

# **TOWN OF AVON CONNECTICUT**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Prepared By:  
Department of Finance

Director of Finance:  
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**TOWN OF AVON, CONNECTICUT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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# TOWN OF AVON

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**PUBLIC WORKS**

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December 21, 2015

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, 2015.

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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Avon's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### ***Profile of the Town of Avon***

Avon, formerly Northington, or North Parish of Farmington, was settled in 1645. In 1830, after the construction and opening of the Towpath Canal, Avon was incorporated as a separate Town and took its name from the Avon River in England. Avon is located approximately ten miles west of metropolitan Hartford, has a land area of 22.6 square miles and an estimated population of 19,900 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. Avon is at 80% build-out, but there still remains approximately 20% 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 increase in population resulting in an increased number of voters, 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, recreation and parks, library, planning and community development including zoning, and a K-12 public education system. The Town has no sewer treatment facility of its own, but instead contracts with the neighboring towns of Canton, Farmington, and Simsbury for treatment of sewage

effluent. The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum.

Professional development of town employees, so they may better serve the residents of Avon, is important to our departments. In 2014, 100% of the Avon Building Department staff earned International Code Council (ICC) Certifications. ICC Certifications ensure staff have demonstrated competency in the requirements of the International Codes; this certification program is the oldest, largest, most prestigious credentialing program for construction code administration and enforcement professionals in the United States.

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

### ***Local Economy***

Avon is a desirable low-density suburban community with excellent schools and a high standard of living. Avon, unlike the rest of the nation, continues to experience a moderate increase in the number of new home permits. New single family home building permits have been a major source of revenue. In fiscal year 2014-2015, a total of 23 new, single family homes were permitted with the average value of a residence in the amount of \$411,150, not including the cost of a building lot with an average house size of 3,842 square feet. The number of both commercial permits and other types of residential permits has remained steady with the number of plan reviews and inspections required remaining high.

As of June 2015 the Town's unemployment rate of 3.7% compares favorably to the state's average of 5.4%. Avon's per capita personal income is \$61,754 versus the state's average, which is \$37,807.

Avon is fortunate to have a well-balanced diverse mix of business and industrial uses, medical services, and a variety of quality housing. Major industries with headquarters or divisions located within the Town of Avon include Old Castle, manufacturers of concrete products; Connecticut-On-Line Computer Center, a centralized computer facility for northeast banks; Coupons Inc., an Internet coupon service provider; Ironwood Capital Management; Petroleum Meter and Pump; Magellan Health; R.R. Donnelley, Inc.; Legere Group Ltd., woodworking; O.F.S. Fitel LLC (formerly Lucent Technologies), fiber optic manufacturing facility, and Orafol Americas Inc. of Germany (formerly Reflexite Film Fibers, Inc.), World Headquarters (located in Avon Park South since 1993, completed construction of a 53,000-square-foot addition to their manufacturing facility). Several major insurance-related companies are also located in Avon including Women's Health USA, AUL Reinsurance Management, Ballentine Capital Management, Inc., Odyssey America Reinsurance, Apple Health Care, Adams and Knight Advertising, 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 are more than 1,000,000 square feet of existing retail space, 950,000 square feet of office space, and 600,000 square feet of manufacturing space primarily along Route 44, with traffic counts in the range of 30,000

vehicles per day. The Town estimates there are roughly 400,000 square feet of future expansion availability evenly split between office and industrial with about 150,000 square feet of possible future retail. There are nine bank branch offices located in Town including several national and community based banks. Avon is home to three championship golf courses, two private and one public. The Blue Fox Run Golf Course 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, Saint Francis Hospital Medical Center housed in a 25,000 square foot facility, the 20,000 square feet Helen and Harry Gray Cancer Treatment Center operated by Hartford Hospital, and the 20,000 square foot Hartford Hospital walk-in clinic on Route 44.

The Fresh Market grocery store was completed and opened in February 2012, and a 20,000 square foot office building was completed in 2013. Many new businesses have opened, some existing businesses have relocated and/or renovated, and some are now under construction. Several developers are under contract regarding the potential reuse of existing sites and development in the central business district, totaling approximately 90 acres, with hopes of creating a small town center incorporating existing businesses with new housing, retail, and educational facilities. In 2015, the Residence at Brookside, a senior housing community for Independent Living, Assisted Living and Reflections Memory Care was completed. Also, two residential developments, totaling 92 lots, are under construction.

The October 1, 2013 Grand List declined by \$129,746,090 to \$2,559,080,530, or a decrease of 4.83%, from the 2012 Grand List of \$2,688,826,620. Real estate decreased \$139,782,580, or 5.72%. Fiscal year 2015 was part of the State of Connecticut mandated five-year Revaluation cycle. The Town conservatively budgets revenues such as building permit activity and conveyance fees, which are highly dependent on the economy and current market conditions. Building permits issued for 2014-2015 indicate a total value of \$35,540,625. The Town is not highly dependent on State revenues (represents 5.89% of the Town's total revenues), and because the Town's budget process occurs much earlier than the State's budget schedule, it forces the Town to estimate grants at the current level of funding or based upon the legislative estimates provided at that time. This approach has worked well for the Town.

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.

In the *Hartford Magazine* November 2011 issue "Best Towns", Avon ranked fourth among the 15,000-25,000 population category. In their August 2013 issue, "Top Towns", Avon was, again, ranked fourth as the most desirable community among the 15,000 to 30,000 population category, and tenth overall for all Connecticut towns, regardless of size. In *Connecticut Magazine*, the November 2013 issue, Avon was ranked in the top 15 of Connecticut Towns with a median home sale price of \$300,000 and up. The *Safe Choice Security Blog* named Avon in its top 20 Safest Cities in Connecticut listing in August 2014. The Hartford Courant, in June 2015, recognized Avon as the home of the First Company Governor's Horse Guard in their "Hometown Proud: Greater Hartford's Top Towns".

Families with children continue to seek access to Avon's excellent school system, and an increasing number of older active adults, anxious to take advantage of Avon's lifestyle and amenities, have kept housing prices relatively stable. A number of citizens have expressed concern over the 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 estimated current population in 2015 being 19,900. 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 three functions exceeds the growth of Town expenditures as a whole. For a ten-year period, expenditures in the public works function grew 55%, mostly due to increased demands for services and road maintenance during the past winter seasons and expenditures for the health and social services function grew at 48% due to an increase of client services. Expenditures for the Board of Education function grew at 54% due to increased school enrollment; all compared with a 43% increase in total Town expenditures.

In 2011, *Hartford Magazine* named Avon High School the number one public high school in Hartford County for the second year in a row. *Newsweek Magazine* listed Avon High School as one of 12 Connecticut schools named in their "America's Best High Schools" list for 2011. The school is ranked 281st out of 500 high schools around the country, based on a formula that weighs such factors as student-to-teacher ratio, graduation rate, Advanced Placement tests, the percentage of college-bound students and average SAT scores. In a September 2013 article in *Forbes Magazine*, Avon was highlighted as one of "the best school districts with home prices less than twice the regional median". *US News and World Report* awarded the school a silver medal in its ranking of "America's Best High Schools" in 2009, and again in 2013, also ranking Avon High School 14<sup>th</sup> within Connecticut in the 2013 report. *U.S. News*, in 2014, awarded Avon High School a Silver Medal based on a national review of student performances on state assessments and overall college preparation. In 2015, NICHE, a marketing research company specializing in education statistics, placed Avon Public Schools 20<sup>th</sup> in the state.

In 2011-2012 a Strategic Plan for the Avon Public Schools was achieved through a collaborative process that resulted in a conceptual map for the Board of Education for the next five years. A formal curriculum revision process is underway in English Language Arts and Mathematics, grades Kindergarten through 12, with all the other content areas to follow in the immediate future. During the 2013-2014 school year, Avon Public Schools met many new state requirements in the area of curriculum revision (Common Core State Standards), evaluation of certified staff, and completed the NEASC accreditation process at Avon High School. Among the most significant accomplishments achieved in the 2013-2014 school year were full day kindergarten with a half day option, world language (Spanish) instruction in grades kindergarten through 6, and newly added courses and sections to the Avon High School Program of Studies in social studies, English, and applied education. Plans at the high school also include establishing a pilot internship program for grade 12 students and the implementation of an Advisor/Advisee program. Additionally, during the 2014-2015 school year, a highly successful pilot internship program was implemented and a Chinese language program was introduced in Kindergarten through grade 2 and at the high school level.

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

In September 2008, a dedication ceremony of the \$30,698,000 Addition and Renovation to the Avon High School project took place; the expansion was done to accommodate the building's maximum capacity from its original designed 850 students capacity to the projected enrollment of 1,200 students by the 2012 school year. The project was completed 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, with 2.5% in inflation adjustments made in each subsequent year for facility operating costs. The audit of the school construction grant for the high school project has been accepted by the Board of Education. The final payment was received in March 2015.

The 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 tax calculator that allows residents to view the impact of the revaluation of property when it occurs and for every proposed budget, including the 2015-2016 fiscal year.

The Town presented and adopted at an October 22, 2009 referendum, an appropriation of \$9,500,000, with authorization for the issuance of up to \$8,000,000 of notes and bonds, for renovations and additions to the Avon Free Public Library. Construction commenced in the winter of 2010, with the ceremonial groundbreaking in early January 2011. The Library expansion, which was completed in April 2012 (despite a difficult weather year with Storms Alfred and Irene) at a total cost of \$8.61 million (roughly \$900,000 under the original budget), doubled the square footage and significantly impacted building operating and staff costs. The improvements allowed the Library to expand its print and non-print collections and the programs offered to the public, which are projected to be needed for the Town's build-out population of 21,000. The Avon Free Public Library received a \$1,000,000 Connecticut State Library construction grant, with the remainder of this approximately \$9,500,000 total construction project funded by notes, bonds, fundraisers, and donations. The Town rolled over a series of Bond Anticipation Notes for temporary financing for the expansion and renovations. On October 30, 2012, the Town issued General Obligation Bonds in the amount of \$7,100,000 at a rate of 2% maturing June 15, 2028.

In March 2012, a Master Plan was approved to create a bicycle and pedestrian friendly village center on a 90 acre parcel of undeveloped land located north of the Town Hall complex, in Avon Park North. This project, which is currently under contract, could result in upwards of 400,000 square feet of mixed-use commercial space, 400 residential units, and grand list growth yielding between \$1.7 million and \$2.5 million in new revenue.

In May of 2012, the Town was pleased to learn that the State of Connecticut committed to fund 100% of the cost for the Old Farms Road Bridge replacement, Rt. 10 intersection improvements, and reconstruction of Old Farms Road between Rt. 10 and Tillotson Road. These projects have been on the Town's CIP program for more than twenty-five years. Since fiscal year 2013-2014, the Engineering Department has been working with the Connecticut Department of Transportation on the project's final design and permitting. It will continue through 2017, with construction anticipated to commence in the summer/fall of 2018.

Potential projects that would require long term financing by the Town and are currently being discussed include the development of additional athletic fields and facilities, the replacement Fire Station (Company Number 2 Secret Lake), and the Old Farms Bridge Replacement and Old Farms Road Relocation Projects.

The Town is in a multi year lease agreement with a telecommunications service provider, which will generate rental income for the Town, as well as provide additional antennae space for municipal communications.

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

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

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

A trust fund for other post employment benefits has been created, which allows the Town to invest more aggressively for this liability. The pension investment advisor makes recommendations as to how the money is invested and the Ad Hoc Pension Investment Advisory Committee reviews the recommendation before approval and implementation. The Retiree Medical Benefits Reserve Fund, which was created pursuant to the authority granted under Section 7-403a of the Connecticut General Statutes, will continue to exist until exhausted with a portion transferred to the trust fund on an annual basis to supplement the budgeted amount. The plan is to phase-in, over a total period of seven years, increasing contribution so that in the final year of the phase-in, the annual required contribution would be met.

The Town has acted to establish policies regarding Fund Balance. On December 6, 2001, the Town Council adopted a policy to establish, as a long-term goal, a 10% Unreserved Undesignated General Fund Balance and to retain sufficient undesignated fund balances (10% or more) in the Special Revenue Funds. There was no budgeted use of Unassigned General Fund resources for the fiscal year 2014-2015 budget. Even in the face of increasing operating costs for the Town government, Avon has been able to maintain an adequate surplus in its General Fund. To further manage this surplus, the Board of Finance adopted a policy on the use of surplus funds in December of 2006. Use of the funds may be granted by the Board after receiving a showing of substantial support by the requesting authority and finding the "such use will meet an extraordinary need or unusual opportunity".

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

Per State law, each approved subdivision must contribute a portion of the total property to the Town as dedicated open space or make a payment to the Town in lieu of this land dedication. Over the years this account has now grown close to \$600,000 for the Open Space Fund, which is used solely for the acquisition of open space in other areas of Town. The Town is constantly looking to acquire open space when it makes sense and is reasonably priced.

### ***Major Initiatives***

The Town continues to contract out for grounds and building maintenance, janitorial services and snow removal. Avon was recognized by the Capital Region Council of Governments (CRCOG) with an Inter-town Cooperation Award for success in its participation in public-private projects. The Town participates in regional purchasing and cooperative bidding through the State of Connecticut, CRCOG, Connecticut Conference of Municipalities, and other consortiums. The Town participated in numerous joint processes including: the public-private partnership to install lighting at the Avon Middle School tennis courts, playscapes at the Pine Grove and Roaring Brook Schools, an inter-local agreement with the Town of Farmington in pursuit of a live fire training facility, and the State's Intertown Capital Equipment (ICE) Program (a venture with several other area communities to purchase capital equipment to share jointly). The Town and the Board of Education continue to explore ways to streamline operations as outlined in the Matrix Study, the study performed by an outside consultant regarding the combining of Town and Board of Education administrative and operational procedures relating to finance, facilities and human resources. The study is complete, and three administrative improvements resulting from the study that have been implemented are: the time and attendance software, the upgrade to the Town's financial system, and the shared access to data for the Town and Board of Education financial system. These investments will greatly improve the operational efficiency across departments.

A special study for Avon Center, which was part of the Town-wide Plan of Development, proposed 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. To date, the Town has received more than \$915,000 in funding under the Small Town Economic Assistance Program (STEAP) grant for sidewalk, lighting and other improvements to Avon Center. In March of 2015, an application for the Village Center Streetscape Improvements Phase IV for \$450,000 was approved to finish the work extending the sidewalk and adding additional lighting started in 2010-2011. New sidewalks, granite curbing, and decorative lighting (or conduit for lighting) have been installed on the north side of Route 44 and on the east side of Route 10 between Route 44 and Sperry Park. Phase IV will fund the corresponding improvements to the south side. This project dovetails nicely with a master planning effort that is underway between the Town and Ensign Bickford Corporation in Avon Park North to encourage mixed use development (retail, office and housing) on the 40 or so acres of undeveloped land.

In 2014, the Town entered an agreement with SolarCity to move to clean, renewable solar energy, which will reduce both energy costs and carbon pollution for the Town. SolarCity will provide Avon with solar electricity through a 15-year power purchase agreement (PPA). In 2015, rooftop solar systems were installed at the Avon High School, the Avon Middle School, and the Department of Public Works Garage.

## **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, 2014. This was the thirty-second 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 (GFOA) presented a Distinguished Budget Presentation Award to the Town of Avon for its annual budget for the fiscal year beginning July 1, 2015. This was the thirty-first consecutive year that the government has achieved this prestigious award. In order to receive this award a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report could not have been accomplished without the dedicated services of the Finance group, Claudia Frutuoso, Cruz Saubidet, Laurie Dorn, Jeff Morrow, Susanne Farrah, and Paul Sarpong. I would like to thank the audit team of Blum, Shapiro & Company, P.C. for their guidance and assistance. Due credit should also be given to the Town Manager, Superintendent of Schools, 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 cursive script, appearing to read "Margaret Colligan".

Margaret Colligan, CPFO  
Director of Finance

**TOWN OF AVON  
PRINCIPAL OFFICIALS  
AT JUNE 30, 2015**

**TOWN COUNCIL**

Mark Zacchio, Chairman  
William Stokesbury                      Douglas Evans  
David Pena                                      Heather Maguire

**BOARD OF FINANCE**

Thomas F. Harrison, Chairman  
Catherine Durdan                      Dean C. Hamilton  
Thomas A. Gugliotti                      Margaret Bratton  
James Speich                              Brian M. Stoll

**BOARD OF EDUCATION**

Margaret Roell, Chairperson  
Jay Spivak                                      Wendy Howard  
Katharine Zirolli                              Ames Shea  
Jeff Bernetich                                      Brian Glenn  
Ken Birk    Houston Putnam Lowry

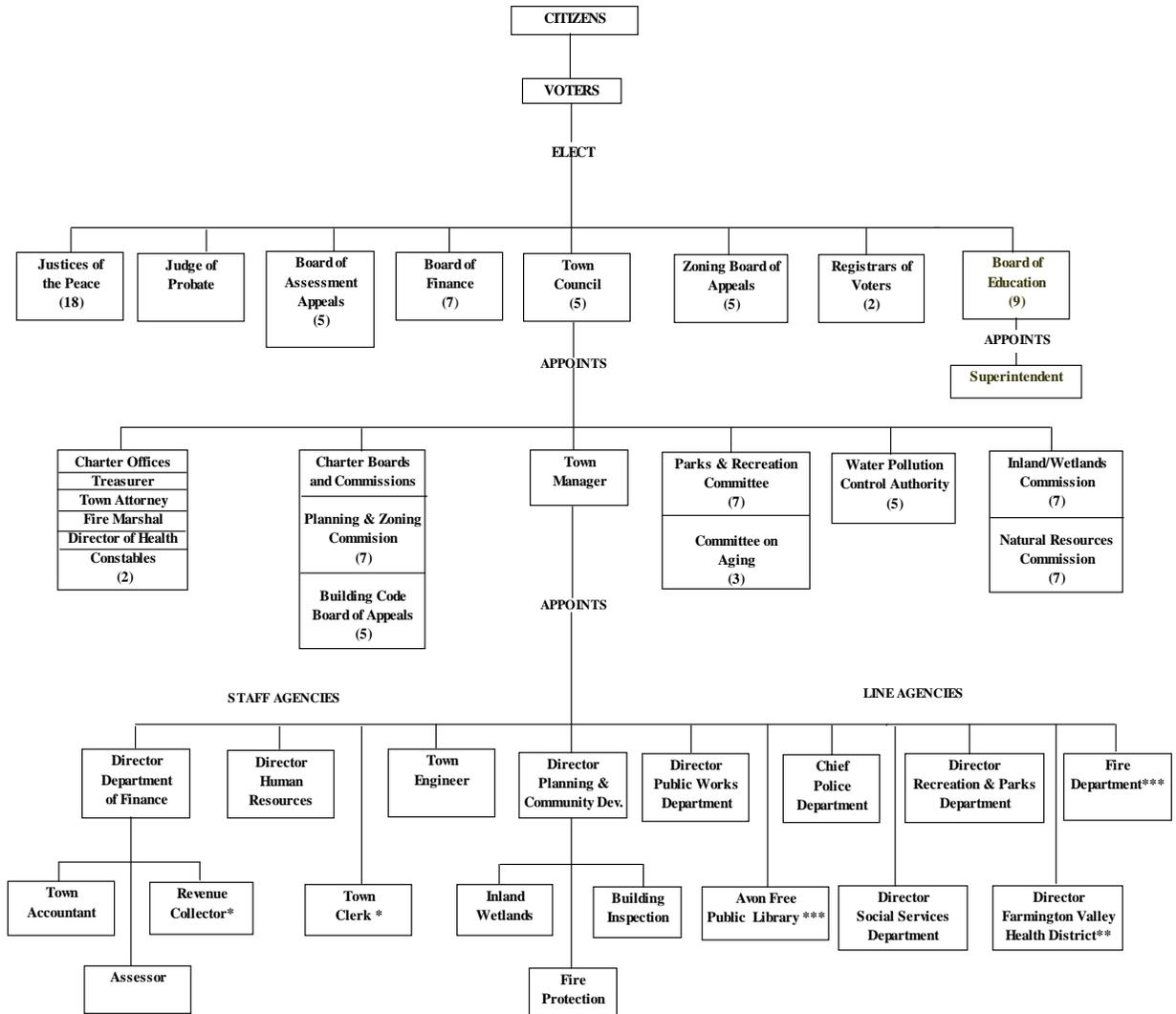
**GENERAL GOVERNMENT**

Town Manager	Brandon Robertson
Assistant Town Manager	Vacant
Town Accountant	Laurie Dorn
Town Attorney	Alfred E. Smith, Jr.
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	Ruth Checko
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	Glenn Grube
Police Chief	Mark Rinaldo
Fire Chief	Michael Trick

**EDUCATION**

Superintendent of Schools	Gary Mala
Assistant Superintendent for Finance & Operations	John H. Spang, Jr.

# 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 and Avon Free Public Library, Inc.

**TOWN OF AVON, CONNECTICUT**

**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



Government Finance Officers Association

**Certificate of  
Achievement  
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in Financial  
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**Town of Avon  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# BlumShapiro

Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Board of Finance  
Town of Avon, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Avon, Connecticut's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

## ***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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Note 8 to the financial statements, during the fiscal year ended June 30, 2015, the Town adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the Town has been restated to recognize the net pension liability required in implementing GASB No. 68. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, and the pension schedules on pages 67 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Avon, Connecticut, as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 16, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet at Exhibit A-3 as of June 30, 2014 and budgetary comparison schedules at Exhibits A-4, A-5 and C-3 through C-11 for the year ended June 30, 2014, are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2014 financial statements. The accompanying General Fund balance sheet and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of the Town of Avon, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Avon, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 21, 2015

**TOWN OF AVON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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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, 2015. 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 2015 fiscal year by \$109,789,104 (net position). Of this amount, \$9,004,794 (unrestricted net position) went to a negative amount as a result of the net pension obligation being recorded as required by adopting GASB No. 68.
- Total net position decreased by \$512,195 primarily due to public works expenses and education related program expenses offset by favorable results in tax collections.
- As of the close of the current fiscal year, governmental funds reported combining ending fund balances of \$20,570,586, a decrease of \$159,233 in comparison from last year's \$20,729,819 (as restated). Of this total amount, \$36,061 is nonspendable (prepaid and inventory), \$344,654 use is restricted by governmental grants or other legal restriction, \$9,136,140 is committed by the Town Council (budget-making authority), \$3,050,722 is assigned and \$8,003,009 is unassigned. \$8,003,009 of General Fund is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,003,009 or 9.17% of total General Fund expenditures and transfers out of \$87,235,861, including the State's contribution and offsetting expenditures for teacher's retirement.
- Total debt decreased by \$2,821,197 or -9.12% to \$28,098,630 (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 position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

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

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

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

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

The Town maintains 15 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 13 governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits IX and X of this report.

**Notes to Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29-66 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 67-73 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 69-96 of this report.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Avon, our assets exceeded liabilities by \$109,789,104 at the close of the most recent fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>As Restated 2014 *</b>
Current assets	\$ 34,294,440	\$ 33,648,513
Capital assets, net of accumulated depreciation	147,125,012	149,031,522
Noncurrent assets	-	253,724
Total assets	<u>181,419,452</u>	<u>182,933,759</u>
Deferred outflows of resources	<u>1,007,441</u>	-
Long-term liabilities outstanding	57,833,141	58,941,483
Other liabilities	8,531,272	7,813,333
Total liabilities	<u>66,364,413</u>	<u>66,754,816</u>
Deferred inflows of resources	<u>6,273,376</u>	<u>5,877,644</u>
Net Position:		
Net investment in capital assets	118,793,898	117,881,652
Unrestricted	<u>(9,004,794)</u>	<u>(7,580,353)</u>
Total Net Position	<u>\$ 109,789,104</u>	<u>\$ 110,301,299</u>

\*FY 2014 has been restated to bring on the beginning net pension liability and the beginning fund balance for the Donations Fund.

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

The Town's net position decreased by \$512,195 during the current fiscal year. Of this amount, \$9,004,794 (unrestricted net position) went to a negative amount as a result of the net pension obligation being recorded as required by adopting GASB No. 68. The Town generated net general revenues of \$73,666,024 and net general expenses of \$74,178,219. Gross expenses of \$91,079,605 were offset by \$5,903,556 in charges for services, \$10,676,357 in operating grants and contributions, and \$321,473 in capital grants and contributions. Of the net expenses, the largest amount was \$51,336,670, which was for the operating of the Town's school system. Net public safety expenses of \$9,081,171, net public works costs of \$5,677,772, net general government costs of \$4,146,321, net educational – cultural expenses of \$1,326,699, interest expense of \$816,154, and recreation and parks expenses of \$764,742 accounted for almost all net expenses. The majority of the Town's revenue was \$72,768,968 in property tax collections, \$16,901,386 in charges for services and grants, and \$897,056 in nonrestricted grants, investment income, miscellaneous and transfers.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Governmental Activities.** Governmental activities decreased the Town's net position by \$512,195. Key elements of this decrease are as follows:

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Revenues:		
Program revenues:		
Charges for services	\$ 5,903,556	\$ 5,926,742
Operating grants and contributions	10,676,357	11,335,763
Capital grants and contributions	321,473	262,989
General revenues:		
Property taxes	72,768,968	71,382,861
Grants and contributions not restricted to specific programs	488,888	587,848
Investment income	87,150	135,539
Miscellaneous	527,893	600,473
Total revenues	<u>90,774,285</u>	<u>90,232,215</u>
Program Expenses:		
General government	4,853,149	3,856,414
Public safety	9,791,364	9,447,490
Public works	8,495,593	7,378,074
Health and social services	566,900	761,000
Recreation and parks	1,189,960	1,254,944
Education - cultural	1,343,538	1,396,274
Conservation and development	492,487	592,945
Board of Education	63,530,460	60,926,974
Interest expense	816,154	921,075
Total program expenses	<u>91,079,605</u>	<u>86,535,190</u>
Transfer to fiduciary fund	<u>206,875</u>	<u>-</u>
Change in net position	(512,195)	3,697,025
Net Position - Beginning of Year	110,301,299	131,758,604
Restatement	<u>                    </u>	<u>(25,154,330)</u>
Net Position - End of Year	<u>\$ 109,789,104</u>	<u>\$ 110,301,299</u>

On the revenue side, Property taxes, which comprise 80% of Town revenues, increased by \$1,386,107 (1.94%) to \$72,768,968 due to high collections on the current levy (99%), supplemental real estate and motor vehicle, and interest and penalties? The mill rate increased 7.60% over the prior year and was set to meet an adopted budget expenditure increase of 2.60%. 65% of the change in the mill rate was attributable to revaluation and 35% of the change was attributable to budget increases. Charges for services saw a decrease of \$23,186. General government reported similar activity in recording and conveyance from the prior year, public safety reported decreased activity in building, structure and equipment permits from the prior year; overall exceeding budget appropriations and both directly related to improvements in the housing market and commercial growth. Education reported a decrease in fees for various programs partially funded by parents, students, and interdistrict tuition payments. Operating grants and contributions and capital grants and contributions decreased \$600,922 primarily in various education program grants and in public works in state funding for road improvements and revenue sharing. Investment income decreased slightly by \$48,389, with short-term

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

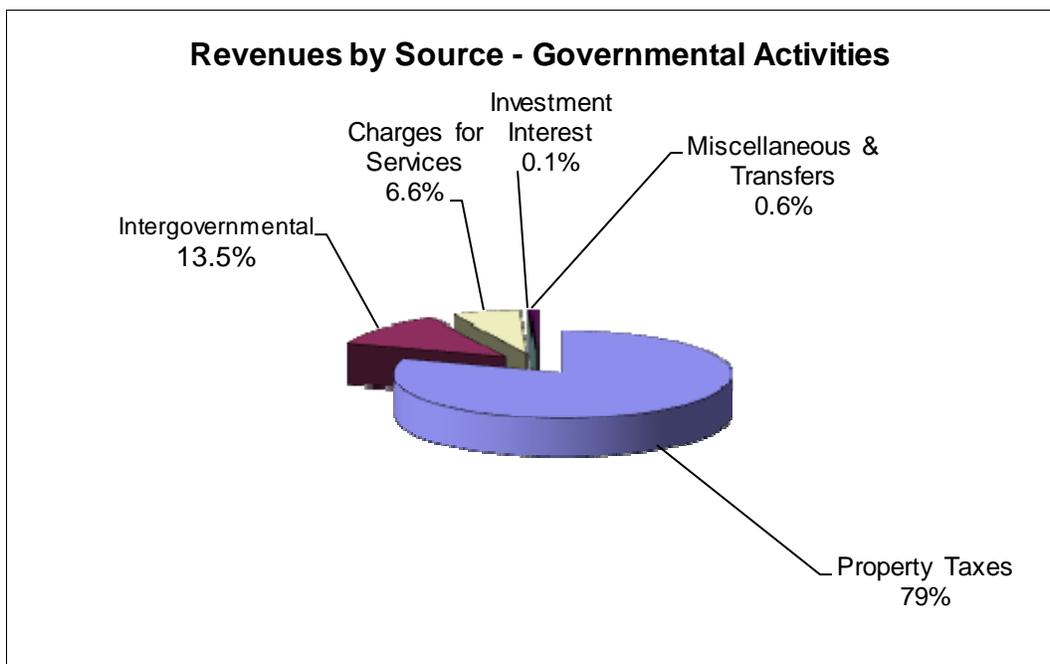
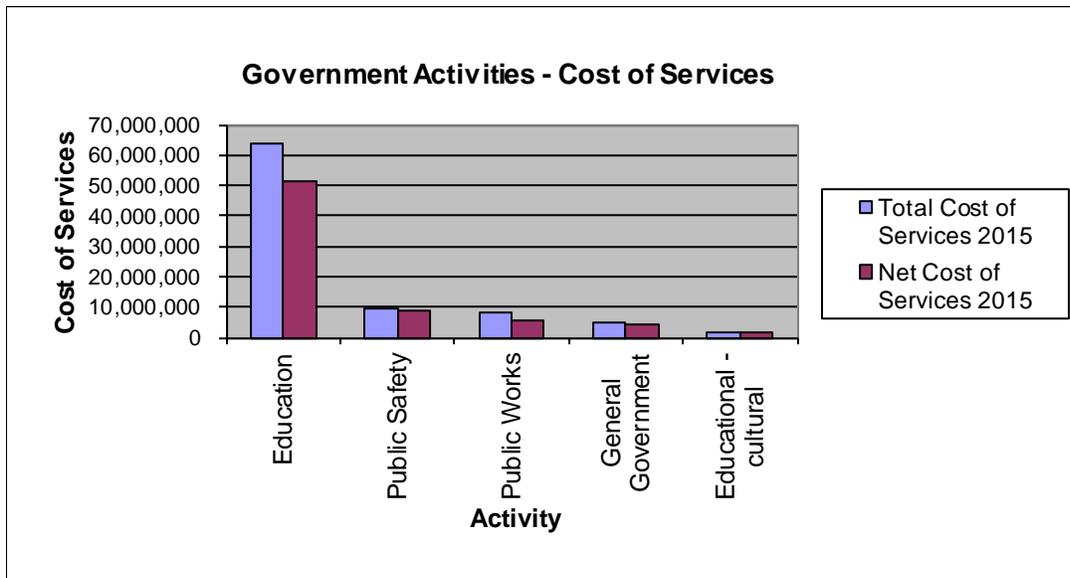
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interest rates remaining very low and miscellaneous revenues decreased slightly in the amount of \$72,580 due to unexpected one-time revenues that occurred in 2014, and were not received in 2015.

Major program expenses in 2015 were about the same to slightly higher for general government, public safety, public works, and education. Program expenses were slightly lower for health and social services, recreation and parks, educational – cultural, and conservation and development. Public safety costs increased (\$343,874), with increased hydrant and water main rental fees, security programs involving threat assessment drills and reports conducted by public safety at the schools and town buildings, overtime and related benefit costs. Public works costs increased (\$1,117,519) for various road work projects, treated salt for winter storm control, labor contract costs that were in negotiations and time of budget approval, and increased volume of repairs for an aged fleet of vehicles. Interest expense showed a slight decrease (\$104,921). The increase in the Board of Education program expenses is related to recording the additional intergovernmental, tuition, and program revenues received along with the associated expenditures and the recording of the on-behalf payment made by the State towards the teacher's retirement (\$5,108,241). There continues to be community expectations for a rate of tax growth that approximates inflation with accompanying requests for additional and higher quality services by our residents. In response to these trends, the Town's budget included a mix of initiatives, which are designed to reduce taxpayer costs in some areas, but also increase services where needed in others. Some examples are continued restructured staffing arrangements in Public Safety (Protection and Communication and School Resource Officer) continued cross training of staff in Conservation and Development (Department of Planning and Community Development), a continued shift of recreation activity and park maintenance costs from the General Fund to be supported by user fees in the Recreation Activities Fund (Special Revenue Fund), continued planning with area towns for shared services arrangements, and increased hours for part-time positions in the Library in an attempt to limit full-time personnel increases with the accompanying benefit costs. The Town has undertaken a conscious policy of trying to restrain the rate of growth in the number of people employed by the Town by seeking alternative methods of service delivery. This has been done by establishing contractual relationships for landscaping and custodial work, bidding snowplowing/sanding on some roads and contracting certain landfill recycling programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 60% of the service charges, \$3,534,950, are generated by public works, public safety and general government. The Board of Education contributed \$1,897,811 or 32% in service fees as well. Avon has never been reliant on state and federal grants that, while helpful in keeping our overall costs down, do not contribute significantly to total revenues.

**Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of Avon's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing our financing requirements. In particular, unassigned fund balance may serve as a useful measure of 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 \$20,570,586, a decrease of \$159,233 in comparison with the prior year. Of this total amount, \$36,061 is nonspendable (prepaid and inventory), \$344,654 use is restricted by governmental grants or other legal restriction, \$9,136,140 is committed by the Town Council (budget-making authority), \$3,050,722 is assigned and \$8,003,009 is unassigned. \$8,003,009 of General Fund is available for spending at the government's discretion (unassigned fund balance).

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,003,009, while total fund balance reached \$11,080,968. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.17% of total General Fund expenditures and transfers out of \$87,235,861, while total General fund balance represents 12.7% of that same amount.

The fund balance of Avon's General Fund decreased by \$1,776,049 during the current fiscal year. Key factors contributing to this decrease was the management plan for use of funds assigned for capital reserve (\$662,384) to offset capital projects for road overlay, management plan for use of funds assigned for defined benefit pension expenditures (\$132,500), and management plan for use of funds assigned for OPEB liability (\$100,000). Additional fund balance assignments were approved for funding future defined benefit pension contributions (\$187,500), for funding future post-employment health benefits (\$225,000) and to fund Debt Service Fund for future retirement expenditures (\$50,000), all offset by favorable tax collections. It should be noted that supplemental appropriations made during the year required the use of \$794,270 of fund balance, for road projects subject to partial and full reimbursement from the State and that \$1,016,209 in encumbrances from 2015 are authorized to be carried over to the following fiscal year, classified as assigned amounts in the General Fund.

The Capital Improvement Fund Account (CIFA) is one of Avon's major governmental funds. Most of the Town's major capital expenditures are processed through this account. Bond anticipation note (BAN) and bond proceeds are also handled in the CIFA account. Fund balance increased \$475,865 from \$4,841,123 to \$5,316,988. The CIFA Fund Balance of \$5,316,988 is committed for capital projects.

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

Net position of the Internal Service Fund at the end of the year amounted to \$2,135,424. The total change in net position for the fund was a decrease of \$340,692 due to unfavorable claims experience. Operating revenues for the fund, representing charges for services that are health insurance premiums paid by Town and Board of Education, amounted to \$9,050,666. Operating expenses for medical claims were \$9,391,358.

**General Fund Budgetary Highlights**

The original budget of \$78,872,477 increased \$2,484,870 during the year to \$81,357,347. The significant supplemental and additional appropriations are noted below:

**Revenues**

- \$794,270 total appropriation from fund balance: \$54,270 for funding payments of insurance benefits under State's Heart and Hypertension laws, and two projects with funding passed through to Capital Projects Fund. First project in the amount of \$340,000 for funding Old Farms Road relocation feasibility study and second project in the amount of \$400,000 for design and analysis for Old Farms Road Bridge. The Town intends to replenish fund balance with reimbursements due from the State on both projects;
- \$662,384 addition from assignment for capital reserve for road overlay passed through to Capital Projects Fund;
- \$480,378 addition from education program grants for Open Choice revenues to fund various school district services and expenditures;
- \$133,350 addition from education program grants (\$73,500), rents and reimbursements (\$52,000) and tuition receipts (\$7,850) to fund the expenditures to the Board of Education;
- \$132,500 addition from assignment for pension for contributions;
- \$100,000 addition from assignment for post-employment benefits for future liabilities passed through to OPEB Trust Fund;
- \$98,076 addition from additional revenues received in supplemental motor vehicle taxes that covered payroll expenditures in excess of interdepartmental transfers;
- \$20,172 addition from Youth Services Bureau Grant;
- \$13,740 addition from State of Connecticut grant for historic preservation (\$10,067) and donations and grants, private sources (\$3,673) from Avon Historical Society for restoration of windows at the Pine Grove Schoolhouse;

**Expenditures**

- \$480,378 for funding technical equipment, professional development and personnel costs to Avon Public Schools;
- \$133,350 to fund the expenditures to the Board of Education;
- \$132,500 for funding Town employee retirement expenditures;
- \$98,076 for funding payroll expenditures in excess of interdepartmental transfers in Public Safety overtime (\$88,721), Library part-time (\$3,436) and Zoning Board of Appeals \$5,919);
- \$54,270.01 for funding payment of health and dental insurance benefits under State's Heart and Hypertension laws to Claims & Losses, Services – Other;
- \$20,172 for health and social services to fund the Youth Services Program;
- \$13,740 for funding restoration of windows at Pine Grove Schoolhouse;

Of the increase, \$98,076 was funded out of property taxes, \$584,117 from intergovernmental increases in various grants, and \$63,523 was funded from charges for services and other local revenues, with detail as provided in the highlights above. \$794,270 was budgeted from

available fund balance and \$944,884 was budgeted from assignments for various purposes with the detail provided in the first, second, fourth and fifth bullets under General Fund Budgetary Highlights, Revenues and in the second, third and fifth bullets under Expenditures.

**Capital Asset and Debt Administration**

**Capital Assets.** The Town of Avon's investment in capital assets for its governmental assets includes land, buildings and improvements, land improvements, equipment, vehicles and infrastructure (roads, sewer lines, storm drains). The total net decrease in our investment in capital assets for the current fiscal year was \$1,906,510 (1.2%). Multi-year projects carried in the capital asset category of construction in progress were transferred to their appropriate asset class, along with accumulated depreciation, which diluted the capital asset addition amount.

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

- Bertha Lane Sewer Extension Project, costing \$96,031;
- Country Club Road Improvements, at a cost of \$217,102;
- Fire Engine Replacement for \$263,880;
- ADA Code Compliance (Board of Education) at \$137,202;
- Board of Education Roaring Brook School Classroom Flooring & Ceiling Project costing \$161,804;
- Fire Alarm for \$145,881;
- Replacement of the Old Wheeler Lane Bridge Project, for a cost of \$122,897;
- Purchase of new Freightliner Plow Truck, costing \$194,004;
- Two 2015 Chevy Silverado K3500 Trucks, for a total of \$115,055;
- Purchase of 2014 Takeuchi (DPW) for \$94,999;
- Grounds Division Replacement purchase of Toro Groundsmaster 4100-D for a cost of \$60,343;
- Board of Education Middle School Tennis Court Lighting Project at \$45,770;
- Board of Education- Energy Efficiency Improvements Project for a cost of \$48,339;
- New Ford Explorer truck at a cost of \$49,340;
- Chevy Tahoe K1500 SP for \$46,624.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

	<b>Activities</b>	
	<b>2015</b>	<b>2014</b>
Land	\$ 7,662,553	\$ 7,662,553
Construction in progress	3,284,730	2,359,700
Land improvements	1,317,225	1,225,858
Buildings and improvements	92,034,920	94,455,704
Equipment	6,010,709	5,778,389
Vehicles	2,034,592	2,286,902
Infrastructure	<u>34,780,283</u>	<u>35,262,416</u>
<b>Total</b>	<b>\$ <u>147,125,012</u></b>	<b>\$ <u>149,031,522</u></b>

Additional information on the Town of Avon's capital assets can be found in Note 3C on page 40 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the Town of Avon had \$27,635,000 of long-term general obligation bonded debt issued and outstanding. All of the Town's debt is general obligation and backed by the full faith and credit of the Town.

**OUTSTANDING DEBT  
GENERAL OBLIGATION BONDS  
JUNE 30, 2015**

<b>Date</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Original Issue</b>	<b>Debt Outstanding</b>	<b>Date of Fiscal Year Maturity</b>
7/15/02	Fisher Farms Open Space	3.00-5.00	\$ 1,295,000	\$ 82,000	2016
7/15/02	Thompson Brook School	3.00-5.00	14,245,000	918,000	2016
10/15/09	Town Hall Renovations	2.00-3.25	2,295,000	1,695,000	2027
10/15/09	High School Renovations	2.00-3.25	23,218,000	17,045,000	2027
10/15/09	Avon Middle School Roof AFPL Renovations,	2.00-3.25	2,372,000	1,745,000	2027
10/30/12	Additions, Improvements	2.00	<u>7,100,000</u>	<u>6,150,000</u>	2028
	<b>Total Bonds</b>		<b>\$ <u>50,525,000</u></b>	<b>\$ <u>27,635,000</u></b>	

The Town of Avon's total debt decreased by \$1,023,727 (-1.64%) during the current fiscal year. 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 & Poor's for all of its general obligation debt. In September 2012, the Town's credit rating was affirmed by both Moody's and Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees (seven times \$76,128,751). For June 30, 2015 the maximum amount of borrowing permitted under the formula would be \$532,901,257.

With net borrowings of \$27,635,000 the Town of Avon's outstanding general obligation debt is \$532,901,257 below the maximum debt limitation (see "Schedule of Debt Limitation" on Table 13 of this report).

Additional information on the Town's long-term debt can be found in Note 3E on pages 42-43 of this document.

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

- Grand list growth is expected to increase by .73%.
- Property tax collections will exceed 99% with the reserve for uncollectible at \$605,565.
- Assessment appeals and tax refunds will approximate 1% of tax revenues.
- Anticipation that new single family housing permits remain level as the Town matures. Housing prices have remained relatively stable.
- Revenues from building, structures and equipment permit activity and recording and conveyance fees, based on current sales of existing properties and current mortgage interest rates are projected to remain flat.
- Discretionary grant revenues are expected to increase in some areas and remain essentially the same in others. The Town's adopted budget for 2016 reflects a net increase in State and Intergovernmental grants of \$43,329 or .88% as compared to 2015, primarily due to the Board of Education grant activity for Special Education Excess Cost and Open Choice Attendance coupled with a significant decrease in Town Aid Road Funds. Although Avon receives a small portion of its revenues from state grants, reductions in these grants do have an impact 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 use charges increased to \$325 per year, sewer assessment revenues are expected to decrease, sewer connection revenues are expected to increase, and landfill fees are anticipated to decrease slightly as a result of less bulky waste revenues due to E-waste recycling.
- The Town has projected investment income to remain flat at \$90,000, due to historically low interest rates pushed down to nearly zero.
- Personal services (salary and benefits) increase (not including sewers) will amount to \$849,349 (73.61%) of the Town General Fund expenditures. Overall wages increased by \$448,320 as compared to 2015. The Town operating expenditures reflect hourly newly funded Public Safety positions, hourly increases for non-organized personnel, classification adjustments and step increases and auto allotments. Two previously ½ year funded police officer positions and one previously unfunded police officer position have been funded full year, the formerly contracted Animal Control Officer has been hired as a part time employee by shifting funds from services and supplies to personal services, and the School Resource Officer remains authorized with the cost supported by a \$76,000 offset from the Board of Education budget, net impact to Town's budget remains at \$16,945. The total number of full-time positions remains at 106.
- Increased insurance premium sharing by employees. All current employees contribute 15% - 20%; all new hires for Police, Dispatch, Non-Organized and Public Works contribute 20% toward both health and dental care.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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- Employee benefits have increased by \$410,468 (5.95%). The increase is caused by a number of factors including increased contribution to the defined benefit plan (\$107,433 or 4.04%), where the interest rate return assumption has been reduced from 7.5% to 7.375%, which also increased the funding requirement. Hospitalization funding increased \$80,038 or 5.18% mitigated by participation of twenty-seven (27) employees opting out through the Town's Health Insurance Waiver Program. The budgeted OPEB contribution will increase (\$125,000) each year over the next several years, supported by supplementing the budgeted amount with a contribution from the Post Retirement Medical Benefits Reserve Fund until exhausted, with the plan of full funding for the annual required contribution supported in the budget. Effective 7/1/2013, the Town of Avon does not provide post-retirement medical benefits to those Dispatcher retirees, or their family, if hired after 7/1/2013. Effective 7/1/2014, the Town of Avon does not provide post-retirement medical benefits to those Public Works retirees, or their family, if hired after 7/1/2014.
- 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.
- 80% of the Board of Education budget relates to teacher salary and benefits.
- Continue cooperative ventures regionally, and with the Town and Board of Education. Renewed arrangements with the Town of Canton to provide Assessing services, but the Animal Control Officer Services with Canton are discontinued.
- Large multi-year capital projects, on a phased-in basis, include the fire apparatus (fire truck) replacement, underground fuel storage tank replacement and for the Board of Education at various schools: flooring replacement at Avon High and Pine Grove, heating, ventilating and air conditioning units at Roaring Brook and science labs at Avon Middle School.
- At the close of the 2015 fiscal year, unassigned fund balance in the General Fund amounted to \$8,003,009. The Board of Finance has decided no use of General Fund unassigned fund balance to mitigate the tax impact for the 2016 budget.

All of these factors were considered in preparing the budget for the 2016 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 POSITION  
JUNE 30, 2015**

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 32,146,492
Investments	1,346,232
Receivables, net of allowance for uncollectibles	
Property taxes	276,758
Assessments	236,679
Intergovernmental	127,626
Accounts	124,592
Other current assets	36,061
Total current assets	<u>34,294,440</u>
Noncurrent assets:	
Capital assets, nondepreciable	10,947,283
Capital assets, net of accumulated depreciation	136,177,729
Total noncurrent assets	<u>147,125,012</u>
Total assets	<u>181,419,452</u>
Deferred Outflows of Resources:	
Changes in pension investment gains or losses	<u>1,007,441</u>
Liabilities:	
Current liabilities:	
Accounts payable	2,763,690
Accrued liabilities	450,621
Unearned revenue	37,669
Due to fiduciary funds	1,675,543
Other current liabilities	130,624
Noncurrent liabilities, due within one year	3,473,125
Total current liabilities	<u>8,531,272</u>
Noncurrent liabilities:	
Due in more than one year	57,833,141
Total liabilities	<u>66,364,413</u>
Deferred Inflows of Resources:	
Advance property tax collections	5,823,823
Advance sewer collections	282,463
Changes in pension economic/demographic gains or losses	167,090
Total deferred inflows of resources	<u>6,273,376</u>
Net Position:	
Net investment in capital assets	118,793,898
Unrestricted	<u>(9,004,794)</u>
Total Net Position	<u>\$ 109,789,104</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, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental Activities:					
General government	\$ 4,853,149	\$ 663,033	\$ 43,795	\$	\$ (4,146,321)
Public safety	9,791,364	687,472	22,721		(9,081,171)
Public works	8,495,593	2,184,445	438,979	194,397	(5,677,772)
Health and social services	566,900	23,491			(543,409)
Recreation and parks	1,189,960	424,418	800		(764,742)
Educational - cultural	1,343,538	15,680	1,159		(1,326,699)
Conservation and development	492,487	7,206			(485,281)
Board of Education	63,530,460	1,897,811	10,168,903	127,076	(51,336,670)
Interest on long-term debt	816,154				(816,154)
<b>Total Governmental Activities</b>	<b>\$ 91,079,605</b>	<b>\$ 5,903,556</b>	<b>\$ 10,676,357</b>	<b>\$ 321,473</b>	<b>(74,178,219)</b>
General Revenues:					
Property taxes					72,768,968
Grants and contributions not restricted to specific program:					488,888
Investment income					87,150
Miscellaneous					527,893
Transfer to fiduciary fund					(206,875)
Total general revenues and transfers					<u>73,666,024</u>
Change in net position					(512,195)
Net Position at Beginning of Year, as Restated					<u>110,301,299</u>
Net Position at End of Year					<u>\$ 109,789,104</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>General</u>	<u>CIFA</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,430,424	\$ 527,043	\$ 189,025	\$ 32,146,492
Investments	1,346,232			1,346,232
Receivables, net	359,506		384,722	744,228
Due from other funds	170,010	5,225,216	4,445,991	9,841,217
Other	<u>27,237</u>		<u>8,824</u>	<u>36,061</u>
Total Assets	<u>\$ 33,333,409</u>	<u>\$ 5,752,259</u>	<u>\$ 5,028,562</u>	<u>\$ 44,114,230</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,593,874	\$ 368,316	\$ 201,470	\$ 2,163,660
Accrued liabilities	450,621			450,621
Due to other funds	14,078,551	66,955	106,708	14,252,214
Unearned revenue	9,057		28,612	37,669
Total liabilities	<u>16,132,103</u>	<u>435,271</u>	<u>336,790</u>	<u>16,904,164</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	228,445			228,445
Unavailable revenue - special assessments			236,679	236,679
Unavailable revenue - school building P&I	68,070			68,070
Advance property tax collections	5,823,823			5,823,823
Advance sewer collections			282,463	282,463
Total deferred inflows of resources	<u>6,120,338</u>	<u>-</u>	<u>519,142</u>	<u>6,639,480</u>
Fund Balances:				
Nonspendable	27,237		8,824	36,061
Restricted			344,654	344,654
Committed		5,316,988	3,819,152	9,136,140
Assigned	3,050,722			3,050,722
Unassigned	8,003,009			8,003,009
Total fund balances	<u>11,080,968</u>	<u>5,316,988</u>	<u>4,172,630</u>	<u>20,570,586</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 33,333,409</u>	<u>\$ 5,752,259</u>	<u>\$ 5,028,562</u>	<u>\$ 44,114,230</u>

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**TOWN OF AVON, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2015**

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

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

Total fund balance (Exhibit III)	\$ 20,570,586
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital assets	203,401,055
Accumulated depreciation	(56,276,043)

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

Property tax interest and lien accrual	29,759
Property tax and sewer assessment receivable - accrual basis change	465,124
Allowance for doubtful accounts	(8,332)
Deferred outflows - changes in pension investment gains or losses	1,007,441
School construction grant receivable	68,070

Internal service funds are used by management to charge the cost of medical insurance to individual departments. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

2,135,424

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

Bonds payable	(27,635,000)
Net pension liability	(25,927,735)
Capital leases	(232,484)
Compensated absences	(2,592,549)
Net other post employment benefit obligation	(4,184,868)
Landfill postclosure liability	(270,000)
Bond premium	(463,630)
Deferred inflows - changes in economic/demographic gains or losses	(167,090)
Accrued interest payable	(130,624)

Net Position of Governmental Activities (Exhibit I)	<u>\$ 109,789,104</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, 2015**

	<u>General</u>	<u>CIFA</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 72,702,548	\$	\$	\$ 72,702,548
Intergovernmental	9,442,455	74,974	1,892,094	11,409,523
Charges for services	2,654,210		3,295,741	5,949,951
Investment income	87,036	84	30	87,150
Other local revenues	378,392	67,500	168,347	614,239
Total revenues	<u>85,264,641</u>	<u>142,558</u>	<u>5,356,212</u>	<u>90,763,411</u>
Expenditures:				
Current:				
Town Council:				
General government	2,976,971		135,277	3,112,248
Public safety	9,533,701		65,501	9,599,202
Public works	5,235,745		2,029,323	7,265,068
Health and social services	502,740			502,740
Recreation and parks	770,618		345,354	1,115,972
Educational - cultural	1,479,743			1,479,743
Conservation and development	613,764			613,764
Miscellaneous	333,033			333,033
Total town council	<u>21,446,315</u>	-	<u>2,575,455</u>	<u>24,021,770</u>
Board of Education	58,148,061		2,244,617	60,392,678
Debt service	3,647,488			3,647,488
Capital outlay		2,549,904	259,792	2,809,696
Total expenditures	<u>83,241,864</u>	<u>2,549,904</u>	<u>5,079,864</u>	<u>90,871,632</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,022,777</u>	<u>(2,407,346)</u>	<u>276,348</u>	<u>(108,221)</u>
Other Financing Sources (Uses):				
Capital lease issuance	155,863			155,863
Transfers in	39,308	2,926,172	893,653	3,859,133
Transfers out	<u>(3,993,997)</u>	<u>(42,961)</u>	<u>(29,050)</u>	<u>(4,066,008)</u>
Net other financing sources (uses)	<u>(3,798,826)</u>	<u>2,883,211</u>	<u>864,603</u>	<u>(51,012)</u>
Net Change in Fund Balances	(1,776,049)	475,865	1,140,951	(159,233)
Fund Balances at Beginning of Year, as Restated	<u>12,857,017</u>	<u>4,841,123</u>	<u>3,031,679</u>	<u>20,729,819</u>
Fund Balances at End of Year	<u>\$ 11,080,968</u>	<u>\$ 5,316,988</u>	<u>\$ 4,172,630</u>	<u>\$ 20,570,586</u>

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**TOWN OF AVON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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)	\$ (159,233)
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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	2,301,202
Depreciation expense	(4,195,822)
Loss on disposal of capital assets	(11,890)

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

Increase in property tax and assessments receivable - accrual basis change	31,209
Decrease in property tax interest and lien revenue	(15,534)
Increase in property tax and sewer use allowance for doubtful accounts	4,350
Increase in deferred outflows amounts related to pension investment gains or losses	1,007,441

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

Accrued interest	10,137
Principal payments	2,775,000
Amortization of bond premiums	46,197
Capital leases issuance	(155,863)
Capital leases payments	153,422

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in long-term compensated absences	(235,394)
Increase in net pension liability	(1,011,368)
Increase in other post employment benefit obligation	(578,267)
Landfill postclosure payments	30,000
Increase in deferred inflows amounts related to pension economic/demographic gains or losses	(167,090)

The net revenue of the internal service funds is reported with the governmental activities.	<u>(340,692)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (512,195)</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 72,646,955	\$ 72,745,031	\$ 72,702,548	\$ (42,483)
Intergovernmental	3,373,307	3,957,424	4,334,215	376,791
Charges for services	2,368,652	2,376,502	2,623,368	246,866
Investment income	90,000	90,000	52,302	(37,698)
Other local revenues	393,563	449,236	485,882	36,646
Total revenues	<u>78,872,477</u>	<u>79,618,193</u>	<u>80,198,315</u>	<u>580,122</u>
Expenditures:				
Current:				
Town Council:				
General government	3,075,949	2,971,132	2,971,133	(1)
Public safety	9,051,716	9,477,651	9,477,651	-
Public works	5,209,297	5,202,682	5,202,683	(1)
Health and social services	473,209	501,397	501,398	(1)
Recreation and parks	824,294	778,481	778,480	1
Educational - cultural	1,453,265	1,473,401	1,473,400	1
Conservation and development	626,021	618,147	618,142	5
Miscellaneous	323,412	333,032	333,032	-
Total town council	<u>21,037,163</u>	<u>21,355,923</u>	<u>21,355,919</u>	<u>4</u>
Board of Education	51,903,086	52,516,814	52,450,590	66,224
Debt service	3,647,490	3,647,488	3,647,488	-
Total expenditures	<u>76,587,739</u>	<u>77,520,225</u>	<u>77,453,997</u>	<u>66,228</u>
Excess of Revenues over Expenditures	<u>2,284,738</u>	<u>2,097,968</u>	<u>2,744,318</u>	<u>646,350</u>
Other Financing Sources (Uses):				
Appropriation of fund balance		1,739,154		(1,739,154)
Transfers out	<u>(2,284,738)</u>	<u>(3,837,122)</u>	<u>(3,887,122)</u>	<u>(50,000)</u>
Net other financing uses	<u>(2,284,738)</u>	<u>(2,097,968)</u>	<u>(3,847,814)</u>	<u>(1,749,846)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,103,496)	<u>\$ (1,103,496)</u>
Fund Balance at Beginning of Year			<u>10,844,906</u>	
Fund Balance at End of Year			<u>\$ 9,741,410</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2015**

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	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Assets:	
Current assets:	
Due from other funds	\$ 2,735,454
Liabilities:	
Current liabilities:	
Claims payable	<u>600,030</u>
Total Net Position	<u>\$ 2,135,424</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Internal Service Fund</u>
Operating revenues:		
Charges for services:		
Town	\$ 1,789,515	
Board of Education	7,090,691	
Refunds and reimbursements	170,460	
Total operating revenues	<u>9,050,666</u>	
Operating expenses:		
Medical claims:		
Town	1,898,884	
Board of Education	7,492,474	
Total operating expenses	<u>9,391,358</u>	
Change in Net Position		(340,692)
Net Position at Beginning of Year		<u>2,476,116</u>
Net Position at End of Year		<u>\$ 2,135,424</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, 2015**

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 9,241,355
Claims paid	(9,241,355)
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>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating loss	\$ (340,692)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Decrease in due from other funds	190,689
Decrease in claims payable	<u>150,003</u>
Net Cash Provided by Operating Activities	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT  
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2015**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ <u>380,306</u>	\$ <u>216,304</u>
Investments, at fair value:		
Guaranteed interest contract	1,358,527	
Mutual funds	<u>25,240,518</u>	
Total investments	<u>26,599,045</u>	<u>-</u>
Accounts receivable		<u>82,117</u>
Due from other funds	<u>1,675,543</u>	
Total assets	<u>28,654,894</u>	<u>\$ 298,421</u>
Liabilities:		
Fiduciary deposits		\$ 298,421
Accounts payable	<u>37,010</u>	
Total liabilities	<u>37,010</u>	<u>\$ 298,421</u>
Net Position:		
Held in Trust for Pension Benefits and OPEB Benefits	<u>\$ 28,617,884</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 5,346,581
Plan members	690,119
Total contributions	<u>6,036,700</u>
Investment income:	
Net appreciation in fair value of investments	136,437
Interest and dividends	457,195
Total investment income	<u>593,632</u>
Less investment expenses	<u>180</u>
Net investment income	<u>593,452</u>
Total additions	<u>6,630,152</u>
Deductions:	
Benefits	6,357,118
Administration	70,835
Total deductions	<u>6,427,953</u>
Transfer In	<u>206,875</u>
Change in Net Position	409,074
Net Position at Beginning of Year	<u>28,208,810</u>
Net Position at End of Year	<u>\$ 28,617,884</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  
JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

**B. Basis of Presentation**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

**TOWN OF AVON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Agency funds do not have a measurement focus but are accounted for using the accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

The Town reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

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

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

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

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

**TOWN OF AVON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

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

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

**C. Cash Equivalents**

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

**D. Investments**

Investments for the Town are reported at fair value.

**E. Receivables and Payables**

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

**F. Property Taxes and Other Receivables**

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

In the fund financial statements, all property taxes receivable at June 30, 2015 that have not been collected within 60 days of June 30 have been recorded as unavailable revenue, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of 1-1/2% per month. An amount of \$99,404 has been established as an allowance for uncollected taxes. At June 30, 2015, this allowance represents 28% of property taxes receivable.

**TOWN OF AVON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**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.

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 Liability**

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

**I. Net Other Post Employment Benefit Obligation**

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

**J. Compensated Absences**

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

**K. Deferred Outflows/Inflows of Resources**

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

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

**L. Long-Term Obligations**

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

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

**M. Fund Equity and Net Position**

In the 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 position is classified into the following categories:

**Net Investment in Capital Assets**

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

**Restricted Net Position**

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

**Unrestricted Net Position**

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

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**Assigned Fund Balance**

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

**Unassigned Fund Balance**

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

## **N. Accounting Estimates**

The preparation of financial statements in conformity with 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, Police Special Services Fund and Use of School Facilities Fund are legally adopted annually at the Annual Town Meeting. Transfers and supplemental appropriations were approved during the year in accordance with provisions of its Charter and the Connecticut General Statutes. There were \$2,484,870 of additional appropriations during the year in the General Fund, \$1,739,154 from fund balance and \$745,716 from additional revenue sources.

- Annual operating budgets are prepared and employed for management control for the General Fund. Unencumbered appropriations of these funds lapse at year end. Encumbered appropriations are carried forward. Transfer of funds between appropriations shall be approved by the Town Council for amounts not exceeding 1/10 of 1% of the current Town operating budget. Transfers exceeding 1/10 of 1% are approved by the Board of Finance upon recommendation of the Town Council. Additional appropriations may be made by the Board of Finance upon favorable recommendation of the Town Council. The legal level of control is at the department level. Line items within these departments may individually exceed their appropriations, as long as in the aggregate they do not. Management is not authorized to transfer budgeted amounts or to approve additional appropriations.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have Board of Education, Board of Finance and Town Council approval.
- Nonlapsing project budgets exceeding one year in length are employed for the capital projects funds. These budgets are not “annual” budgets; they are nonlapsing budgets and span two to three years.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**TOWN OF AVON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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, 2015	\$ 80,237,623	\$ 81,341,119	\$ 9,741,410
Encumbrances outstanding June 30, 2015 charged to budgetary expenditures during the year ended June 30, 2015		(859,405)	859,405
Encumbrances received and liquidated in the current year		1,292,011	
Underliquidation of encumbrances from June 30, 2014	(107,491)		
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			16,811
Change in accrued payroll		90,905	(336,443)
Capital lease issuance	155,863	155,863	
State Teachers' Retirement on-behalf payment	5,108,241	5,108,241	
Activity of OPEB Special Revenue, combined with General Fund for GASB 54	<u>65,576</u>	<u>107,127</u>	<u>799,785</u>
Balance, GAAP basis - June 30, 2015	<u>\$ 85,459,812</u>	<u>\$ 87,235,861</u>	<u>\$ 11,080,968</u>

**Capital Projects Authorizations**

The following is a summary of capital projects at June 30, 2015:

<u>Capital Project</u>	<u>Authorization</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2015</u>
Capital and nonrecurring CIFA:				
General government	\$ 2,587,159	\$ 259,792	\$ 1,726,732	\$ 860,427
Board of Education	21,722,474	1,963,130	18,170,375	3,552,099
	<u>33,191,214</u>	<u>586,774</u>	<u>32,268,548</u>	<u>922,666</u>
Total	<u>\$ 57,500,847</u>	<u>\$ 2,809,696</u>	<u>\$ 52,165,655</u>	<u>\$ 5,335,192</u>

### **3. DETAILED NOTES ON ALL FUNDS**

#### **A. Cash, Cash Equivalents and Investments**

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

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

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

#### **Deposits**

##### **Deposit Custodial Credit Risk**

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

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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$13,029,310 of the Town's bank balance of \$13,495,591 was exposed to custodial credit risk at June 30, 2015, as follows:

Uninsured and uncollateralized	\$ 11,701,379
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,327,931</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 13,029,310</u>

**Cash Equivalents**

At June 30, 2015, the Town's cash equivalents amounted to \$20,395,654. 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.

	<b>Standard &amp; Poor's</b>
STIF	AAAm
SBT Investment Services*	
Webster Investments*	
*Not rated	

**Investments**

As of June 30, 2015, 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 Interest Contract	A	\$ 733,349	\$	\$ 733,349	\$
Guaranteed Interest Contract	A-2/P-2	<u>625,178</u>	<u>625,178</u>		
		1,358,527	<u>\$ 625,178</u>	<u>\$ 733,349</u>	<u>\$ -</u>
Mutual Fund	N/A	<u>26,586,750</u>			
Total Investments		<u>\$ 27,945,277</u>			

**Interest Rate Risk**

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

**Credit Risk - Investments**

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

**TOWN OF AVON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**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, 2015, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

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

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

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

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

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

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**B. Receivables**

Fund receivables as of June 30, 2015, including the applicable allowances for collection losses, are as follows:

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Property taxes*	\$ 354,735	\$	\$ 354,735
Assessments		236,679	236,679
Intergovernmental	72,655	127,626	200,281
Accounts	<u>31,520</u>	<u>102,534</u>	<u>134,054</u>
Gross receivables	458,910	466,839	925,749
Allowances	<u>(99,404)</u>	<u></u>	<u>(99,404)</u>
Net Receivables	<u>\$ 359,506</u>	<u>\$ 466,839</u>	<u>\$ 826,345</u>

\*Property tax interest is not included.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,662,553	\$	\$	\$ 7,662,553
Construction in progress	<u>2,359,700</u>	<u>2,070,492</u>	<u>1,145,462</u>	<u>3,284,730</u>
Total capital assets not being depreciated	<u>10,022,253</u>	<u>2,070,492</u>	<u>1,145,462</u>	<u>10,947,283</u>
Capital assets being depreciated:				
Land improvements	2,051,723	207,430		2,259,153
Buildings and improvements	124,558,992	196,732		124,755,724
Equipment	12,325,131	971,484	79,135	13,217,480
Vehicles	5,579,038	526	51,606	5,527,958
Infrastructure	<u>46,693,457</u>	<u></u>	<u></u>	<u>46,693,457</u>
Total capital assets being depreciated	<u>191,208,341</u>	<u>1,376,172</u>	<u>130,741</u>	<u>192,453,772</u>
Less accumulated depreciation for:				
Land improvements	825,865	116,063		941,928
Buildings and improvements	30,103,288	2,617,516		32,720,804
Equipment	6,546,742	732,810	72,781	7,206,771
Vehicles	3,292,136	247,300	46,070	3,493,366
Infrastructure	<u>11,431,041</u>	<u>482,133</u>	<u></u>	<u>11,913,174</u>
Total accumulated depreciation	<u>52,199,072</u>	<u>4,195,822</u>	<u>118,851</u>	<u>56,276,043</u>
Total capital assets being depreciated, net	<u>139,009,269</u>	<u>(2,819,650)</u>	<u>11,890</u>	<u>136,177,729</u>
Governmental Activities Capital Assets, Net	<u>\$ 149,031,522</u>	<u>\$ (749,158)</u>	<u>\$ 1,157,352</u>	<u>\$ 147,125,012</u>

**TOWN OF AVON, CONNECTICUT  
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Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities:	
General government	\$ 381,675
Public safety	264,149
Public works	651,533
Recreation and parks	139,618
Educational - cultural	138,490
Board of Education	<u>2,620,357</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>4,195,822</u></u>

**D. Interfund Receivables, Payables and Transfers**

A summary of interfund balances as of June 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 106,708
CIFA	General Fund	5,225,216
Nonmajor Governmental Funds	CIFA	3,653
Nonmajor Governmental Funds	General Fund	4,442,338
General Fund	CIFA	63,302
Internal Service Fund	General Fund	2,735,454
Other Post Employment Benefits Fund	General Fund	<u>1,675,543</u>
		<u>\$ 14,252,214</u>

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

A summary of interfund transfers as of June 30, 2015 is as follows:

	<u>General Fund</u>	<u>CIFA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>OPEB</u>	<u>Total Transfers Out</u>
General Fund	\$ 39,308	\$ 2,897,122	\$ 890,000	\$ 206,875	\$ 3,993,997
CIFA			3,653		42,961
Nonmajor Governmental Funds		<u>29,050</u>			<u>29,050</u>
Total Transfers In	<u>\$ 39,308</u>	<u>\$ 2,926,172</u>	<u>\$ 893,653</u>	<u>\$ 206,875</u>	<u>\$ 4,066,008</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  
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**E. Long-Term Debt**

**Changes in Long-Term Liabilities**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 30,410,000	\$ -	\$ 2,775,000	\$ 27,635,000	\$ 2,770,000
Premium on bonds	509,827	-	46,197	463,630	-
Total bonds payable	<u>30,919,827</u>	<u>-</u>	<u>2,821,197</u>	<u>28,098,630</u>	<u>2,770,000</u>
Capital lease obligations	230,043	155,863	153,422	232,484	154,615
Compensated absences	2,357,155	757,052	521,658	2,592,549	518,510
Pension liability	24,916,367	1,011,368	-	25,927,735	-
Other post retirement benefits obligation	3,606,601	578,267	-	4,184,868	-
Landfill post-closure costs	<u>300,000</u>	<u>-</u>	<u>30,000</u>	<u>270,000</u>	<u>30,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 62,329,993</u>	<u>\$ 2,502,550</u>	<u>\$ 3,526,277</u>	<u>\$ 61,306,266</u>	<u>\$ 3,473,125</u>

The net OPEB obligation has historically been liquidated by the general fund.

**General Obligation Bonds**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general improvements, sewer additions and school construction.

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

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
General purpose:		
General obligation improvement	2-6.25%	\$ 7,927,000
School:		
School improvement	2-6.25%	<u>19,708,000</u>
Total Outstanding		<u>\$ 27,635,000</u>

**TOWN OF AVON, CONNECTICUT  
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Future maturities for outstanding bonds are as follows:

	<b>General Obligation Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2016	\$ 2,770,000	\$ 780,939
2017	2,365,000	674,289
2018	2,220,000	608,389
2019	2,220,000	545,289
2020	2,235,000	483,464
2021-2025	10,875,000	1,509,537
2026-2028	4,950,000	172,002
Total	<u>\$ 27,635,000</u>	<u>\$ 4,773,909</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	\$ 171,289,690	\$ 7,927,000	\$ 163,362,690
Schools	342,579,380	19,708,000	322,871,380
Sewers	285,482,816		285,482,816
Urban renewal	247,418,441		247,418,441
Pension deficit	228,386,253		228,386,253

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$532,901,257.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued.

**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 10 years at \$30,000 per year are \$300,000. 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, 2015, there are no authorized, unissued bonds.

**TOWN OF AVON, CONNECTICUT  
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**F. Capital Leases**

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

	<b><u>Governmental Activities</u></b>
Equipment	\$ 519,573
Less accumulated depreciation	<u>(233,682)</u>
Net book value	<u>\$ 285,891</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2015 were as follows:

<b><u>Year Ending June 30</u></b>	<b><u>Governmental Activities</u></b>
2016	\$ 165,501
2017	41,343
2018	41,343
Less amount for interest	<u>(15,703)</u>
Minimum lease payments	<u>\$ 232,484</u>

**TOWN OF AVON, CONNECTICUT  
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**G. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2015 are as follows:

	<u>General Fund</u>	<u>CIFA</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 8,824	\$ 8,824
Prepaid items	27,237			27,237
Restricted:				
Fisher Meadow donations			344,654	344,654
Committed to:				
Public safety			233,126	233,126
General government revaluation			76,876	76,876
Public works future projects			841,069	841,069
Public works drainage			20,950	20,950
Public works roadway			311,611	311,611
Public works sewer			2,036,774	2,036,774
Recreation and parks			111,169	111,169
Forest management			25,968	25,968
Debt service			31,247	31,247
Cafeteria			67,960	67,960
School facilities			58,653	58,653
Donations			3,749	3,749
Town Hall capital projects		969,548		969,548
Public safety capital projects		25,526		25,526
Fire capital projects		736,049		736,049
Public works capital projects		1,086,316		1,086,316
Other Town capital projects		1,017,395		1,017,395
Board of Education capital projects		861,684		861,684
Open space		620,470		620,470
Assigned to:				
Payroll escrow	250,000			250,000
Pension contributions	375,000			375,000
Capital reserve	250,000			250,000
Post-employment benefits	450,000			450,000
Capital asset purchase	49,721			49,721
General government	59,672			59,672
Public safety	13,434			13,434
Public works	45,799			45,799
Recreation and parks	14,588			14,588
Conservation and development	6,500			6,500
Education	736,223			736,223
Other post-employment benefits	799,785			799,785
Unassigned	<u>8,003,009</u>			<u>8,003,009</u>
Total Fund Balances	<u>\$ 11,080,968</u>	<u>\$ 5,316,988</u>	<u>\$ 4,172,630</u>	<u>\$ 20,570,586</u>

**TOWN OF AVON, CONNECTICUT  
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Significant encumbrance in total by each major fund and nonmajor funds in the aggregate is as follows:

General Fund	\$ 876,216
CIFA	745,994
Nonmajor Governmental Funds	<u>126,527</u>
Total	<u>\$ 1,748,737</u>

**4. EMPLOYEE RETIREMENT PLANS**

**A. Defined Benefit Pension Plans**

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

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

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

- Review, discuss, and may change strategies on investment performance, policies and managers at semi-annual meetings (with the advice of the pension investment advisor), if it falls within current policies, allocations and strategies.
- Revisions, establishment of new policies, or changes to the investment policy that fall outside current policies, allocations and strategies require a majority rule vote by the members of the Ad Hoc Pension Investment Advisory Committee and the approval of the Town Council.

**TOWN OF AVON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
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When benefit terms are established or amended, the terms must be determined, reviewed, and/or approved independently and/or collectively (depending on the nature of the change) and involve the following parties:

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

**Plan Descriptions and Benefits Provided**

Town Employees

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

Board of Education

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

At July 1, 2014, retirement plan membership consisted of:

	<u>Town</u>	<u>Board of Education</u>
Retirees and beneficiaries currently receiving benefits	83	35
Terminated employees entitled to benefits but not yet receiving them	2	26
Current active employees	<u>13</u>	<u>136</u>
Total	<u>98</u>	<u>197</u>

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

**TOWN OF AVON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Summary of Significant Accounting Policies**

Basis of Accounting

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

Valuation of Investments

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

**Funding Policy**

Required employee contributions under the plans are as follows:

<u>Town</u>	<u>Board of Education</u>
7.5%	4% or 7%

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

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

Investment Policy

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

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	40.0%
Large Cap US Equities	35.0%
Mid Cap US Equities	10.0%
Developed Foreign Equities	<u>15.0%</u>
Total	<u><u>100.0%</u></u>

**Rate of Return**

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.34% for the Town and 2.42% for the Board of Education. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF AVON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Net Pension Liability**

**Town Employees Retirement Plan**

The Town's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the Town at June 30, 2015 were as follows:

Total pension liability	\$ 41,627,700
Plan fiduciary net position	<u>17,415,058</u>
Net Pension Liability	<u>\$ 24,212,642</u>
Plan fiduciary net position as a percentage of the total pension liability	41.84%

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.375%

Mortality rates were based on the RP-2000 Combined Healthy Annuitant Mortality Table, with generational projection per Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Fixed Income	2.09%
Large Cap US Equities	5.61%
Mid Cap US Equities	6.36%
Developed Foreign Equities	6.02%

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*Discount Rate*

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability*

<b>Changes in Net Pension Liability</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balances as of June 30, 2014	\$ <u>41,061,679</u>	\$ <u>17,799,911</u>	\$ <u>23,261,768</u>
Changes for the year:			
Service cost	149,834		149,834
Interest on total pension liability	2,979,055		2,979,055
Effect of economic/demographic gains or losses	436,694		436,694
Effect of assumptions changes or inputs	430,089		430,089
Benefit payments	(3,429,651)	(3,429,651)	-
Employer contributions		2,611,489	(2,611,489)
Member contributions		62,311	(62,311)
Net investment income		392,103	(392,103)
Administrative expenses		(21,105)	21,105
Net Changes	<u>566,021</u>	<u>(384,853)</u>	<u>950,874</u>
Balances as of June 30, 2015	\$ <u>41,627,700</u>	\$ <u>17,415,058</u>	\$ <u>24,212,642</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.375%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.375%) or 1 percentage point higher (8.375%) than the current rate:

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(6.375%)</b>	<b>(7.375%)</b>	<b>(8.375%)</b>
Town Employees	\$ 27,832,731	\$ 24,212,642	\$ 21,080,916

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**Board of Education Retirement Plan**

In accordance with Government Accounting Standards Board Statement No. 67, the components of the net pension liability of the Town at June 30, 2015 were as follows:

Total pension liability	\$ 9,329,316
Plan fiduciary net position	<u>7,614,223</u>
Net Pension Liability	<u>\$ 1,715,093</u>
Plan fiduciary net position as a percentage of the total pension liability	81.62%

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.50%

Mortality rates were based on the RP-2000 Combined Healthy Annuitant Mortality Table, with generational projection per Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Fixed Income	2.09%
Large Cap US Equities	5.61%
Mid Cap US Equities	6.36%
Developed Foreign Equities	6.02%

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*Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability*

<b>Changes in Net Pension Liability</b>	<b>Total Pension Liability</b>	<b>Increase (Decrease) Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balances as of June 30, 2014	\$ 8,672,427	\$ 7,017,828	\$ 1,654,599
Changes for the year:			
Service cost	556,668		556,668
Effect of plan changes			-
Effect of economic/demographic gains or losses	(193,612)		(193,612)
Effect of assumptions changes or inputs			-
Benefit payments	(364,877)	(364,877)	-
Employer contributions		506,967	(506,967)
Member contributions		293,265	(293,265)
Net investment income		175,505	(175,505)
Administrative expenses		(14,465)	14,465
Net Changes	<u>656,889</u>	<u>596,395</u>	<u>60,494</u>
Balances as of June 30, 2015	<u>\$ 9,329,316</u>	<u>\$ 7,614,223</u>	<u>\$ 1,715,093</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Board of Education	\$ 2,736,896	\$ 1,715,093	\$ 707,968

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

For the year ended June 30, 2015, the Town recognized pension expense of \$3,289,473. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Town</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$
Net difference between projected and actual earning on pension plan investments	<u>714,499</u>	<u>                    </u>
Total	<u>\$ 714,499</u>	<u>\$ -</u>

	<b>Board of Education</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ 167,090
Net difference between projected and actual earning on pension plan investments	<u>292,942</u>	<u>                    </u>
Total	<u>\$ 292,942</u>	<u>\$ 167,090</u>

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

**Year Ended June 30,**

2016	\$	225,338
2017		225,338
2018		225,338
2019		225,339
2020		(26,522)
Thereafter		(34,480)

**B. Defined Contribution Plans**

**Plan Description**

The Town maintains two single-employer, defined contribution pension plans, the Avon 401(a) Management Money Purchase Plan and the Avon 401(a) Full-Time Employees' Plan. Both plans are administered by the International City/County Management Association (ICMA). The Town is required to contribute 2.5% 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

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on amounts contributed to the plan plus investment earnings. The Management Plan covers Town management employees hired prior to July 1, 1997, and the Full-Time Employees' Plan covers regular, full-time employees hired after July 1, 1997.

**Summary of Plan Provisions**

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

**Contribution Requirements and Contributions Made**

The total Town contributions for the Management Money Purchase Plan and Full-Time Employees' Plan during the year ended June 30, 2015 were \$13,915 and \$602,724, 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 \$13,915 and \$602,724, respectively.

**C. Teachers Retirement**

**Plan Description**

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

**Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement**

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

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**Contributions**

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

*Employer (School Districts)*

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

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

*Employees*

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

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

At June 30, 2015, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>68,083,931</u>
Total	\$	<u><u>68,083,931</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized pension expense and revenue of \$5,108,241 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

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Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.0%
Total	100.0%	

### **Discount Rate**

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

### **Pension Plan Fiduciary Net Position**

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

### **Other Information**

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

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

### **Summary of Significant Accounting Policies**

#### **Basis of Accounting**

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

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

#### **Plan Description and Benefits Provided**

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

The Town established a Trust on June 4, 2009. The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post Employment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

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At July 1, 2014, plan membership consisted of the following:

	<b>Other Post-Employment Benefits Program</b>	
	<b>Town</b>	<b>Board of Education</b>
Retired members	65	33
Spouses of retired members	44	23
Active plan members	67	392
<b>Total Participants</b>	<b>176</b>	<b>448</b>

**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>2014-2015 Monthly COBRA Premiums</b>	<b>Employee</b>	<b>Spouse</b>
Medical - Groups 046, 047 Pre 65	\$ 799.56	\$ 917.28
Medical - Groups 046, 047 Post 65	655.70	752.21
Medical - Group 023 Post 65	434.42	434.42
Dental - All Groups	50.34	71.21

**Board of Education Employees**

<b>2014-2015 Monthly COBRA Premiums</b>	<b>Employee</b>	<b>Spouse</b>
Medical	\$ 632.14	\$ 1,315.91
Dental	56.59	136.68

For the year ended June 30, 2015, plan members contributed \$-0-. 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 \$2,435,000 were made in accordance with actuarially determined requirements, including \$850,000 to fund future benefits.

The Town has assigned a portion of general fund balance to fund these benefits in the future. Net position available for future benefits at June 30, 2015 was \$799,785. The Town plans on transferring these monies into the OPEB Trust Fund in the future.

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**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:

	<b>Other Post-Employment Benefits Program</b>	
	<b>Town</b>	<b>Board of Education</b>
Annual required contribution (ARC)	\$ 2,007,000	\$ 1,016,000
Interest on net OPEB obligation	125,143	147,403
Adjustment to annual required contribution	<u>(129,175)</u>	<u>(153,104)</u>
Annual OPEB cost	2,002,968	1,010,299
Contributions made	<u>1,895,000</u>	<u>540,000</u>
Increase in net OPEB obligation	107,968	470,299
Net OPEB obligation, beginning of year	<u>1,641,223</u>	<u>1,965,378</u>
Net OPEB obligation, end of year	<u>\$ 1,749,191</u>	<u>\$ 2,435,677</u>

**Three-Year Trend Information**

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, 2015 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>
<b>Town</b>				
6/30/2013	\$ 1,719,854	\$ 1,545,000	89.8%	\$ 1,437,948
6/30/2014	1,915,275	1,712,000	89.4%	1,641,223
6/30/2015	2,002,968	1,895,000	94.6%	1,749,191
<b>Board of Education</b>				
6/30/2013	\$ 917,692	\$ 601,000	65.5%	\$ 1,537,759
6/30/2014	934,619	507,000	54.2%	1,965,378
6/30/2015	1,010,299	540,000	53.4%	2,435,677

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As of July 1, 2014, the most recent actuarial valuation date, the plan was 11.1% funded. The actuarial accrued liability for benefits was \$30,661,111 (\$23,249,432 Town and \$7,411,679 BOE) and the actuarial value of assets was \$3,391,071 (\$3,268,899 Town and \$122,172 BOE), resulting in an unfunded actuarial accrued liability (UAAL) of \$27,270,040. The covered payroll (annual payroll of active employees covered by the plan) was \$32,166,115 (\$4,848,188 Town and \$27,317,927 BOE).

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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.375% investment rate of return for the Town and 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 4.7% after 70 years for pre-65 and 71 years for post-65. The annual healthcare cost trend rate is 5.7% initially, reduced by decrements to an ultimate rate of 4.6% after 63 years for current. Projected salary increases were 3.5%. Inflation rate assumption is 2.7%. 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, 2015 was 23 years.

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**Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<b>Town</b>						
7/1/2010	\$ 893,000	\$ 17,238,000	\$ 16,345,000	5.18%	\$ N/A	N/A
7/1/2012	1,686,000	20,190,000	18,504,000	8.35%	N/A	N/A
7/1/2014	3,268,899	23,249,432	19,980,533	14.06%	4,848,188	-412.12%
<b>Board of Education</b>						
7/1/2010		6,844,000	6,844,000	0.00%	N/A	N/A
7/1/2012	54,000	7,097,000	7,043,000	0.76%	25,533,000	-27.58%
7/1/2014	122,172	7,411,679	7,289,507	1.65%	27,317,927	-26.68%

**Schedule of Employer Contributions**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
<b>Town</b>			
6/30/2010	\$ 1,294,000	\$ 863,000	66.7%
6/30/2011	1,389,000	1,040,000	74.9%
6/30/2012	1,617,000	1,142,000	70.6%
6/30/2013	1,715,000	1,545,000	90.1%
6/30/2014	1,915,000	1,712,000	89.4%
6/30/2015	2,007,000	1,895,000	94.4%
<b>Board of Education</b>			
6/30/2010	1,093,000	664,000	60.8%
6/30/2011	825,000	714,000	86.5%
6/30/2012	854,000	607,000	71.1%
6/30/2013	913,000	601,000	65.8%
6/30/2014	935,000	507,000	54.2%
6/30/2015	1,016,000	540,000	53.1%

**TOWN OF AVON, CONNECTICUT  
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**6. COMBINING TRUST FUND SCHEDULES**

Financial statements for each individual pension plan as of and for the year ended June 30, 2015 are as follows:

Statement of Fiduciary Net Position

	<u>Town</u>	<u>Board of Education</u>	<u>Other Post Employment Benefit Fund</u>	<u>Total Trust Funds</u>
Assets:				
Cash and cash equivalents	\$ 308,910	\$ 70,501	\$ 895	\$ 380,306
Investments, at fair value:				
Guaranteed interest contract	876,044	482,483		1,358,527
Mutual funds	<u>16,230,104</u>	<u>7,061,239</u>	<u>1,949,175</u>	<u>25,240,518</u>
Total investments	<u>17,106,148</u>	<u>7,543,722</u>	<u>1,949,175</u>	<u>26,599,045</u>
Due from other funds	<u>                    </u>	<u>                    </u>	<u>1,675,543</u>	<u>1,675,543</u>
Total assets	<u>17,415,058</u>	<u>7,614,223</u>	<u>3,625,613</u>	<u>28,654,894</u>
Liabilities:				
Accounts Payable	<u>                    </u>	<u>                    </u>	<u>37,010</u>	<u>37,010</u>
Net Position:				
Held in Trust for Pension Benefits	<u>\$ 17,415,058</u>	<u>\$ 7,614,223</u>	<u>\$ 3,588,603</u>	<u>\$ 28,617,884</u>

**TOWN OF AVON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

Statement of Changes in Fiduciary Net Position

	<u>Town</u>	<u>Board of Education</u>	<u>Other Post Employment Benefit Fund</u>	<u>Total Trust Funds</u>
Additions:				
Contributions:				
Employer	\$ 2,611,489	\$ 506,967	\$ 2,228,125	\$ 5,346,581
Plan members	62,311	293,265	334,543	690,119
Total contributions	<u>2,673,800</u>	<u>800,232</u>	<u>2,562,668</u>	<u>6,036,700</u>
Investment income:				
Net appreciation in fair value of investments	100,728	35,709		136,437
Interest and dividends	291,375	139,796	26,024	457,195
Total investment income	<u>392,103</u>	<u>175,505</u>	<u>26,024</u>	<u>593,632</u>
Less investment expenses			180	180
Net investment income	<u>392,103</u>	<u>175,505</u>	<u>25,844</u>	<u>593,452</u>
Total additions	<u>3,065,903</u>	<u>975,737</u>	<u>2,588,512</u>	<u>6,630,152</u>
Deductions:				
Benefits	3,429,651	364,877	2,562,590	6,357,118
Administration	21,105	14,465	35,265	70,835
Total deductions	<u>3,450,756</u>	<u>379,342</u>	<u>2,597,855</u>	<u>6,427,953</u>
Transfer In			206,875	
Net change in net position	(384,853)	596,395	197,532	409,074
Net position at beginning of year	<u>17,799,911</u>	<u>7,017,828</u>	<u>3,391,071</u>	<u>28,208,810</u>
Net Position at End of Year	<u>\$ 17,415,058</u>	<u>\$ 7,614,223</u>	<u>\$ 3,588,603</u>	<u>\$ 28,617,884</u>

**7. OTHER INFORMATION**

**A. Risk Management**

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

**TOWN OF AVON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2015**

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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:				
2014-2015	\$ 450,027	\$ 9,391,358	\$ 9,241,355	\$ 600,030
2013-2014	517,381	7,829,043	7,896,397	450,027

**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  
JUNE 30, 2015**

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**8. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27. In addition, in the current year the Town reviewed certain other accounts and determined there should be additional funds included as nonmajor special revenue and agency funds. Both government wide net position and governmental fund balance for nonmajor governmental funds was restated by \$1,140.

Net position at June 30, 2014, as previously reported	\$	135,455,629
Adjustment:		
Eliminate net pension assets reported per GASB No. 27		(239,103)
Record starting net pension liability per GASB No. 68		(24,916,367)
Fund type restatement		<u>1,140</u>
Net Position Balance at July 1, 2014, as Restated	\$	<u><u>110,301,299</u></u>

## REQUIRED SUPPLEMENTARY INFORMATION

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

**TOWN**

	<u>2014</u>	<u>2015</u>
Total pension liability:		
Service cost	\$ 163,905	\$ 149,834
Interest	2,980,790	2,979,055
Differences between expected and actual experience		436,694
Changes of assumptions		430,089
Benefit payments, including refunds of member contributions	<u>(3,266,880)</u>	<u>(3,429,651)</u>
Net change in total pension liability	(122,185)	566,021
Total pension liability - beginning	<u>41,183,864</u>	<u>41,061,679</u>
Total pension liability - ending	<u>41,061,679</u>	<u>41,627,700</u>
Plan fiduciary net position:		
Contributions - employer	2,367,723	2,611,489
Contributions - employee	61,664	62,311
Net investment income	2,615,214	392,103
Benefit payments, including refunds of member contributions	(3,266,880)	(3,429,651)
Administrative expense	<u>(21,273)</u>	<u>(21,105)</u>
Net change in plan fiduciary net position	1,756,448	(384,853)
Plan fiduciary net position - beginning	<u>16,043,463</u>	<u>17,799,911</u>
Plan fiduciary net position - ending	<u>17,799,911</u>	<u>17,415,058</u>
Town's Net Pension Liability - Ending	<u>\$ 23,261,768</u>	<u>\$ 24,212,642</u>
Plan fiduciary net position as a percentage of the total pension liability	43.35%	41.84%
Covered-employee payroll	\$ 1,528,161	\$ 1,244,618
Town's net pension liability as a percentage of covered-employee payroll	1522.21%	1945.39%

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

**BOARD OF EDUCATION**

	<u>2014</u>	<u>2015</u>
Total pension liability:		
Service cost	\$ 525,256	\$ 556,668
Interest	611,000	658,710
Differences between expected and actual experience	119,783	(193,612)
Benefit payments, including refunds of member contributions	<u>(402,777)</u>	<u>(364,877)</u>
Net change in total pension liability	853,262	656,889
Total pension liability - beginning	<u>7,819,165</u>	<u>8,672,427</u>
Total pension liability - ending	<u>8,672,427</u>	<u>9,329,316</u>
Plan fiduciary net position:		
Contributions - employer	507,738	506,967
Contributions - employee	299,105	293,265
Net investment income	871,716	175,505
Benefit payments, including refunds of member contributions	(402,777)	(364,877)
Administrative expense	<u>(14,704)</u>	<u>(14,465)</u>
Net change in plan fiduciary net position	1,261,078	596,395
Plan fiduciary net position - beginning	<u>5,756,750</u>	<u>7,017,828</u>
Plan fiduciary net position - ending	<u>7,017,828</u>	<u>7,614,223</u>
Town's Net Pension Liability - Ending	<u>\$ 1,654,599</u>	<u>\$ 1,715,093</u>
Plan fiduciary net position as a percentage of the total pension liability	80.92%	81.62%
Covered-employee payroll	\$ 4,234,029	\$ 4,580,259
Town's net pension liability as a percentage of covered-employee payroll	39.08%	37.45%

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

**TOWN**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actuarially-determined contribution	\$ 1,124,149	\$ 1,201,509	\$ 1,530,989	\$ 1,530,989	\$ 1,758,507	\$ 1,966,862	\$ 2,030,829	\$ 2,119,020	\$ 2,367,723	\$ 2,611,489
Contributions in relation to the actuarially-determined contribution	1,124,149	1,201,509	1,530,989	1,530,989	1,758,507	1,966,862	2,030,829	2,119,020	2,367,723	2,611,489
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 4,048,211	\$ 3,842,030	\$ 3,459,615	\$ 3,236,902	\$ 2,824,488	\$ 2,481,802	\$ 1,954,201	\$ 1,540,675	\$ 1,528,161	\$ 1,244,618
Contributions as a percentage of covered-employee payroll	27.77%	31.27%	44.25%	47.30%	62.26%	79.25%	103.92%	137.54%	154.94%	209.82%

Notes to Schedule

Valuation date July 1, 2014  
Measurement date June 30, 2015

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	13 years
Asset valuation method	5 year non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.375%
Retirement age	Age-based table
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale AA

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

**BOARD OF EDUCATION**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actuarially-determined contribution	\$ 34,088	\$ 144,845	\$ 222,572	\$ 210,811	\$ 210,811	\$ 283,245	\$ 318,093	\$ 330,426	\$ 480,771	\$ 506,967
Contributions in relation to the actuarially-determined contribution	<u>32,000</u>	<u>76,088</u>	<u>182,860</u>	<u>227,962</u>	<u>210,811</u>	<u>283,000</u>	<u>318,093</u>	<u>480,000</u>	<u>507,738</u>	<u>506,967</u>
Contribution Deficiency (Excess)	\$ <u>2,088</u>	\$ <u>68,757</u>	\$ <u>39,712</u>	\$ <u>(17,151)</u>	\$ <u>-</u>	\$ <u>245</u>	\$ <u>-</u>	\$ <u>(149,574)</u>	\$ <u>(26,967)</u>	\$ <u>-</u>
Covered-employee payroll	\$ 1,671,965	\$ 2,147,958	\$ 2,506,058	\$ 3,132,908	\$ 3,485,158	\$ 3,754,830	\$ 3,880,490	\$ 4,041,241	\$ 4,234,029	\$ 4,580,259
Contributions as a percentage of covered-employee payroll	1.91%	3.54%	7.30%	7.28%	6.05%	7.54%	8.20%	11.88%	11.99%	11.07%

Notes to Schedule

Valuation date July 1, 2014  
 Measurement date June 30, 2015

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	13 years
Asset valuation method	5 year non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.50%
Retirement age	Age-based table
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale AA

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

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**TOWN**

	<u><b>2014</b></u>	<u><b>2015</b></u>
Annual money-weighted rate of return, net of investment expense	15.71%	2.34%

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

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**BOARD OF EDUCATION**

	<u><b>2014</b></u>	<u><b>2015</b></u>
Annual money-weighted rate of return, net of investment expense	15.55%	2.42%

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

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	<u>2015</u>
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>68,083,931</u>
Total	<u>\$ 68,083,931</u>
Town's covered-employee payroll	\$ 26,073,558
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

## **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  
COMBINING BALANCE SHEET - GENERAL FUND  
JUNE 30, 2015**

	<u>General</u>	<u>Other Post Employment Benefits</u>	<u>Eliminations</u>	<u>Total General Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,429,558	\$ 866	\$	\$ 31,430,424
Investments	43,828	1,302,404		1,346,232
Receivables, net	359,506			359,506
Due from other funds	629,774		(459,764)	170,010
Other	27,237			27,237
Total Assets	<u>\$ 32,489,903</u>	<u>\$ 1,303,270</u>	<u>\$ (459,764)</u>	<u>\$ 33,333,409</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,580,624	\$ 13,250	\$	\$ 1,593,874
Accrued liabilities	450,621			450,621
Due to other funds	14,048,080	490,235	(459,764)	14,078,551
Unearned revenue	9,057			9,057
Other liabilities	-			-
Total liabilities	<u>16,088,382</u>	<u>503,485</u>	<u>(459,764)</u>	<u>16,132,103</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	228,445			228,445
Unavailable revenue - school building P&I	68,070			68,070
Advance property tax collections	5,823,823			5,823,823
Total deferred inflows of resources	<u>6,120,338</u>	<u>-</u>	<u>-</u>	<u>6,120,338</u>
Fund Balances:				
Nonspendable	27,237			27,237
Assigned	2,250,937	799,785		3,050,722
Unassigned	8,003,009			8,003,009
Total fund balances	<u>10,281,183</u>	<u>799,785</u>	<u>-</u>	<u>11,080,968</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,489,903</u>	<u>\$ 1,303,270</u>	<u>\$ (459,764)</u>	<u>\$ 33,333,409</u>

**TOWN OF AVON, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General</u>	<u>Other Post Employment Benefits</u>	<u>Total General Fund</u>
Revenues:			
Property taxes	\$ 72,702,548	\$	\$ 72,702,548
Intergovernmental	9,442,455		9,442,455
Charges for services	2,623,368	30,842	2,654,210
Investment income	52,302	34,734	87,036
Other local revenues	378,392		378,392
Total revenues	<u>85,199,065</u>	<u>65,576</u>	<u>85,264,641</u>
Expenditures:			
Current:			
Town Council:			
General government	2,976,719	252	2,976,971
Public safety	9,533,701		9,533,701
Public works	5,235,745		5,235,745
Health and social services	502,740		502,740
Recreation and parks	770,618		770,618
Educational - cultural	1,479,743		1,479,743
Conservation and development	613,764		613,764
Miscellaneous	333,033		333,033
Total town council	<u>21,446,063</u>	<u>252</u>	<u>21,446,315</u>
Board of Education	58,148,061		58,148,061
Debt service	3,647,488		3,647,488
Total expenditures	<u>83,241,612</u>	<u>252</u>	<u>83,241,864</u>
Excess of Revenues over Expenditures	<u>1,957,453</u>	<u>65,324</u>	<u>2,022,777</u>
Other Financing Sources (Uses):			
Capital lease issuance	155,863		155,863
Transfers in	39,308		39,308
Transfers out	(3,887,122)	(106,875)	(3,993,997)
Net other financing uses	<u>(3,691,951)</u>	<u>(106,875)</u>	<u>(3,798,826)</u>
Net Change in Fund Balances	(1,734,498)	(41,551)	(1,776,049)
Fund Balances at Beginning of Year	<u>12,015,681</u>	<u>841,336</u>	<u>12,857,017</u>
Fund Balances at End of Year	<u>\$ 10,281,183</u>	<u>\$ 799,785</u>	<u>\$ 11,080,968</u>

**TOWN OF AVON, CONNECTICUT  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 31,430,424	\$ 30,860,201
Investments	1,346,232	1,311,312
Receivables (net of allowance for uncollectibles of \$99,404 in 2015 and \$68,222 in 2014)	359,506	315,983
Due from other funds	170,010	99,203
Other	27,237	5,157
Total Assets	<u>\$ 33,333,409</u>	<u>\$ 32,591,856</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 1,593,874	\$ 1,474,754
Accrued liabilities	450,621	363,575
Due to other funds	14,078,551	11,932,192
Unearned revenue	9,057	
Other		90,831
Total liabilities	<u>16,132,103</u>	<u>13,861,352</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	228,445	150,841
Unavailable revenue - school building P&I	68,070	68,070
Advance property tax collections	5,823,823	5,654,576
Total deferred inflows of resources	<u>6,120,338</u>	<u>5,873,487</u>
Fund Balance:		
Nonspendable	27,237	5,157
Assigned	3,050,722	4,164,774
Unassigned	8,003,009	8,687,086
Total fund balance	<u>11,080,968</u>	<u>12,857,017</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 33,333,409</u>	<u>\$ 32,591,856</u>

**TOWN OF AVON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015				Variance with Final Budget	2014
	Original Budget	Supplemental Appropriations	Final Budget	Actual		Actual
Revenues:						
Property taxes:						
Current levy	\$ 71,887,596	\$	\$ 71,887,596	\$ 71,588,565	\$ (299,031)	\$ 70,238,536
Supplemental real estate	85,525		85,525	124,393	38,868	113,478
Supplemental MV	383,834	98,076	481,910	653,935	172,025	678,273
Prior levies	130,000		130,000	131,200	1,200	85,514
Interest and penalties	100,000		100,000	151,901	51,901	156,858
Telephone gross receipts	60,000		60,000	52,554	(7,446)	55,800
Total property taxes	<u>72,646,955</u>	<u>98,076</u>	<u>72,745,031</u>	<u>72,702,548</u>	<u>(42,483)</u>	<u>71,328,459</u>
Intergovernmental:						
State grants-in aid:						
Equalized cost sharing (ECS)	1,233,294		1,233,294	1,258,240	24,946	1,232,052
Transportation	19,684		19,684	15,855	(3,829)	18,261
Education Program Grants	1,714,197	553,878	2,268,075	2,421,375	153,300	1,937,737
Schools building construction				127,076	127,076	
PILOT - Pequot funds	14,803		14,803	15,844	1,041	14,907
Public library	1,250		1,250	1,159	(91)	1,220
Property tax relief - elderly	85,000		85,000	87,645	2,645	80,879
Grants in lieu of taxes	79,218		79,218	95,895	16,677	86,889
Veteran reimbursements	5,250		5,250	4,715	(535)	4,583
Manufacturing transition grant				245,886	245,886	380,852
Youth services grant		20,172	20,172	20,172	-	20,172
Emergency management grants					-	9,072
Judicial branch				1,450	1,450	1,669
CT Trust for Historic Preservation		10,067	10,067	10,067	-	
Nutmeg Conn 114-01 Grant				6,000	6,000	
Miscellaneous State grant receipts	7,400		7,400	14,458	7,058	19,738
Grants for municipal projects	213,211		213,211	8,378	(204,833)	
Federal grants-in aid:						
FEMA reimbursement (4046)					-	95,408
Total intergovernmental	<u>3,373,307</u>	<u>584,117</u>	<u>3,957,424</u>	<u>4,334,215</u>	<u>376,791</u>	<u>3,903,439</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, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015				Variance with Final Budget	2014
	Original Budget	Supplemental Appropriations	Final Budget	Actual		Actual
Charges for Services:						
General government:						
Hunting and fishing	\$ 125	\$	\$ 125	\$ 73	\$ (52)	\$ 65
Recording and conveyance	500,000		500,000	598,289	98,289	562,638
Sale of maps and publications	25,700		25,700	22,336	(3,364)	24,378
PA 05-228 Local CAP Recording Fee	5,000		5,000	7,326	2,326	7,953
Court	500		500	110	(390)	105
Town Clerk land recording fee	4,500		4,500	4,057	(443)	3,580
Public safety:						
Accident reports and photos	1,300		1,300	1,565	265	901
Alarm system	1,500		1,500	1,575	75	3,825
Animal pound fees	2,000		2,000	1,505	(495)	1,080
Police protection	9,000		9,000	6,671	(2,329)	9,660
Blds. struct. and equipment	475,000		475,000	549,051	74,051	692,770
Animal licenses	1,900		1,900	13,691	11,791	12,467
Public works:						
Sale of materials					-	479
Landfill - residential fees	144,975		144,975	139,470	(5,505)	138,019
Landfill - bulky waste	30,000		30,000	26,527	(3,473)	24,852
Lakeview water main extension				2,350	2,350	627
Water main interest				1,257	1,257	515
Street and curb	2,500		2,500	3,200	700	3,300
Health and social services:						
Vital statistics	25,000		25,000	23,491	(1,509)	23,063
Recreation and parks:						
Swim fees	62,000		62,000	50,278	(11,722)	51,479
Recreation fees	4,200		4,200	3,610	(590)	4,413
Organized summer programs	34,000		34,000	42,947	8,947	40,041
Educational - cultural:						
Library	20,000		20,000	15,680	(4,320)	18,092
BOE empl bnft contr dental/life	117,946		117,946	113,508	(4,438)	122,960
BOE misc receipts	20,388		20,388	6,158	(14,230)	243
BOE tuition receipts parent paid	30,000	7,850	37,850	29,115	(8,735)	24,620
BOE unified sports receipts					-	
BOE team mentor prog state pmts	6,250		6,250	5,000	(1,250)	4,250
BOE cafeteria rent receipts	99,573		99,573	60,848	(38,725)	99,573
BOE student parking fees	38,000		38,000	38,000	-	35,250
BOE interdist tuition valley alt A					-	
BOE sped interdist tuition receipt	476,300		476,300	635,070	158,770	497,831
BOE CREC kindergarten					-	
BOE sports program participation fees	205,995		205,995	213,404	7,409	199,816
Conservation and development	25,000		25,000	7,206	(17,794)	17,739
Total charges for services	<u>2,368,652</u>	<u>7,850</u>	<u>2,376,502</u>	<u>2,623,368</u>	<u>246,866</u>	<u>2,626,584</u>
Investment Income	<u>90,000</u>	<u>-</u>	<u>90,000</u>	<u>52,302</u>	<u>(37,698)</u>	<u>46,905</u>
Other Local Revenues:						
BOE funding school resource officer	76,000		76,000		(76,000)	101,640
Refunds and reimbursements	132,075		132,075	38,034	(94,041)	
Miscellaneous	14,688		14,688	4,812	(9,876)	72,980
Rents and reimbursements	52,000	52,000	104,000	107,958	3,958	55,674
BOE Misc Revenue				140,143	140,143	
Salvage and demolition sales	15,500		15,500	6,613	(8,887)	15,857
Donations from private source		3,673	3,673	3,673	-	15,550
Police Officers Merit Scholarship Fund donations				1,100	1,100	200
Interlocal program funding	78,300		78,300	71,208	(7,092)	134,563
Sale of property	25,000		25,000	4,850	(20,150)	38,101
Cancelled encumbrances				107,491	107,491	133,495
Total other local revenues	<u>393,563</u>	<u>55,673</u>	<u>449,236</u>	<u>485,882</u>	<u>36,646</u>	<u>568,060</u>
Total revenues	<u>78,872,477</u>	<u>745,716</u>	<u>79,618,193</u>	<u>80,198,315</u>	<u>580,122</u>	<u>78,473,447</u>
Other Financing Sources:						
Appropriation of fund balance		794,270	794,270	-	(794,270)	
Assigned for compensated balances		50,000	50,000	-	(50,000)	
Assigned for pension		132,500	132,500	-	(132,500)	
Assigned for Capital Reserve		662,384	662,384	-	(662,384)	
Assigned to Post Employment Benefits		100,000	100,000	-	(100,000)	
Transfers in				39,308	39,308	2,156
Total other financing sources	<u>-</u>	<u>1,739,154</u>	<u>1,739,154</u>	<u>39,308</u>	<u>(1,699,846)</u>	<u>2,156</u>
Total Revenues and Other Financing Sources	<u>\$ 78,872,477</u>	<u>\$ 2,484,870</u>	<u>\$ 81,357,347</u>	<u>\$ 80,237,623</u>	<u>\$ (1,119,724)</u>	<u>\$ 78,475,603</u>

**TOWN OF AVON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015				2014	
	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures:						
Town Council:						
General Government:						
Legislative - Town Council	\$ 48,857	\$ (2,964)	\$ 45,893	\$ 45,893	\$ -	\$ 45,878
Executive - Town Manager	490,493	(56,689)	433,804	433,803	1	475,769
Judicial - probate	4,750	54	4,804	4,804	-	4,618
Elections	100,468	(19,856)	80,612	80,612	-	71,708
Legal services	165,000	(22,256)	142,744	142,744	-	156,723
Recording and reporting	384,900	(14,438)	370,462	370,461	1	354,650
Office building - Town hall	102,813	16,851	119,664	119,664	-	102,413
Human resources	239,295	(1,152)	238,143	238,143	-	234,664
Finance	1,539,373	(4,367)	1,535,006	1,535,009	(3)	1,469,675
Total general government	<u>3,075,949</u>	<u>(104,817)</u>	<u>2,971,132</u>	<u>2,971,133</u>	<u>(1)</u>	<u>2,916,098</u>
Public Safety:						
Police protection	5,911,277	407,193	6,318,470	6,316,650	1,820	5,850,437
Fire protection	1,780,152	75,773	1,855,925	1,855,923	2	1,793,140
Central communications	788,486	(20,416)	768,070	768,071	(1)	685,338
Protective inspection	332,678	(26,829)	305,849	305,848	1	303,396
Other protection	239,123	(9,786)	229,337	231,159	(1,822)	245,283
Total public safety	<u>9,051,716</u>	<u>425,935</u>	<u>9,477,651</u>	<u>9,477,651</u>	<u>-</u>	<u>8,877,594</u>
Public Works:						
Administration	399,434	(13,879)	385,555	385,557	(2)	378,245
Highways	1,839,718	34,887	1,874,605	1,874,604	1	1,805,703
Sanitation	403,731	(70,097)	333,634	333,635	(1)	340,405
Machinery and equipment	558,498	(2,283)	556,215	556,214	1	498,415
Building and grounds	1,654,981	50,386	1,705,367	1,705,368	(1)	1,476,955
Engineering	352,935	(5,629)	347,306	347,305	1	337,341
Total public works	<u>5,209,297</u>	<u>(6,615)</u>	<u>5,202,682</u>	<u>5,202,683</u>	<u>(1)</u>	<u>4,837,064</u>
Health and Social Services:						
Conservation of health	131,329		131,329	131,329	-	129,565
Social services	341,880	28,188	370,068	370,069	(1)	356,750
Total health and social services	<u>473,209</u>	<u>28,188</u>	<u>501,397</u>	<u>501,398</u>	<u>(1)</u>	<u>486,315</u>
Recreation and Parks:						
Recreation	576,064	(29,155)	546,909	546,907	2	508,678
Parks	97,583	(8,454)	89,129	89,130	(1)	197,401
Senior citizens	26,106	(4,203)	21,903	21,903	-	15,354
Community activities	124,541	(4,001)	120,540	120,540	-	94,753
Total recreation and parks	<u>824,294</u>	<u>(45,813)</u>	<u>778,481</u>	<u>778,480</u>	<u>1</u>	<u>816,186</u>
Educational-Cultural:						
Library	1,453,265	20,136	1,473,401	1,473,400	1	1,398,579

(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, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015				Variance with Final Budget	2014
	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual		Actual
Conservation and Development:						
Planning and zoning	\$ 457,965	\$ (1,669)	\$ 456,296	\$ 456,296	\$ -	\$ 443,493
Conservation of natural resources	168,056	(6,205)	161,851	161,846	5	156,658
Total conservation and development	<u>626,021</u>	<u>(7,874)</u>	<u>618,147</u>	<u>618,142</u>	<u>5</u>	<u>600,151</u>
Miscellaneous:						
Claims and losses	15,000	42,309	57,309	57,309	-	32,779
Municipal insurance	241,912	(14,182)	227,730	227,730	-	216,721
Intergovernmental expenditure	56,500	(9,307)	47,193	47,193	-	49,005
Contingency	10,000	(9,200)	800	800	-	306
Total miscellaneous	<u>323,412</u>	<u>9,620</u>	<u>333,032</u>	<u>333,032</u>	<u>-</u>	<u>298,811</u>
Total Town Council	<u>21,037,163</u>	<u>318,760</u>	<u>21,355,923</u>	<u>21,355,919</u>	<u>4</u>	<u>20,230,798</u>
Board of Education:						
Salaries	33,581,445	12,000	33,593,445	32,693,439	900,006	32,033,762
Employee benefits	8,278,529		8,278,529	8,242,353	36,176	7,877,790
Purchased prf & tech services	856,534	99,038	955,572	1,310,564	(354,992)	732,439
Property services	771,691	120,100	891,791	937,636	(45,845)	968,808
Other purchased services	5,659,251	12,900	5,672,151	5,666,331	5,820	5,365,021
General supplies & utilities	2,448,047	124,944	2,572,991	2,475,576	97,415	2,505,937
Equipment	257,605	244,746	502,351	1,043,353	(541,002)	891,565
Fees & membership	49,984		49,984	81,338	(31,354)	68,461
Total Board of Education	<u>51,903,086</u>	<u>613,728</u>	<u>52,516,814</u>	<u>52,450,590</u>	<u>66,224</u>	<u>50,443,783</u>
Debt service:						
Bonds and bond anticipation notes	3,647,490	(2)	3,647,488	3,647,488	-	3,858,788
Total expenditures	<u>76,587,739</u>	<u>932,486</u>	<u>77,520,225</u>	<u>77,453,997</u>	<u>66,228</u>	<u>74,533,369</u>
Transfers out	<u>2,284,738</u>	<u>1,552,384</u>	<u>3,837,122</u>	<u>3,887,122</u>	<u>(50,000)</u>	<u>2,101,685</u>
Total Expenditures and Other Financing Uses	<u>\$ 78,872,477</u>	<u>\$ 2,484,870</u>	<u>\$ 81,357,347</u>	<u>\$ 81,341,119</u>	<u>\$ 16,228</u>	<u>\$ 76,635,054</u>

TOWN OF AVON, CONNECTICUT  
 GENERAL FUND  
 REPORT OF THE PROPERTY TAX COLLECTOR  
 FOR THE YEAR ENDED JUNE 30, 2015

Grand List Date	Uncollected Taxes July 1, 2014	Current Year Levy	Lawful Corrections		Transfers to Suspense	Transfers from Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30,	
			Additions	Deductions				Taxes Collected	Refunds	Net Taxes Collected	Interest and Fees		Total Collections
1999 & Earlier	\$ 1,219	\$	\$	\$ 335	\$	\$	884	\$	\$	\$ -	\$	\$ -	\$ 884
2000	355		158				513	158		158		158	355
2001	375		223	555			598	223		223		223	375
2002	387					555	481	94		94	188	282	387
2003	322					104	426	104		104	197	301	322
2004	331			2,789		308	(2,150)	308	2,789	(2,481)	518	(1,963)	331
2005	340			2,868		58	(2,470)	58	2,868	(2,810)	87	(2,723)	340
2006	840			3,032		143	(2,049)	60	2,949	(2,889)	78	(2,811)	840
2007	1,064			3,062		35	(1,963)	232	3,062	(2,830)	192	(2,638)	867
2008	1,284			3,982		502	(2,196)	502	3,982	(3,480)	527	(2,953)	1,284
2009	1,666			4,157	224	402	(2,313)	702	4,157	(3,455)	487	(2,968)	1,142
2010	9,571			4,259	1,421	291	4,182	4,014	4,259	(245)	937	692	4,427
2011	58,679			5,395	5,225	408	48,467	25,864	5,268	20,596	8,286	28,882	27,871
2012	167,548		1,186	5,016	7,880	268	156,106	84,601	4,032	80,569	18,672	99,241	75,537
Total Prior Years	243,981		1,567	35,450	14,750	3,168	198,516	116,920	33,366	83,554	30,169	113,723	114,962
7/1/2014		73,253,838	195,496	793,074	4,191		72,652,069	72,512,418	100,122	72,412,296	121,733	72,534,029	239,773
TOTAL	\$ 243,981	\$ 73,253,838	\$ 197,063	\$ 828,524	\$ 18,941	\$ 3,168	\$ 72,850,585	\$ 72,629,338	\$ 133,488	\$ 72,495,850	\$ 151,902	\$ 72,647,752	\$ 354,735

Grand List of October 1, \$ 2,570,700,000

Taxes Receivable on Grand List of October 1, , due July 1, \$ 74,240,590

## **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, 2015**

	Project Appropriations July 1, 2014	Additions (Reductions)	Project Appropriations June 30, 2015	Expenditures Incurred to July 1, 2014	Current Year Expenditures	Expenditures Incurred to June 30, 2015	Unexpended Appropriations June 30, 2015
General Government:							
Haynes Rd Sewer Installation - Phase 1	\$ 420,000	\$ (352,546)	\$ 67,454	\$ 67,454	\$	\$ 67,454	\$ -
Underground Storage Tank	250,000	110,000	360,000	249,585	25,418	275,003	84,997
Addition Town Clerk's Office	44,000	(2,007)	41,993	41,993		41,993	-
Deepwood Drive Sewer	576,762	(47,144)	529,618	529,618		529,618	-
DPW Salt Shed Replacement	200,000		200,000	193,937		193,937	6,063
Reconstruct Tillotson Rd	35,000		35,000			-	35,000
Town Center Lighting Ph III	213,592	2,319	215,911	198,794	17,117	215,911	-
Police Communications Center	494,299		494,299	484,733	8,047	492,780	1,519
Sewer Pump Station Replacement	70,000		70,000	66,347		66,347	3,653
Town Hall Renovations Bldg. 1	30,000		30,000	30,000		30,000	-
Lateral Extension Program	475,000		475,000			-	475,000
Road Drainage	175,000		175,000	94,500		94,500	80,500
Road Drainage and Overlay Program	4,980,215	1,267,984	6,248,199	4,622,690	793,619	5,416,309	831,890
Equipment Replacement Fund	600,000	400,000	1,000,000	71	263,880	263,951	736,049
Highway Division Equip Replace	375,000	390,000	765,000	361,684	350,787	712,471	52,529
Buildings & Grounds Equipment	120,000	130,000	250,000	103,398	117,909	221,307	28,693
Ground Lift and Cranes	25,000		25,000	22,103	2,133	24,236	764
PD Narrow Band Purchase	35,000		35,000	27,597	6,746	34,343	657
Vehicles	260,000		260,000	145,026	95,964	240,990	19,010
7.58 CU Dumptruck	190,000		190,000	184,339		184,339	5,661
Library Expansion	9,500,000		9,500,000	8,530,452		8,530,452	969,548
Future Capital Exp. - Facil.	35,000		35,000	30,668	2,025	32,693	2,307
Dial a Ride Van	55,000		55,000	51,784	526	52,310	2,690
Infiltration & Inflow Study	400,000		400,000	147,837	142,221	290,058	109,942
Berta Lane Sewer Extension Project	130,000		130,000	-	96,032	96,032	33,968
Tennis Court Repair Sycamore	40,000		40,000	20,585	7,859	28,444	11,556
Sycamore Hills Pool Improvements	20,000		20,000	2,050		2,050	17,950
PW Shop Floor & Wall Coating		50,000	50,000		11,450	11,450	38,550
Patrol Building Improvements		25,000	25,000		21,397	21,397	3,603
<b>Total General Government</b>	<b>19,748,868</b>	<b>1,973,606</b>	<b>21,722,474</b>	<b>16,207,245</b>	<b>1,963,130</b>	<b>18,170,375</b>	<b>3,552,099</b>
Board of Education:							
Wireless infrastructure - District	65,000	(1,200)	63,800	63,800		63,800	-
Tech Interactive Boards/LCD Pr.	300,000	(261)	299,739	299,739		299,739	-
PGS Playground Replacement	212,110		212,110	212,110		212,110	-
AMS Floor Covering Rpl.	115,000	39,637	154,637	115,000	2,642	117,642	36,995
RBS Floor Covering Rpl.	39,986		39,986	39,864		39,864	122
AHS Boiler Replacement	283,615		283,615	6,683		6,683	276,932
AMS Tennis Courts	119,202	(720)	118,482	104,453	1,065	105,518	12,964
BOE Financial System	224,475		224,475	224,475		224,475	-
Pick-up truck	51,142		51,142	51,142		51,142	-
AHS ADA Compliance	140,000	7,685	147,685	10,483	137,202	147,685	-
BOE security upgrades	240,000		240,000	234,221		234,221	5,779
Fire alarm	62,500	90,000	152,500	71	145,881	145,952	6,548
Energy efficiency improvements	14,000	47,000	61,000		48,339	48,339	12,661
2 athletic / curr buses	36,000		36,000	28,195		28,195	7,805
Passenger van - school	18,858		18,858	18,492		18,492	366
AHS Renovations and Additions	30,670,100		30,670,100	30,273,046		30,273,046	397,054
Drainage Improvements		25,000	25,000			-	25,000
AMS Tennis Court Lighting		45,770	45,770		45,770	45,770	-
AMS & AHS Science Labs Arch. Design/Rpl.		16,800	16,800			-	16,800
RBS Classroom Flooring & Ceiling Tile Rpl.		282,200	282,200		161,804	161,804	120,396
AHS Track Resurfacing		47,315	47,315		44,071	44,071	3,244
<b>Total Board of Education</b>	<b>32,591,988</b>	<b>599,226</b>	<b>33,191,214</b>	<b>31,681,774</b>	<b>586,774</b>	<b>32,268,548</b>	<b>922,666</b>
<b>Total</b>	<b>\$ 52,340,856</b>	<b>\$ 2,572,832</b>	<b>\$ 54,913,688</b>	<b>\$ 47,889,019</b>	<b>\$ 2,549,904</b>	<b>\$ 50,438,923</b>	<b>\$ 4,474,765</b>

## 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.

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

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

## **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, 2015**

	Special Revenue Funds							
	Sewer Fund	State and Federal Education Grants Fund	School Cafeteria Fund	Recreational Activities Fund	Local Capital Improvement Program Fund	Forest Park Management Fund	Use of School Facilities Fund	Town Aid Road Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Receivables	236,679	4,413	18,742	800	108,884			
Due from other funds	2,442,044	32,836	51,762	124,872		26,935	58,653	311,611
Other			8,824					
<b>Total Assets</b>	<b>\$ 2,678,723</b>	<b>\$ 37,249</b>	<b>\$ 79,328</b>	<b>\$ 125,672</b>	<b>\$ 108,884</b>	<b>\$ 26,935</b>	<b>\$ 58,653</b>	<b>\$ 311,611</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 122,807	\$ 22,585	\$	\$ 14,503	\$	\$ 967	\$	\$
Due to other funds					106,708			
Unearned revenue		14,664	2,544					
Total liabilities	<u>122,807</u>	<u>37,249</u>	<u>2,544</u>	<u>14,503</u>	<u>106,708</u>	<u>967</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>								
Unavailable revenue - special assessments	236,679							
Advance sewer collections	282,463							
Total deferred inflows of resources	<u>519,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>								
Nonspendable			8,824					
Restricted								
Committed	2,036,774		67,960	111,169	2,176	25,968	58,653	311,611
Total fund balances	<u>2,036,774</u>	<u>-</u>	<u>76,784</u>	<u>111,169</u>	<u>2,176</u>	<u>25,968</u>	<u>58,653</u>	<u>311,611</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,678,723</b>	<b>\$ 37,249</b>	<b>\$ 79,328</b>	<b>\$ 125,672</b>	<b>\$ 108,884</b>	<b>\$ 26,935</b>	<b>\$ 58,653</b>	<b>\$ 311,611</b>

(Continued on next page)

**TOWN OF AVON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
COMBINING BALANCE SHEET  
JUNE 30, 2015**

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Fisher Meadow Maintenance Fund	Police Special Services Fund	Donations Fund	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 189,025	\$	\$	\$	\$	\$ 189,025
Receivables		15,204				384,722
Due from other funds	155,629	229,326	3,749	32,025	976,549	4,445,991
Other						8,824
<b>Total Assets</b>	<b>\$ 344,654</b>	<b>\$ 244,530</b>	<b>\$ 3,749</b>	<b>\$ 32,025</b>	<b>\$ 976,549</b>	<b>\$ 5,028,562</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$	\$	\$	778	39,830	201,470
Due to other funds						106,708
Unearned revenue		11,404				28,612
<b>Total liabilities</b>	<b>-</b>	<b>11,404</b>	<b>-</b>	<b>778</b>	<b>39,830</b>	<b>336,790</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue - special assessments						236,679
Advance sewer collections						282,463
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>519,142</b>
<b>Fund Balances:</b>						
Nonspendable						8,824
Restricted	344,654					344,654
Committed		233,126	3,749	31,247	936,719	3,819,152
<b>Total fund balances</b>	<b>344,654</b>	<b>233,126</b>	<b>3,749</b>	<b>31,247</b>	<b>936,719</b>	<b>4,172,630</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 344,654</b>	<b>\$ 244,530</b>	<b>\$ 3,749</b>	<b>\$ 32,025</b>	<b>\$ 976,549</b>	<b>\$ 5,028,562</b>

**TOWN OF AVON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds							
	Sewer Fund	State and Federal Education Grants Fund	School Cafeteria Fund	Recreational Activities Fund	Local Capital Improvement Program Fund	Forest Park Management Fund	Use of School Facilities Fund	Town Aid Road Fund
Revenues:								
Intergovernmental	\$ 18,358	\$ 1,169,470	\$ 195,722	\$	\$ 108,884	\$	\$	\$ 311,737
Charges for services	2,058,036		796,708	327,583				
Investment income								
Other local revenues				800			54,398	
Total revenues	<u>2,076,394</u>	<u>1,169,470</u>	<u>992,430</u>	<u>328,383</u>	<u>108,884</u>	<u>-</u>	<u>54,398</u>	<u>311,737</u>
Expenditures:								
Current:								
General government								
Public safety								
Public works	1,667,623				114,326			247,374
Recreation and parks				337,552		7,802		
Education		1,174,065	1,047,552				23,000	
Capital outlay								
Total expenditures	<u>1,667,623</u>	<u>1,174,065</u>	<u>1,047,552</u>	<u>337,552</u>	<u>114,326</u>	<u>7,802</u>	<u>23,000</u>	<u>247,374</u>
Excess (Deficiency) of Revenues over Expenditures	<u>408,771</u>	<u>(4,595)</u>	<u>(55,122)</u>	<u>(9,169)</u>	<u>(5,442)</u>	<u>(7,802)</u>	<u>31,398</u>	<u>64,363</u>
Other Financing Sources (Uses):								
Transfers in	3,653							
Transfers out				(19,150)			(9,900)	
Net other financing sources (uses)	<u>3,653</u>	<u>-</u>	<u>-</u>	<u>(19,150)</u>	<u>-</u>	<u>-</u>	<u>(9,900)</u>	<u>-</u>
Net Change in Fund Balances	412,424	(4,595)	(55,122)	(28,319)	(5,442)	(7,802)	21,498	64,363
Fund Balances at Beginning of Year, as Restated	<u>1,624,350</u>	<u>4,595</u>	<u>131,906</u>	<u>139,488</u>	<u>7,618</u>	<u>33,770</u>	<u>37,155</u>	<u>247,248</u>
Fund Balances at End of Year	<u>\$ 2,036,774</u>	<u>\$ -</u>	<u>\$ 76,784</u>	<u>\$ 111,169</u>	<u>\$ 2,176</u>	<u>\$ 25,968</u>	<u>\$ 58,653</u>	<u>\$ 311,611</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, 2015**

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Fisher Meadow Maintenance Fund	Police Special Services Fund	Donations Fund		Capital and Nonrecurring Expenditures Fund	
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$ 87,923	\$ 1,892,094
Charges for services		113,414				3,295,741
Investment income	30					30
Other local revenues	69,354		43,795			168,347
Total revenues	<u>69,384</u>	<u>113,414</u>	<u>43,795</u>	<u>-</u>	<u>87,923</u>	<u>5,356,212</u>
Expenditures:						
Current:						
General government			41,186	94,091		135,277
Public safety		65,501				65,501
Public works						2,029,323
Recreation and parks						345,354
Education						2,244,617
Capital outlay					259,792	259,792
Total expenditures	<u>-</u>	<u>65,501</u>	<u>41,186</u>	<u>94,091</u>	<u>259,792</u>	<u>5,079,864</u>
Excess (Deficiency) of Revenues over Expenditures	<u>69,384</u>	<u>47,913</u>	<u>2,609</u>	<u>(94,091)</u>	<u>(171,869)</u>	<u>276,348</u>
Other Financing Sources (Uses):						
Transfers in				100,000	790,000	893,653
Transfers out						(29,050)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>790,000</u>	<u>864,603</u>
Net Change in Fund Balances	69,384	47,913	2,609	5,909	618,131	1,140,951
Fund Balances at Beginning of Year, as Restated	<u>275,270</u>	<u>185,213</u>	<u>1,140</u>	<u>25,338</u>	<u>318,588</u>	<u>3,031,679</u>
Fund Balances at End of Year	<u>\$ 344,654</u>	<u>\$ 233,126</u>	<u>\$ 3,749</u>	<u>\$ 31,247</u>	<u>\$ 936,719</u>	<u>\$ 4,172,630</u>

**TOWN OF AVON, CONNECTICUT  
SEWER FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015			Variance with Final Budget	2014
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Sewer assessments	\$ 75,000	\$ 75,000	\$ 54,055	\$ (20,945)	\$ 52,065
Sewer connections	62,500	62,500	192,172	129,672	240,450
Intergovernmental			18,358	18,358	
Sewer use charges	1,475,000	1,475,000	1,782,846	307,846	1,638,451
Permits and inspections	6,000	6,000	9,795	3,795	11,670
Interest and lien fees	15,100	15,100	19,168	4,068	19,393
Miscellaneous			16,186	16,186	14,254
Total revenues	<u>1,633,600</u>	<u>1,633,600</u>	<u>2,092,580</u>	<u>458,980</u>	<u>1,976,283</u>
<b>Expenditures:</b>					
Current:					
Public works	1,923,732	1,967,977	1,745,137	222,840	1,662,703
Debt service				-	
Total expenditures	<u>1,923,732</u>	<u>1,967,977</u>	<u>1,745,137</u>	<u>222,840</u>	<u>1,662,703</u>
Excess of Revenues over Expenditures	<u>(290,132)</u>	<u>(334,377)</u>	<u>347,443</u>	<u>681,820</u>	<u>313,580</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in			3,653	3,653	396,353
Transfers out				-	(730,000)
Appropriation of fund balance		290,132		(290,132)	
Net other financing uses	<u>-</u>	<u>290,132</u>	<u>3,653</u>	<u>(286,479)</u>	<u>(333,647)</u>
Net Change in Fund Balances	<u>\$ (290,132)</u>	<u>\$ (44,245)</u>	351,096	<u>\$ 395,341</u>	(20,067)
Fund Balances at Beginning of Year			<u>1,580,104</u>		<u>1,600,171</u>
Fund Balances at End of Year			<u>\$ 1,931,200</u>		<u>\$ 1,580,104</u>
<b>Reconciliation to GAAP Basis</b>					
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>		
Balance, Budgetary Basis - End of Year	\$ 2,092,580	\$ 1,745,137	\$ 1,931,200		
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			18,566		
Cancelled encumbrances	(16,186)				
Prior year encumbrances paid		9,494			
Current year encumbrances		(87,008)	87,008		
Balance, GAAP Basis - End of Year	<u>\$ 2,076,394</u>	<u>\$ 1,667,623</u>	<u>\$ 2,036,774</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, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015			Variance with Final Budget	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental	\$ 975,994	\$ 1,050,994	\$ 1,169,470	\$ 118,476	\$ 946,951
Other revenue					
Total revenues	<u>975,994</u>	<u>1,050,994</u>	<u>1,169,470</u>	<u>118,476</u>	<u>946,951</u>
Expenditures:					
Education	<u>975,994</u>	<u>1,050,994</u>	<u>1,174,065</u>	<u>(123,071)</u>	<u>942,356</u>
Excess of Revenues over Expenditures			<u>(4,595)</u>	<u>(4,595)</u>	<u>4,595</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>-</u>	(4,595)	\$ <u>(4,595)</u>	4,595
Fund Balances at Beginning of Year			<u>4,595</u>		<u>-</u>
Fund Balances at End of Year			\$ <u>-</u>		\$ <u>4,595</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, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015			Variance with Final Budget	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental	\$ 171,833	\$ 171,833	\$ 152,579	\$ (19,254)	\$ 125,512
Charges for services	<u>1,125,641</u>	<u>1,125,641</u>	<u>796,708</u>	<u>(328,933)</u>	<u>867,444</u>
Total revenues	<u>1,297,474</u>	<u>1,297,474</u>	<u>949,287</u>	<u>(348,187)</u>	<u>992,956</u>
Expenditures:					
Education	<u>1,297,474</u>	<u>1,297,474</u>	<u>1,004,409</u>	<u>293,065</u>	<u>1,059,083</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>-</u>	(55,122)	\$ <u>(55,122)</u>	(66,127)
Fund Balances at Beginning of Year			<u>131,906</u>		<u>198,033</u>
Fund Balances at End of Year			\$ <u>76,784</u>		\$ <u>131,906</u>
<u>Reconciliation to GAAP Basis</u>					
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>		
Balance, Budgetary Basis	\$ 949,287	\$ 1,004,409	\$ 76,784		
Commodities received	<u>43,143</u>	<u>43,143</u>			
Balance, GAAP Basis - End of Year	\$ <u>992,430</u>	\$ <u>1,047,552</u>	\$ <u>76,784</u>		

**TOWN OF AVON, CONNECTICUT  
RECREATIONAL ACTIVITIES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015			Variance with Final Budget	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services	\$ 323,710	\$ 323,710	\$ 327,583	\$ 3,873	\$ 317,256
Other revenues		500	800	300	2,693
Total revenues	<u>323,710</u>	<u>324,210</u>	<u>328,383</u>	<u>4,173</u>	<u>319,949</u>
Expenditures:					
Recreation and parks	<u>323,710</u>	<u>366,567</u>	<u>308,178</u>	<u>58,389</u>	<u>367,088</u>
Excess (Deficiency) of Revenues over Expenditures		<u>(42,357)</u>	<u>20,205</u>	<u>62,562</u>	<u>(47,139)</u>
Other Financing Sources:					
Appropriation of fund balance		19,150		(19,150)	
Transfers out		<u>(19,150)</u>	<u>(19,150)</u>	<u>-</u>	
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(19,150)</u>	<u>(19,150)</u>	<u>-</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>(42,357)</u>	1,055	\$ <u>43,412</u>	(47,139)
Fund Balances at Beginning of Year			<u>97,131</u>		<u>144,270</u>
Fund Balances at End of Year			\$ <u>98,186</u>		\$ <u>97,131</u>
<u>Reconciliation to GAAP Basis</u>					
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>		
Balance, Budgetary Basis	\$ 328,383	\$ 308,178	\$ 98,186		
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			9,000		
Prior year encumbrances paid		33,357			
Current year encumbrances		<u>(3,983)</u>	<u>3,983</u>		
Balance, GAAP Basis - End of Year	\$ <u>328,383</u>	\$ <u>337,552</u>	\$ <u>111,169</u>		

**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, 2015  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015				2014
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:					
Intergovernmental	\$ 108,969	\$ 108,969	\$ 108,884	\$ (85)	\$ 109,484
Expenditures:					
Public works	<u>108,969</u>	<u>108,969</u>	<u>108,884</u>	<u>85</u>	<u>109,484</u>
Excess (Deficiency) 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>
<u>Reconciliation to GAAP Basis</u>					
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>		
Balance, Budgetary Basis	\$ 108,884	\$ 108,884	\$ 2,176		
Prior year encumbrances paid		<u>5,442</u>			
Balance, GAAP Basis - End of Year	\$ <u>108,884</u>	\$ <u>114,326</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, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015			Variance with Final Budget	2014
	Original Budget	Final Budget	Actual		Actual
Expenditures:					
Recreation and parks	\$ 10,000	\$ 10,000	\$ 7,802	\$ 2,198	\$
Other Financing Sources:					
Appropriation of fund balance	10,000	10,000		(10,000)	-
Net Change in Fund Balances	\$ -	\$ -	(7,802)	\$ (7,802)	-
Fund Balances at Beginning of Year			33,770		33,770
Fund Balances at End of Year			\$ 25,968		\$ 33,770

**TOWN OF AVON, CONNECTICUT  
TOWN AID ROAD FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015			Variance with Final Budget	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental	\$ 310,739	\$ 310,739	\$ 311,737	\$ 998	\$ 310,739
Expenditures:					
Public works	<u>310,739</u>	<u>399,085</u>	<u>255,344</u>	<u>143,741</u>	<u>159,290</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>(88,346)</u>	56,393	\$ <u>144,739</u>	151,449
Fund Balances at Beginning of Year			<u>247,248</u>		<u>95,799</u>
Fund Balances at End of Year			\$ <u>303,641</u>		\$ <u>247,248</u>

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis - June 30, 2015	\$ 311,737	\$ 255,344	\$ 303,641
Current year encumbrances	<u>                    </u>	<u>(7,970)</u>	<u>7,970</u>
Balance, GAAP Basis - June 30, 2015	\$ <u>311,737</u>	\$ <u>247,374</u>	\$ <u>311,611</u>

**TOWN OF AVON, CONNECTICUT  
 USE OF SCHOOL FACILITIES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015			Variance with Final Budget	2014
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Other local revenues	\$ 54,000	\$ 54,000	\$ 54,398	\$ 398	\$ 62,863
Expenditures:					
Education	<u>54,000</u>	<u>54,000</u>	<u>23,000</u>	<u>31,000</u>	<u>113,812</u>
Deficiency of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>31,398</u>	<u>31,398</u>	<u>(50,949)</u>
Other Financing Sources (Uses):					
Transfers out		(9,900)	(9,900)	-	
Appropriation of fund balance		<u>9,900</u>		<u>(9,900)</u>	
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(9,900)</u>	<u>(9,900)</u>	<u>-</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>-</u>	21,498	\$ <u>21,498</u>	(50,949)
Fund Balances at Beginning of Year			<u>37,155</u>		<u>88,104</u>
Fund Balances at End of Year			\$ <u>58,653</u>		\$ <u>37,155</u>

**TOWN OF AVON, CONNECTICUT  
POLICE SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015				2014
	<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	\$ 65,501	\$ 113,414	\$ 47,913	\$ 113,978
Expenditures:					
Public safety	<u>10,000</u>	<u>65,501</u>	<u>65,501</u>	<u>-</u>	<u>68,661</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>47,913</u>	<u>47,913</u>	<u>45,317</u>
Other Financing Sources (Uses):					
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,000)</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>-</u>	47,913	\$ <u>47,913</u>	(84,683)
Fund Balances at Beginning of Year			<u>185,213</u>		<u>269,896</u>
Fund Balances at End of Year			\$ <u>233,126</u>		\$ <u>185,213</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, 2015**

	<u>Project Appropriations July 1, 2014</u>	<u>Additions (Reductions)</u>	<u>Project Appropriations June 30, 2015</u>	<u>Expenditures Incurred to July 1, 2014</u>	<u>Current Year Expenditures</u>	<u>Expenditures Incurred to June 30, 2015</u>	<u>Unexpended Appropriations June 30, 2015</u>
General Government:							
Sidewalks	\$ 10,000	\$	\$ 10,000	\$ 6,883	\$	\$ 6,883	\$ 3,117
Revaluation (2008)	194,553	(14,347)	180,206	172,506	7,700	180,206	-
Revaluation (2013)	175,000	50,000	225,000	98,166	49,957	148,123	76,877
ADMINS upgrade	111,960		111,960	110,543	1,363	111,906	54
Secret Lake Drainage	30,000		30,000	9,050		9,050	20,950
OFB Project 04-116-Design Fees Reimb.	295,892		295,892	270,892		270,892	25,000
Old Farms Rd/Thompson Recon 4-98	794,701		794,701	725,770	38,313	764,083	30,618
Replace Old Wheeler Lane Bridge	85,530	81,629	167,159	40,889	123,129	164,018	3,141
Rails to Trails	32,241		32,241	32,241		32,241	-
Old Farms Bridge Lrfd 04-116		400,000	400,000				400,000
Old Farms Rd Relocation Feasibility		340,000	340,000		39,330	39,330	300,670
	<u>\$ 1,729,877</u>	<u>\$ 857,282</u>	<u>\$ 2,587,159</u>	<u>\$ 1,466,940</u>	<u>\$ 259,792</u>	<u>\$ 1,726,732</u>	<u>\$ 860,427</u>
Total Capital and Nonrecurring							

# FIDUCIARY FUNDS

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

## **Pension Trust Funds**

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

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

## **Other Post Employment Benefits Fund**

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

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

## **Agency Funds**

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

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

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

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

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

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

**TOWN OF AVON, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION - TRUST FUNDS**  
**JUNE 30, 2015**

	<u>Pension</u>	<u>Other Post Employment Benefit Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 379,411	\$ 895	\$ 380,306
Investments, at fair value:			
Guaranteed interest contract	1,358,527		1,358,527
Mutual funds	23,291,343	1,949,175	25,240,518
Total investments	<u>24,649,870</u>	<u>1,949,175</u>	<u>26,599,045</u>
Due from other funds		1,675,543	1,675,543
Total assets	<u>25,029,281</u>	<u>3,625,613</u>	<u>28,654,894</u>
Liabilities:			
Accounts payable		37,010	37,010
Net Position:			
Held in Trust for Pension Benefits and OPEB Benefits	<u>\$ 25,029,281</u>	<u>\$ 3,588,603</u>	<u>\$ 28,617,884</u>

**TOWN OF AVON, CONNECTICUT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Pension</u>	<u>Other Post Employment Benefit Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 3,118,456	\$ 2,228,125	\$ 5,346,581
Plan members	355,576	334,543	690,119
Total contributions	<u>3,474,032</u>	<u>2,562,668</u>	<u>6,036,700</u>
Investment income:			
Net appreciation in fair value of investments	136,437		136,437
Interest and dividends	431,171	26,024	457,195
Total investment income	<u>567,608</u>	<u>26,024</u>	<u>593,632</u>
Less investment expenses		180	180
Net investment income	<u>567,608</u>	<u>25,844</u>	<u>593,452</u>
Total additions	<u>4,041,640</u>	<u>2,588,512</u>	<u>6,630,152</u>
Deductions:			
Benefits	3,794,528	2,562,590	6,357,118
Administration	35,570	35,265	70,835
Total deductions	<u>3,830,098</u>	<u>2,597,855</u>	<u>6,427,953</u>
Transfer In		<u>206,875</u>	<u>206,875</u>
Changes in Net Position	211,542	197,532	409,074
Net Position at Beginning of Year	<u>24,817,739</u>	<u>3,391,071</u>	<u>28,208,810</u>
Net Position at End of Year	<u>\$ 25,029,281</u>	<u>\$ 3,588,603</u>	<u>\$ 28,617,884</u>

**TOWN OF AVON, CONNECTICUT  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS</b>				
Cash:				
Flexible spending account	\$ 23,797	\$ 93,837	\$ 90,746	\$ 26,888
High school student activity fund	137,673	385,084	390,521	132,236
Middle school student activity fund	20,936	72,357	80,644	12,649
Roaring Brook student activity fund	5,622	17,436	14,270	8,788
Pine Grove student activity fund	29,037	19,580	19,001	29,616
Thompson Brook student activity fund	7,079	53,098	54,050	6,127
Total cash	<u>224,144</u>	<u>641,392</u>	<u>649,232</u>	<u>216,304</u>
Accounts Receivable:				
C-PACE clean energy fund	-	65,398	43,598	21,800
Police cadet activities fund	-	1,054	237	817
Compliance bond deposits fund	82,678 *	10,000	33,178	59,500
Total accounts receivable	<u>82,678</u>	<u>76,452</u>	<u>77,013</u>	<u>82,117</u>
Total Assets	<u>\$ 306,822</u>	<u>\$ 717,844</u>	<u>\$ 726,245</u>	<u>\$ 298,421</u>
<b>LIABILITIES</b>				
Fiduciary Deposits:				
Flexible spending account	\$ 23,797	\$ 93,837	\$ 90,746	\$ 26,888
High school student activity fund	137,673	385,084	390,521	132,236
Middle school student activity fund	20,936	72,357	80,644	12,649
Roaring Brook student activity fund	5,622	17,436	14,270	8,788
Pine Grove student activity fund	29,037	19,580	19,001	29,616
Thompson Brook student activity fund	7,079	53,098	54,050	6,127
C-PACE clean energy fund	-	65,398	43,598	21,800
Police cadet activities fund	-	1,054	237	817
Compliance bond deposits fund	82,678 *	10,000	33,178	59,500
Total Liabilities	<u>\$ 306,822</u>	<u>\$ 717,844</u>	<u>\$ 726,245</u>	<u>\$ 298,421</u>

\*FY 2014 restated for amount included in prior years revolving fund within the general fund.

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

**TOWN OF AVON, CONNECTICUT  
LONG-TERM DEBT OBLIGATIONS  
SCHEDULE OF BOND MATURITIES  
JUNE 30, 2015**

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
General Purpose:						
Bonds:						
Fisher Farms Open Space Interest payable December 15 and June 15 of each year at 3.0-5.0%; principal payable - June	\$ 1,295,000	7-15-02	2016	\$ 82,000	\$ 4,100	\$ 86,100
Town Hall Renovations Interest payable October 15 and April 15 of each year at 2.0-3.25%; principal payable - October	\$ 2,295,000	10-15-09	2016	115,000	50,357	165,357
			2017	150,000	46,382	196,382
			2018	150,000	41,882	191,882
			2019	150,000	37,382	187,382
			2020	145,000	32,957	177,957
			2021	135,000	28,757	163,757
			2022	135,000	24,707	159,707
			2023	150,000	20,432	170,432
			2024	145,000	15,916	160,916
			2025	140,000	11,375	151,375
			2026	140,000	6,825	146,825
			2027	140,000	2,275	142,275
				<u>1,695,000</u>	<u>319,247</u>	<u>2,014,247</u>
Avon Public Library Interest payable December 15 and June 15 of each year at 2.0% principal payable - June	7,100,000	10-30-12	2016	350,000	123,000	473,000
			2017	475,000	116,000	591,000
			2018	350,000	106,500	456,500
			2019	350,000	99,500	449,500
			2020	450,000	92,500	542,500
			2021	525,000	83,500	608,500
			2022	525,000	73,000	598,000
			2023	525,000	62,500	587,500
			2024	525,000	52,000	577,000
			2025	525,000	41,500	566,500
			2026	525,000	31,000	556,000
			2027	525,000	20,500	545,500
			2028	500,000	10,000	510,000
				<u>6,150,000</u>	<u>911,500</u>	<u>7,061,500</u>
Total General Purposes				<u>7,927,000</u>	<u>1,234,847</u>	<u>9,161,847</u>

(Continued on next page)

**TOWN OF AVON, CONNECTICUT  
LONG-TERM DEBT OBLIGATIONS  
SCHEDULE OF BOND MATURITIES (CONTINUED)  
JUNE 30, 2015**

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
Schools:						
Bonds:						
School Construction - Thompson Brook School	\$ 14,245,000	7-15-02	2016	\$ 918,000	\$ 45,900	\$ 963,900
Interest payable December 15 and June 15 of each year at 3.0-5.0%; principal payable - June						
School Construction Avon High School Renovations	\$ 23,218,000	10-15-09	2016	1,195,000	505,569	1,700,569
Interest payable October 15 and April 15 of each year at 2.0-3.25%; principal payable - October			2017	1,590,000	463,794	2,053,794
			2018	1,570,000	416,394	1,986,394
			2019	1,570,000	369,294	1,939,294
			2020	1,490,000	323,394	1,813,394
			2021	1,375,000	280,419	1,655,419
			2022	1,370,000	239,244	1,609,244
			2023	1,350,000	198,444	1,548,444
			2024	1,355,000	157,022	1,512,022
			2025	1,360,000	113,750	1,473,750
			2026	1,410,000	68,738	1,478,738
			2027	1,410,000	22,913	1,432,913
				<u>17,045,000</u>	<u>3,158,975</u>	<u>20,203,975</u>
School Construction Avon Middle School Roof	\$ 2,372,000	10-15-09	2016	110,000	52,013	162,013
Interest payable October 15 and April 15 of each year at 2.0-3.25%; principal payable - October			2017	150,000	48,113	198,113
			2018	150,000	43,613	193,613
			2019	150,000	39,113	189,113
			2020	150,000	34,613	184,613
			2021	140,000	30,263	170,263
			2022	145,000	25,988	170,988
			2023	150,000	21,563	171,563
			2024	150,000	16,969	166,969
			2025	150,000	12,188	162,188
			2026	150,000	7,313	157,313
			2027	150,000	2,438	152,438
				<u>1,745,000</u>	<u>334,187</u>	<u>2,079,187</u>
Total Schools				<u>19,708,000</u>	<u>3,539,062</u>	<u>23,247,062</u>
Grand Total-All Bonded Debt				<u>\$ 27,635,000</u>	<u>\$ 4,773,909</u>	<u>\$ 32,408,909</u>

## 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.

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Net investment in capital assets	\$ 80,092,550	\$ 86,386,400	\$ 100,992,393	\$ 106,328,362	\$ 109,234,397	\$ 107,467,654	\$ 115,379,009	\$ 118,098,045	\$ 117,881,652	\$ 118,793,898
Unrestricted	16,234,934	15,331,611	12,623,398	9,407,746	8,985,086	16,205,739	12,329,474	13,660,559	(7,580,353)	(9,004,794)
Total Governmental Activities Net Position	<u>\$ 96,327,484</u>	<u>\$ 101,718,011</u>	<u>\$ 113,615,791</u>	<u>\$ 115,736,108</u>	<u>\$ 118,219,483</u>	<u>\$ 123,673,393</u>	<u>\$ 127,708,483</u>	<u>\$ 131,758,604</u>	<u>\$ 110,301,299</u>	<u>\$ 109,789,104</u>

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
General government	\$ 2,824,138	\$ 2,697,324	\$ 3,150,197	\$ 4,366,653	\$ 3,363,784	\$ 2,997,029	\$ 3,699,703	\$ 3,887,306	\$ 3,856,414	\$ 4,853,149
Public safety	7,844,237	7,752,887	8,386,614	8,646,361	8,584,227	8,837,647	9,135,168	9,128,593	9,447,490	9,791,364
Public works	5,768,387	5,615,483	6,379,490	6,803,932	6,767,622	6,459,180	9,025,502	6,067,288	7,378,074	8,495,593
Health and social services	335,363	339,011	418,457	409,643	429,622	449,695	455,739	454,762	761,000	566,900
Recreation and parks	1,231,112	1,192,893	1,259,443	1,198,231	1,270,094	1,407,889	1,370,892	1,348,905	1,254,944	1,189,960
Educational cultural	1,252,539	1,271,577	1,340,878	1,325,196	1,390,254	1,341,831	1,402,620	1,392,800	1,396,274	1,343,538
Conservation and development	485,796	480,105	470,631	493,509	495,403	621,526	561,273	517,166	592,945	492,487
Board of Education	41,312,587	42,831,505	58,762,865	48,148,966	50,168,747	51,384,252	55,476,822	58,665,309	60,926,974	63,530,460
Interest expense	976,068	1,164,309	1,420,878	1,599,492	1,847,632	1,083,857	1,045,803	1,049,140	921,075	816,154
Total governmental activities expenses	<u>62,030,227</u>	<u>63,345,094</u>	<u>81,589,453</u>	<u>72,991,983</u>	<u>74,317,385</u>	<u>74,582,906</u>	<u>82,173,522</u>	<u>82,511,269</u>	<u>86,535,190</u>	<u>91,079,605</u>
Program Revenues:										
Governmental activities:										
Charges for services	4,744,462	4,268,592	4,585,742	5,254,615	5,243,859	5,899,335	5,809,050	6,905,655	5,926,742	5,903,556
Operating grants and contributions	4,703,647	5,187,201	19,168,475	6,795,638	8,068,566	7,603,548	11,127,231	9,387,422	11,335,763	10,676,357
Capital grants and contributions	45,436	211,460	7,676,918	1,192,219	940,145	186,048	1,065,967	240,923	262,989	321,473
Total governmental activities program revenues	<u>9,493,545</u>	<u>9,667,253</u>	<u>31,431,135</u>	<u>13,242,472</u>	<u>14,252,570</u>	<u>13,688,931</u>	<u>18,002,248</u>	<u>16,534,000</u>	<u>17,525,494</u>	<u>16,901,386</u>
Net revenues (expenses):										
Governmental activities	<u>(52,536,682)</u>	<u>(53,677,841)</u>	<u>(50,158,318)</u>	<u>(59,749,511)</u>	<u>(60,064,815)</u>	<u>(60,893,975)</u>	<u>(64,171,274)</u>	<u>(65,977,269)</u>	<u>(69,009,696)</u>	<u>(74,178,219)</u>
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	52,102,161	54,985,721	57,525,758	60,502,992	61,214,157	64,376,632	66,459,769	68,880,202	71,382,861	72,768,968
Grants and contributions not restricted to specific programs	420,814	471,823	484,160	451,350	631,497	466,877	608,088	564,786	587,848	488,888
Unrestricted investment earnings	1,229,679	1,923,744	1,361,187	469,404	231,295	259,529	94,451	130,883	135,539	87,150
Miscellaneous	280,849	370,776	988,047	446,082	471,241	1,244,847	1,044,056	451,519	600,473	527,893
Donated capital assets	150,882	1,441,304								
Transfers		(125,000)								(206,875)
Total governmental activities	<u>54,184,385</u>	<u>59,068,368</u>	<u>60,359,152</u>	<u>61,869,828</u>	<u>62,548,190</u>	<u>66,347,885</u>	<u>68,206,364</u>	<u>70,027,390</u>	<u>72,706,721</u>	<u>73,666,024</u>
Change in Net Position:										
Governmental activities	<u>\$ 1,647,703</u>	<u>\$ 5,390,527</u>	<u>\$ 10,200,834</u>	<u>\$ 2,120,317</u>	<u>\$ 2,483,375</u>	<u>\$ 5,453,910</u>	<u>\$ 4,035,090</u>	<u>\$ 4,050,121</u>	<u>\$ 3,697,025</u>	<u>\$ (512,195)</u>

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 147,535	\$ 17,118	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved	4,159,172	3,760,315	4,676,227	5,253,522	5,100,539					
Nonspendable						133,724	190,147	7,406	5,157	27,237
Assigned						1,786,555	2,318,586	2,664,114	4,164,774	3,050,722
Unassigned						6,084,975	6,610,507	8,035,653	8,687,086	8,003,009
Total General Fund	<u>\$ 4,306,707</u>	<u>\$ 3,777,433</u>	<u>\$ 4,676,227</u>	<u>\$ 5,253,522</u>	<u>\$ 5,100,539</u>	<u>\$ 8,005,254</u>	<u>\$ 9,119,240</u>	<u>\$ 10,707,173</u>	<u>\$ 12,857,017</u>	<u>\$ 11,080,968</u>
All other governmental funds:										
Reserved	\$ 756,962	\$ 813,490	\$ 562,053	\$ 453,686	\$ 109,845	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	1,641,669	1,850,540	4,289,793	3,326,360	3,331,402					
Capital projects funds	96,391	(8,277,866)	(21,972,030)	(23,536,240)	2,856,843					
Nonspendable						5,300	5,326	5,871	4,221	8,824
Restricted						128,262	147,936	202,058	275,270	344,654
Committed						2,821,971	2,646,944	6,858,931	7,592,171	9,136,140
Unassigned						(75,208)	(3,563,089)			
Total All Other Governmental Fund	<u>\$ 2,495,022</u>	<u>\$ (5,613,836)</u>	<u>\$ (17,120,184)</u>	<u>\$ (19,756,194)</u>	<u>\$ 6,298,090</u>	<u>\$ 2,880,325</u>	<u>\$ (762,883)</u>	<u>\$ 7,066,860</u>	<u>\$ 7,871,662</u>	<u>\$ 9,489,618</u>

Note: In 2011, the Town implemented GASB 54, which required that fund balance be categorized as nonspendable, restricted, committed, assigned, or unassigned.

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Property taxes	\$ 52,054,364	\$ 54,940,024	\$ 57,607,095	\$ 60,443,984	\$ 61,251,149	\$ 64,340,735	\$ 66,477,970	\$ 68,836,758	\$ 71,328,459	\$ 72,702,548
Intergovernmental (state and federal grants)	5,908,147	6,223,583	25,960,589	8,029,848	9,479,811	8,409,103	12,974,621	9,986,030	12,159,977	11,409,523
Charges for services	4,735,059	4,268,644	4,585,785	5,253,901	5,243,089	5,899,335	5,809,050	6,905,655	5,926,742	5,949,951
Contributions	30,300	6,300			3,200					
Investment income	1,229,679	1,923,744	1,361,187	469,404	231,295	259,529	94,451	130,883	135,539	87,150
Other local revenues	280,849	370,776	980,682	446,082	477,976	1,294,266	1,061,483	657,594	653,548	614,239
<b>Total revenues</b>	<b>64,238,398</b>	<b>67,733,071</b>	<b>90,495,338</b>	<b>74,643,219</b>	<b>76,686,520</b>	<b>80,202,968</b>	<b>86,417,575</b>	<b>86,516,920</b>	<b>90,204,265</b>	<b>90,763,411</b>
<b>Expenditures:</b>										
<b>Town Council:</b>										
General government	2,332,582	2,534,553	2,934,699	4,071,003	2,923,516	3,265,992	3,143,074	3,233,325	3,254,877	3,112,248
Public safety	7,190,774	7,492,029	7,943,996	8,180,761	8,062,495	8,158,581	8,606,336	8,728,912	8,960,231	9,599,202
Public works	4,676,353	4,966,497	5,177,018	5,995,535	5,565,831	5,532,928	8,361,461	6,250,964	6,695,152	7,265,068
Health and social services	321,193	339,055	418,279	407,956	431,181	428,700	434,439	453,173	486,497	502,740
Recreation and parks	1,104,495	1,114,589	1,114,355	1,058,239	1,126,505	1,222,190	1,216,090	1,218,102	1,160,087	1,115,972
Educational - cultural	1,171,991	1,249,963	1,325,488	1,312,882	1,381,486	1,412,445	1,392,328	1,455,561	1,402,014	1,479,743
Conservation and development	452,072	480,232	461,474	485,868	494,145	524,858	550,396	559,185	602,191	613,764
Miscellaneous	258,642	244,096	279,276	288,255	293,613	257,016	232,806	451,039	298,811	333,033
<b>Total Town Council</b>	<b>17,508,102</b>	<b>18,421,014</b>	<b>19,654,585</b>	<b>21,800,499</b>	<b>20,278,772</b>	<b>20,802,710</b>	<b>23,936,930</b>	<b>22,350,261</b>	<b>22,859,860</b>	<b>24,021,770</b>
Board of Education	39,657,600	41,450,613	57,087,590	46,822,998	48,902,814	50,625,619	53,902,777	55,758,766	58,831,942	60,392,678
<b>Debt Service:</b>										
Principal	3,255,750	3,330,750	3,500,000	3,100,000	3,300,000	3,650,000	3,550,000	3,365,000	2,895,000	2,775,000
Interest	1,059,348	1,244,954	1,460,243	1,638,189	1,780,764	1,126,412	1,108,237	1,072,321	963,788	872,488
<b>Total Debt Service</b>	<b>4,315,098</b>	<b>4,575,704</b>	<b>4,960,243</b>	<b>4,738,189</b>	<b>5,080,764</b>	<b>4,776,412</b>	<b>4,658,237</b>	<b>4,437,321</b>	<b>3,858,788</b>	<b>3,647,488</b>
Capital improvements	3,911,318	12,323,872	21,097,420	3,340,246	4,758,505	4,511,277	6,448,853	1,902,921	2,053,230	2,809,696
<b>Total expenditures</b>	<b>65,392,118</b>	<b>76,771,203</b>	<b>102,799,838</b>	<b>76,701,932</b>	<b>79,020,855</b>	<b>80,716,018</b>	<b>88,946,797</b>	<b>84,449,269</b>	<b>87,603,820</b>	<b>90,871,632</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(1,153,720)</b>	<b>(9,038,132)</b>	<b>(12,304,500)</b>	<b>(2,058,713)</b>	<b>(2,334,335)</b>	<b>(513,050)</b>	<b>(2,529,222)</b>	<b>2,067,651</b>	<b>2,600,445</b>	<b>(108,221)</b>
<b>Other Financing Sources (Uses):</b>										
Proceeds from sale of land/capital assets										
Issuance of capital lease									354,201	155,863
Issuance of Bond/BAN					27,885,000			7,100,000		
Bond/BAN issue premium					350,636			250,025		
Loan issuance		600,000								
Transfers in	2,524,174	2,666,315	4,346,550	4,032,303	2,076,079	1,888,652	1,376,492	1,928,933	3,360,194	3,859,133
Transfers out	(2,624,174)	(2,866,315)	(4,346,550)	(4,032,303)	(2,076,079)	(1,888,652)	(1,376,492)	(1,928,933)	(3,360,194)	(4,066,008)
<b>Total other financing sources (uses)</b>	<b>(100,000)</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>28,235,636</b>	<b>-</b>	<b>-</b>	<b>7,350,025</b>	<b>354,201</b>	<b>(51,012)</b>
<b>Net Change in Fund Balances</b>	<b>(1,253,720)</b>	<b>(8,638,132)</b>	<b>(12,304,500)</b>	<b>(2,058,713)</b>	<b>25,901,301</b>	<b>(513,050)</b>	<b>(2,529,222)</b>	<b>9,417,676</b>	<b>2,954,646</b>	<b>(159,233)</b>
<b>Fund Balance at Beginning of Year *</b>	<b>8,055,449</b>	<b>6,801,729</b>	<b>(139,457)</b>	<b>(12,443,959)</b>	<b>(14,502,672)</b>	<b>11,398,629</b>	<b>10,885,579</b>	<b>8,356,357</b>	<b>17,774,033</b>	<b>20,729,819</b>
<b>Fund Balance at End of Year</b>	<b>\$ 6,801,729</b>	<b>\$ (1,836,403)</b>	<b>\$ (12,443,957)</b>	<b>\$ (14,502,672)</b>	<b>\$ 11,398,629</b>	<b>\$ 10,885,579</b>	<b>\$ 8,356,357</b>	<b>\$ 17,774,033</b>	<b>\$ 20,728,679</b>	<b>\$ 20,570,586</b>
<b>Debt Service as a Percentage to Noncapital Expenditures</b>	<b>7.00%</b>	<b>7.27%</b>	<b>6.16%</b>	<b>6.52%</b>	<b>6.82%</b>	<b>6.24%</b>	<b>5.65%</b>	<b>5.44%</b>	<b>4.50%</b>	<b>4.12%</b>
<b>Total Debt Service</b>	<b>4,315,098</b>	<b>4,575,704</b>	<b>4,960,243</b>	<b>4,738,189</b>	<b>5,080,764</b>	<b>4,776,412</b>	<b>4,658,237</b>	<b>4,437,321</b>	<b>3,858,788</b>	<b>3,647,488</b>
<b>Non capital expenditures</b>	<b>61,685,584</b>	<b>62,955,279</b>	<b>80,545,635</b>	<b>72,716,201</b>	<b>74,451,371</b>	<b>76,486,372</b>	<b>82,489,875</b>	<b>81,632,751</b>	<b>85,830,005</b>	<b>88,570,430</b>

\*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.

\*\*FY 2015 fund balance is restated at beginning of year due to moving donations revenues and expenditures to new Special Revenue Fund (Donations 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					
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
2010	2,057,199,260	317,688,190	148,167,500	82,720,100	270,062,210	2,605,775,050	23.41	4,008,884,690	65.0
2011	2,069,142,780	317,552,310	152,291,800	79,166,770	271,062,110	2,618,153,660	24.44	3,946,859,780	66.3
2012	2,082,821,950	318,054,740	161,455,980	76,284,190	271,385,060	2,638,616,860	25.04	3,742,718,950	70.5
2013	2,099,240,690	319,617,200	173,638,190	75,610,970	279,639,180	2,668,107,050	25.65	3,747,341,362	71.2
2014	2,116,947,550	323,533,960	169,534,790	78,810,320	281,023,970	2,688,826,620	26.32	3,697,904,084	72.7
2015	1,975,267,600	325,431,330	175,775,500	82,606,100	240,650,750	2,559,080,530	28.32	3,655,829,328	70.0

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  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$1,000 of assessed value)**

<b>Fiscal Year</b>	<b>Direct Rates</b>			<b>Overlapping Rates</b>	
	<b>Basic Rate</b>	<b>General Obligation Debt Service</b>	<b>Total Direct</b>	<b>State</b>	<b>County</b>
2006	22.08	2.08	24.16	N/A	N/A
2007	22.76	2.09	24.85	N/A	N/A
2008	23.44	2.11	25.55	N/A	N/A
2009	24.36	2.17	26.53	N/A	N/A
2010	21.56	1.85	23.41	N/A	N/A
2011	22.65	1.79	24.44	N/A	N/A
2012	23.32	1.72	25.04	N/A	N/A
2013	24.08	1.57	25.65	N/A	N/A
2014	25.00	1.32	26.32	N/A	N/A
2015	27.01	1.31	28.32	N/A	N/A

TABLE 7

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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List
Avonplace Associates LLC	\$ 15,287,990	1	0.59 %	\$ 7,811,020	8	0.37 %
64 Avonwood Rd. Assoc. LLC	13,674,330	5	0.53			
Two Fifty-Five West Main LLC	14,052,020	4	0.54	11,385,620	1	0.53
Connecticut Light & Power	14,814,580	2	0.57	10,218,910	2	0.48
Ensign Bickford Realty Corp.	10,754,440	8	0.42	8,082,090	7	0.38
Avon Marketplace Investors	14,325,490	3	0.56			
Nod Brook LLC	12,482,220	7	0.48	9,199,920	4	0.43
Family Wellness Center	9,175,050	10	0.36			
Avon Water Company	9,870,330	9	0.38	7,261,470	9	0.34
Connecticut On-Line Computer				8,414,580	6	0.40
Avon Associates, Ltd				7,259,380	10	0.34
Jackson, Inc.				9,543,940	3	0.45
Toll CT Ltd Partnership	12,730,970	6	0.49			
G. David Lattizori				9,131,600	5	0.43
	<u>\$ 127,167,420</u>		<u>4.93 %</u>	<u>\$ 88,308,530</u>		<u>4.15 %</u>

Source: Town Assessor's Office

TABLE 8

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Percentage of Levy Uncollected	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2006	\$ 51,865	\$ 51,774	99.82 %	0.18 %	35	\$ 51,808	99.89 %
2007	54,781	54,677	99.81	0.19	71	54,747	99.94
2008	57,350	57,311	99.93	0.07	13	57,324	99.95
2009	60,287	60,174	99.81	0.19	86	60,259	99.95
2010	61,074	60,965	99.82	0.18	83	61,048	99.96
2011	64,184	64,017	99.74	0.26	116	64,133	99.92
2012	66,262	66,073	99.72	0.28	134	66,207	99.92
2013	68,687	68,528	99.77	0.23	85	68,613	99.89
2014	71,181	71,014	99.76	0.24	81	71,094	99.88
2015	72,652	72,412	99.67	0.33	N/A	72,412	99.67

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**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property(1)</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
2006	\$ 21,560,000	0.6076 %	\$ 21,560,000	2.38 %	\$ 1,232
2007	18,785,000	0.4766	18,785,000	2.08	1,073
2008	15,285,000	0.3702	15,285,000	1.66	859
2009	12,185,000	0.2907	12,185,000	1.32	685
2010	36,770,000	0.9172	36,770,000	3.93	2,031
2011	33,120,000	0.8391	33,120,000	3.48	1,800
2012	29,570,000	0.7901	29,570,000	3.06	1,581
2013	33,305,000	0.8888	33,305,000	3.39	1,753
2014	30,410,000	0.8224	30,410,000	2.51	1,552
2015	27,635,000	0.7559	27,635,000	2.25	1,389

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

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 383,690,160	\$ 404,046,335	\$ 422,652,293	\$ 442,469,867	\$ 448,646,527	\$ 470,001,581	\$ 489,834,639	\$ 504,598,451	\$ 522,097,100	\$ 532,901,257
Total net debt applicable to limit	<u>64,909,268</u>	<u>76,853,667</u>	<u>82,135,050</u>	<u>84,129,441</u>	<u>62,217,044</u>	<u>58,609,091</u>	<u>54,999,110</u>	<u>35,312,055</u>	<u>32,741,930</u>	<u>27,635,000</u>
Legal Debt Margin	<u>\$ 318,780,892</u>	<u>\$ 327,192,668</u>	<u>\$ 340,517,243</u>	<u>\$ 358,340,426</u>	<u>\$ 386,429,483</u>	<u>\$ 411,392,490</u>	<u>\$ 434,237,064</u>	<u>\$ 469,286,396</u>	<u>\$ 489,355,170</u>	<u>\$ 505,266,257</u>
Total net debt applicable to the limit as a percentage of debt limit	16.92%	19.02%	19.43%	19.01%	13.87%	12.47%	11.23%	7.00%	6.27%	5.19%

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 2015 debt limit can be found on Table 13 of this report.

**TOWN OF AVON, CONNECTICUT  
DEBT STATEMENT  
AS OF JUNE 30, 2015**

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## Long-Term Debt:

## Bonds:

General public improvement

\$ 7,927,000

School

19,708,000

## Total Net Direct Debt

\$ 27,635,000

**TOWN OF AVON, CONNECTICUT  
CURRENT DEBT RATIOS  
AS OF JUNE 30, 2015**

Population (a)		19,900 (est.)		
Net Taxable Grand List (October 1, 2013) (b)	\$	2,578,696,223		
Estimated Full Value (70%)	\$	3,683,851,747		
Equalized Net Taxable Grand List (2013) (c)	\$	3,573,844,477		
Income per Capita (2010) (d)	\$	61,754		
		<b><u>Total</u></b>	<b><u>Total Net</u></b>	<b><u>Total Overall</u></b>
		<b><u>Direct Debt</u></b>	<b><u>Direct Debt</u></b>	<b><u>Net Debt</u></b>
	\$	<u>27,635,000</u>	\$	<u>27,635,000</u>
	\$		\$	<u>27,635,000</u>
Per Capita	\$	1,389	\$	1,389
Ratio to Net Taxable Grand List		1.07%		1.07%
Ratio to Estimated Full Value		0.75%		0.75%
Ratio to Equalized Net Taxable Grand List		0.77%		0.77%
Debt per Capita to Income per Capita		2.25%		2.25%

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

(b) Revalued October 1, 2013, Town of Avon Division of Assessing

(c) State of Connecticut, Office of Policy and Management, Fiscal Indicators, Town of Avon, 2013

(d) State of Connecticut, Department of Labor

**TOWN OF AVON, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2015**

Total tax collections (including interest and lien fees) received by Treasurer for current fiscal year	\$ 72,647,752
Total tax collections (including interest and lien fees) received by Treasurers of all other taxing districts within Town for current fiscal year	3,393,354
Reimbursement for Revenue Loss: Tax Relief for Elderly	<u>87,645</u>
Base for Debt Limitation Computation	<u>\$ 76,128,751</u>

	<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	\$ 171,289,690	\$	\$	\$	\$
4-1/2 times base		342,579,380			
3-3/4 times base			285,482,816		
3-1/4 times base				247,418,441	
3 times base					228,386,253
Total debt limitation	<u>171,289,690</u>	<u>342,579,380</u>	<u>285,482,816</u>	<u>247,418,441</u>	<u>228,386,253</u>
Indebtedness:					
Bonds payable	<u>7,927,000</u>	<u>19,708,000</u>			
Net indebtedness (1)	<u>7,927,000</u>	<u>19,708,000</u>	-	-	-
Debt Limitation in Excess of Outstanding Debt	<u>\$ 163,362,690</u>	<u>\$ 322,871,380</u>	<u>\$ 285,482,816</u>	<u>\$ 247,418,441</u>	<u>\$ 228,386,253</u>

(1) The total of the above net indebtedness amounts to: \$ 27,635,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 532,901,257

**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>
2006	17,500	\$ 904,855	\$ 51,706	42.0	16	3,446	2.7
2007	17,500	904,855	51,706	42.0	16	3,519	3.1
2008	17,800	920,367	51,706	42.0	16	3,532	3.7
2009	17,800	920,367	51,706	42.0	16	3,613	5.5
2010	18,100	935,879	51,706	42.0	16	3,605	6.0
2011	18,400	951,390	51,706	42.0	16	3,540	5.7
2012	18,700	966,902	51,706	42.0	16	3,534	5.3
2013	19,000	982,414	51,706	42.0	16	3,405	5.2
2014	19,600	1,210,378	61,754	45.1	16	3,379	4.7
2015	19,900	1,228,905	61,754	45.1	16	3,320	4.1

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, 2000 and 2010
- (4) U.S. Department of Commerce, Bureau of the Census, 2000 and 2010  
2000 Census: percentage of Avon population with Bachelor’s Degree or higher is 62.0%  
2010 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 15

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

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Town of Avon	559	1	6.99 %	520	1	6.01 %
Connecticut On-Line Computer Center	72	10	0.90	315	2	3.64
Wal-Mart	134	9	1.67	220	3	2.54
Women's Health USA	183	3	2.29	210	4	2.43
Avon Health Center, Inc.	207	2	2.59	186	6	2.15
Big Y Supermarket	166	4	2.07	195	5	2.25
Apple Health Care, Inc.	147	5	1.84	130	10	1.50
O.F.S Fitel LLC	142	6	1.77	177	7	2.04
Legere Group	136	7	1.70			-
Reflexite Tech Center	134	8	1.67			-
GE Insurance				140	9	1.62
Hartford Insurance				158	8	1.82
	<u>1,880</u>		<u>23.50 %</u>	<u>2,251</u>		<u>26.00 %</u>

Source: Town of Avon, Official Statements

**TOWN OF AVON, CONNECTICUT  
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
JUNE 30, 2015**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>General Government</u>										
Manager	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.3	2.3
Finance	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Planning	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Building	3.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Other	10.0	10.0	10.0	10.0	11.0	11.0	14.0	13.0	12.7	12.7
<u>Public Safety</u>										
Sworn Officers	35.0	36.0	44.0	44.0	44.0	44.0	43.0	43.0	43.0	43.0
Dispatchers*	9.0	9.0								
<u>Public Works</u>										
	28.0	28.0	27.0	27.0	27.0	26.0	30.0	30.0	30.0	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	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0
<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	295.9	295.1	294.9	288.4	291.8	288.5	289.0	302.0	395.0	387.0
<b>Total</b>	<b>400.9</b>	<b>402.1</b>	<b>399.9</b>	<b>393.4</b>	<b>397.8</b>	<b>393.5</b>	<b>400.0</b>	<b>413.0</b>	<b>505.0</b>	<b>496.0</b>

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.

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

**TOWN OF AVON, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
JUNE 30, 2015**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>General Government</u>										
Marriage licenses	114	115	114	87	102	122	119	128	125	213
Civil Unions Recorded (new in 06/07, no longer issued)	0	0	0	0	0	0	1	2	2	6
Birth certificates	99	128	99	73	118	105	129	126	137	154
Death certificates	191	176	191	120	125	155	185	192	158	194
<u>Boards and Agencies</u>										
Registered voters	11,231	11,272	11,981	11,824	12,051	11,852	11,943	11,297	11,087	11,100
Elections and referenda	3	2	2	3	2	4	4	5	3	3
<u>Planning and Development</u>										
Building permits issued	752	604	567	617	575	561	525	635	562	700
Building inspections conducted	2,387	2,249	2,404	2,171	1,970	1,919	1,961	2,546	2,524	3,700
Value of building permits	35,540,625	42,734,952	52,928,314	34,205,274	32,317,339	27,942,971	17,946,028	24,403,569	24,586,378	23,358,000
<u>Public Safety</u>										
Arrests	292	180	280	280	287	246	281	289	292	350
Parking violations	5	4	14	12	27	51	69	72	78	67
Traffic violations	1,166	812	1,554	1,635	2,509	2,937	5,078	6,337	5,992	5173
Emergency responses	1,673	1,780	2,009	1,603	1,503	1,313	1,247	1,307	1,265	3323
Fires extinguished	45	45	32	7	28	11	8	28	15	18
Inspections/fire prevention	451	439	381	381	485	279	392	620	1,369	1,488
Calls for service	19,646	15,125	12,343	18,638	19,126	22,094	27,398	25,389	23,846	30,885
Citations issued	917	586	932	1,293	1,481	2,169	3,945	4,421	4,230	4,014
<u>Public Works</u>										
Miles of roads maintained	110	106	108	108	108	108	108	104	103	102
Refuse collected (tons per year)	746	756	782	862	872	900	950	1,029	1,065	N/A
Recyclables collected (tons per year)	421	554	481	504	553	650	726	931	933	N/A
<u>Parks and Recreation</u>										
Total park reservations	3,422	1,758	1,826	1,886	1,657	1,977	2,026	2,767	4,399	2,934
Total day camp registrations	452	531	519	539	465	527	659	612	554	486
Total swim memberships	360	371	382	443	400	415	403	437	530	507
Pool attendance	12,949	12,375	9,748	12,430	10,654	14,759	10,593	13,254	17,539	18,009
<u>Public Library</u>										
Volumes in collection	122,367	117,374	94,978	96,440	89,399	85,258	82,067	80,085	80,174	80,000
Items circulated	291,256	295,590	290,058	208,132	261,141	292,349	294,443	305,843	317,900	307,661
<u>Human Services</u>										
Senior mini-bus trips	2,682	2,494	2,903	2,647	2,143	2,708	3,507	3,472	3,601	3,833
Households provided energy assistance	89	80	76	43	45	30	35	27	49	35
Households provided food bank assistance	127	127	114	106	83	88	89	74	73	75
<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	1	1	1
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1

**TOWN OF AVON, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
JUNE 30, 2015**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<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	23	23	28	28	28	28	29	28	25	20
Fire vehicles	14	14	13	13	14	14	14	13	13	12
<u>Public Works</u>										
Miles of town roads	111	111	108	108	108	108	108	105	104	102
Linear feet of sidewalks (See Note)	53065	53065	50865	50865	50865	49465	49465	49465	49465	100
Streetlights	781	781	828	828	836	836	836	792	802	787
Traffic signals	22	22	18	18	18	18	12	12	12	12
Public works vehicles	31	31	30	33	33	33	33	33	33	33
<u>Parks and Recreation</u>										
Acreage (parks only)	1155	1155	1155	1155	1155	1155	1155	1155	1155	1155
Parks and greens	14	14	14	14	14	14	14	14	14	14
Athletic fields (includes Board of Education)	30	30	30	30	30	30	30	30	30	30
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	5	5	5
<u>Water</u>										
Fire hydrant rentals	761	748	721	721	721	710	709	684	684	614
<u>Sewer</u>										
Sanitary sewers (miles)	89.4	88	88	77.39	76.43	76.43	76.36	72.75	70.58	68.46
Storm sewers (miles)	85	85	85	75	45.5	45	43.12	41.62	39.59	38.43

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.