\$	22,085	\$ 48,578	\$ 70,663	
Due to other funds			657,000	759,043		759,043	
Unearned revenue				94,948		94,948	
Total liabilities	-	-	657,000	876,076	48,578	924,654	
Fund Balances:							
Reserved for encumbrances				286,281		286,281	
Reserved for debt service				167,405		167,405	
Total reserved	-	-	-	286,281	167,405	453,686	
Unreserved:							
Unreserved and undesignated	15,232	126,989	1,191,813	3,131,777	194,583	3,326,360	
Total fund balances	15,232	126,989	1,191,813	3,418,058	167,405	3,780,046	
Total Liabilities and Fund Balances	\$ 15,232	\$ 126,989	\$ 1,848,813	\$ 4,294,134	\$ 215,983	\$ 4,704,700	

**TOWN OF AVON, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2009**

		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
GA	Revenues:							
	Intergovernmental	\$	\$	\$	\$	\$	\$	\$
	Charges for services	1,558,879	1,529,326	120,182	5,000	104,219		
	Investment income (loss)			1,016,858	309,043			
	Other local revenues						4,248	46,043
	Total revenues	<u>1,558,879</u>	<u>1,529,326</u>	<u>1,137,040</u>	<u>314,043</u>	<u>104,219</u>	<u>4,248</u>	<u>46,043</u>
	Expenditures:							
	Current:							
	General government							
	Public safety							
	Public works	1,818,034				104,219		
	Recreation and parks				291,643		301	
	Education		1,529,326	1,050,722				30,141
Capital outlay								
Total expenditures	<u>1,818,034</u>	<u>1,529,326</u>	<u>1,050,722</u>	<u>291,643</u>	<u>104,219</u>	<u>301</u>	<u>30,141</u>	
Excess (Deficiency) of Revenues over Expenditures		<u>(259,155)</u>	<u>-</u>	<u>86,318</u>	<u>22,400</u>	<u>-</u>	<u>3,947</u>	<u>15,902</u>
Other Financing Sources (Uses):								
Transfers in					20,000			
Transfers out	<u>(255,000)</u>							
Net other financing sources (uses)	<u>(255,000)</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances		(514,155)	-	86,318	42,400	-	3,947	15,902
Fund Balances at Beginning of Year		<u>2,278,749</u>	<u>-</u>	<u>114,164</u>	<u>21,618</u>	<u>2,176</u>	<u>28,655</u>	<u>4,250</u>
Fund Balances at End of Year		\$ <u>1,764,594</u>	\$ <u>-</u>	\$ <u>200,482</u>	\$ <u>64,018</u>	\$ <u>2,176</u>	\$ <u>32,602</u>	\$ <u>20,152</u>

(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, 2009**

	Special Revenue Funds					Capital Projects Fund	
	Town Aid Road Fund	Fisher Meadow Maintenance Fund	Postemployment Healthcare Fund	Total	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	Total Nonmajor Governmental Funds
Revenues:							
Intergovernmental	\$ 153,671	\$	\$	\$ 1,912,398	\$	\$ 11,912	\$ 1,924,310
Charges for services			529,969	3,414,749			3,414,749
Investment income (loss)		1,091	(85,484)	(84,393)			(84,393)
Other local revenues		45,953		96,244			96,244
Total revenues	<u>153,671</u>	<u>47,044</u>	<u>444,485</u>	<u>5,338,998</u>	<u>-</u>	<u>11,912</u>	<u>5,350,910</u>
Expenditures:							
Current:							
General government			1,186,778	1,186,778	101,843		1,288,621
Public safety				-	82,196		82,196
Public works	153,671			2,075,924	95,508		2,171,432
Recreation and parks				291,944			291,944
Education				2,610,189			2,610,189
Capital outlay				-		248,066	248,066
Total expenditures	<u>153,671</u>	<u>-</u>	<u>1,186,778</u>	<u>6,164,835</u>	<u>279,547</u>	<u>248,066</u>	<u>6,692,448</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>47,044</u>	<u>(742,293)</u>	<u>(825,837)</u>	<u>(279,547)</u>	<u>(236,154)</u>	<u>(1,341,538)</u>
Other Financing Sources (Uses):							
Transfers in		2,000		22,000	100,000	125,000	247,000
Transfers out		(28,000)		(283,000)			(283,000)
Net other financing sources (uses)	<u>-</u>	<u>(26,000)</u>	<u>-</u>	<u>(261,000)</u>	<u>100,000</u>	<u>125,000</u>	<u>(36,000)</u>
Net Change in Fund Balances	-	21,044	(742,293)	(1,086,837)	(179,547)	(111,154)	(1,377,538)
Fund Balances at Beginning of Year	<u>15,232</u>	<u>105,945</u>	<u>1,934,106</u>	<u>4,504,895</u>	<u>346,952</u>	<u>305,737</u>	<u>5,157,584</u>
Fund Balances at End of Year	<u>\$ 15,232</u>	<u>\$ 126,989</u>	<u>\$ 1,191,813</u>	<u>\$ 3,418,058</u>	<u>\$ 167,405</u>	<u>\$ 194,583</u>	<u>\$ 3,780,046</u>

## TOWN OF AVON, CONNECTICUT

## SEWER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009				2008
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Sewer assessments	\$ 39,500	\$ 39,500	\$ 8,000	\$ (31,500)	\$ 6,500
Sewer connections	38,250	38,250	21,180	(17,070)	38,250
Sewer use charges	1,420,000	1,420,000	1,514,747	94,747	1,387,430
Permits and inspections	2,500	2,500	4,710	2,210	7,231
Interest and lien fees	1,000	1,000	10,242	9,242	6,277
Other local revenues				-	1,336
Total revenues	<u>1,501,250</u>	<u>1,501,250</u>	<u>1,558,879</u>	<u>57,629</u>	<u>1,447,024</u>
Expenditures:					
Current:					
Public works	1,787,233	1,854,380	1,815,564	38,816	893,443
Debt service	53,662	53,662	53,660	2	55,544
Total expenditures	<u>1,840,895</u>	<u>1,908,042</u>	<u>1,869,224</u>	<u>38,818</u>	<u>948,987</u>
Excess (Deficiency) of Revenues over Expenditure	<u>(339,645)</u>	<u>(406,792)</u>	<u>(310,345)</u>	<u>96,447</u>	<u>498,037</u>
Other Financing Sources (Uses):					
Transfers out	(255,000)	(255,000)	(255,000)	-	(41,904)
Appropriation of fund balance	594,645	661,792		(661,792)	
Net other financing sources (uses)	<u>339,645</u>	<u>406,792</u>	<u>(255,000)</u>	<u>(661,792)</u>	<u>(41,904)</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>-</u>	(565,345)	\$ <u>(565,345)</u>	456,133
Fund Balances at Beginning of Year			<u>2,066,792</u>		<u>1,610,659</u>
Fund Balances at End of Year			\$ <u>1,501,447</u>		\$ <u>2,066,792</u>

Reconciliation to GAAP Basis

	Expenditures	Fund Balance
Balance, Budgetary Basis - June 30, 2009	\$ 1,869,224	\$ 1,501,447
Encumbrances outstanding at June 30, 2008, still outstanding at June 30, 2009		211,957
Current year encumbrances	<u>(51,190)</u>	<u>51,190</u>
Balance, GAAP Basis - June 30, 2009	\$ <u>1,818,034</u>	\$ <u>1,764,594</u>

## 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, 2009

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009				2008
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	\$ 1,365,253	\$ 1,529,326	\$ 1,529,326	\$ -	\$ 1,399,467
Expenditures:					
Education	<u>1,365,253</u>	<u>1,529,326</u>	<u>1,529,326</u>	<u>-</u>	<u>1,401,062</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,595)</u>
Other Financing Sources (Uses):					
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,150)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(13,745)</u>
Fund Balances at Beginning of Year			<u>-</u>		<u>13,745</u>
Fund Balances at End of Year			<u>\$ -</u>		<u>\$ -</u>

## 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, 2009

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009				2008
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	\$ 90,000	\$ 90,000	\$ 120,182	\$ 30,182	\$ 88,152
Charges for services	884,792	1,024,817	1,016,858	(7,959)	896,300
Total revenues	974,792	1,114,817	1,137,040	22,223	984,452
Expenditures:					
Education	974,792	1,114,817	1,050,722	64,095	944,261
Excess of Revenues over Expenditures	\$ -	\$ -	86,318	\$ 86,318	40,191
Fund Balances at Beginning of Year			114,164		73,973
Fund Balances at End of Year			\$ 200,482		\$ 114,164

## TOWN OF AVON, CONNECTICUT

## RECREATIONAL ACTIVITIES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009				2008
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental revenue	\$	\$ 5,000	\$ 5,000	\$ -	\$
Charges for services	378,557	378,557	309,043	(69,514)	339,243
Total Revenues	378,557	383,557	314,043	(69,514)	339,243
Expenditures:					
Recreation and parks	378,557	403,557	311,543	92,014	338,065
Excess (Deficiency) of Revenues over Expenditures	-	(20,000)	2,500	22,500	1,178
Other Financing Sources (Uses):					
Transfers in		20,000	20,000	-	
Transfers out				-	(21,000)
Net Change in Fund Balances	\$ -	\$ -	22,500	\$ 22,500	(19,822)
Fund Balances at Beginning of Year			18,473		38,295
Fund Balances at End of Year			\$ 40,973		\$ 18,473
<u>Reconciliation to GAAP Basis</u>					
		<u>Expenditures</u>	<u>Fund Balance</u>		
Balance, Budgetary Basis - June 30, 2009	\$	311,543	\$ 40,973		
Encumbrances outstanding at June 30, 2008, still outstanding at June 30, 2009			3,145		
Current year encumbrances		(19,900)	19,900		
Balance, GAAP Basis - June 30, 2009	\$	291,643	\$ 64,018		

## 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, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009				2008
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	\$ 102,083	\$ 104,219	\$ 104,219	\$ -	\$ 103,691
Expenditures:					
Public works	<u>102,083</u>	<u>104,219</u>	<u>104,219</u>	<u>-</u>	<u>103,691</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	-
Fund Balances at Beginning of Year			<u>2,176</u>		<u>2,176</u>
Fund Balances at End of Year			\$ <u>2,176</u>		\$ <u>2,176</u>

## 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, 2009

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009				2008
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Other local revenues	\$ 19,600	\$ 19,600	\$ 4,248	\$ (15,352)	\$ 6,372
Expenditures:					
Recreation and parks	19,600	19,600	10,301	9,299	2,112
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ -	(6,053)	\$ (6,053)	4,260
Fund Balances at Beginning of Year			28,655		24,395
Fund Balances at End of Year			\$ 22,602		\$ 28,655

Reconciliation to GAAP Basis

	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis - June 30, 2009	\$ 10,301	\$ 22,602
Current year encumbrances	(10,000)	10,000
Balance, GAAP Basis - June 30, 2009	\$ 301	\$ 32,602

## TOWN OF AVON, CONNECTICUT

## TOWN AID ROAD FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	2009				2008
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	\$ 153,115	\$ 153,671	\$ 153,671	\$ -	\$ 153,115
Expenditures:					
Public works	<u>153,115</u>	<u>153,671</u>	<u>153,671</u>	<u>-</u>	<u>153,115</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	-
Fund Balances at Beginning of Year			<u>15,232</u>		<u>15,232</u>
Fund Balances at End of Year			\$ <u>15,232</u>		\$ <u>15,232</u>

## TOWN OF AVON, CONNECTICUT

## USE OF SCHOOL FACILITIES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

	<u>2009</u>				<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:					
Other local revenues	\$ 10,000	\$ 46,043	\$ 46,043	\$ -	\$ 55,759
Expenditures:					
Education	<u>10,000</u>	<u>46,043</u>	<u>30,141</u>	<u>15,902</u>	<u>69,874</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	15,902	\$ <u>15,902</u>	(14,115)
Fund Balances at Beginning of Year			<u>4,250</u>		<u>18,365</u>
Fund Balances at End of Year			\$ <u>20,152</u>		\$ <u>4,250</u>

## TOWN OF AVON, CONNECTICUT

**CAPITAL AND NONRECURRING EXPENDITURES FUND**  
**PROJECT LENGTH SCHEDULE OF EXPENDITURES - PROJECT BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Project Appropriations July 1, 2008</u>	<u>Additions (Reductions)</u>	<u>Project Appropriations June 30, 2009</u>	<u>Expenditures Incurred to July 1, 2008</u>	<u>Current Year Expenditures</u>	<u>Expenditures Incurred to June 30, 2009</u>	<u>Unexpended Appropriations June 30, 2009</u>
General Government:							
Sidewalks	\$ 100,000	\$ 50,000	\$ 150,000	\$ 89,978	\$ 60,022	\$ 150,000	\$ -
Revaluation (2003)	75,000	61,305	136,305	32,840	80,345	113,184	23,121
Thomson Old Farms Redesign	15,000	(15,000)	-	-	-	-	-
Farmington River Trail	11,844	11,912	23,756	11,844	11,912	23,756	-
Old Farms Road/Thomspon Rd DE	85,000	(85,000)	-	2,626	(2,626)	-	-
Secret Lake Drainage	30,000		30,000		9,050	9,050	20,950
Library Addition	70,000		70,000	16,749	20,373	37,122	32,878
Deercliff/Old Farms/Thompson	20,000		20,000	20,000		20,000	-
Thompson/Old Farms EIE	278,486	(278,486)	-			-	-
Old Farms Bridge Project 04-116	330,370	(330,370)	-	257,614	(257,614)	-	-
OFB Project-Design Fees Reimb.		345,370	345,370		257,614	257,614	87,756
Old Farms Rd/Thompson Recon 4-98		363,486	363,486	278,313	55,295	333,608	29,878
Revaluation (2008) Payroll		12,777	12,777		12,777	12,777	-
Revaluation (2008) FICA		918	918		918	918	-
Total Capital and Nonrecurring	\$ <u>1,015,700</u>	\$ <u>136,912</u>	\$ <u>1,152,612</u>	\$ <u>709,964</u>	\$ <u>248,066</u>	\$ <u>958,029</u>	\$ <u>194,583</u>

## **FIDUCIARY FUNDS**

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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 employees: Police, Public Works, Nonorganized, Board of Education and Dispatchers.

### **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.

Board of Education Special Programs Fund - To account for transfer payments received by the Board of Education for various programs.

## TOWN OF AVON, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
ASSETS				
Cash:				
High school student activity fund	\$ 131,352	\$ 614,634	580,081	\$ 165,905
Middle school student activity fund	20,679	106,922	84,051	43,550
Roaring Brook student activity fund	5,220	28,094	27,179	6,135
Pine Grove student activity fund	34,631	23,025	25,098	32,558
Thompson Brook student activity fund	<u>12,525</u>	<u>90,662</u>	<u>93,489</u>	<u>9,698</u>
Total Assets	<u>\$ 204,407</u>	<u>\$ 863,337</u>	<u>\$ 809,898</u>	<u>\$ 257,846</u>
LIABILITIES				
Fiduciary Deposits:				
High school student activity fund	\$ 131,352	\$ 614,634	580,081	\$ 165,905
Middle school student activity fund	20,679	106,922	84,051	43,550
Roaring Brook student activity fund	5,220	28,094	27,179	6,135
Pine Grove student activity fund	34,631	23,025	25,098	32,558
Thompson Brook student activity fund	<u>12,525</u>	<u>90,662</u>	<u>93,489</u>	<u>9,698</u>
Total Liabilities	<u>\$ 204,407</u>	<u>\$ 863,337</u>	<u>\$ 809,898</u>	<u>\$ 257,846</u>

**DETAILED SCHEDULE OF LONG-TERM DEBT OBLIGATIONS**

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**TOWN OF AVON, CONNECTICUT**  
**LONG-TERM DEBT OBLIGATIONS**  
**SCHEDULE OF BOND MATURITIES**  
**JUNE 30, 2009**

Description	Original Issue		Year Ending	Principal	Interest	Total
	Amount	Date	June 30,			
General Purposes:						
Bonds:						
Avon Police Department	\$ 1,800,000	9-15-97	2010	\$ 135,000	\$ 16,750	\$ 151,750
Renovations			2011	100,000	10,000	110,000
Interest payable March 15 and September 15 of each year at 4.25-6.25%; principal payable - March			2012	<u>100,000</u>	<u>5,000</u>	<u>105,000</u>
				<u>335,000</u>	<u>31,750</u>	<u>366,750</u>
Sewer Interceptor	\$ 550,000	7-15-98	2010	44,250	7,488	51,738
Interest payable January 15 and July 15 of each year at 4.10-4.75%; principal payable - January			2011	44,250	5,518	49,768
			2012	44,250	3,526	47,776
			2013	<u>33,750</u>	<u>1,536</u>	<u>35,286</u>
				<u>166,500</u>	<u>18,068</u>	<u>184,568</u>
Fisher Farms Open Space	\$ 1,295,000	7-15-02	2010	100,000	23,533	123,533
Interest payable December 15 and June 15 of each year at 3.0-5.0%; principal payable - June			2011	70,000	19,783	89,783
			2012	82,000	17,158	99,158
			2013	82,000	14,042	96,042
			2014	82,000	10,845	92,845
			2015	82,000	7,482	89,482
			2016	<u>82,000</u>	<u>4,100</u>	<u>86,100</u>
				<u>580,000</u>	<u>96,943</u>	<u>676,943</u>
M H Rhodes Property	\$ 600,000	5-04-07	2010	<u>600,000</u>	<u>21,600</u>	<u>621,600</u>
Interest payable November 1 and May 1 of each year at 3.60%; principal payable May 1, 2010				<u>600,000</u>	<u>21,600</u>	<u>621,600</u>
Total General Purposes				1,681,500	168,361	1,849,861

(Continued on next page)

## TOWN OF AVON, CONNECTICUT

## LONG-TERM DEBT OBLIGATIONS

## SCHEDULE OF BOND MATURITIES (CONTINUED)

JUNE 30, 2009

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
Schools:						
Bonds:						
School Construction -	\$ 4,300,000	9-15-97	2010	\$ 315,000	\$ 40,750	\$ 355,750
Avon High School			2011	250,000	25,000	275,000
Renovations			2012	250,000	12,500	262,500
Interest payable March 15						
and September 15 of each						
year at 4.25-6.25%;				815,000	78,250	893,250
principal payable - March						
School Construction -	\$ 5,825,000	1-15-98	2010	450,000	63,450	513,450
Avon High School			2011	450,000	43,200	493,200
Renovations			2012	450,000	22,500	472,500
Interest payable January 15						
and July 15 of each				1,350,000	129,150	1,479,150
year at 4.0-5.75%;						
principal payable - January						
School Construction -	\$ 6,915,000	7-15-98	2010	555,750	94,370	650,120
Avon High School			2011	555,750	69,640	625,390
Renovations			2012	555,750	44,630	600,380
Interest payable January 15			2013	431,250	19,622	450,872
and July 15 of each						
year at 4.10-4.75%;				2,098,500	228,262	2,326,762
principal payable - January						
School Construction -	\$ 14,245,000	7-15-02	2010	1,100,000	253,852	1,353,852
Thompson Brook School			2011	780,000	212,602	992,602
Interest payable December 15			2012	688,000	183,352	871,352
and June 15 of each			2013	918,000	157,208	1,075,208
year at 3.0-5.0%;			2014	918,000	121,405	1,039,405
principal payable - June			2015	918,000	83,768	1,001,768
			2016	918,000	45,900	963,900
				6,240,000	1,058,087	7,298,087
Total Schools				10,503,500	1,493,749	11,997,249
Grand Total - All Bonded Debt				\$ 12,185,000	\$ 1,662,110	\$ 13,847,110

## STATISTICAL SECTION

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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 ASSETS BY COMPONENT****SINCE INCEPTION OF GASB 34  
(Accrual Basis of Accounting)**

		<b>FISCAL YEAR</b>						
		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Governmental Activities:								
Invested in capital assets, net of related debt	\$	81,729,871	\$ 81,157,443	\$ 85,496,836	\$ 80,092,550	\$ 86,386,400	\$ 100,992,393	\$ 106,328,362
Unrestricted		<u>12,048,795</u>	<u>9,652,738</u>	<u>9,182,945</u>	<u>16,234,934</u>	<u>15,331,611</u>	<u>12,623,398</u>	<u>9,407,746</u>
Total Governmental Activities Net Assets	\$	<u><u>93,778,666</u></u>	<u><u>90,810,181</u></u>	<u><u>94,679,781</u></u>	<u><u>96,327,484</u></u>	<u><u>101,718,011</u></u>	<u><u>113,615,791</u></u>	<u><u>115,736,108</u></u>
Primary Government:								
Invested in capital assets, net of related debt	\$	81,729,871	\$ 81,157,443	\$ 85,496,836	\$ 80,092,550	\$ 86,386,400	\$ 100,992,393	\$ 106,328,362
Unrestricted		<u>12,048,795</u>	<u>9,652,738</u>	<u>9,182,945</u>	<u>16,234,934</u>	<u>15,331,611</u>	<u>12,623,398</u>	<u>9,407,746</u>
Total Primary Government Net Assets	\$	<u><u>93,778,666</u></u>	<u><u>90,810,181</u></u>	<u><u>94,679,781</u></u>	<u><u>96,327,484</u></u>	<u><u>101,718,011</u></u>	<u><u>113,615,791</u></u>	<u><u>115,736,108</u></u>

NOTE: The Town began to report accrual information when it implemented GASB Statement No. 34 during fiscal year June 30, 2003.

## TOWN OF AVON, CONNECTICUT

## CHANGES IN NET ASSETS

SINCE INCEPTION OF GASB 34  
(Accrual Basis of Accounting)

	FISCAL YEAR						
	2003	2004	2005	2006	2007	2008	2009
Expenses:							
Governmental activities:							
General government	\$ 2,350,087	\$ 2,520,267	\$ 2,506,909	\$ 2,824,138	\$ 2,697,324	\$ 3,150,197	\$ 4,366,653
Public safety	6,481,170	6,783,676	6,810,733	7,844,237	7,752,887	8,386,614	8,646,361
Public works	5,163,486	5,596,299	5,610,986	5,768,387	5,615,483	6,379,490	6,803,932
Health and social services	290,106	297,004	312,488	335,363	339,011	418,457	409,643
Recreation and parks	1,019,021	1,159,712	1,173,172	1,231,112	1,192,893	1,259,443	1,198,231
Educational cultural	1,145,107	1,182,875	1,165,935	1,252,539	1,271,577	1,340,878	1,325,196
Conservation and development	489,625	480,149	475,086	485,796	480,105	470,631	493,509
Board of Education	33,056,208	35,157,771	36,861,285	41,312,587	42,831,505	58,762,865	48,148,966
Interest expense	1,804,113	1,220,937	1,049,650	976,068	1,164,309	1,420,878	1,599,492
Total governmental activities expenses	<u>51,798,923</u>	<u>54,398,690</u>	<u>55,966,244</u>	<u>62,030,227</u>	<u>63,345,094</u>	<u>81,589,453</u>	<u>72,991,983</u>
Program Revenues:							
Governmental activities:							
Charges for services	4,007,310	4,368,055	4,750,233	4,744,462	4,268,592	4,585,742	5,254,615
Operating grants and contributions	2,809,001	2,858,754	2,942,406	4,703,647	5,187,201	19,168,475	6,795,638
Capital grants and contributions	3,974,876	1,791,485	264,316	45,436	211,460	7,676,918	1,192,219
Total governmental activities program revenues	<u>10,791,187</u>	<u>9,018,294</u>	<u>7,956,955</u>	<u>9,493,545</u>	<u>9,667,253</u>	<u>31,431,135</u>	<u>13,242,472</u>
Net revenues (expenses):							
Governmental activities	<u>(41,007,736)</u>	<u>(45,380,396)</u>	<u>(48,009,289)</u>	<u>(52,536,682)</u>	<u>(53,677,841)</u>	<u>(50,158,318)</u>	<u>(59,749,511)</u>
General Revenues and Other							
Changes in Net Assets:							
Governmental activities:							
Property taxes	44,885,797	47,930,234	49,177,333	52,102,161	54,985,721	57,525,758	60,502,992
Grants and contributions not restricted to specific programs	388,628	396,446	447,711	420,814	471,823	484,160	451,350
Unrestricted investment earnings	273,327	177,347	430,329	1,229,679	1,923,744	1,361,187	469,404
Miscellaneous	100,334	173,665	117,250	280,849	370,776	988,047	446,082
Donated capital assets			1,706,266	150,882	1,441,304		
Transfers					(125,000)		
Special item - gain on sale	11,159						
Total governmental activities	<u>45,659,245</u>	<u>48,677,692</u>	<u>51,878,889</u>	<u>54,184,385</u>	<u>59,068,368</u>	<u>60,359,152</u>	<u>61,869,828</u>
Change in Net Assets:							
Governmental activities	<u>\$ 4,651,509</u>	<u>\$ 3,297,296</u>	<u>\$ 3,869,600</u>	<u>\$ 1,647,703</u>	<u>\$ 5,390,527</u>	<u>\$ 10,200,834</u>	<u>\$ 2,120,317</u>

NOTE: The Town began to report accrual information when it implemented GASB Statement No. 34 during fiscal year June 30, 2003.

## TOWN OF AVON, CONNECTICUT

## FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Reserved	\$ 856,803	\$ 508,753	\$ 653,454	\$ 758,851	\$ 862,630	\$ 908,877	\$ 147,535	\$ 17,118	\$	\$
Unreserved	3,517,575	3,850,307	4,153,303	4,245,984	3,941,547	3,657,223	4,159,172	3,760,315	4,676,227	5,253,522
Total General Fund	<u>\$ 4,374,378</u>	<u>\$ 4,359,060</u>	<u>\$ 4,806,757</u>	<u>\$ 5,004,835</u>	<u>\$ 4,804,177</u>	<u>\$ 4,566,100</u>	<u>\$ 4,306,707</u>	<u>\$ 3,777,433</u>	<u>\$ 4,676,227</u>	<u>\$ 5,253,522</u>
All other governmental funds:										
Reserved	\$ 493,796	\$ 12,981,333	\$ 634,249	\$ 534,749	\$ 860,651	\$ 627,941	\$ 756,962	\$ 813,490	\$ 562,053	\$ 453,686
Unreserved, reported in:										
Special revenue funds	944,101	766,854	803,078	1,420,380	1,675,926	1,892,462	1,641,669	1,850,540	4,289,793	3,326,360
Capital projects funds	2,215,368	(13,050,385)	2,595,947	915,811	573,429	968,946	96,391	(8,277,866)	(21,972,030)	(23,536,240)
Total All Other Governmental Funds	<u>\$ 3,653,265</u>	<u>\$ 697,802</u>	<u>\$ 4,033,274</u>	<u>\$ 2,870,940</u>	<u>\$ 3,110,006</u>	<u>\$ 3,489,349</u>	<u>\$ 2,495,022</u>	<u>\$ (5,613,836)</u>	<u>\$ (17,120,184)</u>	<u>\$ (19,756,194)</u>

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Property taxes	\$ 35,684,384	\$ 37,492,652	\$ 41,342,284	\$ 44,995,486	\$ 48,012,671	\$ 49,213,013	\$ 52,054,364	\$ 54,940,024	\$ 57,607,095	\$ 60,443,984
Intergovernmental (state and federal grants)*	853,371	1,134,131	1,253,894	5,498,502	4,082,975	4,537,713	5,908,147	6,223,583	25,960,589	8,029,848
Licenses, fees and permits	3,923,772	6,091,563	5,843,727							
Charges for services	1,660,960	1,823,483	2,061,259	4,144,002	4,462,440	4,754,726	4,735,059	4,268,644	4,585,785	5,253,901
Contributions**				324,293	25,620	45,850	30,300	6,300		
Investment income	1,034,919	1,542,114	689,389	273,327	177,347	430,329	1,229,679	1,923,744	1,361,187	469,404
Other local revenues	819,260	229,825	162,529	109,187	173,665	165,404	280,849	370,776	980,682	446,082
Total revenues	<u>43,976,666</u>	<u>48,313,768</u>	<u>51,353,082</u>	<u>55,344,797</u>	<u>56,934,718</u>	<u>59,147,035</u>	<u>64,238,398</u>	<u>67,733,071</u>	<u>90,495,338</u>	<u>74,643,219</u>
Expenditures:										
Town Council:										
General government	1,733,294	1,866,029	2,179,856	2,049,196	2,214,074	2,275,478	2,332,582	2,534,553	2,934,699	4,071,003
Public safety	4,983,579	5,423,148	5,550,091	5,935,154	6,354,328	6,597,926	7,190,774	7,492,029	7,943,996	8,180,761
Public works	3,435,013	3,644,754	3,541,216	4,045,432	4,596,663	4,766,751	4,676,353	4,966,497	5,177,018	5,995,535
Health and social services	234,459	254,475	263,479	280,654	292,929	312,136	321,193	339,055	418,279	407,956
Recreation and parks	804,119	792,616	879,885	932,564	994,752	1,075,531	1,104,495	1,114,589	1,114,355	1,058,239
Educational - cultural	850,268	923,399	975,163	1,089,118	1,147,023	1,141,214	1,171,991	1,249,963	1,325,488	1,312,882
Conservation and development	292,154	320,328	312,057	396,219	471,433	473,635	452,072	480,232	461,474	485,868
Miscellaneous	241,387	361,028	317,050	994,769	468,377	262,733	258,642	244,096	279,276	288,255
Total Town Council	<u>12,574,273</u>	<u>13,585,777</u>	<u>14,018,797</u>	<u>15,723,106</u>	<u>16,539,579</u>	<u>16,905,404</u>	<u>17,508,102</u>	<u>18,421,014</u>	<u>19,654,585</u>	<u>21,800,499</u>
Board of Education	25,212,620	27,539,305	29,404,265	31,531,774	33,580,967	35,704,437	39,657,600	41,450,613	57,087,590	46,822,998
Debt service:										
Principal	2,775,000	3,075,000	2,800,000	2,500,000	3,445,000	3,655,000	3,255,750	3,330,750	3,500,000	3,100,000
Interest	1,312,533	1,158,507	1,429,183	1,869,062	1,255,887	1,167,048	1,059,348	1,244,954	1,460,243	1,638,189
Capital improvements	2,528,636	6,923,572	14,650,674	6,376,491	2,007,365	1,823,880	3,911,318	12,323,872	21,097,420	3,340,246
Total expenditures	<u>44,403,062</u>	<u>52,282,161</u>	<u>62,302,919</u>	<u>58,000,433</u>	<u>56,828,798</u>	<u>59,255,769</u>	<u>65,392,118</u>	<u>76,771,203</u>	<u>102,799,838</u>	<u>76,701,932</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(426,396)</u>	<u>(3,968,393)</u>	<u>(10,949,837)</u>	<u>(2,655,636)</u>	<u>105,920</u>	<u>(108,734)</u>	<u>(1,153,720)</u>	<u>(9,038,132)</u>	<u>(12,304,500)</u>	<u>(2,058,713)</u>
Other Financing Sources (Uses):										
Proceeds from sale of land/capital assets				207,000	11,530	250,000				
Capital lease proceeds		670,910								
Bond/BAN issue proceeds			14,245,000	1,295,000						
Bond/BAN issue premium				155,284						
Loan Proceeds							600,000			
Operating transfers in	2,576,821	2,796,983	2,665,368	1,345,587	2,435,591	1,604,920	2,524,174	2,666,315	4,346,550	4,032,303
Operating transfers out	(2,576,821)	(2,470,281)	(2,177,362)	(1,311,491)	(2,514,633)	(1,604,920)	(2,624,174)	(2,866,315)	(4,346,550)	(4,032,303)
Total other financing sources (uses)	<u>-</u>	<u>997,612</u>	<u>14,733,006</u>	<u>1,691,380</u>	<u>(67,512)</u>	<u>250,000</u>	<u>(100,000)</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(426,396)	(2,970,781)	3,783,169	(964,256)	38,408	141,266	(1,253,720)	(8,638,132)	(12,304,500)	(2,058,713)
Fund Balance at Beginning of Year ***	<u>8,454,039</u>	<u>8,027,643</u>	<u>5,056,862</u>	<u>8,840,031</u>	<u>7,875,775</u>	<u>7,914,183</u>	<u>8,055,449</u>	<u>6,801,729</u>	<u>(139,457)</u>	<u>(12,443,959)</u>
Fund Balance at End of Year	<u>\$ 8,027,643</u>	<u>\$ 5,056,862</u>	<u>\$ 8,840,031</u>	<u>\$ 7,875,775</u>	<u>\$ 7,914,183</u>	<u>\$ 8,055,449</u>	<u>\$ 6,801,729</u>	<u>\$ (1,836,403)</u>	<u>\$ (12,443,957)</u>	<u>\$ (14,502,672)</u>
Debt Service as a Percentage to Noncapital Expenditures	9.76%	9.33%	8.88%	8.69%	8.72%	8.58%	7.00%	7.27%	6.16%	6.52%

\* FY 2003 is the first year with no separate category for licenses, fees and permits. This number is included in charges for services for FY 2003 and all subsequent years.

\*\* FY 2003 is the first year of a new category called contributions.

\*\*\* FY 2008 fund balance is restated at beginning of year due to moving Postemployment Healthcare Fund assets of \$1,696,946 from Fiduciary to Special Revenue 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					
2000	\$ 1,134,385,780	\$ 241,922,500	\$ 107,708,510	\$ 62,497,370	\$ 93,234,790	\$ 1,546,514,160	22.42	\$ 2,168,057,942	71.3 %
2001	1,096,224,910	226,491,370	120,495,420	72,284,680	93,934,960	1,515,496,380	24.50	2,192,380,257	69.1
2002	1,138,255,700	229,372,310	128,024,660	73,230,960	104,381,370	1,568,883,630	25.90	2,625,333,686	59.8
2003	1,166,844,000	238,340,420	134,502,990	76,552,000	107,352,000	1,616,239,410	27.30	2,856,387,891	56.6
2004	1,208,639,570	240,317,650	140,432,000	75,965,880	121,595,680	1,665,355,100	28.30	3,122,648,993	53.3
2005	1,586,977,750	267,882,430	136,128,965	75,657,830	148,530,000	2,066,646,975	23.46	3,156,183,610	65.5
2006	1,633,097,700	270,135,570	148,590,290	77,077,010	149,492,690	2,128,900,570	24.16	3,548,200,958	60.0
2007	1,679,790,240	272,737,650	155,308,220	79,758,880	149,225,860	2,187,594,990	24.85	3,941,612,590	55.5
2008	1,715,393,290	274,339,890	155,657,040	81,609,190	149,230,440	2,226,999,410	25.55	4,128,919,720	53.9
2009	1,742,414,530	275,672,080	158,100,960	85,620,640	170,279,410	2,261,808,210	26.53	4,192,148,210	54.0

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.

**TOWN OF AVON, CONNECTICUT**

TABLE 6

**PRINCIPAL TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Avonplace Associates LLC	\$ 13,934,790	1	0.53 %			
64 Avonwood Rd. Assoc. LLC	13,647,330	2	0.52			
Two Fifty-Five West Main LLC	13,179,390	3	0.51	\$ 8,197,700	4	0.53 %
Connecticut Light & Power	11,855,300	4	0.45	6,244,410	10	0.40
Ensign Bickford Realty Corp.	11,261,660	5	0.43	13,021,520	1	0.84
Avon Marketplace Investors	10,813,240	6	0.41	6,809,740	6	0.44
Riverdale Farms LLC	9,963,070	7	0.38			
Nod Brook LLC	9,660,050	8	0.37			
Family Wellness Center	8,895,050	9	0.34			
Avon Water Company	8,769,840	10	0.34			
Avon Associates, Ltd				11,963,800	2	1
Jackson, Inc.				8,215,320	3	0.53
G. David Lattizori				7,534,230	5	0.49
City Club of Hartford, Inc.				6,782,940	7	0.44
Silvio Brighenti, et al				6,743,700	8	0.44
Connecticut On-Line Computer				6,419,500	9	0.42
	<u>\$ 111,979,720</u>		<u>4.28 %</u>	<u>\$ 81,932,860</u>		<u>5.30 %</u>

Source: Town Assessor's Office

## TOWN OF AVON

## 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
2000	\$	35,235	\$ 35,073	99.55 %	0.45 %	\$ 347	\$ 35,420	100.52 %
2001		37,419	37,234	99.51	0.49	132	37,366	99.86
2002		41,200	41,026	99.58	0.42	149	41,174	99.94
2003		44,718	44,568	99.66	0.34	96	44,664	99.88
2004		47,681	47,591	99.81	0.19	139	47,730	100.10
2005		48,900	48,851	99.90	0.10	114	48,965	100.13
2006		51,865	51,774	99.82	0.18	42	51,815	99.90
2007		54,781	54,677	99.81	0.19	34	54,711	99.87
2008		57,350	57,311	99.93	0.07	60	57,371	100.04
2009		60,287	60,174	99.81	0.19	n/a	60,174	99.81

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

## TOWN OF AVON, CONNECTICUT

**RATIO OF NET GENERAL BONDED DEBT TO  
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property(1)</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (2)</b>	<b>Per Capita (2)</b>
2000	\$ 24,840,000	1.1457 %	\$ 24,840,000	4.60 %	\$ 1,569
2001	21,765,000	0.9928	21,765,000	4.02	1,375
2002	18,965,000	0.7224	18,965,000	2.32	1,161
2003	32,005,000	1.1205	32,005,000	3.79	1,916
2004	28,560,000	0.9146	28,560,000	3.31	1,672
2005	24,860,000	0.7877	24,860,000	2.81	1,421
2006	21,560,000	0.6076	21,560,000	2.38	1,232
2007	18,785,000	0.4766	18,785,000	2.08	1,055
2008	15,285,000	0.3702	15,285,000	1.66	859
2009	12,185,000	0.2907	12,185,000	1.32	685

(1) See Table 5 for taxable property value data.

(2) See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

TABLE 9

## TOWN OF AVON, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

## LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 263,109,532	\$ 275,888,844	\$ 302,480,185	\$ 327,027,981	\$ 348,473,195	\$ 364,104,930	\$ 383,690,160	\$ 404,046,335	\$ 442,469,867	\$ 442,469,867
Total net debt applicable to limit	<u>25,360,560</u>	<u>26,905,186</u>	<u>30,750,062</u>	<u>30,318,112</u>	<u>27,397,166</u>	<u>59,039,437</u>	<u>64,909,268</u>	<u>76,853,667</u>	<u>84,129,441</u>	<u>84,129,441</u>
Legal Debt Margin	<u>\$ 237,748,972</u>	<u>\$ 248,983,658</u>	<u>\$ 271,730,123</u>	<u>\$ 296,709,869</u>	<u>\$ 321,076,029</u>	<u>\$ 305,065,493</u>	<u>\$ 318,780,892</u>	<u>\$ 327,192,668</u>	<u>\$ 358,340,426</u>	<u>\$ 358,340,426</u>
Total net debt applicable to the limit as a percentage of debt limit	9.64%	9.75%	10.17%	9.27%	7.86%	16.21%	16.92%	19.02%	19.01%	19.01%

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 2009 debt limit can be found on Table 12 of this report.

## TOWN OF AVON, CONNECTICUT

## DEBT STATEMENT

AS OF JUNE 30, 2009

## Long-Term Debt:

## Bonds:

General public improvement	\$ 1,515,000
School	10,503,500
Sewer	<u>166,500</u>
Total bonds	12,185,000

## Short-Term Debt:

Bond anticipation notes	<u>28,312,000</u>
Total direct debt	40,497,000

## Less Amount due from State of Connecticut (a)

Existing school bonds	<u>(644,559)</u>
-----------------------	------------------

Total Net Direct Debt	<u><u>\$ 39,852,441</u></u>
-----------------------	-----------------------------

(a) For school construction projects approved prior to July 1, 1996, state reimbursement grants are receivable in substantially equal installments over the life of outstanding school bonds. For school building projects approved after July 1, 1996, the State will reimburse the Town for eligible costs at a rate of 25.71% on a progress payment basis during the construction phase.

## TOWN OF AVON, CONNECTICUT

## CURRENT DEBT RATIOS

AS OF JUNE 30, 2009

Population (a)	17,800 (est.)
Net Taxable Grand List (October 1, 2007) (b)	\$ 2,261,808,210
Estimated Full Value (70%)	\$ 3,231,154,586
Equalized Net Taxable Grand List (2007) (c)	\$ 3,973,388,770
Income per Capita (2000) (d)	\$ 51,706

	<u>Total Direct Debt</u>	<u>Total Net Direct Debt</u>	<u>Total Overall Net Debt</u>
	\$ 40,497,000	\$ 39,852,441	\$ 39,852,441
Per Capita	\$ 2,275	\$ 2,239	\$ 2,239
Ratio to Net Taxable Grand List	1.79%	1.76%	1.76%
Ratio to Estimated Full Value	1.25%	1.23%	1.23%
Ratio to Equalized Net Taxable Grand List	1.02%	1.00%	1.00%
Debt per Capita to Income per Capita	4.40%	4.33%	4.33%

(a) Estimate from Town of Avon, Planning and Zoning

(b) Revalued October 1, 2003, Town of Avon Division of Assessing

(c) Official Statement, Town of Avon BAN Issue of October 15, 2009

(d) State of Connecticut, Department of Labor

**TOWN OF AVON, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Total tax collections (including interest and lien fees)  
received by Treasurer for current fiscal year \$ 60,327,830

Total tax collections (including interest and lien fees)  
received by Treasurers of all other taxing districts within Town for current fiscal year 2,882,151

Base for Debt Limitation Computation \$ 63,209,981

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2-1/4 times base	\$ 142,222,457	\$	\$	\$	\$
4-1/2 times base		284,444,915			
3-3/4 times base			237,037,429		
3-1/4 times base				205,432,438	
3 times base					189,629,943
Total debt limitation	<u>142,222,457</u>	<u>284,444,915</u>	<u>237,037,429</u>	<u>205,432,438</u>	<u>189,629,943</u>
Indebtedness:					
Bonds payable	1,515,000	10,503,500	166,500		
Bond anticipation notes payable	2,360,000	25,952,000			
Bond authorized but unissued	4,200,000	40,083,000			
School building grants		(644,559)			
Sewer assessment receivable			(6,000)		
Net indebtedness (1)	<u>8,075,000</u>	<u>75,893,941</u>	<u>160,500</u>		
Debt Limitation in Excess of Outstanding Debt	<u>\$ 134,147,457</u>	<u>\$ 208,550,974</u>	<u>\$ 236,876,929</u>	<u>\$ 205,432,438</u>	<u>\$ 189,629,943</u>

(1) The total of the above net indebtedness amounts to: \$ 84,129,441

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 442,469,867

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars) (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Median Age (3)</b>	<b>Education Level in Years of Schooling (4)</b>	<b>School Enrollment (5)</b>	<b>Unemployment Rate (6)</b>
2000	15,800	\$ 540,423	\$ 34,204	37.7	16	2,717	1.1
2001	15,832	541,518	34,204	37.7	16	2,914	1.7
2002	15,832	818,609	51,706	37.7	16	2,984	2.6
2003	16,332	844,462	51,706	37.7	16	3,071	3.2
2004	16,707	863,852	51,706	37.7	16	3,245	3.4
2005	17,082	883,242	51,706	37.7	16	3,319	2.9
2006	17,500	904,855	51,706	37.7	16	3,446	2.7
2007	17,500	904,855	51,706	37.7	16	3,519	3.1
2008	17,800	920,367	51,706	37.7	16	3,532	3.7
2009	17,800	920,367	51,706	37.7	16	3,613	5.5

Sources:

- (1) State of Connecticut, Department of Health Services - Population Estimates  
Town of Avon, Planning Department
- (2) Formula of population times per capita personal income, divided by one thousand
- (3) U.S. Department of Commerce, Bureau of the Census, 1990 and 2000
- (4) U.S. Department of Commerce, Bureau of the Census, 1990 and 2000  
1990 Census: percentage of Avon population with Bachelor's Degree or higher is 52.4%  
2000 Census: percentage of Avon population with Bachelor's Degree or higher is 62.0%
- (5) Town of Avon, Board of Education
- (6) State of Connecticut, Department of Labor

TABLE 14

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

<b>Employer</b>	<b>2009</b>			<b>2000</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>
Town of Avon	546	1	0.07 %	420	1	0.06 %
Connecticut On-Line Computer Center	320	2	0.04	220	3	0.03
Wal-Mart	220	3	0.03			
Women's Health USA	210	4	0.03			
Big Y Supermarket	195	5	0.02	210	4	0.03
Avon Health Center, Inc.	186	6	0.02			
O.F.S Fitel LLC	177	7	0.02			
Legere Group	155	8	0.02			0.00
Reflexite Tech Center	91	9	0.01			
Petroleum Meter and Pump	68	10	0.01			
Security-Connecticut Life Ins. Co.				401	2	0.05
Hartford Insurance				167	5	
Eastern Color Printing				151	6	0.02
Lucent Technologies				150	7	0.02
A. Rotondo & Sons				120	8	0.02
M.H. Rhodes, Inc.				120	9	0.02
Reflexite Corp.				91	10	0.01
	<u>2,168</u>		<u>0.27 %</u>	<u>2,050</u>		<u>0.27 %</u>

Source: Town of Avon, Official Statements

## TOWN OF AVON, CONNECTICUT

## FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

JUNE 30, 2009

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<u>General Government</u>										
Manager	3.0	3.0	2.3	2.3	2.3	2.3	2.3	2.0	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	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Building	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Other	14.0	13.0	12.7	12.7	12.7	12.7	12.7	12.0	11.0	11.0
<u>Public Safety</u>										
Officers	43.0	43.0	43.0	43.0	42.0	41.0	40.0	39.0	39.0	39.0
<u>Public Works</u>	30.0	30.0	30.0	29.0	29.0	29.0	28.0	29.0	28.0	29.0
<u>Parks and Recreation</u>	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<u>Public Library</u>	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0
<u>Human Services</u>	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
<u>Board of Education</u>										
Certified	289.0	302.0	395.0	387.0	384.0	399.0	374.0	346.0	321.0	312.0
Total	400.0	413.0	505.0	496.0	492.0	506.0	479.0	449.0	423.0	414.0

Source: Annual Operating Budgets

Notes: Building includes Fire Marshal. Other includes Town Clerk, 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.

**TOWN OF AVON, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**JUNE 30, 2009**

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<u>General Government</u>										
Marriage licenses issued	119	128	125	213	156	174	145	183	176	178
Civil Unions Recorded (new in 06/07)	1	2	2	6	N/A	N/A	N/A	N/A	N/A	N/A
Birth certificates issued	129	126	137	154	158	153	150	164	155	175
Death certificates issued	185	192	158	194	166	182	181	167	157	155
<u>Boards and Agencies</u>										
Registered voters	11,943	11,297	11,087	11,100	11,348	10,488	10,341	10,685	10,564	9,871
Elections and referenda	4	5	3	3	3	5	3	2	2	4
<u>Planning and Development</u>										
Building permits issued	525	635	562	700	750	732	654	600	607	675
Building inspections conducted	1,961	2,546	2,524	3,700	3,750	3,984	2,535	2,500	2,500	2,500
Value of building permits	17,946,028	24,403,569	24,586,378	23,358,000	51,801,012	36,897,500	49,938,726	33,243,701	53,307,370	26,926,405
<u>Public Safety</u>										
Arrests	281	289	292	350	346	351	318	263	250	286
Parking violations	69	72	78	67	101	146	200	203	255	285
Traffic violations	5,078	6,337	5,992	5,173	5,476	4,982	4,240	4,177	3,095	3,926
Emergency responses	1,247	1,307	1,265	3323	3,136	3,420	4,278	3,871	3,612	3,376
Fires extinguished	8	28	15	18	17	22	26	22	27	N/A
Inspections/fire prevention	392	620	1,369	1,488	1,460	1,404	1,540	1,360	1,297	1,244
Calls for service	27,398	25,389	23,846	30,885	28,940	25,525	31,000	28,140	26,800	29,005
Citations issued	3,945	4,421	4,230	4,014	4,388	3,810	2,594	2,489	2,433	2,993
<u>Public Works</u>										
Miles of roads maintained	108	104	103	102	100.58	100.13	97.26	96.27	94.95	N/A
Refuse collected (tons per year)	950	1,029	1,065	N/A	1,107	1,095	N/A	N/A	N/A	N/A
Recyclables collected (tons per year)	726	931	933	N/A	809	719	N/A	N/A	N/A	N/A
<u>Parks and Recreation</u>										
Total park reservations	2,026	2,767	4,399	2,934	1,581	1,553	1,413	1,023	998	975
Total day camp registrations	659	612	554	486	467	286	285	290	357	347
Total swim memberships	403	437	530	507	495	447	415	508	574	612
Pool attendance	10,593	13,254	17,539	18,009	19,434	12,527	11,155	19,159	20,409	19,768
<u>Public Library</u>										
Volumes in collection	82,067	80,085	80,174	80,000	79,138	80,032	81,758	78,600	73,871	72,345
Items circulated	294,443	305,843	317,900	307,661	300,069	299,178	295,300	238,000	235,246	231,990
<u>Human Services</u>										
Senior mini-bus trips	3,507	3,472	3,601	3,833	3,279	2,950	2,515	2,454	2,663	2,194
Households provided energy assistance	35	27	49	35	30	30	57	89	104	129
Households provided food bank assistance	89	74	73	75	70	65	65	65	60	65
<u>Education</u>										
Elementary schools	2	2	2	2	2	2	2	2	2	2
Grade 5/6 schools	1	1	1	1	1	1	1	0	0	0
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

N/A: Information is not available

TABLE 17

## TOWN OF AVON, CONNECTICUT

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

JUNE 30, 2009

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<u>Public Safety</u>										
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	29	28	25	20	17	22	25	23	31	28
Fire vehicles	14	13	13	12	12	12	17	15	16	14
<u>Public Works</u>										
Miles of town roads	108	105	104	102	100.39	100.23	96.57	95.18	94.87	96
Linear feet of sidewalks (See Note)	49465	49465	49465	100	N/A	N/A	N/A	N/A	N/A	N/A
Streetlights	836	792	802	787	781	773	760	756	707	688
Traffic signals	12	12	12	12	12	11	11	11	9	9
Public works vehicles	33	33	33	33	32	33	34	31	31	30
<u>Parks and Recreation</u>										
Acreage (parks only)	1155	1155	1155	1155	1155	1155	1155	1122	807	791
Parks and greens	14	14	14	14	14	14	14	13	11	11
Athletic fields (includes Board of Education)	30	30	30	30	27	27	27	27	25	23
Swimming pools	2	2	2	2	2	2	2	2	2	2
<u>Public Library</u>										
Library	1	1	1	1	1	1	1	1	1	1
<u>Human Services</u>										
Senior center	1	1	1	1	1	1	1	1	1	1
<u>Education</u>										
Schools	5	5	5	5	5	5	5	4	4	4
<u>Water</u>										
Fire hydrant rentals	709	684	684	614	595	579	579	573	573	491
<u>Sewer</u>										
Sanitary sewers (miles)	76.36	72.75	70.58	68.46	67.74	64.47	61.23	59.6	57.1	57.42
Storm sewers (miles)	43.12	41.62	39.59	38.43	38.23	37.21	34.79	33.63	33.46	33.24

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.