

# **TOWN OF AVON CONNECTICUT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2007**

Prepared By:  
Department of Finance

Director of Finance:  
Margaret Colligan

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

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# TOWN OF AVON

60 West Main St. Avon, CT 06001-3743  
[www.town.avon.ct.us](http://www.town.avon.ct.us)

December 21, 2007

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

**TOWN MANAGER'S OFFICE**

Tel. (860) 409-4300  
Fax (860) 409-4368

**ACCOUNTING**

Tel. (860) 409-4339  
Fax (860) 409-4366

**ASSESSOR'S OFFICE**

Tel. (860) 409-4335  
Fax (860) 409-4366

**BUILDING DEPARTMENT**

Tel. (860) 409-4316  
Fax (860) 409-4321

**COLLECTOR OF REVENUE**

Tel. (860) 409-4306  
Fax (860) 677-8428

**ENGINEERING DEPARTMENT**

Tel. (860) 409-4322  
Fax (860) 409-4364

**FINANCE DEPARTMENT**

Tel. (860) 409-4339  
Fax (860) 409-4366

**FIRE MARSHAL**

Tel. (860) 409-4319  
Fax (860) 409-4321

**HUMAN RESOURCES**

Tel. (860) 409-4303  
Fax (860) 409-4368

**LANDFILL**

281 Huckleberry Hill Rd.  
Tel. (860) 673-3677

**LIBRARY**

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

**PLANNING & ZONING**

Tel. (860) 409-4328  
Fax (860) 409-4364

**POLICE DEPARTMENT**

Tel. (860) 409-4200  
Fax (860) 409-4206

**PROBATE**

Tel. (860) 409-4348  
Fax (860) 409-4368

**PUBLIC WORKS**

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

**RECREATION AND PARKS**

Tel. (860) 409-4332  
Fax (860) 409-4366  
Cancellation (860) 409-4365

**REGISTRAR OF VOTERS**

Tel. (860) 409-4350  
Fax (860) 409-4368

**SOCIAL SERVICES**

Tel. (860) 409-4346  
Fax (860) 409-4366

**TOWN CLERK**

Tel. (860) 409-4310  
Fax (860) 677-8428

**TDD HEARING IMPAIRED**

Tel (860) 409-4361

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, 2007.

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, 2007, 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 unqualified opinion that the Town of Avon's financial statements for the fiscal year ended June 30, 2007, 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 fifth year the report has been prepared using the new financial reporting requirements as outlined in GASB No. 34, *Basic Financial Statements and Management’s Discussion and Analysis - for State and Local Governments*. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Avon’s MD&A can be found immediately following the report of the independent auditors.

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

Avon, formerly Northington, or North Parish of Farmington, was settled in 1645. Incorporated in 1830, Avon is located approximately ten miles west of metropolitan Hartford. The town has a land area of 22.6 square miles and an estimated population of 17,500 according to figures provided by the Town Planner’s office.

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

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

The Town of Avon provides municipal services in the functional areas of police, a volunteer fire department, public works including engineering, health and social services, recreations and parks, library, planning and zoning, and a K-12 public education system. The Town has no sewer treatment facility of its own, but instead contracts with the neighboring towns of Canton, Farmington and Simsbury for treatment of sewage effluent. The annual budget serves as the foundation for the Town’s financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the

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

### ***Local Economy***

The Town currently enjoys a favorable economic environment, and local indicators such as new construction and new housing permits point to continued stability. Avon is a desirable low-density suburban community with excellent schools and a high standard of living. Residential growth declined in Avon in fiscal year 2006-2007 with 25 single family home building permits, down from last year's 88 single family home building permits. Avon, along with the rest of the nation, is experiencing a construction slowdown of new homes.

As of June 2007 the Town's unemployment rate of 3.1% compares favorably to the state's average of 4.6%. Avon has become a full service community with a varied tax base that promotes economic diversity. Avon's per capita personal income is \$51,706 versus the state's average, which is \$28,766.

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

The Town's central business district is currently enjoying a more than 95% occupancy rate with a variety of specialty shops and commercial businesses. Presently, there is more than 1,000,000 square feet of existing retail space, 950,000 square feet of office space, and 600,000 square feet of manufacturing space primarily along U.S. Route 44, with traffic counts in excess of 30,000 vehicles per day. There are 14 bank branch offices located in Town with Sovereign Bank, Northwest Community Bank, and CitiBank having constructed new facilities within the past 2 years. The Blue Fox Run Golf Course, voted one of the nation's 10 best woman-friendly public courses, is presently expanding with the addition of a 9-hole executive course. There is a wide array of medical services available in Town, including the Avon Wellness Center, a 75,000-square foot facility operated by Hartford Hospital and Saint Francis Hospital and Medical Center housed in a 25,000 square foot facility.

The Town of Avon completed a general purpose revaluation of all property values for the October 1, 2004 Grand List, with the next revaluation occurring October 1, 2008. The October 1, 2005 Grand List grew by \$58,694,420 to \$2,187,594,990, or an increase of 2.76%, from the 2004 Grand List of \$2,128,900,570. Real estate increased \$49,294,620, or 2.60%, which was consistent with the increase in property values. Building permits issued for 2006-2007 indicate a total value of new work of \$12,092,591. 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. Connecticut Magazine, in its November 2006 issue, ranked Avon fifth overall in the 15,000 to 25,000 population category within Connecticut, on the combined data of education, economy, cost of

living, crime and leisure/culture, areas that seem to be important to most people. Hartford Magazine, in its November 2005 issue, ranked the Town of Avon number 1 out of Hartford's 36 suburbs, in the 12,500 to 25,000-population category, as the most desirable community. In July 2005, a national media source, CNN Money, ranked Avon as one of the safest places in the United States to live.

A number of citizens have expressed concern over the rapid development of the Town and its impact on Town services. The fact is that the rate of population growth in terms of the percent increase has actually been declining since the peak during the 1950's (66% increase from the 1950 population of 3,171 to 5,273 in 1960). The gain in population over the past fifty-five years has been relatively stable, averaging about 2,500 per decade. 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 public safety calls to be answered and increased use of our municipal infrastructure. When coupled with the rapid growth in the towns west of Avon, this flow presents the appearance of a much larger level of growth than has actually occurred. Expenditure growth in three functions exceeds the growth of Town expenditures as a whole. For a ten-year period, expenditures in the educational-cultural (library) function grew at 75.19%, due to increased demands for services, expenditures for the conservation and development function grew at 76.81% due to demands caused by increased development activity, and expenditures for the Board of Education function grew at 87.63%, due to increased school enrollment, all compared with a 57.62% increase in total Town expenditures.

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

A long-term goal of the Town is to retain sufficient undesignated fund balances (10% or more) in the General Fund and Special Revenue Funds. No use of Undesignated General Fund resources had been included in the fiscal year 2006-2007 budget, and historically the Town uses a small portion to mitigate the impact of revaluation in those affected years. Even in the face of increasing operating costs for the Town government, Avon has been able to maintain an adequate surplus in its General Fund. To further manage this surplus, the Board of Finance adopted a policy on the use of surplus funds in December of 2006. Use of the funds may be granted by the Board after receiving a showing of substantial support by the requesting authority and finding the "such use will meet an extraordinary need or unusual opportunity."

The December 2003 *Report on High School Facility Needs* showed that space utilization continued to increase proportionately as enrollment increased. A High School Facilities Committee was created to study the facilities needs options to accommodate the projected growth from the building maximum as originally designed of 850 students to projected enrollment of 1,200 students by the 2012 school year. The Committee agreed to and proposed a recommendation for additions, renovations and building improvements in the amount of \$25,998,000, which was approved at referendum on June 20, 2005 but bids received in the following summer months showed that costs for materials and construction rose since the initial estimate was prepared. An additional \$4,700,000 was needed to cover the higher-than-expected construction costs for the expansion, which included adding 14 rooms, a new gymnasium and a cafeteria. The additional funding was approved at referendum on October 11, 2006. Notes, bonds, and state grant funds will finance 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 and an average annual increase of \$340,000 in education operating expenses.

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, by resolution, presented at a June 14, 2007 Town-wide referendum, appropriated \$2,360,000 for renovations, additions and improvements to Buildings 5 and 6 at the Avon Town Hall campus, as identified in the Town Hall Master Plan, and authorized the issuance of notes and bonds to finance such project. Other than the Open Space acquisition of the 318 acre Fisher Farm in 2003, no general government project requiring an independent referendum vote had been placed before the voters since 1995. The renovations are expected to be completed in the spring of 2008. Future projects anticipated by the Town include the Library renovation and expansion, a replacement (Company Number 2 Secret Lake) Fire Station, a new fire training facility and additional athletic and recreational facilities. The Town Hall renovation program can be expected to impact costs, but they should be marginal, reflecting a total of more space, but less per unit heating costs as the buildings are renovated, insulated and gas heat is installed. The Library expansion will double the square footage and significantly impact building operating and staff costs. It may be necessary to acquire more land to meet the expanding functions of the Library and to meet the open space and parking requirements required by Zoning. Likely funding sources for the expansion may include bonds, notes, grants if available, and donations.

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

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

The Town accepted \$31,583 in fees in lieu of deeded open space land from developers was accepted in 2006-2007 Open Space Fund, used for the acquisition of open space in other areas of Town. The Town is constantly looking to acquire open space when it makes sense and is reasonably priced. The Town demolished the 1948 Towpath School turning the site into additional green space for Avon center.

### ***Major Initiatives***

The Avon Water Pollution Control Authority hired consultants (Fuss and O'Neill) to update the Town's Sewer Facilities Master Plan, first prepared in 1977. The Town accepted the draft and it was given to the State of Connecticut DEP for its review, which is expected to take about one year to complete. The Plan will address maintenance for current sewer users, future needs for residents, and any new development in Town. Sewer Use fees will generate the revenue.

The Town's first Plan of Development was adopted in 1956. Subsequent plans were adopted in 1968, 1979, 1991 and 2006. A Plan of Conservation and Development is required by Connecticut General Statutes to be updated every ten years. This plan presents a series of policies related to both the conservation and development of land in Avon. In connection with the Comprehensive Plan, the University of Connecticut conducted a survey, giving citizens the opportunity to participate in and to decide on what developmental issues in Avon should be retained or changed. The results indicated positive responses from Avon's residents when asked questions regarding the community and overall quality of life in Avon. The survey results also indicated that the business owners in Avon expressed a higher level of satisfaction with the Town than Connecticut business owners have expressed about the State's business climate. The positive feedback reinforced the Town's mission of continuing to upgrade and expand Town provided amenities, including high quality educational, recreational, and cultural facilities, while maintaining comparatively low tax rates.

A special study for Avon Center, which is part of the Town-wide Plan of Development, is proposing to make the center more aesthetically pleasing and welcoming to pedestrians with landscaping, new

streetlamps and sidewalks, in hopes that through its' efforts, the special village character of this area can be preserved while making the center a more vibrant area. This led to an amendment to the zoning regulations, which involved adoption of a regulation called Transfer of Development Rights. This concept would provide for a higher density in the more developed parts of Town (receiving areas) while preserving open space and farmland in the more rural parts (sending areas). Both the receiving and sending areas have been identified in the 2006 Plan of Conversation and Development.

The Town of Avon provides post employment healthcare benefits for retirees and their dependents. As of the end of the current fiscal year, there were 52 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. One notable initiative began four years ago that has been continued in fiscal year 2006-2007, is budgeting for a portion of the Town's future liability of post-retirement employee health benefits. The Town is in the process of compiling and updating the census, medical cost, asset and retiree medical cost sharing data in order for the actuarial firm to perform a 2007 valuation as the last valuation was performed in 2004.

Additional information on the Town of Avon pension arrangements and postemployment benefits can be found in the notes to the financial statements.

### ***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, 2006. This was the twenty-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, 2007. This was the twenty-third consecutive year that the government has achieved this prestigious award. In order to receive this award a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department, in particular Town Accountant, Charles Lucas and Administrative Analysts, Kara Song and Denise Dwyer. 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,



Margaret Colligan, CPFO  
Director of Finance

# TOWN OF AVON, CONNECTICUT

## PRINCIPAL OFFICIALS

AT JUNE 30, 2007

### TOWN COUNCIL

John F. Carlson, Chairperson

Diane S. Hornaday  
Joseph C. Woodford

William J. Shea, II  
Mark W. Zacchio

### BOARD OF FINANCE

Thomas F. Harrison, Chairperson

William R. Hooper, II  
Catherine M. Durdan  
Michael A. Monts

Thomas A. Gugliotti  
Margaret Bratton  
James E. Speich

### BOARD OF EDUCATION

Peggy Roell, Chairperson

Bernadette R. Mayer  
Douglas Evans  
Susan M. Henneberry  
Kenneth Notestine

Angela Shelton  
Bill Stokesbury  
Thomas C. McNeill, Jr.  
Michael J. Eagan

### GENERAL GOVERNMENT

Town Manager  
Town Accountant  
Town Attorney  
Town Clerk  
Deputy Town Engineer  
Town Planner  
Town Treasurer  
Director of Finance  
Director of Public Works  
Director of Recreation  
Director of Human Resources  
Director of Social Services  
Assessor  
Building Official  
Collector of Revenue  
Librarian  
Police Chief

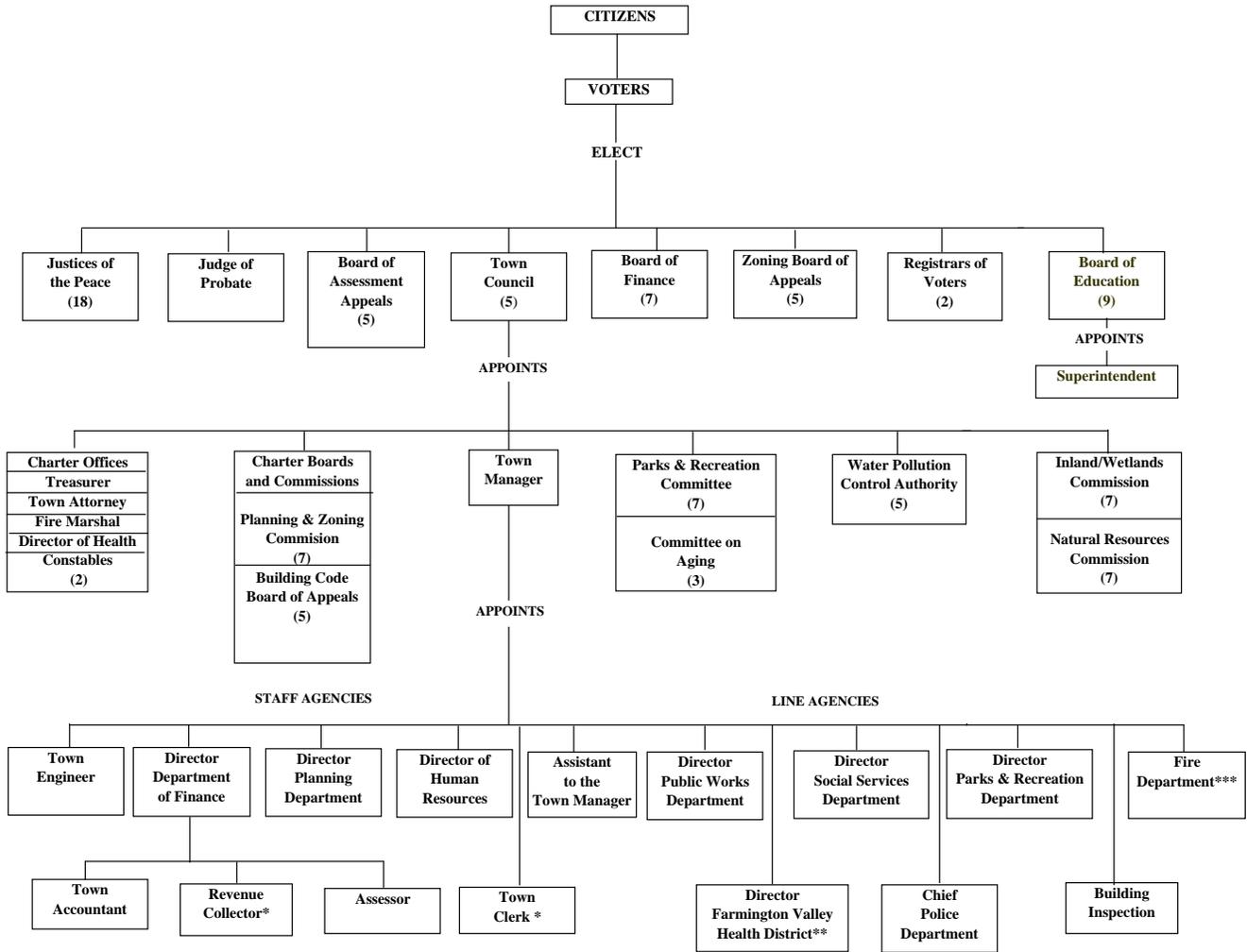
Philip K. Schenck, Jr.  
Charles M. Lucas, Jr.  
Dwight A. Johnson  
Ann L. Dearstyne  
Alan Slessler  
Steven A. Kushner  
James R. McCarthy  
Margaret Colligan  
Bruce Williams  
Glenn M. Marston  
William F. Vernile  
Alan E. Rosenberg  
Harry R. DerAsadourian  
John Willnauer  
Kathleen H. Roth  
Virginia G. Vocelli  
Mark Rinaldo

### EDUCATION

Superintendent of Schools  
Director of Finance

Richard Kisiel, Ed.D.  
Gary Franzi

# TOWN OF AVON, CONNECTICUT ORGANIZATIONAL CHART



- \* Recommended by Manager, approved by Council.
- \*\* The Town participates in a Regional Health District.
- \*\*\* The Town funds the Avon Volunteer Fire Department.

# TOWN OF AVON, CONNECTICUT

## ORGANIZATIONAL CHART

### 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
9. Electronic/Automated Data Processing Operations

#### Division of Accounting

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

#### Division of Revenue Collection

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

#### Division of Assessment

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Town of Avon Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

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



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director



## Report of Independent Accountants

To the Board of Finance  
Town of Avon  
Avon, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of and for the year ended June 30, 2007, which collectively comprise the Town of Avon, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of June 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 13 and the required supplementary information on pages 48 and 49 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Avon, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2007 on our consideration of the Town of Avon, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over compliance on the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

December 21, 2007

**TOWN OF AVON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007**

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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, 2007. 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 2007 fiscal year by \$101,718,011 (net assets). Of this amount, \$15,331,611 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets increased by \$5,390,527 due primarily to the addition of new capital assets in excess of depreciation expense and construction in progress costs for the Town high school of \$10,291,497.
- As of the close of the current fiscal year, governmental funds reported combining ending fund balances of (\$1,836,403), a decrease of \$8,638,132 in comparison from last year's \$6,801,729. \$3,760,315 of General Fund and \$2,143,916 of Other Governmental Funds is available for spending at the government's discretion (unreserved fund balance). In CIFA (\$8,571,242) unreserved fund balance is a negative amount due to the issuance of bond anticipation notes that are reported as a fund liability as the notes will not be replaced by debt one year beyond the date of the balance sheet. As of June 30, 2007, \$461,626 of the combining fund balances has been designated for specific purposes.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$3,515,315, or 5.59% of total General Fund expenditures and transfers out of \$62,894,721.
- Total debt decreased by \$2,786,091 (12.86%) to \$18,884,829 (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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues, since the Town does not operate any

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 pages 14 and 15 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 13 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 Fund (Capital Improvement Fund Account), both which are considered to be major funds. Data from the other 11 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 16-20 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 21-23 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 pages 24-25 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Notes to Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 26-47 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 48-49 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 50-69 of this report.

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Avon, our assets exceeded liabilities by \$101,718,011 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets, \$86,386,400 (84.93%), reflects the investment in capital assets (e.g., land, buildings and improvements, equipment, vehicles and infrastructure), less any related debt used to acquire those assets that is still outstanding. Avon uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| <b>NET ASSETS</b>                                |                                    |                      |
|--|------------------------------------|----------------------|
| <b>JUNE 30, 2007 AND 2006</b>                    |                                    |                      |
|  | <b>Governmental<br/>Activities</b> |                      |
|  | <b>2007</b>                        | <b>2006</b>          |
| Current assets                                   | \$ 27,531,762                      | \$ 25,873,238        |
| Capital assets                                   | 123,171,400                        | 111,652,550          |
| Noncurrent assets                                | 1,133,104                          | 1,566,280            |
| Total assets                                     | <u>151,836,266</u>                 | <u>139,092,068</u>   |
| Long-term liabilities outstanding                | 21,367,053                         | 24,157,872           |
| Other liabilities                                | 28,751,202                         | 18,606,712           |
| Total liabilities                                | <u>50,118,255</u>                  | <u>42,764,584</u>    |
| Net assets:                                      |                                    |                      |
| Invested in capital assets, net of related debt. | 86,386,400                         | 80,092,550           |
| Unrestricted                                     | <u>15,331,611</u>                  | <u>16,234,934</u>    |
| Total Net Assets                                 | <u>\$ 101,718,011</u>              | <u>\$ 96,327,484</u> |

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

The Town's net assets increased by \$5,390,527 during the current fiscal year. Unrestricted net assets, the portion of net assets that may be used to meet the government's ongoing obligations to citizens and

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

creditors without constraints established by debt covenants, enabling legislation or other legal requirements is \$15,331,611. The Town generated net general revenues of \$59,068,368, which exceeded its net operating expenses for governmental activities of \$53,677,841 by the amount of the net asset increase. Gross expenses of \$63,345,094 were offset by \$4,268,592 in charges for services, \$5,187,201 in operating grants and contributions, and \$211,460 in capital grants and contributions. Of the net expenses, the largest amount was \$37,003,292, which was for the operating of the Town's school system. Net public safety expenses of \$7,197,247, public works net outlays of \$3,621,688, net general government costs of \$1,939,079, interest expense of \$1,164,309, and education-cultural (library) expenses of \$1,246,797 accounted for almost all net expenses. The majority of the Town's revenue was \$54,985,721 in property tax collections, \$9,667,253 in charges for services and grants, donated assets, and \$2,641,343 in nonrestricted grants, investment income, miscellaneous and transfers.

**Governmental Activities.** Governmental activities increased the Town's net assets by \$5,390,527. Key elements of this increase are as follows:

| <b>CHANGE IN NET ASSETS</b>                                  |                       |                      |
|--|-----------------------|----------------------|
| <b>FOR THE YEARS ENDED JUNE 30, 2007 AND 2006</b>            |                       |                      |
|  | <u>2007</u>           | <u>2006</u>          |
| Revenues:  |                       |                      |
| Program revenues:  |                       |                      |
| Charges for services   | \$ 4,268,592          | \$ 4,744,462         |
| Operating grants and contributions                           | 5,187,201             | 4,703,647            |
| Capital grants and contributions                             | 211,460               | 45,436               |
| General revenues:  |                       |                      |
| Property taxes   | 54,985,721            | 52,102,161           |
| Grants and contributions not restricted to specific programs | 471,823               | 420,814              |
| Donated assets   | 1,441,304             | 150,882              |
| Investment income  | 1,923,744             | 1,229,679            |
| Miscellaneous  | 370,776               | 280,849              |
| Transfers  | (125,000)             |                      |
| Total revenues   | <u>68,735,621</u>     | <u>63,677,930</u>    |
| Program Expenses:  |                       |                      |
| General government   | 2,697,324             | 2,824,139            |
| Public safety  | 7,752,887             | 7,844,237            |
| Public works   | 5,615,483             | 5,768,387            |
| Health and social services                                   | 339,011               | 335,363              |
| Recreation and parks   | 1,192,893             | 1,231,112            |
| Educational - cultural                                       | 1,271,577             | 1,252,539            |
| Conservation and development                                 | 480,105               | 485,796              |
| Board of Education   | 42,831,505            | 41,312,586           |
| Interest expense   | 1,164,309             | 976,068              |
| Total program expenses                                       | <u>63,345,094</u>     | <u>62,030,227</u>    |
| Increase in net assets                                       | 5,390,527             | 1,647,703            |
| Net assets - Beginning of Year                               | <u>96,327,484</u>     | <u>94,679,781</u>    |
| Net Assets - End of Year                                     | <u>\$ 101,718,011</u> | <u>\$ 96,327,484</u> |

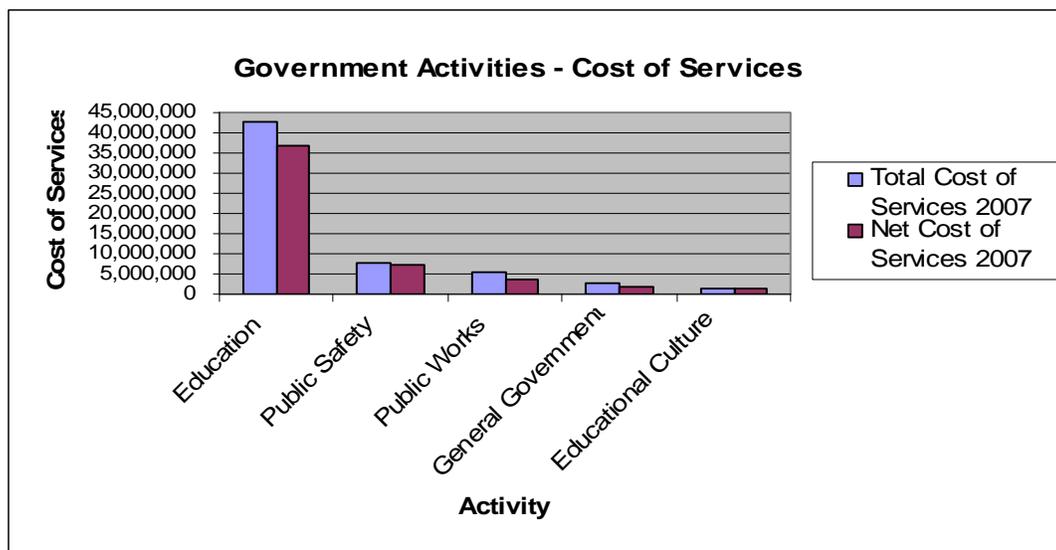
Property taxes increased by \$2,883,560 (5.53%) to \$54,985,721 and operating grants and contributions increased by \$483,554 (10.3%) from fiscal year 2006 to fiscal year 2007. Most of this increase was

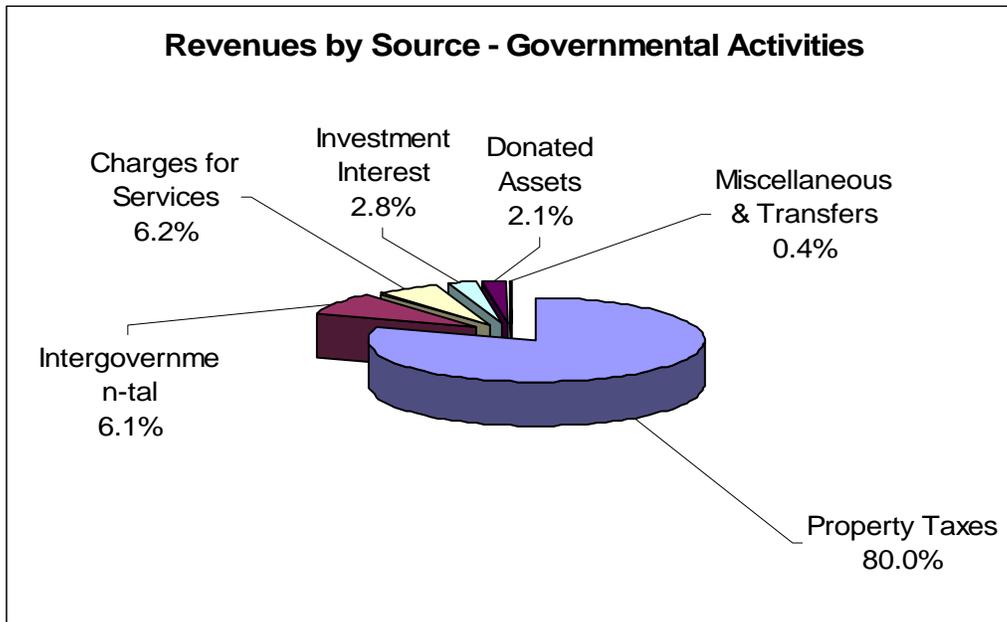
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

necessary to fund expected new costs in the Board of Education (\$1,518,919), interest expense (\$188,241) and educational – cultural (\$19,038), which, in total, was offset by reductions in general government (\$126,813), public safety (\$91,350), public works (\$152,904), health and social services (\$3,648), recreation and parks (\$38,219) and conservation and development (\$5,691) due to implementation of a discretionary spending freeze. There are growing community expectations for a rate of tax growth that approximates inflation with accompanying requests for additional and higher quality services by our residents. In response to these trends, the Town’s budget included a mix of initiatives, which are designed to reduce taxpayer costs in some areas, but also increase services where needed in others. Some examples are restructured staffing arrangements in the Police Department (Protection and Communication), the conversion of winter road maintenance material from a sand/salt mixture to 100% magnesium treated salt, improving trafficability and reducing street sweeping, catch basin cleaning, and environmental costs, a continued shift of recreation activity and park maintenance costs from the General Fund to the Recreation Activities Fund (Special Revenue Fund), continued planning with area towns for shared services arrangements, and increased hours for part-time positions in the Library in an attempt to limit full-time personnel increases with the accompanying benefit costs. The Town has undertaken a conscious policy of trying to restrain the rate of growth in the number of people employed by the Town by seeking alternative methods of service delivery. This has been done by establishing contractual relationships for landscaping and custodial work, bidding snowplowing/sanding on some new roads and contracting certain landfill recycling programs.

On the revenue side, property taxes, which comprise 80% of Town revenues, exceeded the original budget due to high collections on the current levy (99%); supplemental motor vehicle exceeded the original budget as well. Charges for services saw a decline by \$475,870 even with the increase in the conveyance tax retained for recording fees for municipalities, the mortgage activity and mortgage refinancing. Building, structures and equipment permit activity dropped as expected along with other fee and permit activity that is directly related to the housing slowdown. Operating grants and contributions and unrestricted grants and contributions increased \$483,554 primarily in the Board of Education function due to receipt of additional funds from the State and Federal government. Donated assets consists of donated roads from developers along with the associated sewer infrastructure, miscellaneous was at an expected level, investment income increased due to higher than estimated interest rate activity and transfer out to post-retirement employee benefits.

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 66% of the service charges, \$2,831,489, are generated by public works, the police and general government. The Board of Education contributed over \$900,000 in service fees as well. Avon has never been reliant on state and federal grants that, while helpful in keeping our overall costs down, do not contribute significantly to total revenues.

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

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

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

As of the end of the current fiscal year, our governmental funds reported combined ending fund balances of (\$1,836,403), a decrease of \$8,638,132 in comparison with the prior year. Of this total amount, (\$2,667,011) constitutes unreserved fund balance, which is available for spending at the Town’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period in the amount of \$447,017; and 2) to contribute to the payment of compensated absences (debt service fund) in the amount of \$383,591.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$3,515,315, while total fund balance reached \$3,777,433. As a measure of the General Fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 5.59% of total General Fund expenditures and transfers out of \$62,894,721, while total General Fund balance represents 6.01% of that same amount.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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The fund balance of Avon's General Fund decreased by \$529,274 during the current fiscal year. Key factors contributing to this drawdown were supplemental appropriations made during the year which required the use of \$795,550 of fund balance to fund capital asset replacement, to fund medical claims draw down, to fund other postemployment benefits, to fund future accumulated vacation and sick payments to employees at retirement, and to fund emergency and unanticipated capital expenditures for general government, recreation and parks and Board of Education.

The Capital Improvement Fund Account (CIFA) is Avon's other major governmental fund. 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 decreased \$8,469,071 from (\$102,171) to (\$8,571,242) primarily due to the issuance of bond anticipation notes that are reported as a fund liability because they will not be replaced by debt one year beyond the date of the balance sheet. The CIFA Fund Balance is (\$8,571,242) due to the issuance of the bond anticipation notes. The Town also accepted \$31,583 of open space fees in 2006-2007.

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

Unrestricted net assets of the Internal Service Fund at the end of the year amounted to \$291,916. The total change in net assets for the fund was an increase of \$90,423. Operating revenues for the fund, representing charges for services that are health insurance premiums paid by Town and Board of Education, amounted to \$5,867,178. Operating expenses for medical claims were \$5,851,755. The General Fund increased its contributions into the Internal Service Fund by \$75,000 through an appropriation of fund balance. This was done in order in accordance with Town policy, which states that the net assets in the Internal Service Fund should be the goal of 10% of the next year's projected expenses.

### **General Fund Budgetary Highlights**

The original budget of \$59,202,601 increased \$1,019,133 during the year to \$60,221,734. The significant additional appropriations are noted below:

#### **Revenues**

- \$65,369 for outside police services reimbursement, which was used for increased police program expenditures;
- \$795,550 appropriation of fund balance, which includes funding Board of Education oil tank replacements at 2 schools along with a chiller unit at one of them (\$126,050), funding architect fees for town hall renovations (\$50,000), funding a handicapped accessible playground (\$119,500), funding other post employment benefits (\$125,000), funding future payouts of accumulated leave time to employees (\$300,000), and to fund Medical reserve equity (\$75,000);
- \$10,329 addition of State revenue grant for DUI Enforcement for public safety;
- \$14,792 addition of insurance proceeds applied to offset funding for an oil storage tank project at a school;
- \$6,030 donation from Neighborhood Assistance Act to purchase eyewitness in-car video system for public safety.

#### **Expenditures**

- \$65,369 for Public Safety for police service outside jobs/construction/traffic monitoring;
- \$30,674 for Contingency from insurance proceeds and completed project balances transferred to capital projects;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- \$127,063 for Public Safety to cover the water rate increases and hydrant costs.

Of the increase, \$223,583 was funded out of miscellaneous increases in various grants, transfers in from other line items, and reductions in other expenditures. The remaining \$795,550 was budgeted from available fund balance.

**Capital Asset and Debt Administration**

**Capital Assets.** The Town of Avon's investment in capital assets for its governmental assets includes land, buildings and improvements, land improvements, equipment, vehicles and infrastructure (roads, sewer lines, storm drains). The total net increase in our investment in capital assets for the current fiscal year was \$11,518,851 (10.32%).

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

- The Avon High School Renovations and Additions Capital Project has completed selective demolition activities, construction activities are progressing and finish trades have started for a total of \$10,291,497.
- This year, the Town accepted \$1,441,304 for contractor-provided roads and associated sewer infrastructure.
- The Town completed the Master Sewage Facilities Plan (\$125,801), completed a roof replacement for one of the fire stations (\$103,800), purchased a dump truck for public works (\$158,260), are in the initial phase of a generator purchase for public works to be used in emergency management (\$68,375), purchased three vehicles for public safety (\$62,553), completed a fire alarm installation for the middle school (\$221,500) and performed of renovations in Town Hall (\$71,910).
- The Recreation and Parks Department spent \$226,643 on Buckingham Road Athletic Fields and \$572,960 for completing the demolition on Towpath School.

**CAPITAL ASSETS, NET OF DEPRECIATION  
JUNE 30, 2007 AND 2006**

|                            | Governmental Activities |                       |
|----------------------------|-------------------------|-----------------------|
|                            | 2007                    | 2006                  |
| Land                       | \$ 6,622,223            | \$ 6,622,223          |
| Construction in progress   | 36,453,958              | 24,231,197            |
| Land improvements          | 114,946                 | 121,763               |
| Buildings and improvements | 43,408,907              | 44,787,995            |
| Equipment                  | 1,271,702               | 1,452,129             |
| Vehicles                   | 2,197,940               | 2,365,168             |
| Infrastructure             | 33,101,725              | 32,072,075            |
| Total                      | \$ <u>123,171,401</u>   | \$ <u>111,652,550</u> |

Additional information on the Town of Avon's capital assets can be found in Note 3C on page 36 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Long-Term Debt.** At the end of the current fiscal year, the Town of Avon had \$18,785,000 of long-term general obligation bonded debt issued and \$18,000,000 of bond anticipation notes outstanding. All of the Town's debt is general obligation and backed by the full faith and credit of the Town.

**OUTSTANDING DEBT  
GENERAL OBLIGATION BONDS AND BOND ANTICIPATION NOTES  
JUNE 30, 2007**

| <u>Bonds</u> |                                 |               |                       |                         | <u>Date of Fiscal Year Maturity</u> |
|--------------|---------------------------------|---------------|-----------------------|-------------------------|-------------------------------------|
| <u>Date</u>  | <u>Purpose</u>                  | <u>Rate %</u> | <u>Original Issue</u> | <u>Debt Outstanding</u> |                                     |
| 1/15/94      | Roaring Brook Elem. Renovations | 4.00-5.00     | \$ 5,670,000          | \$ 800,000              | 2009                                |
| 9/15/97      | High School Renovations         | 4.25-6.25     | 4,300,000             | 1,445,000               | 2012                                |
| 9/15/97      | Police Department Renovations   | 4.25-6.25     | 1,800,000             | 605,000                 | 2012                                |
| 1/15/98      | High School Renovations         | 4.00-5.75     | 5,825,000             | 2,250,000               | 2012                                |
| 7/15/98      | High School Renovations         | 4.10-4.75     | 6,915,000             | 3,210,000               | 2013                                |
| 7/15/98      | Sewer Interceptor               | 4.10-4.75     | 550,000               | 255,000                 | 2013                                |
| 7/15/02      | Fisher Farms Open Space         | 3.00-5.00     | 1,295,000             | 811,000                 | 2016                                |
| 7/15/02      | Thompson Brook School           | 3.00-5.00     | 14,245,000            | 8,809,000               | 2016                                |
| 5/01/10      | MH Rhodes Property              | 3.60          | 600,000               | 600,000                 | 2010                                |
|              | Total Bonds                     |               | \$ <u>41,200,000</u>  | \$ <u>18,785,000</u>    |                                     |
| <u>Notes</u> |                                 |               |                       |                         |                                     |
| 10/27/05     | High School Renovations         | 3.70          | <u>18,000,000</u>     | <u>18,000,000</u>       | 2008                                |
|              |                                 |               | \$ <u>18,000,000</u>  | \$ <u>18,000,000</u>    |                                     |

The Town of Avon's total debt decreased by \$2,786,091 (12.86%) during the current fiscal year. The Town retired \$1,000,000 of BANs used to fund the purchase of the MH Rhodes property during the year, paid down principal of \$400,000 and issued a \$600,000 General Obligation Serial note. The Town's policy of aggressively retiring its bonds (shorter maturities than statutory maximums) prevents us from being able to refund our higher rate bonds at current low interest rates.

Avon has earned the highest credit rating possible, "Aaa" from Moody's Investors Service, Inc., and "AAA" from Standard & Poors for all of its general obligation debt.

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 \$57,720,905). For June 30, 2007 the maximum amount of borrowing permitted under the formula would be \$404,046,335. With net borrowings of \$76,853,667, the Town of Avon's outstanding general obligation debt is \$327,192,668 below the maximum debt limitation (see "Schedule of Debt Limitation" on page 86 of this report).

Additional information on the Town's long-term debt can be found in Note 3F on pages 38-40 of this document.

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

- As part of the budget process, the Board of Finance established nonbinding spending targets that the boards adhered to. The budget was approved by a 68% to 32% margin.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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- At a June 2007 referendum vote, citizens voted to approve a \$2,360,000 bond issue for building code required renovations and other needed improvements on Buildings 5 and 6 of the Town Hall Campus. Other than the Open Space acquisition of Fisher Farm in 2003, no general government project requiring an independent referendum vote had been place before the voters since 1995. This change in focus comes as the Town completes twenty years of needed, well-planned, sequential improvements to our educational facilities.
- Grand list is expected to be approximately 1.8%.
- Property tax collections will exceed 99% and the reserve for uncollectible is reduced to \$600,000.
- Assessment appeals and tax refunds will approximate 1% of tax revenues.
- The Town will continue to experience population growth, leading to steady residential and commercial growth. The goal will be to upgrade and expand Town-provided amenities such as quality educational, recreational and cultural facilities while maintaining comparatively low tax rates.
- Discretionary grant revenues are expected to remain the same or decline based on State of Connecticut budget issues. However, because Avon receives such a small portion of its revenues from state grants, they should have only a marginal effect on Town services.
- Avon intends that user fees cover the majority of costs of certain services such as sewer use, sewer connection, landfill and recreational programs. These fees are reviewed annually and reset according to expected usage and inflation. Sewer charges will increase to \$275 and \$300 in the subsequent year.
- Construction grants will decline in the education construction reimbursement area, reflecting the State's change to progress payments versus reimbursements.
- The Town has projected investment income to rise from \$830,000 to \$1,165,761, an increase of 40.45%.
- Personal services (salary and benefits) growth will amount to \$569,252 (71.70% of the Town budget increase, 71.70% of the Town operating expenditures) reflecting hourly increases for nonorganized personnel, classification adjustments, increased overtime, additional positions and step increases.
- Increased health insurance premium sharing (11% to 13%) by Public Works employees hired prior to January 1, 1997 and increased health insurance premium (13% to 15%) by Public Works employees hired after January 1, 2007, covered under the AFSCME contract.
- Virtually the entire Board of Education increase relates to teacher salary and benefit increases.
- The Town is budgeting for 16% of the recommended annual funding for post-retiree benefits.
- Renewed arrangements with the Town of Canton to provide Assessing, Social Services, and Animal Control Officer Services for a fee.
- A 50% reduction to future retiree health benefits in the Department of Public Works and for non-organized employees hired after January 1, 2007 in an effort to further reduce other post-employment benefits liability.
- Across the board impact of increased energy costs (17.4%).
- New program to be implemented of the Youth Services Bureau with 50% paid by the State and to be contracted with the Town of Farmington.
- At the close of the 2007 fiscal year, unreserved fund balance in the General Fund amounted to \$3,515,315. No use of General Fund undesignated fund balance is included in the 2007-2008 budget.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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All of these factors were considered in preparing the budget for the 2008 fiscal year.

### **Requests for Information**

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

**BASIC FINANCIAL STATEMENTS**

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**TOWN OF AVON, CONNECTICUT**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2007**

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| Assets:   |                                    |
| Current assets:                                 |                                    |
| Cash  | \$ 1,150                           |
| Investments                                     | 26,800,414                         |
| Receivables:                                    |                                    |
| Property taxes                                  | 145,272                            |
| Assessments                                     | 5,257                              |
| Intergovernmental                               | 501,935                            |
| Accounts  | 68,096                             |
| Other current assets and deferred charges       | 9,638                              |
| Total current assets                            | <u>27,531,762</u>                  |
| Noncurrent assets:                              |                                    |
| Receivables, net:                               |                                    |
| Assessments                                     | 664                                |
| Intergovernmental                               | 1,003,933                          |
| Net pension asset                               | 91,752                             |
| Deferred charges                                | 36,754                             |
| Capital assets, nondepreciable                  | 43,076,181                         |
| Capital assets, net of accumulated depreciation | 80,095,220                         |
| Total noncurrent assets                         | <u>124,304,504</u>                 |
| Total assets                                    | <u>151,836,266</u>                 |
| Liabilities:                                    |                                    |
| Current liabilities:                            |                                    |
| Bank overdraft                                  | 386,942                            |
| Accounts payable                                | 3,323,876                          |
| Accrued liabilities                             | 538,823                            |
| Accrued interest payable                        | 173,430                            |
| Unearned revenue                                | 6,203,131                          |
| Bond anticipation notes                         | 18,000,000                         |
| Due to other funds                              | 125,000                            |
| Total current liabilities                       | <u>28,751,202</u>                  |
| Noncurrent liabilities:                         |                                    |
| Due within one year                             | 3,924,445                          |
| Due in more than one year                       | 17,442,608                         |
| Total liabilities                               | <u>50,118,255</u>                  |
| Net Assets:                                     |                                    |
| Invested in capital assets, net of related debt | 86,386,400                         |
| Unrestricted                                    | <u>15,331,611</u>                  |
| Total Net Assets                                | <u>\$ 101,718,011</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, 2007**

| <b>Functions/Programs</b>                                    | <u>Expenses</u>      | <b>Program Revenues</b>         |   |   | <u>Net (Expenses)<br/>Revenue<br/>and Changes<br/>in Net Assets</u> |
|--|----------------------|---------------------------------|---|---|---|
|  |                      | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> | <u>Total<br/>Governmental<br/>Activities</u>                        |
| Governmental Activities:                                     |                      |                                 |   |   |   |
| General government   | \$ 2,697,324         | \$ 758,245                      | \$  | \$  | \$ (1,939,079)  |
| Public safety  | 7,752,887            | 545,311                         | 10,329  |   | (7,197,247)   |
| Public works   | 5,615,483            | 1,527,933                       | 260,702   | 205,160   | (3,621,688)   |
| Health and social services                                   | 339,011              | 8,869                           |   |   | (330,142)   |
| Recreation and parks   | 1,192,893            | 467,982                         |   | 6,300   | (718,611)   |
| Educational - cultural                                       | 1,271,577            | 22,965                          | 1,815   |   | (1,246,797)   |
| Conservation and development                                 | 480,105              | 23,429                          |   |   | (456,676)   |
| Board of Education   | 42,831,505           | 913,858                         | 4,914,355   |   | (37,003,292)  |
| Interest expense   | 1,164,309            |                                 |   |   | (1,164,309)   |
|  | <u>\$ 63,345,094</u> | <u>\$ 4,268,592</u>             | <u>\$ 5,187,201</u>                               | <u>\$ 211,460</u>                               | <u>(53,677,841)</u>   |
| <b>Total Governmental Activities</b>                         | <b>\$ 63,345,094</b> | <b>\$ 4,268,592</b>             | <b>\$ 5,187,201</b>                               | <b>\$ 211,460</b>                               | <b>(53,677,841)</b>   |
| General Revenues:  |                      |                                 |   |   |   |
| Property taxes   |                      |                                 |   |   | 54,985,721  |
| Grants and contributions not restricted to specific programs |                      |                                 |   |   | 471,823   |
| Investment income  |                      |                                 |   |   | 1,923,744   |
| Donated assets   |                      |                                 |   |   | 1,441,304   |
| Miscellaneous  |                      |                                 |   |   | 370,776   |
| Transfers  |                      |                                 |   |   | (125,000)   |
| Total general revenues                                       |                      |                                 |   |   | <u>59,068,368</u>   |
| Change in net assets   |                      |                                 |   |   | 5,390,527   |
| Net Assets at Beginning of Year                              |                      |                                 |   |   | <u>96,327,484</u>   |
| Net Assets at End of Year                                    |                      |                                 |   |   | <u>\$ 101,718,011</u>   |

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2007**

|  | <b>General</b>       | <b>CIFA</b>          | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|----------------------|----------------------|--|---|
| <b>ASSETS</b>                              |                      |                      |  |   |
| Cash                                       | \$ 1,150             | \$                   | \$   | \$ 1,150                                |
| Investments                                | 16,088,123           | 10,658,590           | 53,701                                     | 26,800,414                              |
| Receivables:                               |                      |                      |  |   |
| Property taxes                             | 134,632              |                      |  | 134,632                                 |
| Sewer assessments/use charges              |                      |                      | 6,042                                      | 6,042                                   |
| Intergovernmental                          | 4,599                |                      | 137,936                                    | 142,535                                 |
| Accounts                                   | 60,719               |                      |  | 60,719                                  |
| Due from other funds                       | 79,212               | 1,616,693            | 3,315,977                                  | 5,011,882                               |
| Other                                      |                      |                      | 5,139                                      | 5,139                                   |
|  | <u>16,368,435</u>    | <u>12,275,283</u>    | <u>3,518,795</u>                           | <u>32,162,513</u>                       |
| <b>Total Assets</b>                        | <b>\$ 16,368,435</b> | <b>\$ 12,275,283</b> | <b>\$ 3,518,795</b>                        | <b>\$ 32,162,513</b>                    |
| <b>LIABILITIES AND FUND BALANCES</b>       |                      |                      |  |   |
| <b>Liabilities</b>                         |                      |                      |  |   |
| Bank overdraft                             | \$ 386,942           | \$                   | \$   | \$ 386,942                              |
| Accounts payable                           | 397,875              | 2,846,525            | 79,477                                     | 3,323,877                               |
| Accrued liabilities                        | 171,994              |                      |  | 171,994                                 |
| Due to other funds                         | 5,709,039            |                      | 79,212                                     | 5,788,251                               |
| Deferred revenue                           | 5,925,152            |                      | 402,700                                    | 6,327,852                               |
| Bond anticipation notes payable            |                      | 18,000,000           |  | 18,000,000                              |
| <b>Total liabilities</b>                   | <u>12,591,002</u>    | <u>20,846,525</u>    | <u>561,389</u>                             | <u>33,998,916</u>                       |
| <b>Fund balances:</b>                      |                      |                      |  |   |
| <b>Reserved for:</b>                       |                      |                      |  |   |
| Encumbrances                               | 17,118               |                      | 429,899                                    | 447,017                                 |
| Debt service                               |                      |                      | 383,591                                    | 383,591                                 |
| <b>Unreserved, reported in:</b>            |                      |                      |  |   |
| General fund                               | 3,760,315            |                      |  | 3,760,315                               |
| Special revenue funds                      |                      |                      | 1,850,540                                  | 1,850,540                               |
| Capital projects funds                     |                      | (8,571,242)          | 293,376                                    | (8,277,866)                             |
| <b>Total fund balances</b>                 | <u>3,777,433</u>     | <u>(8,571,242)</u>   | <u>2,957,406</u>                           | <u>(1,836,403)</u>                      |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 16,368,435</b> | <b>\$ 12,275,283</b> | <b>\$ 3,518,795</b>                        | <b>\$ 32,162,513</b>                    |

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**

**RECONCILIATION OF FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

**JUNE 30, 2007**

Amounts reported for governmental activities in the statement of net asset (page 14) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balance (page 16) \$ (1,836,403)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

|                          |              |
|--------------------------|--------------|
| Capital assets           | 156,333,501  |
| Accumulated depreciation | (33,162,100) |

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

|   |           |
|---|-----------|
| Property tax and sewer assessment interest and lien accrual         | 105,987   |
| Property tax and sewer assessment receivable - accrual basis change | 124,721   |
| School building grant receivable                                    | 1,363,333 |
| Allowance for doubtful accounts                                     | (95,468)  |
| Bond issue costs  | 41,255    |
| Net pension asset   | 91,752    |

Internal service funds are used by management to charge the cost of medical insurance to individual departments:

|  |         |
|--|---------|
| The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | 291,916 |
|--|---------|

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

|                                |              |
|--------------------------------|--------------|
| Bonds payable                  | (18,785,000) |
| Compensated absences           | (1,972,224)  |
| Landfill postclosure liability | (510,000)    |
| Bond premium                   | (99,829)     |
| Accrued interest payable       | (173,430)    |

|   |                       |
|---|-----------------------|
| Net Assets of Governmental Activities (page 14) | <u>\$ 101,718,011</u> |
|---|-----------------------|

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2007**

|   | <b>General</b> | <b>CIFA</b>    | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|----------------|----------------|--|---|
| <b>Revenues:</b>                                  |                |                |  |   |
| Property taxes                                    | \$ 54,940,024  | \$             | \$   | \$ 54,940,024                           |
| Intergovernmental                                 | 4,265,347      | 205,160        | 1,753,076                                  | 6,223,583                               |
| Charges for services                              | 1,703,237      |                | 2,565,407                                  | 4,268,644                               |
| Contributions                                     |                | 6,300          |  | 6,300                                   |
| Investment income                                 | 1,173,629      | 747,320        | 2,795                                      | 1,923,744                               |
| Other local revenues                              | 283,210        | 31,583         | 55,983                                     | 370,776                                 |
| Total revenues                                    | 62,365,447     | 990,363        | 4,377,261                                  | 67,733,071                              |
| <b>Expenditures:</b>                              |                |                |  |   |
| <b>Current:</b>                                   |                |                |  |   |
| <b>Town Council:</b>                              |                |                |  |   |
| General government                                | 2,459,573      |                | 74,980                                     | 2,534,553                               |
| Public safety                                     | 7,376,765      |                | 115,264                                    | 7,492,029                               |
| Public works                                      | 3,642,010      |                | 1,324,487                                  | 4,966,497                               |
| Health and social services                        | 337,024        |                | 2,031                                      | 339,055                                 |
| Recreation and parks                              | 769,431        |                | 345,158                                    | 1,114,589                               |
| Educational - cultural                            | 1,247,606      |                | 2,357                                      | 1,249,963                               |
| Conservation and development                      | 480,232        |                |  | 480,232                                 |
| Miscellaneous                                     | 244,096        |                |  | 244,096                                 |
| Total town council                                | 16,556,737     | -              | 1,864,277                                  | 18,421,014                              |
| Board of Education                                | 38,966,040     |                | 2,484,573                                  | 41,450,613                              |
| Debt service                                      | 4,575,704      |                |  | 4,575,704                               |
| Capital outlay                                    |                | 12,232,313     | 91,559                                     | 12,323,872                              |
| Total expenditures                                | 60,098,481     | 12,232,313     | 4,440,409                                  | 76,771,203                              |
| Excess (Deficiency) of Revenues over Expenditures | 2,266,966      | (11,241,950)   | (63,148)                                   | (9,038,132)                             |
| <b>Other Financing Sources (Uses):</b>            |                |                |  |   |
| Issuance of bond                                  |                | 600,000        |  | 600,000                                 |
| Transfers in                                      |                | 2,186,240      | 480,075                                    | 2,666,315                               |
| Transfers out                                     | (2,796,240)    | (13,361)       | (56,714)                                   | (2,866,315)                             |
| Net other financing sources (uses)                | (2,796,240)    | 2,772,879      | 423,361                                    | 400,000                                 |
| Net Change in Fund Balances                       | (529,274)      | (8,469,071)    | 360,213                                    | (8,638,132)                             |
| Fund Balances at Beginning of Year                | 4,306,707      | (102,171)      | 2,597,193                                  | 6,801,729                               |
| Fund Balances at End of Year                      | \$ 3,777,433   | \$ (8,571,242) | \$ 2,957,406                               | \$ (1,836,403)                          |

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2007**

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 18) \$ (8,638,132)

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                     | 13,815,924  |
| Depreciation expense               | (2,283,558) |
| Loss on disposal of capital assets | (13,515)    |

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

|  |           |
|--|-----------|
| School building grant receipts   | (359,399) |
| Increase in property tax and assessments receivable - accrual basis change | 37,010    |
| Increase in property tax interest and lien revenue                         | 8,635     |
| Decrease in property tax and sewer use allowance for doubtful accounts     | (13,712)  |

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

|                                  |           |
|----------------------------------|-----------|
| Accrued interest                 | 29,803    |
| Principal payments               | 3,375,000 |
| Bond issuance                    | (600,000) |
| Amortization of bond issue costs | (4,500)   |
| Amortization of bond premiums    | 11,091    |

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

|  |          |
|--|----------|
| Change in long-term compensated absences | (25,272) |
| Landfill postclosure payments            | 30,000   |
| Net pension asset                        | (69,271) |

The net income of the internal service funds is reported with the governmental activities. 90,423

Change in Net Assets of Governmental Activities (page 15) \$ 5,390,527

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, 2007**

|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>with<br/>Final<br/>Budget</b> |
|---|----------------------------|-------------------------|---------------|---|
| <b>Revenues:</b>                        |                            |                         |               |   |
| Property taxes                          | \$ 54,873,263              | \$ 54,873,263           | \$ 54,940,024 | \$ 66,761                                     |
| Intergovernmental                       | 1,750,530                  | 1,760,859               | 1,732,842     | (28,017)                                      |
| Charges for services                    | 1,590,150                  | 1,655,519               | 1,703,237     | 47,718  |
| Investment income                       | 830,000                    | 957,063                 | 1,173,629     | 216,566                                       |
| Other local revenues                    | 158,658                    | 179,480                 | 283,210       | 103,730                                       |
| Total revenues                          | 59,202,601                 | 59,426,184              | 59,832,942    | 406,758                                       |
| <b>Expenditures:</b>                    |                            |                         |               |   |
| <b>Current:</b>                         |                            |                         |               |   |
| <b>Town Council:</b>                    |                            |                         |               |   |
| General government                      | 2,413,563                  | 2,399,192               | 2,399,192     | -   |
| Public safety                           | 7,155,507                  | 7,347,517               | 7,347,517     | -   |
| Public works                            | 3,546,724                  | 3,632,873               | 3,632,873     | -   |
| Health and social services              | 342,463                    | 335,738                 | 335,738       | -   |
| Recreation and parks                    | 731,836                    | 766,608                 | 766,608       | -   |
| Educational - cultural                  | 1,237,152                  | 1,246,477               | 1,246,477     | -   |
| Conservation and development            | 493,783                    | 462,647                 | 462,647       | -   |
| Miscellaneous                           | 290,350                    | 241,973                 | 241,973       | -   |
| Total town council                      | 16,211,378                 | 16,433,025              | 16,433,025    | -   |
| Board of Education                      | 36,424,390                 | 36,424,390              | 36,424,390    | -   |
| Debt service                            | 4,580,935                  | 4,568,079               | 4,568,079     | -   |
| Total expenditures                      | 57,216,703                 | 57,425,494              | 57,425,494    | -   |
| Excess of Revenues<br>over Expenditures | 1,985,898                  | 2,000,690               | 2,407,448     | 406,758                                       |
| <b>Other Financing Sources (Uses):</b>  |                            |                         |               |   |
| Appropriation of fund balance           |                            | 795,550                 |               | (795,550)                                     |
| Transfers out                           | (1,985,898)                | (2,796,240)             | (2,796,240)   | -   |
| Net other financing uses                | (1,985,898)                | (2,000,690)             | (2,796,240)   | (795,550)                                     |
| Net Change in Fund Balance              | \$ -                       | \$ -                    | (388,792)     | \$ (388,792)                                  |
| Fund Balance at Beginning of Year       |                            |                         | 4,215,253     |   |
| Fund Balance at End of Year             |                            |                         | \$ 3,826,461  |   |

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**

**STATEMENT OF NET ASSETS**

**PROPRIETARY FUND**

**JUNE 30, 2007**

|                      | <u><b>Governmental<br/>Activities</b></u>   |
|----------------------|---|
|                      | <u><b>Internal<br/>Service<br/>Fund</b></u> |
| Asset:               |   |
| Current assets:      |   |
| Accounts receivable  | \$ 7,377                                    |
| Due from other funds | <u>651,369</u>                              |
| Total current assets | 658,746                                     |
| Liabilities:         |   |
| Current liabilities: |   |
| Claims payable       | <u>366,830</u>                              |
| Total Net Assets     | <u><u>\$ 291,916</u></u>                    |

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**

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

**PROPRIETARY FUND**

**FOR THE YEAR ENDED JUNE 30, 2007**

|                                   | <u><b>Governmental<br/>Activities</b></u>   |
|-----------------------------------|---|
|                                   | <u><b>Internal<br/>Service<br/>Fund</b></u> |
| Operating revenues:               |   |
| Charges for services:             |   |
| Town                              | \$ 1,706,963                                |
| Board of Education                | 4,160,215                                   |
| Total operating revenues          | <u>5,867,178</u>                            |
| Operating expenses:               |   |
| Medical claims:                   |   |
| Town                              | 1,768,906                                   |
| Board of Education                | 4,082,849                                   |
| Total operating expenses          | <u>5,851,755</u>                            |
| Operating Income Before Transfers | 15,423                                      |
| Transfers In                      | <u>75,000</u>                               |
| Changes in Net Assets             | 90,423                                      |
| Net Assets at Beginning of Year   | <u>201,493</u>                              |
| Net Assets at End of Year         | <u>\$ 291,916</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, 2007**

|  | <b>Governmental<br/>Activities</b>   |
|--|--------------------------------------|
|  | <b>Internal<br/>Service<br/>Fund</b> |
| Cash Flows from Operating Activities:  |                                      |
| Receipts from customers and users  | \$ 5,913,756                         |
| Claims paid  | (5,913,756)                          |
| Net cash provided by operating activities  | -                                    |
| Net Increase in Cash   | -                                    |
| Cash at Beginning of Year  | -                                    |
| Cash at End of Year  | \$ -                                 |
| Reconciliation of Operating Income to Net Cash<br>Provided by Operating Activities:        |                                      |
| Operating income   | \$ 15,423                            |
| Adjustments to reconcile operating income to net<br>cash provided by operating activities: |                                      |
| Decrease in due from other funds   | 46,578                               |
| Decrease in claims payable   | (62,001)                             |
| Net Cash Provided by Operating Activities  | \$ -                                 |

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**

**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**

**JUNE 30, 2007**

|   | <b>Pension*<br/>and Employee<br/>Benefit<br/>Trust<br/>Funds</b> | <b>Agency<br/>Funds</b>               |
|---|--|---------------------------------------|
|   | <u>                    </u>                                      | <u>                    </u>           |
| Assets:   |  |                                       |
| Cash  | \$ <u>                    </u>                                   | \$ <u>  205,083</u>                   |
| Investments, at fair value:   |  |                                       |
| Guaranteed interest contract  | 1,744,952  |                                       |
| Money market mutual funds   | 10,125,123   |                                       |
| Small/mid capitalization equity mutual funds                        | 915,921  |                                       |
| International equity mutual funds                                   | 1,431,664  |                                       |
| Core equity mutual funds  | 11,119,349   |                                       |
| Total investments   | <u>25,337,009</u>  | <u>                    </u>           |
| Accounts receivable:  |  |                                       |
| Employer  | 252,988  |                                       |
| Employee  | 156,381  |                                       |
| Total accounts receivable   | <u>409,369</u>   | <u>                    </u>           |
| Due from other funds  | <u>125,000</u>   | <u>  28,568</u>                       |
| Total assets  | 25,871,378   | 233,651                               |
| Liabilities:  |  |                                       |
| Fiduciary deposits  | <u>                    </u>                                      | <u>  233,651</u>                      |
| Net Assets:   |  |                                       |
| Net Assets Held in Trust for Pension Benefits<br>and Other Purposes | \$ <u><u>  25,871,378</u></u>                                    | \$ <u><u>                    </u></u> |

\* Pension and employee benefit trust funds are reported at December 31, 2006.

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

|   | <b>Pension *<br/>and Employee<br/>Benefit<br/>Trust<br/>Funds</b> |
|---|---|
|   |   |
| Additions:                                    |   |
| Contributions:                                |   |
| Employer                                      | \$ 1,868,700  |
| Plan members                                  | 798,761   |
| Total contributions                           | 2,667,461   |
| Investment income:                            |   |
| Net appreciation in fair value of investments | 1,551,818   |
| Interest and dividends                        | 883,059   |
| Total investment income                       | 2,434,877   |
| Less investment expenses                      | 147,568   |
| Net investment income                         | 2,287,309   |
| Total additions                               | 4,954,770   |
| Deductions:                                   |   |
| Benefits                                      | 2,519,855   |
| Administration                                | 9,122   |
| Total deductions                              | 2,528,977   |
| Transfer In                                   | 125,000   |
| Changes in Net Assets                         | 2,550,793   |
| Net Assets at Beginning of Year               | 23,320,585  |
| Net Assets at End of Year                     | \$ 25,871,378   |

\* Pension and employee benefit trust funds are reported at December 31, 2006.

The accompanying notes are an integral part of the financial statements

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

**B. Basis of Presentation**

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

**Government-Wide and Fund Financial Statements**

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

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

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

The *CIFA Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Additionally, the government reports the following fund types:

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **C. Investments**

Investments for the Town are reported at fair value.

#### **D. 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).

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**E. Property Taxes and Other Receivables**

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 47% of outstanding receivable balances at June 30, 2007 and are calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, 2007, which have not been collected within 60 days of June 30, have been recorded as deferred revenue, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60 day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

**F. 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         |

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### **G. Net Pension Assets**

The net pension asset represents the cumulative difference between the annual pension cost and the Town's contributions to the plans. This amount is calculated on an actuarial basis and is recorded as a noncurrent asset in the government-wide financial statements.

#### **H. 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.

#### **I. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

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

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

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

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

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

### **K. Accounting Estimates**

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

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgets and Budgetary Accounting**

The Town established a Town-wide budget in accordance with provisions of its Charter and the Connecticut General Statutes. Budgets for the General Fund, Sewer Fund, State and Federal Education Grants Fund, School Cafeteria Fund, Recreational Activities Fund, Local Capital Improvement Program Fund, Forest Park Management Fund, Town Aid Road Fund and Use of School Facilities Fund are legally adopted annually at the Annual Town Meeting. Transfers and supplemental appropriations were approved during the year in accordance with provisions of its Charter and the Connecticut General Statutes. Additional appropriations from fund balance of \$795,550 and additional appropriations of \$223,583 funded by revised revenue estimates were made during the year in the General Fund. These adjustments were presented for approval to the Town Council on December 6, 2007 and to the Board of Finance on December 17, 2007.

- Annual operating budgets are prepared and employed for management control for the General Fund. Unencumbered appropriations of these funds lapse at year end. Encumbered appropriations are carried forward. Transfer of funds between appropriations shall be approved by the Town Council for amounts not exceeding 1/10 of 1% of the current Town operating budget. Transfers exceeding 1/10 of 1% are approved by the Board of Finance upon recommendation of the Town Council. Additional appropriations may be made by the Board of Finance upon favorable recommendation of the Town Council. The legal level of control is at the department level. Line items within these departments may individually exceed their appropriations, as long as in the aggregate they do not. Management is not authorized to transfer budgeted amounts or to approve additional appropriations.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and Town Council approval.
- Nonlapsing project budgets exceeding one year in length are employed for the capital projects funds. These budgets are not “annual” budgets; they are nonlapsing budgets and span two to three years.

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

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

|   | <u>Revenues</u> | <u>Expenditures<br/>and<br/>Transfers</u> | <u>Fund<br/>Balance</u> |
|---|-----------------|---|-------------------------|
| Balance, budgetary basis - June 30, 2007  | \$ 59,832,942   | \$ 60,221,734                             | \$ 3,826,459            |
| Encumbrances outstanding at June 30, 2006<br>liquidated during the year ended June 30, 2007 |                 | 130,420                                   |                         |
| Encumbrances outstanding at June 30, 2006 still<br>outstanding at June 30, 2007             |                 |   | 17,118                  |
| Change in accrued payroll   |                 | 10,062                                    | (66,144)                |
| State Teachers' Retirement on-behalf payment  | 2,532,505       | 2,532,505                                 |                         |
| Balance, GAAP Basis, - June 30, 2007  | \$ 62,365,447   | \$ 62,894,721                             | \$ 3,777,433            |

**B. Capital Projects Authorizations**

The following is a summary of capital projects at June 30, 2007:

| <u>Capital Project</u>   | <u>Authorization</u> | <u>Current Year<br/>Expenditures</u> | <u>Cumulative<br/>Expenditures</u> | <u>Balance<br/>June 30, 2007</u> |
|--------------------------|----------------------|--------------------------------------|------------------------------------|----------------------------------|
| Capital and nonrecurring | \$ 3,743,301         | \$ 91,559                            | \$ 3,461,141                       | \$ 282,160                       |
| CIFA:                    |                      |                                      |                                    |                                  |
| General government       | 13,387,713           | 1,483,584                            | 10,035,466                         | 3,352,247                        |
| Board of Education       | 52,788,277           | 10,748,729                           | 31,340,490                         | 21,447,787                       |
| Total                    | \$ 69,919,291        | \$ 12,323,872                        | \$ 44,837,097                      | \$ 25,082,194                    |

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits 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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$287,356 of the Town's bank balance of \$487,356 was exposed to custodial credit risk as follows:

|   |    |         |
|---|----|---------|
| Uninsured and uncollateralized  | \$ | 238,620 |
| Uninsured and collateral held by the pledging bank's trust department, not in the Town's name |    | 48,736  |
| Total Amount Subject to Custodial Credit Risk   | \$ | 287,356 |

**Investments**

As of June 30, 2007, the Town had the following investments:

| Investment Type          | Credit Rating | Fair Value    | Investment Maturities (Years) |               |              |
|--------------------------|---------------|---------------|-------------------------------|---------------|--------------|
|                          |               |               | Less Than 1                   | 1 - 10        | More Than 10 |
| Mutual Funds:            |               |               |                               |               |              |
| Money market             | A             | \$ 1,389,427  |                               | \$ 1,389,427  |              |
| Money market             | A-2/P-2       | 355,525       | 355,525                       |               |              |
| Money market             | P-1/A-1       | 348,584       | 348,584                       |               |              |
| Money market             | Aa2           | 9,017,568     |                               | 9,017,568     |              |
| Money market             | n/a           | 43,358        | 43,358                        |               |              |
| Treasury Index Fund      | AAA           | 604,025       |                               | 604,025       |              |
| Equity Index Fund        | n/a           | 516,285       | 516,285                       |               |              |
| Small Mid Capitalization | n/a           | 510,478       | 510,478                       |               |              |
| International equity     | n/a           | 1,431,664     | 1,431,664                     |               |              |
| Core equity              | n/a           | 11,008,507    | 11,008,507                    |               |              |
| Corporate bond fund      | A2/BBB+       | 111,587       |                               | 111,587       |              |
| MBIA Class Plus          | AAA           | 26,800,414    | 26,800,414                    |               |              |
| Total                    |               | \$ 52,137,422 | \$ 41,014,815                 | \$ 11,122,607 | \$ -         |

Investment Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party.

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Credit Risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State statutes governing investments in obligations of any state or political subdivision or in obligations of the State of Connecticut or political subdivision.

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

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.

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**B. Receivables**

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

|                                   | <b>Property Taxes</b> |                               |              | <b>Sewer Assessments</b> |
|-----------------------------------|-----------------------|-------------------------------|--------------|--------------------------|
|                                   | <b>Taxes</b>          | <b>Interest and Lien Fees</b> | <b>Total</b> |                          |
| Current portion                   | \$ 89,099             | \$ 56,173                     | \$ 145,272   | \$ 5,257                 |
| Long-term portion                 | \$ 4,162              | \$ 49,814                     | \$ 53,976    | \$ 785                   |
| Less allowance for uncollectibles | 4,162                 | 49,814                        | 53,976       | 121                      |
| Total                             | \$ -                  | \$ -                          | \$ -         | \$ 664                   |

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

|  | <b>Unavailable</b> | <b>Unearned</b> |
|--|--------------------|-----------------|
| General Fund:  |                    |                 |
| Delinquent property taxes receivable                       | \$ 118,679         | \$              |
| Property taxes collected in advance                        |                    | 5,806,473       |
| Nonmajor Funds:  |                    |                 |
| Special assessments not yet due                            | 6,042              |                 |
| Special assessments collected in advance                   |                    | 339,426         |
| Education revenues collected in advance                    |                    | 32,201          |
| Grant draw downs prior to meeting eligibility requirements |                    | 25,031          |
|  | \$ 124,721         | \$ 6,203,131    |

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2007 was as follows:

|   | <u>Balance<br/>July 1, 2006</u> | <u>Increases</u>     | <u>Decreases</u> | <u>Balance<br/>June 30, 2007</u> |
|---|---------------------------------|----------------------|------------------|----------------------------------|
| Governmental activities:                    |                                 |                      |                  |                                  |
| Capital assets not being depreciated:       |                                 |                      |                  |                                  |
| Land  | \$ 6,622,223                    | \$                   | \$               | \$ 6,622,223                     |
| Construction in progress                    | <u>24,231,197</u>               | <u>12,222,761</u>    | <u></u>          | <u>36,453,958</u>                |
| Total capital assets not being depreciated  | <u>30,853,420</u>               | <u>12,222,761</u>    | <u>-</u>         | <u>43,076,181</u>                |
| Capital assets being depreciated:           |                                 |                      |                  |                                  |
| Land improvements                           | 160,764                         |                      |                  | 160,764                          |
| Buildings and improvements                  | 61,677,675                      |                      |                  | 61,677,675                       |
| Equipment                                   | 5,575,136                       | 89,305               | 41,831           | 5,622,610                        |
| Vehicles                                    | 4,435,011                       | 62,553               | 66,000           | 4,431,564                        |
| Infrastructure                              | <u>39,923,402</u>               | <u>1,441,305</u>     | <u></u>          | <u>41,364,707</u>                |
| Total capital assets being depreciated      | <u>111,771,988</u>              | <u>1,593,163</u>     | <u>107,831</u>   | <u>113,257,320</u>               |
| Less accumulated depreciation for:          |                                 |                      |                  |                                  |
| Land improvements                           | 39,001                          | 6,817                |                  | 45,818                           |
| Buildings and improvements                  | 16,889,680                      | 1,379,088            |                  | 18,268,768                       |
| Equipment                                   | 4,123,007                       | 262,050              | 34,149           | 4,350,908                        |
| Vehicles                                    | 2,069,843                       | 223,948              | 60,167           | 2,233,624                        |
| Infrastructure                              | <u>7,851,327</u>                | <u>411,655</u>       | <u></u>          | <u>8,262,982</u>                 |
| Total accumulated depreciation              | <u>30,972,858</u>               | <u>2,283,558</u>     | <u>94,316</u>    | <u>33,162,100</u>                |
| Total capital assets being depreciated, net | <u>80,799,130</u>               | <u>(690,395)</u>     | <u>13,515</u>    | <u>80,095,220</u>                |
| Governmental Activities Capital Assets, Net | <u>\$ 111,652,550</u>           | <u>\$ 11,532,366</u> | <u>\$ 13,515</u> | <u>\$ 123,171,401</u>            |

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

|  |                     |
|--|---------------------|
| Governmental activities:                             |                     |
| General government                                   | \$ 69,258           |
| Public safety  | 256,112             |
| Public works   | 537,318             |
| Recreation and parks                                 | 95,953              |
| Educational - cultural                               | 20,619              |
| Board of Education                                   | <u>1,304,298</u>    |
| Total Depreciation Expense - Governmental Activities | <u>\$ 2,283,558</u> |

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

A summary of interfund balances as of June 30, 2007 is as follows:

| <u>Receivable Fund</u>      | <u>Payable Fund</u>      | <u>Amount</u>       |
|-----------------------------|--------------------------|---------------------|
| General Fund                | Other Governmental Funds | \$ 79,212           |
| CIFA                        | General Fund             | 1,616,693           |
| Other Governmental Funds    | General Fund             | 3,315,977           |
| Internal Service Fund       | General Fund             | 651,369             |
| Employee Benefit Trust Fund | General Fund             | 125,000             |
|                             |                          | <u>\$ 5,788,251</u> |

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

A summary of interfund transfers as of June 30, 2007 is as follows:

|                             | <u>Transfers Out</u>    |                      |   | <u>Total<br/>Transfers<br/>In</u> |
|-----------------------------|-------------------------|----------------------|---|-----------------------------------|
|                             | <u>General<br/>Fund</u> | <u>CIFA<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> |                                   |
| Transfers in:               |                         |                      |   |                                   |
| CIFA                        | \$ 2,146,240            | \$                   | \$ 40,000                               | \$ 2,186,240                      |
| Other Governmental Funds    | 450,000                 | 13,361               | 16,714                                  | 480,075                           |
| Internal Service Fund       | 75,000                  |                      |   | 75,000                            |
| Employee Benefit Trust Fund | <u>125,000</u>          |                      |   | <u>125,000</u>                    |
| Total Transfers Out         | <u>\$ 2,796,240</u>     | <u>\$ 13,361</u>     | <u>\$ 56,714</u>                        | <u>\$ 2,866,315</u>               |

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

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

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

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Short-term obligation activity for the year ended June 30, 2007 was as follows:

| <u>Type of Obligation</u>  | <u>Balance<br/>July 1, 2006</u> | <u>Additions</u>     | <u>Reductions</u>    | <u>Balance<br/>June 30, 2007</u> |
|--|---------------------------------|----------------------|----------------------|----------------------------------|
| Bond Anticipation Notes:   |                                 |                      |                      |                                  |
| MH Rhodes open space - interest rate 3.00%, matured May 4, 2007                  | \$ 1,000,000                    | \$                   | \$ 1,000,000         | \$                               |
| Avon High School Renovations - interest rate +/- 3.00%, matures October 26, 2007 | <u>9,000,000</u>                | <u>18,000,000</u>    | <u>9,000,000</u>     | <u>18,000,000</u>                |
|  | <u>\$ 10,000,000</u>            | <u>\$ 18,000,000</u> | <u>\$ 10,000,000</u> | <u>\$ 18,000,000</u>             |

**F. Long-Term Debt**

**General Obligation Bonds**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general improvements, sewer additions and school construction. The original amount of general obligation bonds issued in prior years was \$41,200,000.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. These bonds generally are issued as 15-year serial bonds with varying annual principal payments. School building grants of \$1,363,333 will be used to repay a portion of the respective debt; however, the Town is liable for all outstanding bonds.

On June 14, 2007, there was a referendum held that approved borrowing of \$2,360,000 for renovations, additions and improvements to buildings five and six at Town Hall.

General obligation bonds currently outstanding are as follows:

| <u>Description</u>               | <u>Interest<br/>Rate (%)</u> | <u>Amount</u>        |
|----------------------------------|------------------------------|----------------------|
| General purpose:                 |                              |                      |
| General obligation - improvement | 3-6.25%                      | \$ 2,016,000         |
| Sewer:                           |                              |                      |
| General obligation - improvement | 4.1-4.75%                    | 255,000              |
| School:                          |                              |                      |
| School - improvement             | 3-6.25%                      | <u>16,514,000</u>    |
| Total Outstanding                |                              | <u>\$ 18,785,000</u> |

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

|             | <b>General Obligation Bonds</b> |                         |
|-------------|---------------------------------|-------------------------|
|             | <b>Principal</b>                | <b>Interest</b>         |
| 2008        | \$ 3,500,000                    | \$ 795,012              |
| 2009        | 3,100,000                       | 653,942                 |
| 2010        | 3,300,000                       | 521,792                 |
| 2011        | 2,250,000                       | 385,743                 |
| 2012        | 2,170,000                       | 288,667                 |
| 2013 - 2016 | <u>4,465,000</u>                | <u>465,909</u>          |
| <br>Total   | <br><u>\$ 18,785,000</u>        | <br><u>\$ 3,111,065</u> |

**Changes in Long-Term Liabilities**

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

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>        | <u>Decreases</u>        | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|--|------------------------------|-------------------------|-------------------------|---------------------------|--------------------------------|
| Governmental activities:                                   |                              |                         |                         |                           |                                |
| Bonds payable:   |                              |                         |                         |                           |                                |
| General obligation bonds                                   | \$ 21,560,000                | \$ 600,000              | \$ 3,375,000            | \$ 18,785,000             | \$ 3,500,000                   |
| Plus deferred amounts:                                     |                              |                         |                         |                           |                                |
| Issuance premium<br>on refunding                           | <u>110,920</u>               |                         | <u>11,091</u>           | <u>99,829</u>             |                                |
| Total bonds payable  | 21,670,920                   | 600,000                 | 3,386,091               | 18,884,829                | 3,500,000                      |
| Compensated absences                                       | 1,946,952                    | 868,603                 | 843,331                 | 1,972,224                 | 394,445                        |
| Landfill post-closure costs                                | <u>540,000</u>               |                         | <u>30,000</u>           | <u>510,000</u>            | <u>30,000</u>                  |
| <br>Total Governmental Activities<br>Long-Term Liabilities | <br><u>\$ 24,157,872</u>     | <br><u>\$ 1,468,603</u> | <br><u>\$ 4,259,422</u> | <br><u>\$ 21,367,053</u>  | <br><u>\$ 3,924,445</u>        |

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 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:

| <u>Category</u> | <u>Debt Limit</u> | <u>Net Indebtedness</u> | <u>Balance</u> |
|-----------------|-------------------|-------------------------|----------------|
| General purpose | \$ 129,872,036    | \$ 6,216,000            | \$ 123,656,036 |
| Schools         | 259,744,073       | 70,388,667              | 189,355,406    |
| Sewers          | 216,453,394       | 249,000                 | 216,204,394    |
| Urban renewal   | 187,592,941       |                         | 187,592,941    |
| Pension deficit | 173,162,715       |                         | 173,162,715    |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$404,046,335.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$1,363,333 are reflected as deductions in the computation of net indebtedness.

### Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require landfill closures to meet certain standards. The Town landfill has been closed. Estimated monitoring costs for the next 17 years at \$30,000 per year are \$510,000. This amount is based on estimates which are subject to change due to inflation, technology or applicable laws and regulations.

### Authorized/Unissued Bonds

At June 30, 2007, the amount of authorized, unissued bonds for general purposes is \$4,200,000 and \$37,238,000 for school purposes.

## 4. EMPLOYEE RETIREMENT PLANS

### A. Defined Benefit Pension Plans

The Town of Avon administers five single-employer, contributory, defined benefit pension plans (Police Plan, Public Works Plan, Nonorganized Plan, Board of Education Plan and Dispatchers Plan) to provide pension benefits for its police officers, public works employees, management unclassified and classified nonorganized employees, dispatchers employees and Board of Education employees, except certified personnel who are eligible to participate in the State of Connecticut Teachers' Retirement System. The police and nonorganized plans closed to new entrants effective January 1, 1997, and public works and dispatchers closed to new entrants effective July 1, 1997. All new employees of the above classes become part of the

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Town's defined contribution plan. The plans are considered to be part of the Town's financial reporting entity and, therefore, are included in the Town's financial reports as pension trust funds. Separate, stand-alone financial reports are not issued by the pension plans.

**Plan Description**

Plan provisions and contribution requirements and the authority to amend the provisions are established by the plans approved by the Town Council. Under the plans, all employees hired before age 65, having attained age 23 for police officers, age 22 for public works, nonorganized employees and dispatchers, or age 25 for Board of Education employees, having one year of service and agreeing to make the required employee contributions as set out below, are eligible. Employees are 100% vested after 5 years of service for all plans.

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

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

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

**Classes of Employees Covered**

|  | <u>Police</u> | <u>Public Works</u> | <u>Non-Organized</u> | <u>Board of Education</u> | <u>Dispatchers</u> |
|--|---------------|---------------------|----------------------|---------------------------|--------------------|
| Retirees and beneficiaries currently receiving benefits              | 25            | 8                   | 34                   | 31                        | 2                  |
| Terminated employees entitled to benefits but not yet receiving them |               | 1                   | 2                    | 18                        | 1                  |
| Current active employees   | <u>10</u>     | <u>9</u>            | <u>24</u>            | <u>84</u>                 | <u>1</u>           |
| Total  | <u>35</u>     | <u>18</u>           | <u>60</u>            | <u>133</u>                | <u>4</u>           |

**Benefit Provisions**

Required employee contributions under the plans are as follows:

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

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

**Schedule of Employer Contributions and Net Pension Obligation**

| <u>Year Ended<br/>December 31</u> | <u>Actual<br/>Contribution</u> | <u>Annual<br/>Required<br/>Contribution<br/>(ARC)</u> | <u>Percentage<br/>of ARC<br/>Contributed</u> | <u>Annual<br/>Pension<br/>Cost<br/>(APC)</u> | <u>Percentage<br/>of APC<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation<br/>(Asset)</u> |
|-----------------------------------|--------------------------------|---|--|--|--|---|
| <b>Police</b>                     |                                |   |  |  |  |   |
| 2001                              | \$ 314,950                     | \$ 314,950  | 100.0%                                       | \$ 313,933                                   | 100.3%                                       | \$ (4,249)  |
| 2002                              | 419,886                        | 419,883   | 100.0%                                       | 418,782                                      | 100.3%                                       | (5,353)   |
| 2003                              | 588,606                        | 588,601   | 100.0%                                       | 587,409                                      | 100.2%                                       | (6,550)   |
| 2004                              | 523,683                        | 523,683   | 100.0%                                       | 522,394                                      | 100.2%                                       | (7,839)   |
| 2005                              | 476,216                        | 476,216   | 100.0%                                       | 476,218                                      | 100.0%                                       | (7,837)   |
| 2006                              | 531,162                        | 531,162   | 100.0%                                       | 531,187                                      | 100.0%                                       | (7,812)   |
| <b>Public Works</b>               |                                |   |  |  |  |   |
| 2001                              | 221,862                        | 221,862   | 100.0%                                       | 221,928                                      | 100.0%                                       | (947)   |
| 2002                              | 267,786                        | 267,785   | 100.0%                                       | 267,857                                      | 100.0%                                       | (876)   |
| 2003                              | 281,502                        | 281,500   | 100.0%                                       | 281,578                                      | 100.0%                                       | (800)   |
| 2004                              | 212,076                        | 212,076   | 100.0%                                       | 212,160                                      | 100.0%                                       | (716)   |
| 2005                              | 199,939                        | 199,939   | 100.0%                                       | 199,939                                      | 100.0%                                       | (716)   |
| 2006                              | 216,922                        | 216,922   | 100.0%                                       | 216,924                                      | 100.0%                                       | (714)   |
| <b>Nonorganized</b>               |                                |   |  |  |  |   |
| 2001                              | 381,996                        | 381,996   | 100.0%                                       | 382,389                                      | 99.9%  | 221   |
| 2002                              | 474,435                        | 458,105   | 103.6%                                       | 458,530                                      | 103.5%                                       | (15,684)  |
| 2003                              | 548,058                        | 548,057   | 100.0%                                       | 548,959                                      | 99.8%  | (14,783)  |
| 2004                              | 444,532                        | 444,532   | 100.0%                                       | 445,508                                      | 99.8%  | (13,807)  |
| 2005                              | 424,493                        | 424,493   | 100.0%                                       | 424,497                                      | 100.8%                                       | (13,803)  |
| 2006                              | 433,205                        | 433,205   | 100.0%                                       | 433,249                                      | 100.0%                                       | (13,759)  |
| <b>Board of Education</b>         |                                |   |  |  |  |   |
| 2001                              | 118,668                        | 77,959  | 152.2%                                       | 86,821                                       | 136.7%                                       | (140,035)   |
| 2002                              | 143,004                        | 87,709  | 163.0%                                       | 102,135                                      | 125.5%                                       | (180,904)   |
| 2003                              | 93,000                         | 42,392  | 219.4%                                       | 66,335                                       | 140.2%                                       | (207,569)   |
| 2004                              | 25,000                         | 63,062  | 39.64%                                       | 96,603                                       | 25.8%  | (135,966)   |
| 2005                              | 32,000                         | 34,088  | 94.00%                                       | 34,126                                       | 99.9%  | (133,840)   |
| 2006                              | 76,088                         | 144,845   | 52.5%  | 145,272                                      | 52.4%  | (64,656)  |
| <b>Dispatchers</b>                |                                |   |  |  |  |   |
| 2001                              | 32,756                         | 32,756  | 100.0%                                       | 32,097                                       | 102.1%                                       | (2,504)   |
| 2002                              | 35,838                         | 35,837  | 100.0%                                       | 35,123                                       | 102.0%                                       | (3,219)   |
| 2003                              | 38,802                         | 38,801  | 100.0%                                       | 38,028                                       | 102.0%                                       | (3,993)   |
| 2004                              | 34,668                         | 34,668  | 100.0%                                       | 33,832                                       | 102.5%                                       | (4,829)   |
| 2005                              | 23,501                         | 23,501  | 100.0%                                       | 23,503                                       | 100.0%                                       | (4,827)   |
| 2006                              | 20,220                         | 20,220  | 100.0%                                       | 20,236                                       | 100.0%                                       | (4,811)   |

**TOWN OF AVON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Actuarial Assumptions**

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

|  | <u>Police</u>      | <u>Public Works</u> | <u>Non-Organized</u> | <u>Board of Education</u> | <u>Dispatchers</u> |
|--|--------------------|---------------------|----------------------|---------------------------|--------------------|
| Valuation Date                         | January 1,<br>2007 | January 1,<br>2007  | January 1,<br>2007   | January 1,<br>2007        | January 1,<br>2007 |
| Actuarial Cost Method                  | Entry Age          | Entry Age           | Entry Age            | Entry Age                 | Entry Age          |
| Amortization Method                    | Level Percent      | Level Percent       | Level Percent        | Level Percent             | Level Percent      |
| Remaining Amortization Period (closed) | 11                 | 12                  | 11                   | 2                         | 12                 |
| Asset Valuation Method                 | *                  | *                   | *                    | *                         | *                  |
| Investment Return Rate                 | 8.25%              | 8.25%               | 8.25%                | 8.25%                     | 8.25%              |
| Projected Salary Increases:            |                    |                     |                      |                           |                    |
| Merit                                  | 1.75%              | 1.75%               | 1.75%                | 1.75%                     | 1.75%              |
| Inflation                              | 1.75%              | 1.75%               | 1.75%                | 1.75%                     | 1.75%              |

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

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

|  | <u>Police</u> | <u>Public Works</u> | <u>Non-Organized</u> | <u>Board of Education</u> | <u>Dispatchers</u> |
|--|---------------|---------------------|----------------------|---------------------------|--------------------|
| Annual required contribution               | \$ 531,162    | \$ 216,922          | \$ 433,205           | \$ 144,845                | \$ 20,220          |
| Interest on net pension obligation         | (647)         | (59)                | (1,139)              | (11,042)                  | (398)              |
| Adjustment to annual required contribution | 672           | 61                  | 1,183                | 11,469                    | 414                |
| Annual pension cost                        | 531,187       | 216,924             | 433,249              | 145,272                   | 20,236             |
| Contribution made                          | 531,162       | 216,922             | 433,205              | 76,088                    | 20,220             |
| Decrease in net pension obligation         | 25            | 2                   | 44                   | 69,184                    | 16                 |
| Net pension asset at beginning of year     | (7,837)       | (716)               | (13,803)             | (133,840)                 | (4,827)            |
| Net Pension Asset at End of Year           | \$ (7,812)    | \$ (714)            | \$ (13,759)          | \$ (64,656)               | \$ (4,811)         |

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Financial statements for each individual pension plan as of and for the year ended December 31, 2006 are as follows:

|   | <b>Police</b>    | <b>Public Works</b> | <b>Non-Organized</b> | <b>Board of Education</b> | <b>Dispatchers</b> | <b>Total Pension Trust Funds</b> |
|---|------------------|---------------------|----------------------|---------------------------|--------------------|----------------------------------|
| <b>Assets:</b>  |                  |                     |                      |                           |                    |                                  |
| Investments, at fair value:                           |                  |                     |                      |                           |                    |                                  |
| Guar. investment contract                             | \$ 354,833       | \$ 69,118           | \$ 327,722           | \$ 987,587                | \$ 5,692           | \$ 1,744,952                     |
| Mutual funds:   |                  |                     |                      |                           |                    |                                  |
| Money market  | 3,994,457        | 1,053,349           | 3,253,296            | 833,579                   | 231,471            | 9,366,152                        |
| Small/mid cap equity                                  | 224,811          | 54,861              | 170,022              | 47,256                    | 13,529             | 510,479                          |
| International equity                                  | 625,130          | 156,110             | 482,146              | 133,287                   | 34,991             | 1,431,664                        |
| Core equity   | 4,743,587        | 1,238,316           | 3,809,319            | 942,075                   | 275,210            | 11,008,507                       |
| Total investments                                     | 9,942,818        | 2,571,754           | 8,042,505            | 2,943,784                 | 560,893            | 24,061,754                       |
| Accounts receivable (payable)                         | 373              |                     | (373)                | 156,381                   |                    | 156,381                          |
| <br>Total assets                                      | <br>9,943,191    | <br>2,571,754       | <br>8,042,132        | <br>3,100,165             | <br>560,893        | <br>24,218,135                   |
| <br><b>Net Assets:</b>                                |                  |                     |                      |                           |                    |                                  |
| Held in Trust for Pension Benefits and Other Purposes |                  |                     |                      |                           |                    |                                  |
|   | <br>\$ 9,943,191 | <br>\$ 2,571,754    | <br>\$ 8,042,132     | <br>\$ 3,100,165          | <br>\$ 560,893     | <br>\$ 24,218,135                |
| <br><b>Additions:</b>                                 |                  |                     |                      |                           |                    |                                  |
| Contributions:  |                  |                     |                      |                           |                    |                                  |
| Employer  | \$ 531,162       | \$ 216,922          | \$ 433,205           | \$ 76,088                 | \$ 20,220          | \$ 1,277,597                     |
| Plan members  | 184,104          | 41,854              | 233,413              | 335,454                   | 3,936              | 798,761                          |
| Total contributions                                   | 715,266          | 258,776             | 666,618              | 411,542                   | 24,156             | 2,076,358                        |
| <br><b>Investment income:</b>                         |                  |                     |                      |                           |                    |                                  |
| Net appreciation in fair value of investments         |                  |                     |                      |                           |                    |                                  |
|   | 654,805          | 162,600             | 506,333              | 127,877                   | 37,174             | 1,488,789                        |
| Interest and dividends                                | 338,753          | 83,868              | 269,050              | 132,745                   | 18,575             | 842,991                          |
| Total investment income                               | 993,558          | 246,468             | 775,383              | 260,622                   | 55,749             | 2,331,780                        |
| Less investment expenses                              | 58,820           | 14,536              | 46,808               | 24,139                    | 3,240              | 147,543                          |
| <br>Net investment income                             | <br>934,738      | <br>231,932         | <br>728,575          | <br>236,483               | <br>52,509         | <br>2,184,237                    |
| <br>Total additions                                   | <br>1,650,004    | <br>490,708         | <br>1,395,193        | <br>648,025               | <br>76,665         | <br>4,260,595                    |
| <br><b>Deductions:</b>                                |                  |                     |                      |                           |                    |                                  |
| Benefits  |                  |                     |                      |                           |                    |                                  |
|   | 1,194,067        | 213,833             | 499,574              | 240,963                   | 33,303             | 2,181,740                        |
| Administration  | 2,071            | 1,103               | 2,254                | 3,636                     | 58                 | 9,122                            |
| Total deductions                                      | 1,196,138        | 214,936             | 501,828              | 244,599                   | 33,361             | 2,190,862                        |
| <br>Net change in net assets                          | <br>453,866      | <br>275,772         | <br>893,365          | <br>403,426               | <br>43,304         | <br>2,069,733                    |
| <br>Net assets at beginning of year                   | <br>9,489,325    | <br>2,295,982       | <br>7,148,767        | <br>2,696,739             | <br>517,589        | <br>22,148,402                   |
| <br>Net Assets at End of Year                         | <br>\$ 9,943,191 | <br>\$ 2,571,754    | <br>\$ 8,042,132     | <br>\$ 3,100,165          | <br>\$ 560,893     | <br>\$ 24,218,135                |

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### **B. Defined Contribution Plans**

##### Plan Description

The Town maintains two single-employer, defined contribution pension plans, the Avon 401(a) Management Money Purchase Plan and the Avon 401(a) Full-Time Employees' Plan.

Both plans are administered by a third-party vendor. The Town is required to contribute 2.5% of compensation for the Management Money Purchase Plan participants and 7.5% for the Full-Time Employees' Plan participants. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Management Plan covers Town management employees hired prior to July 1, 1997, and the Full-Time Employees' Plan covers regular, full-time employees hired after July 1, 1997.

##### Summary of Plan Provisions

For both plans, eligible employees must be at least 21 years of age on or prior to their date of employment. Benefits vest 100% after three years. Any nonvested Town contributions and related interest thereon of employees who leave employment are reserved in a forfeiture 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 Plan and Full-Time Employees' Plan during the year ended June 30, 2007 were \$30,086 and \$285,986, respectively. Members of the Management 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 \$30,086 and \$285,986, respectively.

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

The amount recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the Town's teachers to the Connecticut State Teachers' Retirement System was \$2,532,505.

### **5. 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 (CONTINUED)**

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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:

|                      | <u>Balance<br/>July 1</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Payments</u> | <u>Balance<br/>June 30</u> |
|----------------------|---------------------------|---|----------------------------|----------------------------|
| Medical Claims Fund: |                           |   |                            |                            |
| 2005-2006            | \$ 314,030                | \$ 5,313,044  | \$ 5,198,243               | \$ 428,831                 |
| 2006-2007            | 428,831                   | 5,851,755   | 5,913,756                  | 366,830                    |

**B. Commitments and Litigation**

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

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

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### **C. Other Postemployment Benefits**

In addition to providing pension benefits, the Town provides certain health care benefits for retirees who meet requirements of the Town's personnel policy or requirements defined by collective bargaining agreements. The cost of these benefits is funded on an annual basis by General Fund appropriations. Presently, a total of 52 retirees qualify for benefits under one of three arrangements. Of these retirees, 12 are covered under a Medicare supplemental group insurance plan for which the Town paid \$52,779 during fiscal year ended June 30, 2007. The other 40 retirees are covered under the Town's self-insurance plan. Of these 40 retirees, 24 individuals, under age 65, are required to contribute a portion of the actuarially estimated cost of their coverage. The net estimated cost for the Town for this group during the year was \$172,470. The other 16 individuals, over age 65, are not required to contribute toward the cost of their coverage. The estimated cost for the Town for this group during the year was \$117,181.

The Town has created a post-employment healthcare fund to set aside assets to fund these benefits. Net assets available for future benefits at June 30, 2007 were \$1,528,243.

#### **D. Subsequent Events**

On October 26, 2007, the Town issued bond anticipation notes of \$26,422,000 bearing an average interest rate at 3.96%, maturing on October 23, 2008 to pay off existing bond anticipation notes of \$18,000,000 and to temporarily help finance the design and construction of renovations and additions to Avon High School and to temporarily finance renovations, additions and improvements to town buildings five and six at the Avon Town Hall Campus.

**TOWN OF AVON, CONNECTICUT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**AVON RETIREMENT SYSTEM**

**JUNE 30, 2007**

**Police**

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

**Public Works**

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarially Accrued Liability (AAL) Projected Unit Credit</u> | <u>Under Funded AAL</u> | <u>Funded AAL Ratio</u> | <u>Covered Payroll</u> | <u>Under Funded AAL as a Percentage of Covered Payroll</u> |
|---------------------------------|----------------------------------|--|-------------------------|-------------------------|------------------------|--|
| January 1, 2002                 | \$ 1,705,634                     | \$ 3,623,247   | \$ (1,917,613)          | 47.1%                   | \$ 576,358             | (332.7)%   |
| 2003                            | 1,786,229                        | 3,777,332  | (1,991,103)             | 47.3%                   | 523,155                | (380.6)%   |
| 2004                            | 1,901,704                        | 3,930,724  | (2,029,020)             | 48.4%                   | 573,530                | (353.8)%   |
| 2005                            | 2,217,515                        | 4,051,406  | (1,833,891)             | 54.7%                   | 542,871                | (337.8)%   |
| 2006                            | 2,351,521                        | 4,397,134  | (2,045,613)             | 53.5%                   | 611,625                | (334.5)%   |
| 2007                            | 2,572,578                        | 5,196,224  | (2,623,646)             | 49.5%                   | 568,978                | (461.1)%   |

**Nonorganized**

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

(Continued on next page)

TOWN OF AVON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS (CONTINUED)  
AVON RETIREMENT SYSTEM

JUNE 30, 2007

Board of Education

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarially<br/>Accrued<br/>Liability (AAL)<br/>Projected Unit<br/>Credit</u> | <u>Over<br/>(Under)<br/>Funded<br/>AAL</u> | <u>Funded<br/>AAL<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>Over/Under<br/>Funded AAL as<br/>a Percentage of<br/>Covered Payroll</u> |
|---|--|--|--|---------------------------------|----------------------------|---|
| January 1,                              |  |  |  |                                 |                            |   |
| 2002                                    | \$ 2,285,844                             | \$ 2,345,685   | \$ (59,841)                                | 97.4%                           | \$ 1,330,788               | (4.5)%  |
| 2003                                    | 2,339,865                                | 2,299,112  | 40,753                                     | 101.8%                          | 1,547,146                  | 2.6%  |
| 2004                                    | 2,416,425                                | 2,529,991  | (113,566)                                  | 95.5%                           | 1,671,965                  | (6.8)%  |
| 2005                                    | 2,599,242                                | 2,516,806  | 82,436                                     | 103.3%                          | 2,147,958                  | 3.8%  |
| 2006                                    | 2,742,769                                | 3,105,729  | (362,960)                                  | 88.3%                           | 2,506,058                  | (14.5)%   |
| 2007                                    | 3,076,069                                | 3,663,003  | (586,934)                                  | 84.0%                           | 3,132,908                  | (18.7)%   |

Dispatchers

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

## **GENERAL FUND**

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

**TOWN OF AVON, CONNECTICUT**

**GENERAL FUND**

**COMPARATIVE BALANCE SHEETS**

**JUNE 30, 2007 AND 2006**

|  | <u>2007</u>              | <u>2006</u>              |
|--|--------------------------|--------------------------|
| <b>ASSETS</b>                            |                          |                          |
| Cash                                     | \$ 1,150                 | \$ 1,100                 |
| Investments                              | 16,088,123               | 16,068,168               |
| Receivables:                             |                          |                          |
| Property taxes                           | 134,632                  | 106,087                  |
| Intergovernmental                        | 4,599                    | 67,931                   |
| Accounts                                 | 60,719                   | 80,011                   |
| Due from other funds                     | <u>79,212</u>            | <u>112,143</u>           |
| <br>Total Assets                         | <br><u>\$ 16,368,435</u> | <br><u>\$ 16,435,440</u> |
| <br><b>LIABILITIES AND FUND BALANCE</b>  |                          |                          |
| Liabilities:                             |                          |                          |
| Bank overdraft                           | \$ 386,942               | \$ 735,681               |
| Accounts payable                         | 397,875                  | 677,493                  |
| Accrued liabilities                      | 171,994                  | 161,943                  |
| Due to other funds                       | 5,709,039                | 4,881,973                |
| Deferred revenue:                        |                          |                          |
| Unavailable                              | 118,679                  | 81,617                   |
| Collected in advance                     | <u>5,806,473</u>         | <u>5,590,026</u>         |
| Total liabilities                        | <u>12,591,002</u>        | <u>12,128,733</u>        |
| <br>Fund Balance:                        |                          |                          |
| Reserved for encumbrances                | 17,118                   | 147,535                  |
| Unreserved:                              |                          |                          |
| Designated for payroll                   | 100,000                  | 50,000                   |
| Designated for pension                   | 100,000                  | 100,000                  |
| Designated for capital asset replacement | 45,000                   | 25,000                   |
| Undesignated                             | <u>3,515,315</u>         | <u>3,984,172</u>         |
| Total fund balance                       | <u>3,777,433</u>         | <u>4,306,707</u>         |
| <br>Total Liabilities and Fund Balance   | <br><u>\$ 16,368,435</u> | <br><u>\$ 16,435,440</u> |

**TOWN OF AVON, CONNECTICUT**

**GENERAL FUND**

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|                                    | <u>2007</u>       |                       |                   |                   | <u>Variance</u> | <u>2006</u>       |
|------------------------------------|-------------------|-----------------------|-------------------|-------------------|-----------------|-------------------|
|                                    | <u>Original</u>   | <u>Supplemental</u>   | <u>Final</u>      | <u>Actual</u>     | <u>with</u>     | <u>Actual</u>     |
|                                    | <u>Budget</u>     | <u>Appropriations</u> | <u>Budget</u>     |                   | <u>Final</u>    |                   |
|                                    |                   |                       |                   |                   | <u>Budget</u>   | <u>Actual</u>     |
| Revenues:                          |                   |                       |                   |                   |                 |                   |
| Property taxes:                    |                   |                       |                   |                   |                 |                   |
| Current levy                       | \$ 53,749,736     | \$                    | \$ 53,749,736     | \$ 53,970,485     | \$ 220,749      | \$ 51,009,993     |
| Supplemental real estate           | 285,000           |                       | 285,000           | 195,448           | (89,552)        | 225,198           |
| Supplemental MV                    | 425,000           |                       | 425,000           | 512,112           | 87,112          | 538,861           |
| Prior levies                       | 120,000           |                       | 120,000           | 24,126            | (95,874)        | 58,779            |
| Interest and penalties             | 100,000           |                       | 100,000           | 128,065           | 28,065          | 115,425           |
| Telephone gross receipts           | 193,527           |                       | 193,527           | 109,788           | (83,739)        | 106,120           |
| Total property taxes               | <u>54,873,263</u> | <u>-</u>              | <u>54,873,263</u> | <u>54,940,024</u> | <u>66,761</u>   | <u>52,054,376</u> |
| Intergovernmental:                 |                   |                       |                   |                   |                 |                   |
| State grants-in aid:               |                   |                       |                   |                   |                 |                   |
| Adult education                    | 865               |                       | 865               | 1,164             | 299             | 1,063             |
| Equalized cost sharing (ECS)       | 778,703           |                       | 778,703           | 790,712           | 12,009          | 788,530           |
| Transportation                     | 3,288             |                       | 3,288             | 26,396            | 23,108          | 4,387             |
| Schools building construction      | 505,282           |                       | 505,282           | 415,441           | (89,841)        | 492,669           |
| PILOT - mfg. mach./equipment       | 299,458           |                       | 299,458           | 285,885           | (13,573)        | 260,907           |
| Pequot funds                       | 25,008            |                       | 25,008            | 23,812            | (1,196)         | 25,843            |
| PILOT- colleges and hospitals      | 10,408            |                       | 10,408            | 15,162            | 4,754           | 10,884            |
| Public library                     | 1,880             |                       | 1,880             | 1,815             | (65)            | 1,875             |
| Property tax relief - elderly      | 57,500            |                       | 57,500            | 84,882            | 27,382          | 59,703            |
| FEMA storm assistance              |                   |                       |                   |                   |                 | 104,419           |
| DUI Enf. Veh Fed                   |                   | 10,329                | 10,329            | 10,329            | -               | -                 |
| Grants in lieu of taxes            | 63,138            |                       | 63,138            | 69,969            | 6,831           | 70,913            |
| Veteran reimbursements             | 4,000             |                       | 4,000             | 3,370             | (630)           | 3,448             |
| Law Enforcement Block Grant        |                   |                       |                   |                   | -               | 6,500             |
| Bulletproof vest partnership act   |                   |                       |                   |                   | -               | 4,365             |
| Miscellaneous State grant receipts |                   |                       |                   | 3,905             | 3,905           |                   |
| Federal grants-in aid:             |                   |                       |                   |                   |                 |                   |
| Mass transportation                | 1,000             |                       | 1,000             |                   | (1,000)         | -                 |
| Total intergovernmental            | <u>1,750,530</u>  | <u>10,329</u>         | <u>1,760,859</u>  | <u>1,732,842</u>  | <u>(28,017)</u> | <u>1,835,506</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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|  | <u>2007</u>                |  |                         |                      | <u>Variance<br/>with<br/>Final<br/>Budget</u> | <u>2006</u>          |
|--|----------------------------|--|-------------------------|----------------------|---|----------------------|
|  | <u>Original<br/>Budget</u> | <u>Supplemental<br/>Appropriations</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        |   | <u>Actual</u>        |
| Charges for Services:                      |                            |  |                         |                      |   |                      |
| General government:                        |                            |  |                         |                      |   |                      |
| Hunting and fishing                        | \$ 700                     | \$                                     | \$ 700                  | \$ 1,007             | \$ 307  | \$ 936               |
| Recording and conveyance                   | 500,000                    |  | 500,000                 | 720,614              | 220,614                                       | 794,449              |
| Sale of maps and publications              | 32,000                     |  | 32,000                  | 22,403               | (9,597)                                       | 23,745               |
| PA 05-228 Local CAP Recording Fee          | 10,000                     |  | 10,000                  | 13,563               | 3,563   | 10,920               |
| Court                                      | 1,600                      |  | 1,600                   | 710                  | (890)   | 755                  |
| Rents - Towpath School                     |                            |  |                         |                      | -   | 9,583                |
| Public safety:                             |                            |  |                         |                      |   |                      |
| Police services                            | 61,800                     | 65,369                                 | 127,169                 | 127,169              | -   | 188,612              |
| Accident reports and photos                | 1,700                      |  | 1,700                   | 1,350                | (350)   | 1,610                |
| Alarm system                               | 5,000                      |  | 5,000                   | 5,744                | 744   | 2,586                |
| Animal pound fees                          | 1,800                      |  | 1,800                   | 1,890                | 90  | 177                  |
| Police protection                          | 1,200                      |  | 1,200                   | 1,112                | (88)  | 685                  |
| Blds. struct. and equipment                | 550,000                    |  | 550,000                 | 397,067              | (152,933)                                     | 731,292              |
| Animal licenses                            | 5,500                      |  | 5,500                   | 10,979               | 5,479   | 9,953                |
| Public works:                              |                            |  |                         |                      |   |                      |
| Sale of publications                       | 3,700                      |  | 3,700                   |                      | (3,700)                                       |                      |
| Landfill - residential fees                | 100,000                    |  | 100,000                 | 120,152              | 20,152  | 120,618              |
| Landfill - bulky waste                     | 35,000                     |  | 35,000                  | 40,043               | 5,043   | 35,088               |
| Sewer connections                          | 23,000                     |  | 23,000                  |                      | (23,000)                                      | 23,000               |
| Sewer assessments                          | 33,350                     |  | 33,350                  | 23,254               | (10,096)                                      | 31,377               |
| Lakeview Water Main Extension              | 37,000                     |  | 37,000                  | 36,215               | (785)   | 30,344               |
| West Avon Water Main Assessment            |                            |  |                         |                      |   |                      |
| Water main interest                        |                            |  |                         | 4,503                | 4,503   | 5,719                |
| Street and curb                            | 3,500                      |  | 3,500                   | 1,220                | (2,280)                                       | 3,290                |
| Health and social services:                |                            |  |                         |                      |   |                      |
| Vital statistics                           | 12,500                     |  | 12,500                  | 8,869                | (3,631)                                       | 8,401                |
| Recreation and parks:                      |                            |  |                         |                      |   |                      |
| Swim fees                                  | 72,000                     |  | 72,000                  | 79,771               | 7,771   | 65,416               |
| Recreation fees                            | 3,500                      |  | 3,500                   | 4,102                | 602   | 3,520                |
| Fisher Meadow lease                        | 400                        |  | 400                     | 400                  | -   | 400                  |
| Organized summer programs                  | 23,500                     |  | 23,500                  | 34,706               | 11,206  | 28,832               |
| Educational - cultural:                    |                            |  |                         |                      |   |                      |
| Library                                    | 21,000                     |  | 21,000                  | 22,965               | 1,965   | 22,491               |
| Conservation and development               | 50,400                     |  | 50,400                  | 23,429               | (26,971)                                      | 55,233               |
| Total charges for services                 | <u>1,590,150</u>           | <u>65,369</u>                          | <u>1,655,519</u>        | <u>1,703,237</u>     | <u>47,718</u>                                 | <u>2,209,032</u>     |
| Investment Income                          | <u>830,000</u>             | <u>127,063</u>                         | <u>957,063</u>          | <u>1,173,629</u>     | <u>216,566</u>                                | <u>909,690</u>       |
| Other Local Revenues:                      |                            |  |                         |                      |   |                      |
| Refunds and reimbursements                 | 110,848                    | 14,792                                 | 125,640                 | 225,737              | 100,097                                       | 99,434               |
| Miscellaneous                              | 4,810                      |  | 4,810                   | 1,021                | (3,789)                                       | 1,802                |
| Rents and reimbursements                   | 18,000                     |  | 18,000                  | 28,588               | 10,588  | 14,955               |
| Donations from private source              |                            | 6,030                                  | 6,030                   | 6,030                | -   | 12,060               |
| Sale of property                           | 25,000                     |  | 25,000                  | 21,834               | (3,166)                                       |                      |
| Total other local revenues                 | <u>158,658</u>             | <u>20,822</u>                          | <u>179,480</u>          | <u>283,210</u>       | <u>103,730</u>                                | <u>128,251</u>       |
| Total revenues                             | <u>59,202,601</u>          | <u>223,583</u>                         | <u>59,426,184</u>       | <u>59,832,942</u>    | <u>406,758</u>                                | <u>57,136,855</u>    |
| Other Financing Sources:                   |                            |  |                         |                      |   |                      |
| Appropriation of fund balance              |                            | <u>795,550</u>                         | <u>795,550</u>          |                      | <u>(795,550)</u>                              |                      |
| Total Revenues and Other Financing Sources | <u>\$ 59,202,601</u>       | <u>\$ 1,019,133</u>                    | <u>\$ 60,221,734</u>    | <u>\$ 59,832,942</u> | <u>\$ (388,792)</u>                           | <u>\$ 57,136,855</u> |

**TOWN OF AVON, CONNECTICUT**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|                                  | 2007               |   |                  |                  | Variance<br>with<br>Final<br>Budget | 2006             |
|----------------------------------|--------------------|---|------------------|------------------|-------------------------------------|------------------|
|                                  | Original<br>Budget | Supplemental<br>Appropriations<br>and Transfers | Final<br>Budget  | Actual           |                                     | Actual           |
| Expenditures:                    |                    |   |                  |                  |                                     |                  |
| Town Council:                    |                    |   |                  |                  |                                     |                  |
| General Government:              |                    |   |                  |                  |                                     |                  |
| Legislative - Town Council       | \$ 71,636          | \$ (11,072)                                     | \$ 60,564        | \$ 60,564        | \$ -                                | \$ 66,307        |
| Executive - Town Manager         | 342,100            | 2,302   | 344,402          | 344,402          | -                                   | 327,524          |
| Judicial - probate               | 7,590              | (822)   | 6,768            | 6,768            | -                                   | 4,609            |
| Elections                        | 92,470             | (9,822)   | 82,648           | 82,648           | -                                   | 71,912           |
| Legal services                   | 125,000            | 14,605  | 139,605          | 139,605          | -                                   | 103,382          |
| Recording and reporting          | 323,388            | 7,982   | 331,370          | 331,370          | -                                   | 321,398          |
| Office building - Town hall      | 152,509            | 25,847  | 178,356          | 178,356          | -                                   | 156,939          |
| Human resources                  | 133,278            | (102)   | 133,176          | 133,176          | -                                   | 124,984          |
| Finance                          | <u>1,165,592</u>   | <u>(43,289)</u>                                 | <u>1,122,303</u> | <u>1,122,303</u> | -                                   | <u>1,100,837</u> |
| Total general government         | <u>2,413,563</u>   | <u>(14,371)</u>                                 | <u>2,399,192</u> | <u>2,399,192</u> | -                                   | <u>2,277,892</u> |
| Public Safety:                   |                    |   |                  |                  |                                     |                  |
| Police protection                | 4,810,982          | 43,544  | 4,854,526        | 4,854,526        | -                                   | 4,805,103        |
| Fire protection                  | 1,286,059          | 218,975   | 1,505,034        | 1,505,034        | -                                   | 1,232,022        |
| Central communications           | 568,312            | (61,881)  | 506,431          | 506,431          | -                                   | 493,591          |
| Protective inspection            | 352,435            | (15,880)  | 336,555          | 336,555          | -                                   | 323,744          |
| Other protection                 | <u>137,719</u>     | <u>7,252</u>                                    | <u>144,971</u>   | <u>144,971</u>   | -                                   | <u>182,074</u>   |
| Total public safety              | <u>7,155,507</u>   | <u>192,010</u>                                  | <u>7,347,517</u> | <u>7,347,517</u> | -                                   | <u>7,036,534</u> |
| Public Works:                    |                    |   |                  |                  |                                     |                  |
| Administration                   | 199,609            | (1,266)   | 198,343          | 198,343          | -                                   | 181,394          |
| Highways                         | 1,354,371          | (59,599)  | 1,294,772        | 1,294,772        | -                                   | 1,340,403        |
| Sanitation                       | 459,312            | 71,535  | 530,847          | 530,847          | -                                   | 458,887          |
| Machinery and equipment          | 388,330            | 5,064   | 393,394          | 393,394          | -                                   | 345,417          |
| Building and grounds             | 832,370            | 82,528  | 914,898          | 914,898          | -                                   | 870,679          |
| Engineering                      | <u>312,732</u>     | <u>(12,113)</u>                                 | <u>300,619</u>   | <u>300,619</u>   | -                                   | <u>294,034</u>   |
| Total public works               | <u>3,546,724</u>   | <u>86,149</u>                                   | <u>3,632,873</u> | <u>3,632,873</u> | -                                   | <u>3,490,814</u> |
| Health and Social Services:      |                    |   |                  |                  |                                     |                  |
| Conservation of health           | 95,700             | 2,170   | 97,870           | 97,870           | -                                   | 95,152           |
| Social services                  | <u>246,763</u>     | <u>(8,895)</u>                                  | <u>237,868</u>   | <u>237,868</u>   | -                                   | <u>225,339</u>   |
| Total health and social services | <u>342,463</u>     | <u>(6,725)</u>                                  | <u>335,738</u>   | <u>335,738</u>   | -                                   | <u>320,491</u>   |
| Recreation and Parks:            |                    |   |                  |                  |                                     |                  |
| Recreation                       | 430,267            | 19,207  | 449,474          | 449,474          | -                                   | 419,775          |
| Parks                            | 192,407            | 1,752   | 194,159          | 194,159          | -                                   | 199,162          |
| Senior citizens                  | 45,420             | 8,741   | 54,161           | 54,161           | -                                   | 58,152           |
| Community activities             | <u>63,742</u>      | <u>5,072</u>                                    | <u>68,814</u>    | <u>68,814</u>    | -                                   | <u>53,120</u>    |
| Total recreation and parks       | <u>731,836</u>     | <u>34,772</u>                                   | <u>766,608</u>   | <u>766,608</u>   | -                                   | <u>730,209</u>   |
| Educational-Cultural:            |                    |   |                  |                  |                                     |                  |
| Library                          | <u>1,237,152</u>   | <u>9,325</u>                                    | <u>1,246,477</u> | <u>1,246,477</u> | -                                   | <u>1,169,174</u> |

(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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|  | <u>2007</u>                |  |                         |                      | <u>2006</u>                                   |                      |
|--|----------------------------|--|-------------------------|----------------------|---|----------------------|
|  | <u>Original<br/>Budget</u> | <u>Supplemental<br/>Appropriations<br/>and Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance<br/>with<br/>Final<br/>Budget</u> | <u>Actual</u>        |
| Conservation and Development:                  |                            |  |                         |                      |   |                      |
| Planning and zoning                            | \$ 368,461                 | \$ (20,723)  | \$ 347,738              | \$ 347,738           | \$ -  | \$ 327,392           |
| Conservation of natural<br>resources           | <u>125,322</u>             | <u>(10,413)</u>  | <u>114,909</u>          | <u>114,909</u>       | <u>-</u>                                      | <u>114,281</u>       |
| Total conservation and<br>development          | <u>493,783</u>             | <u>(31,136)</u>  | <u>462,647</u>          | <u>462,647</u>       | <u>-</u>                                      | <u>441,673</u>       |
| Miscellaneous:                                 |                            |  |                         |                      |   |                      |
| Claims and losses                              | 22,500                     | (2,145)  | 20,355                  | 20,355               | -   | 1,017                |
| Municipal insurance                            | 193,350                    | (15,407)   | 177,943                 | 177,943              | -   | 192,899              |
| Intergovernmental<br>expenditure               | 34,500                     | (4,193)  | 30,307                  | 30,307               | -   | 33,999               |
| Contingency                                    | <u>40,000</u>              | <u>(26,632)</u>  | <u>13,368</u>           | <u>13,368</u>        | <u>-</u>                                      | <u>22,528</u>        |
| Total miscellaneous                            | <u>290,350</u>             | <u>(48,377)</u>  | <u>241,973</u>          | <u>241,973</u>       | <u>-</u>                                      | <u>250,443</u>       |
| Total Town Council                             | <u>16,211,378</u>          | <u>221,647</u>   | <u>16,433,025</u>       | <u>16,433,025</u>    | <u>-</u>                                      | <u>15,717,230</u>    |
| Board of Education:                            |                            |  |                         |                      |   |                      |
| Administration                                 | 672,260                    |  | 672,260                 | 910,722              | (238,462)                                     | 679,989              |
| Instruction                                    | 24,203,088                 |  | 24,203,088              | 24,229,902           | (26,814)                                      | 22,736,129           |
| Health services                                | 237,790                    |  | 237,790                 | 256,145              | (18,355)                                      | 272,481              |
| Transportation                                 | 1,525,995                  |  | 1,525,995               | 1,472,020            | 53,975  | 1,775,449            |
| Operation of plant                             | 2,545,146                  |  | 2,545,146               | 2,964,858            | (419,712)                                     | 2,555,505            |
| Maintenance of plant                           | 1,082,449                  |  | 1,082,449               | 928,006              | 154,443                                       | 892,108              |
| Fixed charges                                  | 4,716,996                  |  | 4,716,996               | 4,445,072            | 271,924                                       | 4,121,315            |
| Student body activities                        | 606,252                    |  | 606,252                 | 492,095              | 114,157                                       | 481,669              |
| Capital outlay                                 | 35,049                     |  | 35,049                  | 30,050               | 4,999   | 68,645               |
| Expenditure to other schools                   | <u>799,365</u>             |  | <u>799,365</u>          | <u>695,520</u>       | <u>103,845</u>                                | <u>752,604</u>       |
| Total Board of Education                       | <u>36,424,390</u>          | <u>-</u>   | <u>36,424,390</u>       | <u>36,424,390</u>    | <u>-</u>                                      | <u>34,335,894</u>    |
| Debt service:                                  |                            |  |                         |                      |   |                      |
| Bonds and bond anticipation<br>notes           | <u>4,580,935</u>           | <u>(12,856)</u>  | <u>4,568,079</u>        | <u>4,568,079</u>     | <u>-</u>                                      | <u>4,323,498</u>     |
| Total expenditures                             | 57,216,703                 | 208,791  | 57,425,494              | 57,425,494           |   | 54,376,622           |
| Transfers out                                  | <u>1,985,898</u>           | <u>810,342</u>   | <u>2,796,240</u>        | <u>2,796,240</u>     | <u>-</u>                                      | <u>2,219,211</u>     |
| Total Expenditures and<br>Other Financing Uses | <u>\$ 59,202,601</u>       | <u>\$ 1,019,133</u>                                      | <u>\$ 60,221,734</u>    | <u>\$ 60,221,734</u> | <u>\$ -</u>                                   | <u>\$ 56,595,833</u> |

**TOWN OF AVON, CONNECTICUT**  
**GENERAL FUND**  
**REPORT OF THE PROPERTY TAX COLLECTOR**  
**FOR THE YEAR ENDED JUNE 30, 2007**

| Grand List<br>Date  | Uncollected<br>Taxes<br>July 1, 2005 | Current<br>Year<br>Levy | Lawful Corrections |                   | Transfers<br>to<br>Suspense | Adjusted<br>Taxes<br>Collectible | Collections          |                  |                        |                      |                      | Uncollected<br>Taxes<br>June 30, 2007 |
|---|--------------------------------------|-------------------------|--------------------|-------------------|-----------------------------|----------------------------------|----------------------|------------------|------------------------|----------------------|----------------------|---------------------------------------|
|   |                                      |                         | Additions          | Deductions        |                             |                                  | Taxes<br>Collected   | Refunds          | Net Taxes<br>Collected | Interest<br>and Fees | Total<br>Collections |                                       |
| 1993  | \$ 624                               | \$                      | \$ 262             | \$ 321            | \$                          | \$ 565                           | \$ 546               | \$               | \$ 546                 | \$ 362               | \$ 908               | \$ 19                                 |
| 1994  | 645                                  |                         | 225                |                   |                             | 870                              | 870                  |                  | 870                    | 1,290                | 2,160                | -                                     |
| 1995  | 748                                  |                         |                    |                   |                             | 748                              | 663                  |                  | 663                    | 1,208                | 1,871                | 85                                    |
| 1996  | 770                                  |                         | 132                |                   |                             | 902                              | 815                  |                  | 815                    | 1,120                | 1,935                | 87                                    |
| 1997  | 1,061                                |                         |                    | 108               |                             | 953                              | 592                  |                  | 592                    | 1,022                | 1,614                | 361                                   |
| 1998  | 1,081                                |                         |                    |                   |                             | 1,081                            | 713                  |                  | 713                    | 912                  | 1,625                | 368                                   |
| 1999  | 1,435                                |                         |                    |                   |                             | 1,435                            | 1,000                |                  | 1,000                  | 1,089                | 2,089                | 435                                   |
| 2000  | 1,321                                |                         |                    |                   |                             | 1,321                            | 861                  |                  | 861                    | 786                  | 1,647                | 460                                   |
| 2001  | 1,466                                |                         |                    | 93                |                             | 1,373                            | 814                  |                  | 814                    | 664                  | 1,478                | 559                                   |
| 2002  | 1,519                                |                         |                    | 134               |                             | 1,385                            | 806                  |                  | 806                    | 518                  | 1,324                | 579                                   |
| 2003  | 4,279                                |                         | 898                | 15,172            | 1,316                       | 3,319                            | 2,323                |                  | 2,323                  | 991                  | 3,314                | 996                                   |
| 2004  | 91,138                               |                         | 1,630              | 24,365            | 7,178                       | 61,225                           | 58,230               | 23,591           | 34,639                 | 11,109               | 45,748               | 26,586                                |
| Tax settlements   |                                      |                         |                    |                   |                             |                                  |                      | 14,629           | (14,629)               |                      | (14,629)             | -                                     |
| Suspense<br>collections   |                                      |                         | 4,141              |                   |                             | 4,141                            | 4,141                |                  | 4,141                  | 1,007                | 5,148                | -                                     |
| Total Prior Years   | 106,087                              | -                       | 7,288              | 40,193            | 8,494                       | 79,318                           | 72,374               | 38,220           | 34,154                 | 22,078               | 56,232               | 30,535                                |
| 2005  |                                      | <u>54,892,485</u>       | <u>249,552</u>     | <u>347,211</u>    | <u>14,194</u>               | <u>54,780,632</u>                | <u>54,714,263</u>    | <u>37,728</u>    | <u>54,676,535</u>      | <u>105,987</u>       | <u>54,782,522</u>    | <u>104,097</u>                        |
| TOTAL   | \$ <u>106,087</u>                    | \$ <u>54,892,485</u>    | \$ <u>256,840</u>  | \$ <u>387,404</u> | \$ <u>22,688</u>            | \$ <u>54,859,950</u>             | \$ <u>54,786,637</u> | \$ <u>75,948</u> | \$ <u>54,710,689</u>   | \$ <u>128,065</u>    | \$ <u>54,838,754</u> | \$ <u>134,632</u>                     |
| Grand List of October 1, 2006                                       |                                      |                         |                    |                   |                             | \$ <u>2,226,999,410</u>          |                      |                  |                        |                      |                      |                                       |
| Taxes Receivable on Grand List of October 1, 2006, due July 1, 2007 |                                      |                         |                    |                   |                             | \$ <u>56,899,843</u>             |                      |                  |                        |                      |                      |                                       |

## **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, 2007**

|  | <u>Project<br/>Appropriations<br/>July 1, 2006</u> | <u>Additions<br/>(Reductions)</u> | <u>Project<br/>Appropriations<br/>June 30, 2007</u> | <u>Expenditures<br/>Incurred to<br/>July 1, 2006</u> | <u>Current<br/>Year<br/>Expenditures</u> | <u>Expenditures<br/>Incurred to<br/>June 30, 2007</u> | <u>Unexpended<br/>Appropriations<br/>June 30, 2007</u> |
|--|--|-----------------------------------|---|--|--|---|--|
| General Government:                          |  |                                   |   |  |  |   |  |
| Addition Town Clerk's Office                 | \$ 5,000   |                                   | \$ 5,000  | \$ 412   |  | \$ 412  | \$ 4,588   |
| Aerial mapping                               | 85,000   |                                   | 85,000  | 77,404   |  | 77,404  | 7,596  |
| Fisher Open Space                            | 2,235,000  |                                   | 2,235,000   | 2,159,933  |  | 2,159,933   | 75,067   |
| AVFD Co. #1 Kitchen                          | 43,008   |                                   | 43,008  | 35,560   | 6,729                                    | 42,289  | 719  |
| Buckingham Rd. Area Playground               |  | 269,500                           | 269,500   |  | 226,643                                  | 226,643   | 42,857   |
| Lighting Town Center                         | 30,300   | 6,300                             | 36,600  |  | 27,086                                   | 27,086  | 9,514  |
| Senior Center Repairs                        |  | 44,346                            | 44,346  |  |  |   | 44,346   |
| Buckingham Rd. Athletic Field                | 383,001  |                                   | 383,001   | 380,611  | 2,338                                    | 382,949   | 52   |
| Sewer Pump Station Replacement               | 40,000   |                                   | 40,000  |  |  |   | 40,000   |
| Master Sewage Facilities                     | 334,000  |                                   | 334,000   | 207,116  | 125,801                                  | 332,917   | 1,083  |
| Avon Co #01 Roof Replacement                 | 85,000   | 18,800                            | 103,800   |  | 103,800                                  | 103,800   | -  |
| Recreation & Athletic Facilities Master Plan | 20,000   |                                   | 20,000  |  | 17,000                                   | 17,000  | 3,000  |
| Road Drainage and Overlay Program            | 3,252,047  |                                   | 3,252,047   | 2,590,377  | 106,321                                  | 2,696,698   | 555,349  |
| Thompson Old Farms Redesign                  | 167,176  |                                   | 167,176   | 128,812  | 1,350                                    | 130,162   | 37,014   |
| Town CIP - Facil/Town Hall<br>Generator      | 40,000   |                                   | 40,000  |  | 91                                       | 91  | 39,909   |
| Dump Truck                                   | 254,089  | 18,770                            | 272,859   | 113,298  | 158,260                                  | 271,558   | 1,301  |
| CAD Dispatching System                       | 260,645  |                                   | 260,645   | 237,956  | 22,689                                   | 260,645   | -  |
| Fire SCBA (RPL)                              | 450,000  |                                   | 450,000   | 423,886  | 15,971                                   | 439,857   | 10,143   |
| Vehicles                                     | 34,000   |                                   | 34,000  |  | 33,923                                   | 33,923  | 77   |
| Roadside Mower                               | 110,407  |                                   | 110,407   | 107,421  | 1,980                                    | 109,401   | 1,006  |
| DPW Generator                                | 187,000  |                                   | 187,000   | 18,975   | 49,400                                   | 68,375  | 118,625  |
| MH Rhodes Open Space                         | 1,500,000  |                                   | 1,500,000   | 1,489,948  | 10,052                                   | 1,500,000   | -  |
| Towpath School Demolition                    | 107,790  | 475,957                           | 583,747   | 10,786   | 572,960                                  | 583,746   | 1  |
| Library Expansion                            | 283,794  | (24,842)                          | 258,952   | 258,357  | 595                                      | 258,952   | -  |
| 267 Country Club Road Purchase               | 368,700  | (57,075)                          | 311,625   | 311,030  | 595                                      | 311,625   | -  |
| Total General Government                     | <u>10,275,957</u>                                  | <u>3,111,756</u>                  | <u>13,387,713</u>                                   | <u>8,551,882</u>                                     | <u>1,483,584</u>                         | <u>10,035,466</u>                                     | <u>3,352,247</u>                                       |
| Board of Education                           |  |                                   |   |  |  |   |  |
| BOE CIP Facilities                           |  |                                   |   |  |  |   |  |
| RBS Bathroom Renovations                     | 21,000   |                                   | 21,000  | 18,664   |  | 18,664  | 2,336  |
| AHS Boiler #2 Leak                           |  | 12,965                            | 12,965  |  | 12,965                                   | 12,965  | -  |
| AMS Hot Water Tank Repl                      |  | 40,080                            | 40,080  |  | 40,080                                   | 40,080  | -  |
| RBS Underground Fuel Tank                    |  | 82,241                            | 82,241  |  | 32,941                                   | 32,941  | 49,300   |
| TBS Compressor Failure                       |  | 9,550                             | 9,550   |  | 9,550                                    | 9,550   | -  |
| TBS Underground Fuel Tank                    |  | 42,800                            | 42,800  |  | 42,800                                   | 42,800  | -  |
| RBS Roof Repair/Replacement                  | 188,195  | (6,794)                           | 181,401   | 73,902   | 16,859                                   | 90,761  | 90,640   |
| AHS Track Resurfacing                        | 40,000   |                                   | 40,000  |  | 37,775                                   | 37,775  | 2,225  |
| Pine Grove Roof Repair/Replacement           | 598,000  |                                   | 598,000   | 592,487  |  | 592,487   | 5,513  |
| Telephone System (AMS RBS)                   | 43,740   |                                   | 43,740  |  | 43,740                                   | 43,740  | -  |
| Fire Alarm                                   | 233,500  |                                   | 233,500   | 12,000   | 221,500                                  | 233,500   | -  |
| Grade 5/6 Elementary School                  | 20,785,000   |                                   | 20,785,000  | 18,450,945   |  | 18,450,945  | 2,334,055  |
| AHS Renovations and Additions                | 25,998,000   | 4,700,000                         | 30,698,000  | 1,443,763  | 10,290,519                               | 11,734,282  | 18,963,718   |
| Total Board of Education                     | <u>47,907,435</u>                                  | <u>4,880,842</u>                  | <u>52,788,277</u>                                   | <u>20,591,761</u>                                    | <u>10,748,729</u>                        | <u>31,340,490</u>                                     | <u>21,447,787</u>                                      |
| Total  | <u>\$ 58,183,392</u>                               | <u>\$ 7,992,598</u>               | <u>\$ 66,175,990</u>                                | <u>\$ 29,143,643</u>                                 | <u>\$ 12,232,313</u>                     | <u>\$ 41,375,956</u>                                  | <u>\$ 24,800,034</u>                                   |

## NONMAJOR GOVERNMENTAL FUNDS

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### **Special Revenue Funds**

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

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

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

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

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

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

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

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

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.

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.

### **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, 2007**

**Special Revenue Funds**

|                                      | <u>Sewer<br/>Fund</u> | <u>State and<br/>Federal<br/>Education<br/>Grants<br/>Fund</u> | <u>School<br/>Cafeteria<br/>Fund</u> | <u>Recreational<br/>Activities<br/>Fund</u> | <u>Local<br/>Capital<br/>Improvement<br/>Program<br/>Fund</u> | <u>Forest<br/>Park<br/>Management<br/>Fund</u> | <u>Town Aid<br/>Road<br/>Fund</u> |
|--------------------------------------|-----------------------|--|--------------------------------------|---|---|--|-----------------------------------|
| <b>ASSETS</b>                        |                       |  |                                      |   |   |  |                                   |
| Investments                          | \$                    | \$   | \$                                   | \$  | \$  | \$   | \$                                |
| Receivables:                         |                       |  |                                      |   |   |  |                                   |
| Sewer assessments                    | 6,042                 |  |                                      |   |   |  |                                   |
| Intergovernmental                    |                       | 15,204   | 14,352                               |   | 102,083   |  |                                   |
| Due from other funds                 | 2,392,568             | 23,612   | 88,292                               | 53,521                                      |   | 28,661   | 39,755                            |
| Other                                |                       |  | 3,530                                | 1,609                                       |   |  |                                   |
| Total Assets                         | <u>\$ 2,398,610</u>   | <u>\$ 38,816</u>   | <u>\$ 106,174</u>                    | <u>\$ 55,130</u>                            | <u>\$ 102,083</u>   | <u>\$ 28,661</u>                               | <u>\$ 39,755</u>                  |
| <b>LIABILITIES AND FUND BALANCES</b> |                       |  |                                      |   |   |  |                                   |
| Liabilities:                         |                       |  |                                      |   |   |  |                                   |
| Accounts payable                     | \$ 15,730             | \$ 40  | \$                                   | \$ 13,690                                   | \$ 20,695   | \$ 4,266                                       | \$ 24,523                         |
| Due to other funds                   |                       |  |                                      |   | 79,212  |  |                                   |
| Unearned revenue                     | 345,468               | 25,031   | 32,201                               |   |   |  |                                   |
| Total liabilities                    | <u>361,198</u>        | <u>25,071</u>  | <u>32,201</u>                        | <u>13,690</u>                               | <u>99,907</u>   | <u>4,266</u>                                   | <u>24,523</u>                     |
| Fund Balances:                       |                       |  |                                      |   |   |  |                                   |
| Reserved for encumbrances            | 426,754               |  |                                      | 3,145                                       |   |  |                                   |
| Reserved for debt service            |                       |  |                                      |   |   |  |                                   |
| Total reserved                       | <u>426,754</u>        | <u>-</u>   | <u>-</u>                             | <u>3,145</u>                                | <u>-</u>  | <u>-</u>                                       | <u>-</u>                          |
| Unreserved:                          |                       |  |                                      |   |   |  |                                   |
| Unreserved and undesignated          | 1,610,658             | 13,745   | 73,973                               | 38,295                                      | 2,176   | 24,395   | 15,232                            |
| Total fund balances                  | <u>2,037,412</u>      | <u>13,745</u>  | <u>73,973</u>                        | <u>41,440</u>                               | <u>2,176</u>  | <u>24,395</u>                                  | <u>15,232</u>                     |
| Total Liabilities and Fund Balances  | <u>\$ 2,398,610</u>   | <u>\$ 38,816</u>   | <u>\$ 106,174</u>                    | <u>\$ 55,130</u>                            | <u>\$ 102,083</u>   | <u>\$ 28,661</u>                               | <u>\$ 39,755</u>                  |

(Continued on next page)

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

**JUNE 30, 2007**

|                                      | Special Revenue Funds                  |   |              |                         | Capital<br>Projects<br>Fund                         |  | Total<br>Nonmajor<br>Governmental<br>Funds |
|--------------------------------------|--|---|--------------|-------------------------|---|--|--|
|                                      | Use of<br>School<br>Facilities<br>Fund | Fisher<br>Meadow<br>Maintenance<br>Fund | Total        | Debt<br>Service<br>Fund | Capital and<br>Nonrecurring<br>Expenditures<br>Fund |  |  |
| <b>ASSETS</b>                        |  |   |              |                         |   |  |  |
| Investments                          | \$                                     | \$ 53,701                               | \$ 53,701    | \$                      | \$  |  | \$ 53,701                                  |
| Receivables:                         |  |   |              |                         |   |  |  |
| Sewer assessments                    |  |   | 6,042        |                         |   |  | 6,042                                      |
| Intergovernmental                    |  |   | 131,639      |                         | 6,298   |  | 137,937                                    |
| Due from other funds                 | 18,365                                 |   | 2,644,774    | 383,591                 | 287,611   |  | 3,315,976                                  |
| Other                                |  |   | 5,139        |                         |   |  | 5,139                                      |
|                                      |  |   |              |                         |   |  |  |
| 58 Total Assets                      | \$ 18,365                              | \$ 53,701                               | \$ 2,841,295 | \$ 383,591              | \$ 293,909  |  | \$ 3,518,795                               |
|                                      |  |   |              |                         |   |  |  |
| <b>LIABILITIES AND FUND BALANCES</b> |  |   |              |                         |   |  |  |
| <b>Liabilities:</b>                  |  |   |              |                         |   |  |  |
| Accounts payable                     | \$                                     | \$                                      | \$ 78,944    | \$                      | \$ 533  |  | \$ 79,477                                  |
| Due to other funds                   |  |   | 79,212       |                         |   |  | 79,212                                     |
| Unearned revenue                     |  |   | 402,700      |                         |   |  | 402,700                                    |
| Total liabilities                    | -                                      | -                                       | 560,856      | -                       | 533   |  | 561,389                                    |
|                                      |  |   |              |                         |   |  |  |
| <b>Fund Balances:</b>                |  |   |              |                         |   |  |  |
| Reserved for encumbrances            |  |   | 429,899      |                         |   |  | 429,899                                    |
| Reserved for debt service            |  |   | -            | 383,591                 |   |  | 383,591                                    |
| Total reserved                       | -                                      | -                                       | 429,899      | 383,591                 | -   |  | 813,490                                    |
|                                      |  |   |              |                         |   |  |  |
| <b>Unreserved:</b>                   |  |   |              |                         |   |  |  |
| Unreserved and undesignated          | 18,365                                 | 53,701                                  | 1,850,540    |                         | 293,376   |  | 2,143,916                                  |
|                                      |  |   |              |                         |   |  |  |
| Total fund balances                  | 18,365                                 | 53,701                                  | 2,280,439    | 383,591                 | 293,376   |  | 2,957,406                                  |
|                                      |  |   |              |                         |   |  |  |
| Total Liabilities and Fund Balances  | \$ 18,365                              | \$ 53,701                               | \$ 2,841,295 | \$ 383,591              | \$ 293,909  |  | \$ 3,518,795                               |
|                                      |  |   |              |                         |   |  |  |

**TOWN OF AVON, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

|  |                                    | <u>Special Revenue Funds</u> |  |                                      |   |   |  |                                   |
|--|------------------------------------|------------------------------|--|--------------------------------------|---|---|--|-----------------------------------|
|  |                                    | <u>Sewer<br/>Fund</u>        | <u>State and<br/>Federal<br/>Education<br/>Grants<br/>Fund</u> | <u>School<br/>Cafeteria<br/>Fund</u> | <u>Recreational<br/>Activities<br/>Fund</u> | <u>Local<br/>Capital<br/>Improvement<br/>Program<br/>Fund</u> | <u>Forest<br/>Park<br/>Management<br/>Fund</u> | <u>Town Aid<br/>Road<br/>Fund</u> |
| Revenues:  |                                    |                              |  |                                      |   |   |  |                                   |
|  | Intergovernmental                  | \$                           | \$ 1,375,136   | \$ 117,238                           | \$  | \$ 102,083  | \$   | \$ 152,321                        |
|  | Charges for services               | 1,302,546                    |  | 913,858                              | 349,003                                     |   |  |                                   |
|  | Investment income                  |                              |  |                                      |   |   |  |                                   |
|  | Other local revenues               |                              |  |                                      |   |   | 5,353  |                                   |
|  | Total revenues                     | <u>1,302,546</u>             | <u>1,375,136</u>   | <u>1,031,096</u>                     | <u>349,003</u>                              | <u>102,083</u>  | <u>5,353</u>                                   | <u>152,321</u>                    |
| Expenditures:  |                                    |                              |  |                                      |   |   |  |                                   |
| Current:   |                                    |                              |  |                                      |   |   |  |                                   |
|  | General government                 |                              |  |                                      |   |   |  |                                   |
|  | Public safety                      |                              |  |                                      |   |   |  |                                   |
| 59   | Public works                       | 1,076,329                    |  |                                      |   | 102,083   |  | 138,053                           |
|  | Recreation and parks               |                              |  |                                      | 335,109                                     |   | 10,049   |                                   |
|  | Education                          |                              | 1,374,743  | 1,081,248                            |   |   |  |                                   |
|  | Capital outlay                     |                              |  |                                      |   |   |  |                                   |
|  | Total expenditures                 | <u>1,076,329</u>             | <u>1,374,743</u>   | <u>1,081,248</u>                     | <u>335,109</u>                              | <u>102,083</u>  | <u>10,049</u>                                  | <u>138,053</u>                    |
| Excess (Deficiency) of Revenues<br>over Expenditures |                                    | <u>226,217</u>               | <u>393</u>   | <u>(50,152)</u>                      | <u>13,894</u>                               | <u>-</u>  | <u>(4,696)</u>                                 | <u>14,268</u>                     |
| Other Financing Sources (Uses):                      |                                    |                              |  |                                      |   |   |  |                                   |
|  | Transfers in                       |                              |  |                                      |   |   |  |                                   |
|  | Transfers out                      | (16,714)                     |  |                                      |   |   |  |                                   |
|  | Net other financing sources (uses) | <u>(16,714)</u>              | <u>-</u>   | <u>-</u>                             | <u>-</u>                                    | <u>-</u>  | <u>-</u>                                       | <u>-</u>                          |
| Net Change in Fund Balances                          |                                    | 209,503                      | 393  | (50,152)                             | 13,894                                      | -   | (4,696)  | 14,268                            |
| Fund Balances at Beginning of Year                   |                                    | <u>1,827,909</u>             | <u>13,352</u>  | <u>124,125</u>                       | <u>27,546</u>                               | <u>2,176</u>  | <u>29,091</u>                                  | <u>964</u>                        |
| Fund Balances at End of Year                         |                                    | <u>\$ 2,037,412</u>          | <u>\$ 13,745</u>   | <u>\$ 73,973</u>                     | <u>\$ 41,440</u>                            | <u>\$ 2,176</u>   | <u>\$ 24,395</u>                               | <u>\$ 15,232</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, 2007**

|  | <u>Special Revenue Funds</u>                     |   |                     | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u>                          | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|--|--|---|---------------------|----------------------------------|---|--|
|  | <u>Use of<br/>School<br/>Facilities<br/>Fund</u> | <u>Fisher<br/>Meadow<br/>Maintenance<br/>Fund</u> | <u>Total</u>        |                                  | <u>Capital and<br/>Nonrecurring<br/>Expenditures<br/>Fund</u> |  |
| Revenues:  |  |   |                     |                                  |   |  |
| Intergovernmental                                    | \$   | \$  | \$ 1,746,778        | \$                               | \$ 6,298  | \$ 1,753,076   |
| Charges for services                                 |  |   | 2,565,407           |                                  |   | 2,565,407  |
| Investment income                                    |  | 2,795   | 2,795               |                                  |   | 2,795  |
| Other local revenues                                 | 44,264   | 6,366   | 55,983              |                                  |   | 55,983   |
| Total revenues                                       | <u>44,264</u>                                    | <u>9,161</u>                                      | <u>4,370,963</u>    | <u>-</u>                         | <u>6,298</u>  | <u>4,377,261</u>                                     |
| Expenditures:  |  |   |                     |                                  |   |  |
| Current:   |  |   |                     |                                  |   |  |
| General government                                   |  |   | -                   | 74,980                           |   | 74,980   |
| Public safety  |  |   | -                   | 115,264                          |   | 115,264  |
| Public works   |  |   | 1,316,465           | 8,022                            |   | 1,324,487  |
| Health and social services                           |  |   | -                   | 2,031                            |   | 2,031  |
| Education-cultural                                   |  |   | -                   | 2,357                            |   | 2,357  |
| Recreation and parks                                 |  |   | 345,158             |                                  |   | 345,158  |
| Education  | 28,582   |   | 2,484,573           |                                  |   | 2,484,573  |
| Capital outlay                                       |  |   | -                   |                                  | 91,559  | 91,559   |
| Total expenditures                                   | <u>28,582</u>                                    | <u>-</u>  | <u>4,146,196</u>    | <u>202,654</u>                   | <u>91,559</u>   | <u>4,440,409</u>                                     |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>15,682</u>                                    | <u>9,161</u>                                      | <u>224,767</u>      | <u>(202,654)</u>                 | <u>(85,261)</u>   | <u>(63,148)</u>                                      |
| Other Financing Sources (Uses):                      |  |   |                     |                                  |   |  |
| Transfers in   |  |   | -                   | 300,000                          | 180,075   | 480,075  |
| Transfers out  | (40,000)   |   | (56,714)            |                                  |   | (56,714)   |
| Net other financing sources (uses)                   | <u>(40,000)</u>                                  | <u>-</u>  | <u>(56,714)</u>     | <u>300,000</u>                   | <u>180,075</u>  | <u>423,361</u>                                       |
| Net Change in Fund Balances                          | (24,318)   | 9,161   | 168,053             | 97,346                           | 94,814  | 360,213  |
| Fund Balances at Beginning of Year                   | <u>42,683</u>                                    | <u>44,540</u>                                     | <u>2,112,386</u>    | <u>286,245</u>                   | <u>198,562</u>  | <u>2,597,193</u>                                     |
| Fund Balances at End of Year                         | <u>\$ 18,365</u>                                 | <u>\$ 53,701</u>                                  | <u>\$ 2,280,439</u> | <u>\$ 383,591</u>                | <u>\$ 293,376</u>   | <u>\$ 2,957,406</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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|  | <u>2007</u>                |                         |                     | <b>Variance<br/>with<br/>Final<br/>Budget</b> | <u>2006</u>         |
|--|----------------------------|-------------------------|---------------------|---|---------------------|
|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       |   | <u>Actual</u>       |
| <b>Revenues:</b>   |                            |                         |                     |   |                     |
| Sewer assessments  | \$ 6,500                   | \$ 6,500                | \$ 6,500            | \$ -  | \$ 6,500            |
| Sewer connections  | 38,250                     | 38,250                  | 29,000              | (9,250)                                       | 45,756              |
| Sewer use charges  | 1,156,518                  | 1,156,518               | 1,255,183           | 98,665  | 1,232,517           |
| Permits and inspections  | 2,500                      | 2,500                   | 4,500               | 2,000   | 7,772               |
| Interest and lien fees   | 1,000                      | 1,000                   | 7,363               | 6,363   | 6,575               |
| Other local revenues   |                            |                         |                     | -   | 650                 |
| Total revenues   | <u>1,204,768</u>           | <u>1,204,768</u>        | <u>1,302,546</u>    | <u>97,778</u>                                 | <u>1,299,770</u>    |
| <b>Expenditures:</b>   |                            |                         |                     |   |                     |
| <b>Current:</b>  |                            |                         |                     |   |                     |
| Public works   | 1,147,366                  | 1,147,366               | 979,044             | 168,322                                       | 1,061,101           |
| Debt service   | 57,402                     | 57,402                  | 57,402              | -   | 59,238              |
| Total expenditures   | <u>1,204,768</u>           | <u>1,204,768</u>        | <u>1,036,446</u>    | <u>168,322</u>                                | <u>1,120,339</u>    |
| Excess of Revenues over Expenditures   |                            |                         | <u>266,100</u>      | <u>266,100</u>                                | <u>179,431</u>      |
| <b>Other Financing Sources (Uses):</b>   |                            |                         |                     |   |                     |
| Transfers in (out)   |                            | <u>16,714</u>           | <u>(16,714)</u>     | <u>(33,428)</u>                               | <u>(334,000)</u>    |
| Net Change in Fund Balances  | <u>\$ -</u>                | <u>\$ 16,714</u>        | 249,386             | <u>\$ 232,672</u>                             | (154,569)           |
| Fund Balances at Beginning of Year   |                            |                         | <u>1,361,273</u>    |   | <u>1,515,842</u>    |
| Fund Balances at End of Year   |                            |                         | <u>\$ 1,610,659</u> |   | <u>\$ 1,361,273</u> |
| <b>Reconciliation to GAAP Basis</b>  |                            |                         |                     |   |                     |
|  |                            | <u>Expenditures</u>     |                     | <u>Fund Balance</u>                           |                     |
| Balance, Budgetary Basis - June 30, 2007   |                            | \$ 1,036,446            |                     | \$ 1,610,659                                  |                     |
| Encumbrances outstanding at June 30, 2006,<br>liquidated during the year ended June 30, 2007 |                            | 39,883                  |                     |   |                     |
| Encumbrances outstanding at June 30, 2006, still<br>outstanding at June 30, 2007             |                            |                         |                     | <u>426,753</u>                                |                     |
| Balance, GAAP Basis - June 30, 2007  |                            | <u>\$ 1,076,329</u>     |                     | <u>\$ 2,037,412</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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|   | <b>2007</b>                |                         |               | <b>Variance<br/>with<br/>Final<br/>Budget</b> | <b>2006</b>   |
|---|----------------------------|-------------------------|---------------|---|---------------|
|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Actual</b>                                 | <b>Actual</b> |
| Revenues:                               |                            |                         |               |   |               |
| Intergovernmental                       | \$ 425,000                 | \$ 1,374,743            | \$ 1,375,136  | \$ 393  | \$ 1,260,519  |
| Expenditures:                           |                            |                         |               |   |               |
| Education                               | 425,000                    | 1,374,743               | 1,374,743     | -   | 1,247,167     |
| Excess of Revenues<br>over Expenditures | \$ -                       | \$ -                    | 393           | \$ 393  | 13,352        |
| Fund Balances at Beginning of Year      |                            |                         | 13,352        |   | -             |
| Fund Balances at End of Year            |                            |                         | \$ 13,745     |   | \$ 13,352     |

**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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|  | 2007               |                 |            | Variance<br>with<br>Final<br>Budget | 2006       |
|--|--------------------|-----------------|------------|-------------------------------------|------------|
|  | Original<br>Budget | Final<br>Budget | Actual     | Budget                              | Actual     |
| Revenues:  |                    |                 |            |                                     |            |
| Intergovernmental                                    | \$ 35,994          | \$ 79,401       | \$ 117,238 | \$ 37,837                           | \$ 90,790  |
| Charges for services                                 | 481,103            | 910,825         | 913,858    | 3,033                               | 880,104    |
| Total revenues                                       | 517,097            | 990,226         | 1,031,096  | 40,870                              | 970,894    |
| Expenditures:  |                    |                 |            |                                     |            |
| Education  | 517,097            | 1,081,248       | 1,081,248  |                                     | 917,015    |
| Excess (Deficiency) of Revenues<br>over Expenditures | \$ -               | \$ (91,022)     | (50,152)   | \$ 40,870                           | 53,879     |
| Fund Balances at Beginning of Year                   |                    |                 | 124,125    |                                     | 70,246     |
| Fund Balances at End of Year                         |                    |                 | \$ 73,973  |                                     | \$ 124,125 |

**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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|  | <b>2007</b>                |                         |                     | <b>Variance<br/>with<br/>Final<br/>Budget</b> | <b>2006</b>   |
|--|----------------------------|-------------------------|---------------------|---|---------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Actual</b>                                 | <b>Actual</b> |
| Revenues:  |                            |                         |                     |   |               |
| Charges for services   | \$ 357,433                 | \$ 357,433              | \$ 349,003          | \$ (8,430)                                    | \$ 346,799    |
| Expenditures:  |                            |                         |                     |   |               |
| Recreation and parks   | 357,433                    | 357,433                 | 334,173             | 23,260  | 358,229       |
| Excess (Deficiency) of Revenues<br>over Expenditures   | -                          | -                       | 14,830              | 14,830  | (11,430)      |
| Other Financing Sources (Uses):  |                            |                         |                     |   |               |
| Transfers out  |                            |                         |                     | -   | (5,000)       |
| Net Change in Fund Balances  | \$ -                       | \$ -                    | 14,830              | \$ 14,830                                     | (16,430)      |
| Fund Balances at Beginning of Year   |                            |                         | 23,465              |   | 39,895        |
| Fund Balances at End of Year   |                            |                         | \$ 38,295           |   | \$ 23,465     |
| <br><u>Reconciliation to GAAP Basis</u>  |                            |                         |                     |   |               |
|  |                            | <u>Expenditures</u>     | <u>Fund Balance</u> |   |               |
| Balance, Budgetary Basis - June 30, 2007   |                            | \$ 334,173              | \$ 38,295           |   |               |
| Encumbrances outstanding at June 30, 2006,<br>liquidated during the year ended June 30, 2007 |                            | 936                     |                     |   |               |
| Encumbrances outstanding at June 30, 2006, still<br>outstanding at June 30, 2007             |                            |                         | 3,145               |   |               |
| Balance, GAAP Basis - June 30, 2007  |                            | \$ 335,109              | \$ 41,440           |   |               |

**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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|   | <b>2007</b>                |                         |                 | <b>Variance<br/>with<br/>Final<br/>Budget</b> | <b>2006</b>     |
|---|----------------------------|-------------------------|-----------------|---|-----------------|
|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>   | <b>Actual</b>                                 | <b>Actual</b>   |
| Revenues:                               |                            |                         |                 |   |                 |
| Intergovernmental                       | \$ 98,842                  | \$ 102,083              | \$ 102,083      | \$ -  | \$ 101,018      |
| Expenditures:                           |                            |                         |                 |   |                 |
| Public works                            | <u>98,842</u>              | <u>102,083</u>          | <u>102,083</u>  | <u>-</u>                                      | <u>98,842</u>   |
| Excess of Revenues<br>over Expenditures | <u>\$ -</u>                | <u>\$ -</u>             | -               | <u>\$ -</u>                                   | 2,176           |
| Fund Balances at Beginning of Year      |                            |                         | <u>2,176</u>    |   | <u>-</u>        |
| Fund Balances at End of Year            |                            |                         | <u>\$ 2,176</u> |   | <u>\$ 2,176</u> |

**TOWN OF AVON, CONNECTICUT**

**FOREST PARK MANAGEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|  | <b>2007</b>                |                         |                  | <b>Variance<br/>with<br/>Final<br/>Budget</b> | <b>2006</b>      |
|--|----------------------------|-------------------------|------------------|---|------------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>    | <b>Actual</b>                                 | <b>Actual</b>    |
| Revenues:  |                            |                         |                  |   |                  |
| Other local revenues                                 | \$                         | \$                      | \$ 5,353         | \$ 5,353                                      | \$ 8,242         |
| Expenditures:  |                            |                         |                  |   |                  |
| Recreation and parks                                 | <u>15,500</u>              | <u>15,500</u>           | <u>10,049</u>    | <u>5,451</u>                                  | <u>2,312</u>     |
| Excess (Deficiency) of Revenues<br>over Expenditures | (15,500)                   | (15,500)                | (4,696)          | 10,804  | 5,930            |
| Other Financing Sources:                             |                            |                         |                  |   |                  |
| Appropriation of fund balance                        | <u>15,500</u>              | <u>15,500</u>           | <u>-</u>         | <u>(15,500)</u>                               | <u>-</u>         |
| Net Change in Fund Balances                          | <u>\$ -</u>                | <u>\$ -</u>             | (4,696)          | <u>\$ (4,696)</u>                             | 5,930            |
| Fund Balances at Beginning of Year                   |                            |                         | <u>29,091</u>    |   | <u>23,161</u>    |
| Fund Balances at End of Year                         |                            |                         | <u>\$ 24,395</u> |   | <u>\$ 29,091</u> |

**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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|   | <b>2007</b>                |                         |               | <b>Variance<br/>with<br/>Final<br/>Budget</b> | <b>2006</b>   |
|---|----------------------------|-------------------------|---------------|---|---------------|
|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Actual</b>                                 | <b>Actual</b> |
| Revenues:                               |                            |                         |               |   |               |
| Intergovernmental                       | \$ 124,578                 | \$ 139,863              | \$ 152,321    | \$ 12,458                                     | \$ 140,502    |
| Expenditures:                           |                            |                         |               |   |               |
| Public works                            | 124,578                    | 139,863                 | 138,053       | 1,810   | 139,538       |
| Excess of Revenues<br>over Expenditures | \$ -                       | \$ -                    | 14,268        | \$ 14,268                                     | 964           |
| Fund Balances at Beginning of Year      |                            |                         | 964           |   | -             |
| Fund Balances at End of Year            |                            |                         | \$ 15,232     |   | \$ 964        |

**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, 2007**

**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

|                                      | <b>2007</b>                |                         |               | <b>Variance</b>                  | <b>2006</b>   |
|--------------------------------------|----------------------------|-------------------------|---------------|----------------------------------|---------------|
|                                      | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>with<br/>Final<br/>Budget</b> | <b>Actual</b> |
| Revenues:                            |                            |                         |               |                                  |               |
| Other local revenues                 | \$ 12,500                  | \$ 28,582               | \$ 44,264     | \$ 15,682                        | \$ 51,477     |
| Expenditures:                        |                            |                         |               |                                  |               |
| Education                            | 12,500                     | 28,582                  | 28,582        | -                                | 31,516        |
| Excess of Revenues over Expenditures | -                          | -                       | 15,682        | 15,682                           | 19,961        |
| Other Financing Uses:                |                            |                         |               |                                  |               |
| Transfer out                         |                            | (40,000)                | (40,000)      | -                                |               |
| Net Change in Fund Balances          | \$ -                       | \$ (40,000)             | (24,318)      | \$ 15,682                        | 19,961        |
| Fund Balances at Beginning of Year   |                            |                         | 42,683        |                                  | 22,722        |
| Fund Balances at End of Year         |                            |                         | \$ 18,365     |                                  | \$ 42,683     |

**TOWN OF AVON, CONNECTICUT**

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

**FOR THE YEAR ENDED JUNE 30, 2007**

|                                    | <u>Project<br/>Appropriations<br/>July 1, 2006</u> | <u>Additions<br/>(Reductions)</u> | <u>Project<br/>Appropriations<br/>June 30, 2007</u> | <u>Expenditures<br/>Incurred to<br/>July 1, 2006</u> | <u>Current<br/>Year<br/>Expenditures</u> | <u>Expenditures<br/>Incurred to<br/>June 30, 2007</u> | <u>Unexpended<br/>Appropriations<br/>June 30, 2007</u> |
|------------------------------------|--|-----------------------------------|---|--|--|---|--|
| General Government:                |  |                                   |   |  |  |   |  |
| Sidewalks                          | \$ 50,000  |                                   | \$ 50,000   |  |  |   | \$ 50,000  |
| Revaluation (2003)                 | 270,030  | 13,361                            | 283,391   | 270,030  | 13,361                                   | 283,391   | -  |
| Thomson Old Farms Redesign         | 15,000   |                                   | 15,000  |  |  |   | 15,000   |
| Farmington River Trail             |  | 6,298                             | 6,298   |  | 6,288                                    | 6,288   | 10   |
| Old Farms Road/Thomson Rd DE       | 85,000   |                                   | 85,000  | 2,626  |  | 2,626   | 82,374   |
| Town Hall Renovations              | 746,755  | 16,714                            | 763,469   | 734,898  | 28,571                                   | 763,469   | -  |
| Lakeview Water Ext                 | 378,000  |                                   | 378,000   | 360,563  |  | 360,563   | 17,437   |
| ⊗ Secret Lake Drainage             | 30,000   |                                   | 30,000  |  |  |   | 30,000   |
| Town Hall Renovations Bld          |  | 50,000                            | 50,000  |  | 43,339                                   | 43,338  | 6,662  |
| Deercliff/Old Farms/Thompson       | 20,000   |                                   | 20,000  |  |  |   | 20,000   |
| Design Sycamore Bathhouse          | 604,900  |                                   | 604,900   | 604,883  |  | 604,883   | 17   |
| 150 Thompson Road Property         | 381,486  |                                   | 381,486   | 381,486  |  | 381,486   | -  |
| Old Farms Bridge Project 04-116    | 305,370  |                                   | 305,370   | 257,614  |  | 257,614   | 47,756   |
| Country Club Road - Reconstruction | <u>491,901</u>                                     |                                   | <u>491,901</u>                                      | <u>479,170</u>                                       |  | <u>479,170</u>  | <u>12,731</u>  |
| Total Capital and Nonrecurring     | <u>\$ 3,656,928</u>                                | <u>\$ 86,373</u>                  | <u>\$ 3,743,301</u>                                 | <u>\$ 3,369,583</u>                                  | <u>\$ 91,559</u>                         | <u>\$ 3,461,141</u>                                   | <u>\$ 282,160</u>                                      |

## FIDUCIARY FUNDS

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

### **Pension Trust Funds**

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

To account for the accumulation of resources for pension benefit payments to qualified employees: Police, Public Works, Nonorganized, Board of Education and Dispatchers.

### **Postemployment Healthcare Fund**

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

### **Agency Funds**

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

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

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

TOWN OF AVON, CONNECTICUT

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2007

|                                      | Pension Trust Funds* |                     |                     |                       |                   | Total<br>Pension<br>Trust Funds | Postemployment<br>Healthcare<br>Fund | Total<br>Pension<br>and Employee<br>Benefit<br>Trust Funds |
|--------------------------------------|----------------------|---------------------|---------------------|-----------------------|-------------------|---------------------------------|--------------------------------------|--|
|                                      | Police               | Public<br>Works     | Non-<br>Organized   | Board of<br>Education | Dispatchers       |                                 |                                      |  |
| ASSETS                               |                      |                     |                     |                       |                   |                                 |                                      |  |
| Investments, at fair value:          |                      |                     |                     |                       |                   |                                 |                                      |  |
| Pooled fixed income                  |                      |                     |                     |                       |                   | -                               |                                      | -  |
| Guaranteed interest contract         | \$ 354,833           | \$ 69,118           | \$ 327,722          | \$ 987,587            | \$ 5,692          | \$ 1,744,952                    | \$                                   | \$ 1,744,952   |
| Money market mutual funds            | 3,994,457            | 1,053,349           | 3,253,296           | 833,579               | 231,471           | 9,366,152                       | 758,971                              | 10,125,123   |
| Small/mid capitalization equity      |                      |                     |                     |                       |                   |                                 |                                      |  |
| mutual funds                         | 224,811              | 54,861              | 170,022             | 47,256                | 13,529            | 510,479                         | 405,442                              | 915,921  |
| International equity mutual funds    | 625,130              | 156,110             | 482,146             | 133,287               | 34,991            | 1,431,664                       |                                      | 1,431,664  |
| Core equity mutual funds             | 4,743,587            | 1,238,316           | 3,809,319           | 942,075               | 275,210           | 11,008,507                      | 110,842                              | 11,119,349   |
| Total investments                    | <u>9,942,818</u>     | <u>2,571,754</u>    | <u>8,042,505</u>    | <u>2,943,784</u>      | <u>560,893</u>    | <u>24,061,754</u>               | <u>1,275,255</u>                     | <u>25,337,009</u>  |
| Accounts receivable:                 |                      |                     |                     |                       |                   |                                 |                                      |  |
| Employer                             |                      |                     |                     |                       |                   | -                               | 252,988                              | 252,988  |
| Employee                             | 373                  |                     | (373)               | 156,381               |                   | 156,381                         |                                      | 156,381  |
| Total accounts receivable            | <u>373</u>           | <u>-</u>            | <u>(373)</u>        | <u>156,381</u>        | <u>-</u>          | <u>156,381</u>                  | <u>252,988</u>                       | <u>409,369</u>   |
| Due from other funds                 |                      |                     |                     |                       |                   | -                               | 125,000                              | 125,000  |
| NET ASSETS                           |                      |                     |                     |                       |                   |                                 |                                      |  |
| Net Assets Held in Trust for Pension |                      |                     |                     |                       |                   |                                 |                                      |  |
| Benefits and Other Purposes          | <u>\$ 9,943,191</u>  | <u>\$ 2,571,754</u> | <u>\$ 8,042,132</u> | <u>\$ 3,100,165</u>   | <u>\$ 560,893</u> | <u>\$ 24,218,135</u>            | <u>\$ 1,653,243</u>                  | <u>\$ 25,871,378</u>                                       |

\* Pension and employee benefit trust funds are reported at December 31, 2006.

TOWN OF AVON, CONNECTICUT

FIDUCIARY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2007

|   | Pension Trust Funds * |                     |                     |                     |                   | Total Pension Trust Funds | Postemployment Healthcare Fund | Total Pension and Employee Benefit Trust Funds |
|---|-----------------------|---------------------|---------------------|---------------------|-------------------|---------------------------|--------------------------------|--|
|   | Police                | Public Works        | Non-Organized       | Board of Education  | Dispatchers       |                           |                                |  |
| Additions:                                    |                       |                     |                     |                     |                   |                           |                                |  |
| Contributions:                                |                       |                     |                     |                     |                   |                           |                                |  |
| Employer                                      | \$ 531,162            | \$ 216,922          | \$ 433,205          | \$ 76,088           | \$ 20,220         | \$ 1,277,597              | \$ 591,103                     | \$ 1,868,700                                   |
| Plan members                                  | 184,104               | 41,854              | 233,413             | 335,454             | 3,936             | 798,761                   |                                | 798,761  |
| Total contributions                           | <u>715,266</u>        | <u>258,776</u>      | <u>666,618</u>      | <u>411,542</u>      | <u>24,156</u>     | <u>2,076,358</u>          | <u>591,103</u>                 | <u>2,667,461</u>                               |
| Investment income:                            |                       |                     |                     |                     |                   |                           |                                |  |
| Net appreciation in fair value of investments | 654,805               | 162,600             | 506,333             | 127,877             | 37,174            | 1,488,789                 | 63,029                         | 1,551,818                                      |
| Interest and dividends                        | 338,753               | 83,868              | 269,050             | 132,745             | 18,575            | 842,991                   | 40,068                         | 883,059  |
| Total investment income                       | <u>993,558</u>        | <u>246,468</u>      | <u>775,383</u>      | <u>260,622</u>      | <u>55,749</u>     | <u>2,331,780</u>          | <u>103,097</u>                 | <u>2,434,877</u>                               |
| Less investment expenses                      | <u>58,820</u>         | <u>14,536</u>       | <u>46,808</u>       | <u>24,139</u>       | <u>3,240</u>      | <u>147,543</u>            | <u>25</u>                      | <u>147,568</u>                                 |
| Net investment income                         | <u>934,738</u>        | <u>231,932</u>      | <u>728,575</u>      | <u>236,483</u>      | <u>52,509</u>     | <u>2,184,237</u>          | <u>103,072</u>                 | <u>2,287,309</u>                               |
| Total additions                               | <u>1,650,004</u>      | <u>490,708</u>      | <u>1,395,193</u>    | <u>648,025</u>      | <u>76,665</u>     | <u>4,260,595</u>          | <u>694,175</u>                 | <u>4,954,770</u>                               |
| Deductions:                                   |                       |                     |                     |                     |                   |                           |                                |  |
| Benefits                                      | 1,194,067             | 213,833             | 499,574             | 240,963             | 33,303            | 2,181,740                 | 338,115                        | 2,519,855                                      |
| Administration                                | 2,071                 | 1,103               | 2,254               | 3,636               | 58                | 9,122                     |                                | 9,122  |
| Total deductions                              | <u>1,196,138</u>      | <u>214,936</u>      | <u>501,828</u>      | <u>244,599</u>      | <u>33,361</u>     | <u>2,190,862</u>          | <u>338,115</u>                 | <u>2,528,977</u>                               |
| Transfers In                                  |                       |                     |                     |                     |                   |                           | 125,000                        | 125,000  |
| Changes in Net Assets                         | 453,866               | 275,772             | 893,365             | 403,426             | 43,304            | 2,069,733                 | 481,060                        | 2,550,793                                      |
| Net Assets at Beginning of Year               | <u>9,489,325</u>      | <u>2,295,982</u>    | <u>7,148,767</u>    | <u>2,696,739</u>    | <u>517,589</u>    | <u>22,148,402</u>         | <u>1,172,183</u>               | <u>23,320,585</u>                              |
| Net Assets at End of Year                     | <u>\$ 9,943,191</u>   | <u>\$ 2,571,754</u> | <u>\$ 8,042,132</u> | <u>\$ 3,100,165</u> | <u>\$ 560,893</u> | <u>\$ 24,218,135</u>      | <u>\$ 1,653,243</u>            | <u>\$ 25,871,378</u>                           |

\* Pension and employee benefit trust funds are reported for the year ended December 31, 2006.

**TOWN OF AVON, CONNECTICUT**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**FOR THE YEAR ENDED JUNE 30, 2007**

|                                      | <u>Balance</u><br><u>July 1, 2006</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance</u><br><u>June 30, 2007</u> |
|--------------------------------------|---------------------------------------|---------------------|---------------------|--|
| <b>ASSETS</b>                        |                                       |                     |                     |  |
| Cash:                                |                                       |                     |                     |  |
| High school student activity fund    | \$ 101,083                            | \$ 521,897          | \$ 499,897          | \$ 123,083                             |
| Middle school student activity fund  | 20,318                                | 119,750             | 106,840             | 33,228                                 |
| Roaring Brook student activity fund  | 4,013                                 | 24,018              | 23,658              | 4,373                                  |
| Pine Grove student activity fund     | 32,380                                | 15,736              | 14,948              | 33,168                                 |
| Thompson Brook student activity fund | 8,349                                 | 44,909              | 42,027              | 11,231                                 |
| Total cash                           | <u>166,143</u>                        | <u>726,310</u>      | <u>687,370</u>      | <u>205,083</u>                         |
| Due from Other Funds:                |                                       |                     |                     |  |
| Board of Education special programs  | <u>453,618</u>                        | <u>1,413,688</u>    | <u>1,838,738</u>    | <u>28,568</u>                          |
| Total Assets                         | <u>\$ 619,761</u>                     | <u>\$ 2,139,998</u> | <u>\$ 2,526,108</u> | <u>\$ 233,651</u>                      |
| <b>LIABILITIES</b>                   |                                       |                     |                     |  |
| Accounts Payable:                    |                                       |                     |                     |  |
| High school student activity fund    | \$ 101,083                            | \$ 521,897          | \$ 499,897          | \$ 123,083                             |
| Middle school student activity fund  | 20,318                                | 119,750             | 106,840             | 33,228                                 |
| Roaring Brook student activity fund  | 4,013                                 | 24,018              | 23,658              | 4,373                                  |
| Pine Grove student activity fund     | 32,380                                | 15,736              | 14,948              | 33,168                                 |
| Thompson Brook student activity fund | 8,349                                 | 44,909              | 42,027              | 11,231                                 |
| Board of Education special programs  | <u>453,618</u>                        | <u>1,413,688</u>    | <u>1,838,738</u>    | <u>28,568</u>                          |
| Total Liabilities                    | <u>\$ 619,761</u>                     | <u>\$ 2,139,998</u> | <u>\$ 2,526,108</u> | <u>\$ 233,651</u>                      |

**TOWN OF AVON, CONNECTICUT**  
**LONG-TERM DEBT OBLIGATIONS**  
**SCHEDULE OF BOND MATURITIES**  
**JUNE 30, 2007**

| Description  | Original Issue |         | Year Ending<br>June 30, | Principal        | Interest       | Total            |
|--|----------------|---------|-------------------------|------------------|----------------|------------------|
|  | Amount         | Date    |                         |                  |                |                  |
| General Purposes:  |                |         |                         |                  |                |                  |
| Bonds:   |                |         |                         |                  |                |                  |
| Avon Police Department Renovations   | \$ 1,800,000   | 9-15-97 | 2008                    | \$ 135,000       | \$ 29,710      | \$ 164,710       |
| Interest payable March 15 and September 15 of each year at 4.25-6.25%; principal payable - March |                |         | 2009                    | 135,000          | 23,298         | 158,298          |
|  |                |         | 2010                    | 135,000          | 16,750         | 151,750          |
|  |                |         | 2011                    | 100,000          | 10,000         | 110,000          |
|  |                |         | 2012                    | 100,000          | 5,000          | 105,000          |
|  |                |         |                         | <u>605,000</u>   | <u>84,758</u>  | <u>689,758</u>   |
| Sewer Interceptor  | \$ 550,000     | 7-15-98 | 2008                    | 44,250           | 11,292         | 55,542           |
| Interest payable January 15 and July 15 of each year at 4.10-4.75%; principal payable - January  |                |         | 2009                    | 44,250           | 9,412          | 53,662           |
|  |                |         | 2010                    | 44,250           | 7,488          | 51,738           |
|  |                |         | 2011                    | 44,250           | 5,518          | 49,768           |
|  |                |         | 2012                    | 44,250           | 3,526          | 47,776           |
|  |                |         | 2013                    | 33,750           | 1,536          | 35,286           |
|  |                |         |                         | <u>255,000</u>   | <u>38,772</u>  | <u>293,772</u>   |
| Fisher Farms Open Space  | \$ 1,295,000   | 7-15-02 | 2008                    | 131,000          | 31,868         | 162,868          |
| Interest payable December 15 and June 15 of each year at 3.0-5.0%; principal payable - June      |                |         | 2009                    | 100,000          | 27,283         | 127,283          |
|  |                |         | 2010                    | 100,000          | 23,533         | 123,533          |
|  |                |         | 2011                    | 70,000           | 19,783         | 89,783           |
|  |                |         | 2012                    | 82,000           | 17,158         | 99,158           |
|  |                |         | 2013                    | 82,000           | 14,042         | 96,042           |
|  |                |         | 2014                    | 82,000           | 10,845         | 92,845           |
|  |                |         | 2015                    | 82,000           | 7,482          | 89,482           |
|  |                |         | 2016                    | 82,000           | 4,100          | 86,100           |
|  |                |         |                         | <u>811,000</u>   | <u>156,094</u> | <u>967,094</u>   |
| M H Rhodes Property  | \$ 600,000     | 5-04-07 | 2008                    |                  | 21,420         | 21,420           |
| Interest payable November 1 and May 1 of each year at 3.60%; principal payable May 1, 2010       |                |         | 2009                    |                  | 21,600         | 21,600           |
|  |                |         | 2010                    | 600,000          | 21,600         | 621,600          |
|  |                |         |                         | <u>600,000</u>   | <u>64,620</u>  | <u>664,620</u>   |
| Total General Purposes   |                |         |                         | <u>2,271,000</u> | <u>344,244</u> | <u>2,615,244</u> |

(Continued on next page)

**TOWN OF AVON, CONNECTICUT**  
**LONG-TERM DEBT OBLIGATIONS**  
**SCHEDULE OF BOND MATURITIES (CONTINUED)**  
**JUNE 30, 2007**

| Description   | Original Issue |         | Year Ending<br>June 30, | Principal     | Interest     | Total         |
|---|----------------|---------|-------------------------|---------------|--------------|---------------|
|   | Amount         | Date    |                         |               |              |               |
| Schools:  |                |         |                         |               |              |               |
| Bonds:  |                |         |                         |               |              |               |
| School Construction -<br>Roaring Brook Elementary School  | \$ 5,670,000   | 1-15-94 | 2008                    | \$ 400,000    | \$ 38,000    | \$ 438,000    |
| Renovations   |                |         | 2009                    | 400,000       | 19,200       | 419,200       |
| Interest payable June 15<br>and December 15 of each<br>year at 4.0-5.0%;<br>principal payable - June      |                |         |                         | 800,000       | 57,200       | 857,200       |
| School Construction -<br>Avon High School   | \$ 4,300,000   | 9-15-97 | 2008                    | 315,000       | 70,990       | 385,990       |
| Renovations   |                |         | 2009                    | 315,000       | 56,028       | 371,028       |
| Interest payable March 15<br>and September 15 of each<br>year at 4.25-6.25%;<br>principal payable - March |                |         | 2010                    | 315,000       | 40,750       | 355,750       |
|   |                |         | 2011                    | 250,000       | 25,000       | 275,000       |
|   |                |         | 2012                    | 250,000       | 12,500       | 262,500       |
|   |                |         |                         | 1,445,000     | 205,268      | 1,650,268     |
| School Construction -<br>Avon High School   | \$ 5,825,000   | 1-15-98 | 2008                    | 450,000       | 103,050      | 553,050       |
| Renovations   |                |         | 2009                    | 450,000       | 83,475       | 533,475       |
| Interest payable January 15<br>and July 15 of each<br>year at 4.0-5.75%;<br>principal payable - January   |                |         | 2010                    | 450,000       | 63,450       | 513,450       |
|   |                |         | 2011                    | 450,000       | 43,200       | 493,200       |
|   |                |         | 2012                    | 450,000       | 22,500       | 472,500       |
|   |                |         |                         | 2,250,000     | 315,675      | 2,565,675     |
| School Construction -<br>Avon High School   | \$ 6,915,000   | 7-15-98 | 2008                    | 555,750       | 142,164      | 697,914       |
| Renovations   |                |         | 2009                    | 555,750       | 118,546      | 674,296       |
| Interest payable January 15<br>and July 15 of each<br>year at 4.10-4.75%;<br>principal payable - January  |                |         | 2010                    | 555,750       | 94,370       | 650,120       |
|   |                |         | 2011                    | 555,750       | 69,640       | 625,390       |
|   |                |         | 2012                    | 555,750       | 44,630       | 600,380       |
|   |                |         | 2013                    | 431,250       | 19,622       | 450,872       |
|   |                |         |                         | 3,210,000     | 488,972      | 3,698,972     |
| School Construction -<br>Thompson Brook School  | \$ 14,245,000  | 7-15-02 | 2008                    | 1,469,000     | 346,517      | 1,815,517     |
| Interest payable December 15<br>and June 15 of each<br>year at 3.0-5.0%;<br>principal payable - June      |                |         | 2009                    | 1,100,000     | 295,102      | 1,395,102     |
|   |                |         | 2010                    | 1,100,000     | 253,852      | 1,353,852     |
|   |                |         | 2011                    | 780,000       | 212,602      | 992,602       |
|   |                |         | 2012                    | 688,000       | 183,352      | 871,352       |
|   |                |         | 2013                    | 918,000       | 157,208      | 1,075,208     |
|   |                |         | 2014                    | 918,000       | 121,405      | 1,039,405     |
|   |                |         | 2015                    | 918,000       | 83,768       | 1,001,768     |
|   |                |         | 2016                    | 918,000       | 45,900       | 963,900       |
|   |                |         |                         | 8,809,000     | 1,699,706    | 10,508,706    |
| Total Schools   |                |         |                         | 16,514,000    | 2,766,821    | 19,280,821    |
| Grand Total - All Bonded Debt   |                |         |                         | \$ 18,785,000 | \$ 3,111,065 | \$ 21,896,065 |

## 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.

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| Financial Trends   | 75-78       |
| These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.  |             |
| Revenue Capacity   | 79-81       |
| These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.  |             |
| Debt Capacity  | 82-86       |
| These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the government's ability to issue additional debt in the future.              |             |
| Demographic and Economic Information   | 87-88       |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.   |             |
| Operating Information  | 89-91       |
| These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs. |             |

**TOWN OF AVON, CONNECTICUT**

**NET ASSETS BY COMPONENT**

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

|   | <b>FISCAL YEAR</b>   |                      |                      |                      |                       |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
|   | <u>2003</u>          | <u>2004</u>          | <u>2005</u>          | <u>2006</u>          | <u>2007</u>           |
| Governmental Activities:                        |                      |                      |                      |                      |                       |
| Invested in capital assets, net of related debt | \$ 81,729,871        | \$ 81,157,443        | \$ 85,496,836        | \$ 80,092,550        | \$ 86,386,400         |
| Unrestricted                                    | <u>12,048,795</u>    | <u>9,652,738</u>     | <u>9,182,945</u>     | <u>16,234,934</u>    | <u>15,331,611</u>     |
| Total Governmental Activities Net Assets        | <u>\$ 93,778,666</u> | <u>\$ 90,810,181</u> | <u>\$ 94,679,781</u> | <u>\$ 96,327,484</u> | <u>\$ 101,718,011</u> |
| Primary Government:                             |                      |                      |                      |                      |                       |
| Invested in capital assets, net of related debt | \$ 81,729,871        | \$ 81,157,443        | \$ 85,496,836        | \$ 80,092,550        | \$ 86,386,400         |
| Unrestricted                                    | <u>12,048,795</u>    | <u>9,652,738</u>     | <u>9,182,945</u>     | <u>16,234,934</u>    | <u>15,331,611</u>     |
| Total Primary Government Net Assets             | <u>\$ 93,778,666</u> | <u>\$ 90,810,181</u> | <u>\$ 94,679,781</u> | <u>\$ 96,327,484</u> | <u>\$ 101,718,011</u> |

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

**TOWN OF AVON, CONNECTICUT**

**CHANGES IN NET ASSETS**

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

|  | <b>FISCAL YEAR</b>  |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | <b>2003</b>         | <b>2004</b>         | <b>2005</b>         | <b>2006</b>         | <b>2007</b>         |
| <b>Expenses:</b>   |                     |                     |                     |                     |                     |
| <b>Governmental activities:</b>                              |                     |                     |                     |                     |                     |
| General government   | \$ 2,350,087        | \$ 2,520,267        | \$ 2,506,909        | \$ 2,824,138        | \$ 2,697,324        |
| Public safety  | 6,481,170           | 6,783,676           | 6,810,733           | 7,844,237           | 7,752,887           |
| Public works   | 5,163,486           | 5,596,299           | 5,610,986           | 5,768,387           | 5,615,483           |
| Health and social services                                   | 290,106             | 297,004             | 312,488             | 335,363             | 339,011             |
| Recreation and parks   | 1,019,021           | 1,159,712           | 1,173,172           | 1,231,112           | 1,192,893           |
| Educational cultural   | 1,145,107           | 1,182,875           | 1,165,935           | 1,252,539           | 1,271,577           |
| Conservation and development                                 | 489,625             | 480,149             | 475,086             | 485,796             | 480,105             |
| Board of Education   | 33,056,208          | 35,157,771          | 36,861,285          | 41,312,587          | 42,831,505          |
| Interest expense   | 1,804,113           | 1,220,937           | 1,049,650           | 976,068             | 1,164,309           |
| Total governmental activities expenses                       | <u>51,798,923</u>   | <u>54,398,690</u>   | <u>55,966,244</u>   | <u>62,030,227</u>   | <u>63,345,094</u>   |
| <b>Program Revenues:</b>                                     |                     |                     |                     |                     |                     |
| <b>Governmental activities:</b>                              |                     |                     |                     |                     |                     |
| Charges for services   | 4,007,310           | 4,368,055           | 4,750,233           | 4,744,462           | 4,268,592           |
| Operating grants and contributions                           | 2,809,001           | 2,858,754           | 2,942,406           | 4,703,647           | 5,187,201           |
| Capital grants and contributions                             | 3,974,876           | 1,791,485           | 264,316             | 45,436              | 211,460             |
| Total governmental activities program revenues               | <u>10,791,187</u>   | <u>9,018,294</u>    | <u>7,956,955</u>    | <u>9,493,545</u>    | <u>9,667,253</u>    |
| <b>Net revenues (expenses):</b>                              |                     |                     |                     |                     |                     |
| Governmental activities                                      | <u>(41,007,736)</u> | <u>(45,380,396)</u> | <u>(48,009,289)</u> | <u>(52,536,682)</u> | <u>(53,677,841)</u> |
| <b>General Revenues and Other</b>                            |                     |                     |                     |                     |                     |
| <b>Changes in Net Assets:</b>                                |                     |                     |                     |                     |                     |
| <b>Governmental activities:</b>                              |                     |                     |                     |                     |                     |
| Property taxes   | 44,885,797          | 47,930,234          | 49,177,333          | 52,102,161          | 54,985,721          |
| Grants and contributions not restricted to specific programs | 388,628             | 396,446             | 447,711             | 420,814             | 471,823             |
| Unrestricted investment earnings                             | 273,327             | 177,347             | 430,329             | 1,229,679           | 1,923,744           |
| Miscellaneous  | 100,334             | 173,665             | 117,250             | 280,849             | 370,776             |
| Donated capital assets                                       |                     |                     | 1,706,266           | 150,882             | 1,441,304           |
| Transfers  |                     |                     |                     |                     | (125,000)           |
| Special item - gain on sale                                  | 11,159              |                     |                     |                     |                     |
| Total governmental activities                                | <u>45,659,245</u>   | <u>48,677,692</u>   | <u>51,878,889</u>   | <u>54,184,385</u>   | <u>59,068,368</u>   |
| <b>Change in Net Assets:</b>                                 |                     |                     |                     |                     |                     |
| Governmental activities                                      | <u>\$ 4,651,509</u> | <u>\$ 3,297,296</u> | <u>\$ 3,869,600</u> | <u>\$ 1,647,703</u> | <u>\$ 5,390,527</u> |

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

TOWN OF AVON, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

|                                    | FISCAL YEAR         |                     |                     |                     |                     |                     |                     |                     |                     |                       |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
|                                    | 1998                | 1999                | 2000                | 2001                | 2002                | 2003                | 2004                | 2005                | 2006                | 2007                  |
| General Fund:                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| Reserved                           | \$ 672,049          | \$ 1,075,561        | \$ 856,803          | \$ 508,753          | \$ 653,454          | \$ 758,851          | \$ 862,630          | \$ 908,877          | \$ 147,535          | \$ 17,118             |
| Unreserved                         | 3,249,466           | 3,411,487           | 3,517,575           | 3,850,307           | 4,153,303           | 4,245,984           | 3,941,547           | 3,657,223           | 4,159,172           | 3,760,315             |
| Total General Fund                 | <u>\$ 3,921,515</u> | <u>\$ 4,487,048</u> | <u>\$ 4,374,378</u> | <u>\$ 4,359,060</u> | <u>\$ 4,806,757</u> | <u>\$ 5,004,835</u> | <u>\$ 4,804,177</u> | <u>\$ 4,566,100</u> | <u>\$ 4,306,707</u> | <u>\$ 3,777,433</u>   |
| All other governmental funds:      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| Reserved                           | \$ 619,284          | \$ 500,017          | \$ 493,796          | \$ 12,981,333       | \$ 634,249          | \$ 534,749          | \$ 860,651          | \$ 627,941          | \$ 756,962          | \$ 813,490            |
| Unreserved, reported in:           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| Special revenue funds              | 352,436             | 763,140             | 944,101             | 766,854             | 803,078             | 1,420,380           | 1,675,926           | 1,892,462           | 1,641,669           | 1,850,540             |
| Capital projects funds             | 6,224,203           | 2,703,834           | 2,215,368           | (13,050,385)        | 2,595,947           | 915,811             | 573,429             | 968,946             | 96,391              | (8,277,866)           |
| Total All Other Governmental Funds | <u>\$ 7,195,923</u> | <u>\$ 3,966,991</u> | <u>\$ 3,653,265</u> | <u>\$ 697,802</u>   | <u>\$ 4,033,274</u> | <u>\$ 2,870,940</u> | <u>\$ 3,110,006</u> | <u>\$ 3,489,349</u> | <u>\$ 2,495,022</u> | <u>\$ (5,613,836)</u> |

TOWN OF AVON, CONNECTICUT

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

|   | FISCAL YEAR          |                     |                     |                     |                     |                     |                     |                     |                     |                       |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
|   | 1998                 | 1999                | 2000                | 2001                | 2002                | 2003                | 2004                | 2005                | 2006                | 2007                  |
| Revenues:   |                      |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| Property taxes  | \$ 32,065,683        | \$ 33,452,558       | \$ 35,684,384       | \$ 37,492,652       | \$ 41,342,284       | \$ 44,995,486       | \$ 48,012,671       | \$ 49,213,013       | \$ 52,054,364       | \$ 54,940,024         |
| Intergovernmental (state and federal grants)*           | 3,154,269            | 3,547,972           | 853,371             | 1,134,131           | 1,253,894           | 5,498,502           | 4,082,975           | 4,537,713           | 5,908,147           | 6,223,583             |
| Licenses, fees and permits                              | 939,095              | 1,005,863           | 3,923,772           | 6,091,563           | 5,843,727           |                     |                     |                     |                     |                       |
| Charges for services                                    | 1,475,407            | 1,553,502           | 1,660,960           | 1,823,483           | 2,061,259           | 4,144,002           | 4,462,440           | 4,754,726           | 4,735,059           | 4,268,644             |
| Contributions**   |                      |                     |                     |                     |                     | 324,293             | 25,620              | 45,850              | 30,300              | 6,300                 |
| Investment income                                       | 1,263,991            | 938,129             | 1,034,919           | 1,542,114           | 689,389             | 273,327             | 177,347             | 430,329             | 1,229,679           | 1,923,744             |
| Other local revenues                                    | 252,476              | 334,116             | 819,260             | 229,825             | 162,529             | 109,187             | 173,665             | 165,404             | 280,849             | 370,776               |
| Total revenues  | <u>39,150,921</u>    | <u>40,832,140</u>   | <u>43,976,666</u>   | <u>48,313,768</u>   | <u>51,353,082</u>   | <u>55,344,797</u>   | <u>56,934,718</u>   | <u>59,147,035</u>   | <u>64,238,398</u>   | <u>67,733,071</u>     |
| Expenditures:   |                      |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| Town Council:   |                      |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| General government                                      | 1,874,443            | 1,857,736           | 1,733,294           | 1,866,029           | 2,179,856           | 2,049,196           | 2,214,074           | 2,275,478           | 2,332,582           | 2,534,553             |
| Public safety   | 4,746,221            | 4,884,038           | 4,983,579           | 5,423,148           | 5,550,091           | 5,935,154           | 6,354,328           | 6,597,926           | 7,190,774           | 7,492,029             |
| Public works  | 2,970,092            | 3,378,923           | 3,435,013           | 3,644,754           | 3,541,216           | 4,045,432           | 4,596,663           | 4,766,751           | 4,676,353           | 4,966,497             |
| Health and social services                              | 246,311              | 236,083             | 234,459             | 254,475             | 263,479             | 280,654             | 292,929             | 312,136             | 321,193             | 339,055               |
| Recreation and parks                                    | 584,272              | 665,311             | 804,119             | 792,616             | 879,885             | 932,564             | 994,752             | 1,075,531           | 1,104,495           | 1,114,589             |
| Educational - cultural                                  | 713,479              | 793,025             | 850,268             | 923,399             | 975,163             | 1,089,118           | 1,147,023           | 1,141,214           | 1,171,991           | 1,249,963             |
| Conservation and development                            | 271,607              | 280,984             | 292,154             | 320,328             | 312,057             | 396,219             | 471,433             | 473,635             | 452,072             | 480,232               |
| Miscellaneous   | 296,642              | 271,310             | 241,387             | 361,028             | 317,050             | 994,769             | 468,377             | 262,733             | 258,642             | 244,096               |
| Total Town Council                                      | <u>11,703,067</u>    | <u>12,367,410</u>   | <u>12,574,273</u>   | <u>13,585,777</u>   | <u>14,018,797</u>   | <u>15,723,106</u>   | <u>16,539,579</u>   | <u>16,905,404</u>   | <u>17,508,102</u>   | <u>18,421,014</u>     |
| Board of Education                                      | 22,092,182           | 22,611,556          | 25,212,620          | 27,539,305          | 29,404,265          | 31,531,774          | 33,580,967          | 35,704,437          | 39,657,600          | 41,450,613            |
| Debt service:   |                      |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| Principal   | 2,460,000            | 2,425,000           | 2,775,000           | 3,075,000           | 2,800,000           | 2,500,000           | 3,445,000           | 3,655,000           | 3,255,750           | 3,330,750             |
| Interest  | 1,099,583            | 1,416,585           | 1,312,533           | 1,158,507           | 1,429,183           | 1,869,062           | 1,255,887           | 1,167,048           | 1,059,348           | 1,244,954             |
| Capital improvements                                    | 11,350,322           | 5,224,988           | 2,528,636           | 6,923,572           | 14,650,674          | 6,376,491           | 2,007,365           | 1,823,880           | 3,911,318           | 12,323,872            |
| Total expenditures                                      | <u>48,705,154</u>    | <u>44,045,539</u>   | <u>44,403,062</u>   | <u>52,282,161</u>   | <u>62,302,919</u>   | <u>58,000,433</u>   | <u>56,828,798</u>   | <u>59,255,769</u>   | <u>65,392,118</u>   | <u>76,771,203</u>     |
| Excess (Deficiency) of Revenues over Expenditures       | <u>(9,554,233)</u>   | <u>(3,213,399)</u>  | <u>(426,396)</u>    | <u>(3,968,393)</u>  | <u>(10,949,837)</u> | <u>(2,655,636)</u>  | <u>105,920</u>      | <u>(108,734)</u>    | <u>(1,153,720)</u>  | <u>(9,038,132)</u>    |
| Other Financing Sources (Uses):                         |                      |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| Proceeds from sale of land/capital assets               |                      |                     |                     |                     |                     | 207,000             | 11,530              | 250,000             |                     |                       |
| Capital lease proceeds                                  |                      |                     |                     | 670,910             |                     |                     |                     |                     |                     |                       |
| Bond/BAN issue proceeds                                 | 5,825,000            |                     |                     |                     | 14,245,000          | 1,295,000           |                     |                     |                     | 600,000               |
| Bond/BAN issue premium                                  | 6,915,000            | 550,000             |                     |                     |                     | 155,284             |                     |                     |                     |                       |
| Loan Proceeds   |                      |                     |                     |                     |                     |                     |                     |                     |                     |                       |
| Operating transfers in                                  | 752,119              | 1,361,927           | 2,576,821           | 2,796,983           | 2,665,368           | 1,345,587           | 2,435,591           | 1,604,920           | 2,524,174           | 2,666,315             |
| Operating transfers out                                 | (752,119)            | (1,361,927)         | (2,576,821)         | (2,470,281)         | (2,177,362)         | (1,311,491)         | (2,514,633)         | (1,604,920)         | (2,624,174)         | (2,866,315)           |
| Total other financing sources (uses)                    | <u>12,740,000</u>    | <u>550,000</u>      | <u>-</u>            | <u>997,612</u>      | <u>14,733,006</u>   | <u>1,691,380</u>    | <u>(67,512)</u>     | <u>250,000</u>      | <u>(100,000)</u>    | <u>400,000</u>        |
| Net Change in Fund Balances                             | 3,185,767            | (2,663,399)         | (426,396)           | (2,970,781)         | 3,783,169           | (964,256)           | 38,408              | 141,266             | (1,253,720)         | (8,638,132)           |
| Fund Balance at Beginning of Year                       | 7,931,671            | 11,117,438          | 8,454,039           | 8,027,643           | 5,056,862           | 8,840,031           | 7,875,775           | 7,914,183           | 8,055,449           | 6,801,729             |
| Fund Balance at End of Year                             | <u>\$ 11,117,438</u> | <u>\$ 8,454,039</u> | <u>\$ 8,027,643</u> | <u>\$ 5,056,862</u> | <u>\$ 8,840,031</u> | <u>\$ 7,875,775</u> | <u>\$ 7,914,183</u> | <u>\$ 8,055,449</u> | <u>\$ 6,801,729</u> | <u>\$ (1,836,403)</u> |
| Debt Service as a Percentage to Noncapital Expenditures | 9.53%                | 9.90%               | 9.76%               | 9.33%               | 8.88%               | 8.46%               | 8.57%               | 8.40%               | 7.02%               | 7.10%                 |

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

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

**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         |                     |                              |                       |                                |  |
| 1998        | \$ 1,072,289,590     | \$ 232,759,910      | \$ 97,048,670     | \$ 58,618,810 | \$ 92,294,920       | 1,460,716,980                | 21.45 %               | \$ 1,839,543,824               | 79.4 %   |
| 1999        | 1,093,289,920        | 235,406,160         | 100,118,660       | 58,508,020    | 93,091,880          | 1,487,322,760                | 22.00                 | 1,952,188,866                  | 76.2   |
| 2000        | 1,134,385,780        | 241,922,500         | 107,708,510       | 62,497,370    | 93,234,790          | 1,546,514,160                | 22.42                 | 2,168,057,942                  | 71.3   |
| 2001        | 1,096,224,910        | 226,491,370         | 120,495,420       | 72,284,680    | 93,934,960          | 1,515,496,380                | 24.50                 | 2,192,380,257                  | 69.1   |
| 2002        | 1,138,255,700        | 229,372,310         | 128,024,660       | 73,230,960    | 104,381,370         | 1,568,883,630                | 25.90                 | 2,625,333,686                  | 59.8   |
| 2003        | 1,166,844,000        | 238,340,420         | 134,502,990       | 76,552,000    | 107,352,000         | 1,616,239,410                | 27.30                 | 2,856,387,891                  | 56.6   |
| 2004        | 1,208,639,570        | 240,317,650         | 140,432,000       | 75,965,880    | 121,595,680         | 1,665,355,100                | 28.30                 | 3,122,648,993                  | 53.3   |
| 2005        | 1,586,977,750        | 267,882,430         | 136,128,965       | 75,657,830    | 148,530,000         | 2,066,646,975                | 23.46                 | 3,156,183,610                  | 65.5   |
| 2006        | 1,633,097,700        | 270,135,570         | 148,590,290       | 77,077,010    | 149,492,690         | 2,128,900,570                | 24.16                 | 3,548,200,958                  | 60.0   |
| 2007        | 1,679,790,240        | 272,737,650         | 155,308,220       | 79,758,880    | 149,225,860         | 2,187,594,990                | 24.85                 | 3,941,612,590                  | 55.5   |

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**

**PRINCIPAL TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

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| Taxpayer                     | 2007                   |      |   | 1998                   |      |   |
|------------------------------|------------------------|------|---|------------------------|------|---|
|                              | Taxable Assessed Value | Rank | Percentage of Gross Taxable Assessed Grand List | Taxable Assessed Value | Rank | Percentage of Gross Taxable Assessed Grand List |
| Two Fifty Five West Main LLC | \$ 11,385,620          | 1    | 0.51 %  | \$                     |      | %   |
| Connecticut Light & Power    | 11,109,530             | 2    | 0.50  | 6,074,500              | 8    | 0.41  |
| Jackson, Inc.                | 9,541,040              | 3    | 0.43  | 7,479,120              | 6    | 0.50  |
| Connecticut On-Line Computer | 9,442,680              | 4    | 0.42  |                        |      |   |
| Nod Brook LLC                | 9,199,920              | 5    | 0.41  |                        |      |   |
| G. David Lattizori           | 9,131,600              | 6    | 0.41  | 7,534,230              | 5    | 0.51  |
| Avon Marketplace Ltd.        | 8,648,600              | 7    | 0.39  | 6,809,740              | 7    | 0.46  |
| Ensign Bickford Realty       | 8,434,310              | 8    | 0.38  | 14,247,440             | 1    | 0.96  |
| Avon Water Company           | 8,124,110              | 9    | 0.36  | 5,959,150              | 9    | 0.40  |
| Avonplace Associates LLC     | 7,859,940              | 10   | 0.35  |                        |      |   |
| Avon Associates Ltd.         |                        |      |   | 11,963,800             | 2    | 0.80  |
| Silvio Brighenti             |                        |      |   | 8,709,280              | 4    | 0.59  |
| Howard Juster, et. al.       |                        |      |   | 9,047,700              | 3    | 0.61  |
| City Club of Hartford, Inc.  |                        |      |   | 5,844,530              | 10   | 0.39  |
|                              | <u>\$ 92,877,350</u>   |      | <u>4.16 %</u>                                   | <u>\$ 83,669,490</u>   |      | <u>5.63 %</u>                                   |

Source: Town Assessor's Office

**TOWN OF AVON**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS  
(In Thousands)**

| <b>Fiscal<br/>Year</b> | <b>Taxes<br/>Levied<br/>for the<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Percentage of<br/>Levy<br/>Uncollected</b> | <b>Collections in<br/>Subsequent<br/>Years</b> | <b>Total<br/>Collections to Date</b> |                               |
|------------------------|---|---|-------------------------------|---|--|--------------------------------------|-------------------------------|
|                        |   | <b>Amount</b>   | <b>Percentage<br/>of Levy</b> |   |  | <b>Amount</b>                        | <b>Percentage<br/>of Levy</b> |
| 1998                   | \$ 31,659   | \$ 31,391   | 99.15 %                       | 0.85 %  | \$ 415   | \$ 31,805                            | 100.46 %                      |
| 1999                   | 33,192  | 32,973  | 99.34                         | 0.66  | 315  | 33,288                               | 100.29                        |
| 2000                   | 35,235  | 35,073  | 99.55                         | 0.45  | 347  | 35,420                               | 100.52                        |
| 2001                   | 37,419  | 37,234  | 99.51                         | 0.49  | 132  | 37,366                               | 99.86                         |
| 2002                   | 41,200  | 41,026  | 99.58                         | 0.42  | 149  | 41,174                               | 99.94                         |
| 2003                   | 44,718  | 44,568  | 99.66                         | 0.34  | 96   | 44,664                               | 99.88                         |
| 2004                   | 47,681  | 47,591  | 99.81                         | 0.19  | 139  | 47,730                               | 100.10                        |
| 2005                   | 48,900  | 48,851  | 99.90                         | 0.10  | 114  | 48,965                               | 100.13                        |
| 2006                   | 51,865  | 51,774  | 99.82                         | 0.18  | 42   | 51,815                               | 99.90                         |
| 2007                   | 54,781  | 54,677  | 99.81                         | 0.19  | n/a  | 54,711                               | 99.81                         |

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

**TOWN OF AVON, CONNECTICUT**

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

**LAST TEN FISCAL YEARS**

| <b>Fiscal<br/>Year</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Percentage of<br/>Actual Taxable<br/>Value of Property(1)</b> | <b>Total<br/>Primary<br/>Government</b> | <b>Percentage of<br/>Personal<br/>Income (2)</b> | <b>Per<br/>Capita (2)</b> |
|------------------------|---|--|---|--|---------------------------|
| 1998                   | \$ 22,575,000                           | 1.2272 %   | \$ 22,575,000                           | 4.40 %   | \$ 1,505                  |
| 1999                   | 27,615,000                              | 1.4146   | 27,615,000                              | 5.21   | 1,782                     |
| 2000                   | 24,840,000                              | 1.1457   | 24,840,000                              | 4.60   | 1,572                     |
| 2001                   | 21,765,000                              | 0.9928   | 21,765,000                              | 4.02   | 1,375                     |
| 2002                   | 18,965,000                              | 0.7224   | 18,965,000                              | 2.32   | 1,198                     |
| 2003                   | 32,005,000                              | 1.1205   | 32,005,000                              | 3.79   | 1,960                     |
| 2004                   | 28,560,000                              | 0.9146   | 28,560,000                              | 3.31   | 1,709                     |
| 2005                   | 24,860,000                              | 0.7877   | 24,860,000                              | 2.81   | 1,455                     |
| 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                     |

(1) See Page 79 for taxable property value data.

(2) See Page 87 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**

|   | <b>FISCAL YEAR</b>    |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <u>1998</u>           | <u>1999</u>           | <u>2000</u>           | <u>2001</u>           | <u>2002</u>           | <u>2003</u>           | <u>2004</u>           | <u>2005</u>           | <u>2006</u>           | <u>2007</u>           |
| Debt limit  | \$ 237,850,529        | \$ 247,941,225        | \$ 263,109,532        | \$ 275,888,844        | \$ 302,480,185        | \$ 327,027,981        | \$ 348,473,195        | \$ 364,104,930        | \$ 383,690,160        | \$ 404,046,335        |
| Total net debt applicable to limit                                      | <u>30,179,297</u>     | <u>28,304,297</u>     | <u>25,360,560</u>     | <u>26,905,186</u>     | <u>30,750,062</u>     | <u>30,318,112</u>     | <u>27,397,166</u>     | <u>59,039,437</u>     | <u>64,909,268</u>     | <u>76,853,667</u>     |
| Legal Debt Margin   | <u>\$ 207,671,232</u> | <u>\$ 219,636,928</u> | <u>\$ 237,748,972</u> | <u>\$ 248,983,658</u> | <u>\$ 271,730,123</u> | <u>\$ 296,709,869</u> | <u>\$ 321,076,029</u> | <u>\$ 305,065,493</u> | <u>\$ 318,780,892</u> | <u>\$ 327,192,668</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 12.69%                | 11.42%                | 9.64%                 | 9.75%                 | 10.17%                | 9.27%                 | 7.86%                 | 16.21%                | 16.92%                | 19.02%                |

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 2006 debt limit can be found on page 87 of this report.

**TOWN OF AVON, CONNECTICUT**

**DEBT STATEMENT  
AS OF JUNE 30, 2007**

Long-Term Debt:

Bonds:

|                            |                |
|----------------------------|----------------|
| General public improvement | \$ 2,016,000   |
| School                     | 16,514,000     |
| Sewer                      | <u>255,000</u> |
| Total bonds                | 18,785,000     |

Short-Term Debt:

|                         |                   |
|-------------------------|-------------------|
| Bond anticipation notes | <u>18,000,000</u> |
| Total direct debt       | 36,785,000        |

Less Amount due from State of Connecticut (a)

|                       |                    |
|-----------------------|--------------------|
| Existing school bonds | <u>(1,363,333)</u> |
|-----------------------|--------------------|

|                       |                             |
|-----------------------|-----------------------------|
| Total Net Direct Debt | <u><u>\$ 35,421,667</u></u> |
|-----------------------|-----------------------------|

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

**TOWN OF AVON, CONNECTICUT**

**CURRENT DEBT RATIOS  
AS OF JUNE 30, 2007**

|  |                  |
|--|------------------|
| Population (a)                               | 17,500 (est.)    |
| Net Taxable Grand List (October 1, 2006) (b) | \$ 2,226,999,410 |
| Estimated Full Value (70%)                   | \$ 3,181,427,728 |
| Equalized Net Taxable Grand List (2005) (c)  | \$ 3,909,626,628 |
| Income per Capita (2000) (d)                 | \$ 51,706        |

|   | <u><b>Total<br/>Direct Debt</b></u> | <u><b>Total Net<br/>Direct Debt</b></u> | <u><b>Total Overall<br/>Net Debt</b></u> |
|---|-------------------------------------|---|--|
|   | \$ <u>36,785,000</u>                | \$ <u>35,421,667</u>                    | \$ <u>35,421,667</u>                     |
| Per Capita                                | \$ 2,102                            | \$ 2,024                                | \$ 2,024                                 |
| Ratio to Net Taxable Grand List           | 1.65%                               | 1.59%                                   | 1.59%                                    |
| Ratio to Estimated Full Value             | 1.16%                               | 1.11%                                   | 1.11%                                    |
| Ratio to Equalized Net Taxable Grand List | 0.94%                               | 0.91%                                   | 0.91%                                    |
| Debt per Capita to Income per Capita      | 4.07%                               | 3.91%                                   | 3.91%                                    |

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

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

(c) Official Statement, Town of Avon BAN Issue of October 26, 2007

(d) State of Connecticut, Department of Labor

**TOWN OF AVON, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**FOR THE YEAR ENDED JUNE 30, 2007**

|  |                      |
|--|----------------------|
| Total tax collections (including interest and lien fees)<br>received by Treasurer for current fiscal year  | \$ 54,838,754        |
| Total tax collections (including interest and lien fees)<br>received by Treasurers of all other taxing districts within Town for current fiscal year | <u>2,882,151</u>     |
| Base for Debt Limitation Computation   | <u>\$ 57,720,905</u> |

|  | <u>General<br/>Purposes</u> | <u>Schools</u>        | <u>Sewers</u>         | <u>Urban<br/>Renewal</u> | <u>Pension<br/>Deficit</u> |
|--|-----------------------------|-----------------------|-----------------------|--------------------------|----------------------------|
| Debt Limitation:                                 |                             |                       |                       |                          |                            |
| 2-1/4 times base                                 | \$ 129,872,036              | \$                    | \$                    | \$                       | \$                         |
| 4-1/2 times base                                 |                             | 259,744,073           |                       |                          |                            |
| 3-3/4 times base                                 |                             |                       | 216,453,394           |                          |                            |
| 3-1/4 times base                                 |                             |                       |                       | 187,592,941              |                            |
| 3 times base                                     |                             |                       |                       |                          | 173,162,715                |
| Total debt limitation                            | <u>129,872,036</u>          | <u>259,744,073</u>    | <u>216,453,394</u>    | <u>187,592,941</u>       | <u>173,162,715</u>         |
| Indebtedness:                                    |                             |                       |                       |                          |                            |
| Bonds payable                                    | 2,016,000                   | 16,514,000            | 255,000               |                          |                            |
| Bond anticipation notes payable                  |                             | 18,000,000            |                       |                          |                            |
| Bond authorized but unissued                     | 4,200,000                   | 37,238,000            |                       |                          |                            |
| School building grants                           |                             | (1,363,333)           |                       |                          |                            |
| Sewer assessment receivable                      |                             |                       | (6,000)               |                          |                            |
| Net indebtedness (1)                             | <u>6,216,000</u>            | <u>70,388,667</u>     | <u>249,000</u>        |                          |                            |
| Debt Limitation in Excess<br>of Outstanding Debt | <u>\$ 123,656,036</u>       | <u>\$ 189,355,406</u> | <u>\$ 216,204,394</u> | <u>\$ 187,592,941</u>    | <u>\$ 173,162,715</u>      |

(1) The total of the above net indebtedness amounts to: \$ 76,853,667

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 404,046,335

**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> |
|--------------------|-----------------------|---|---------------------------------------|-----------------------|--|------------------------------|------------------------------|
| 1998               | 15,000                | \$ 513,060  | \$ 34,204                             | 40.0                  | 16   | 2,411                        | 1.8 %                        |
| 1999               | 15,500                | 530,162   | 34,204                                | 40.0                  | 16   | 2,512                        | 1.7                          |
| 2000               | 15,800                | 540,423   | 34,204                                | 37.7                  | 16   | 2,717                        | 1.1                          |
| 2001               | 15,832                | 541,518   | 34,204                                | 37.7                  | 16   | 2,914                        | 1.7                          |
| 2002               | 15,832                | 818,609   | 51,706                                | 37.7                  | 16   | 2,984                        | 2.6                          |
| 2003               | 16,332                | 844,462   | 51,706                                | 37.7                  | 16   | 3,071                        | 3.2                          |
| 2004               | 16,707                | 863,852   | 51,706                                | 37.7                  | 16   | 3,245                        | 3.4                          |
| 2005               | 17,082                | 883,242   | 51,706                                | 37.7                  | 16   | 3,319                        | 2.9                          |
| 2006               | 17,500                | 904,855   | 51,706                                | 37.7                  | 16   | 3,446                        | 2.7                          |
| 2007               | 17,500                | 904,855   | 51,706                                | 37.7                  | 16   | 3,519                        | 3.1                          |

Sources:

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

**TOWN OF AVON, CONNECTICUT**

**PRINCIPAL EMPLOYERS**

**CURRENT YEAR AND NINE YEARS AGO**

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| <u>Employer</u>                        | <u>2007</u>      |             |  | <u>1998</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                           | 520              | 1           | 0.06 %                                     |                  |             |  |
| Connecticut On-Line Computer Center    | 320              | 2           | 0.04                                       | 212              | 2           | 0.03 %                                     |
| Wal-Mart                               | 220              | 3           | 0.02                                       |                  |             |  |
| Women's Health USA                     | 210              | 4           | 0.02                                       |                  |             |  |
| Big Y Supermarket                      | 195              | 5           | 0.02                                       | 203              | 3           | 0.03                                       |
| Avon Health Center, Inc.               | 186              | 6           | 0.02                                       |                  |             |  |
| O.F.S. Fital LLC                       | 177              | 7           | 0.02                                       |                  |             |  |
| Hartford Life & Accident Insurance Co. | 158              | 8           | 0.02                                       | 155              | 5           | 0.02                                       |
| Legere Group                           | 155              | 9           | 0.02                                       |                  |             |  |
| Swiss RE Insurance                     | 140              | 10          | 0.02                                       |                  |             |  |
| Security-Connecticut Life Ins. Co.     |                  |             |  | 440              | 1           | 0.06                                       |
| Eastern Color Printing                 |                  |             |  | 158              | 4           | 0.02                                       |
| Spectran Specialty Optics Company      |                  |             |  | 145              | 6           | 0.02                                       |
| A. Rotondo & Sons                      |                  |             |  | 124              | 7           | 0.02                                       |
| Caldor, Inc.                           |                  |             |  | 104              | 8           | 0.01                                       |
| M.H. Rhodes, Inc.                      |                  |             |  | 101              | 9           | 0.01                                       |
| Reflexite Corp.                        |                  |             |  | 88               | 10          | 0.01                                       |
|  | <u>2,281</u>     |             | <u>0.25 %</u>                              | <u>1,730</u>     |             | <u>0.25 %</u>                              |

Source: Town of Avon, Official Statements

**TOWN OF AVON, CONNECTICUT**

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

**JUNE 30, 2007**

|                             | <b>FISCAL YEAR</b> |              |              |              |              |              |              |              |              |              |
|-----------------------------|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | <u>2007</u>        | <u>2006</u>  | <u>2005</u>  | <u>2004</u>  | <u>2003</u>  | <u>2002</u>  | <u>2001</u>  | <u>2000</u>  | <u>1999</u>  | <u>1998</u>  |
| <u>General Government</u>   |                    |              |              |              |              |              |              |              |              |              |
| Manager                     | 2.3                | 2.3          | 2.3          | 2.3          | 2.3          | 2.0          | 3.0          | 3.0          | 3.0          | 3.0          |
| Finance                     | 1.4                | 1.4          | 1.4          | 1.4          | 1.4          | 1.4          | 1.4          | 1.4          | 1.0          | 1.0          |
| Planning                    | 4.0                | 4.0          | 4.0          | 4.0          | 4.0          | 3.0          | 3.0          | 3.0          | 3.5          | 3.5          |
| Building                    | 5.0                | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 4.0          | 4.0          |
| Other                       | 12.7               | 12.7         | 12.7         | 12.7         | 12.7         | 12.0         | 11.0         | 11.0         | 11.0         | 11.0         |
| <u>Public Safety</u>        |                    |              |              |              |              |              |              |              |              |              |
| Officers                    | 43.0               | 43.0         | 42.0         | 41.0         | 40.0         | 39.0         | 39.0         | 39.0         | 39.0         | 39.0         |
| <u>Public Works</u>         |                    |              |              |              |              |              |              |              |              |              |
|                             | 30.0               | 29.0         | 29.0         | 29.0         | 28.0         | 29.0         | 28.0         | 29.0         | 29.0         | 28.0         |
| <u>Parks and Recreation</u> |                    |              |              |              |              |              |              |              |              |              |
|                             | 3.0                | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 4.0          |
| <u>Public Library</u>       |                    |              |              |              |              |              |              |              |              |              |
|                             | 7.0                | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 6.0          | 6.0          | 5.0          |
| <u>Human Services</u>       |                    |              |              |              |              |              |              |              |              |              |
|                             | 1.6                | 1.6          | 1.6          | 1.6          | 1.6          | 1.6          | 1.6          | 1.6          | 1.5          | 1.5          |
| <u>Board of Education</u>   |                    |              |              |              |              |              |              |              |              |              |
| Certified                   | <u>395.0</u>       | <u>387.0</u> | <u>384.0</u> | <u>399.0</u> | <u>374.0</u> | <u>346.0</u> | <u>321.0</u> | <u>312.0</u> | <u>303.0</u> | <u>290.5</u> |
| Total                       | <u>505.0</u>       | <u>496.0</u> | <u>492.0</u> | <u>506.0</u> | <u>479.0</u> | <u>449.0</u> | <u>423.0</u> | <u>414.0</u> | <u>404.0</u> | <u>390.5</u> |

Source: Annual Operating Budgets

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

**TOWN OF AVON, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**JUNE 30, 2007**

|  | FISCAL YEAR |            |            |            |            |            |            |            |            |            |
|--|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|  | 2007        | 2006       | 2005       | 2004       | 2003       | 2002       | 2001       | 2000       | 1999       | 1998       |
| <u>General Government</u>                |             |            |            |            |            |            |            |            |            |            |
| Marriage licenses issued                 | 125         | 213        | 156        | 174        | 145        | 183        | 176        | 178        | 185        | 152        |
| Civil Unions Recorded (new in 06/07)     | 2           | 6          | N/A        |
| Birth certificates issued                | 137         | 154        | 158        | 153        | 150        | 164        | 155        | 175        | 165        | 166        |
| Death certificates issued                | 158         | 194        | 166        | 182        | 181        | 167        | 157        | 155        | 154        | 155        |
| <u>Boards and Agencies</u>               |             |            |            |            |            |            |            |            |            |            |
| Registered voters                        | 11,087      | 11,100     | 11,348     | 10,488     | 10,341     | 10,685     | 10,564     | 9,871      | 10,025     | 10,025     |
| Elections and referenda                  | 3           | 3          | 3          | 5          | 3          | 2          | 2          | 4          | 4          |            |
| <u>Planning and Development</u>          |             |            |            |            |            |            |            |            |            |            |
| Building permits issued                  | 562         | 700        | 750        | 732        | 654        | 600        | 607        | 675        | 667        | 715        |
| Building inspections conducted           | 2,524       | 3,700      | 3,750      | 3,984      | 2,535      | 2,500      | 2,500      | 2,500      | 2,475      | 2,208      |
| Value of building permits                | 24,586,378  | 23,358,000 | 51,801,012 | 36,897,500 | 49,938,726 | 33,243,701 | 53,307,370 | 26,926,405 | 40,587,937 | 39,971,195 |
| <u>Public Safety</u>                     |             |            |            |            |            |            |            |            |            |            |
| Arrests                                  | 292         | 350        | 346        | 351        | 318        | 263        | 250        | 286        | 358        | 221        |
| Parking violations                       | 78          | 67         | 101        | 146        | 200        | 203        | 255        | 285        | 307        | 290        |
| Traffic violations                       | 5,992       | 5173       | 5,476      | 4,982      | 4,240      | 4,177      | 3,095      | 3,926      | 5,216      | 3,860      |
| Emergency responses                      | 1,265       | 3323       | 3,136      | 3,420      | 4,278      | 3,871      | 3,612      | 3,376      | 3,576      | 2,982      |
| Fires extinguished                       | 15          | 18         | 17         | 22         | 26         | 22         | 27         | N/A        | N/A        | N/A        |
| Inspections/fire prevention              | 1,369       | 1,488      | 1,460      | 1,404      | 1,540      | 1,360      | 1,297      | 1,244      | 1,125      | 993        |
| Calls for service                        | 23,846      | 30,885     | 28,940     | 25,525     | 31,000     | 28,140     | 26,800     | 29,005     | 29,506     | 23,971     |
| Citations issued                         | 4,230       | 4,014      | 4,388      | 3,810      | 2,594      | 2,489      | 2,433      | 2,993      | 4,040      | 3,188      |
| <u>Public Works</u>                      |             |            |            |            |            |            |            |            |            |            |
| Miles of roads maintained                | 103         | 102        | 100.58     | 100.13     | 97.26      | 96.27      | 94.95      | N/A        | 93.63      | N/A        |
| Refuse collected (tons per year)         | 1,065       | N/A        | 1,107      | 1,095      | N/A        | N/A        | N/A        | N/A        | N/A        | N/A        |
| Recyclables collected (tons per year)    | 933         | N/A        | 809        | 719        | N/A        | N/A        | N/A        | N/A        | N/A        | N/A        |
| <u>Parks and Recreation</u>              |             |            |            |            |            |            |            |            |            |            |
| Total park reservations                  | 4,399       | 2,934      | 1,581      | 1,553      | 1,413      | 1,023      | 998        | 975        | 981        | 970        |
| Total day camp registrations             | 554         | 486        | 467        | 286        | 285        | 290        | 357        | 347        | 288        | 279        |
| Total swim memberships                   | 530         | 507        | 495        | 447        | 415        | 508        | 574        | 612        | 554        | 498        |
| Pool attendance                          | 17,539      | 18,009     | 19,434     | 12,527     | 11,155     | 19,159     | 20,409     | 19,768     | 18,337     | 19,648     |
| <u>Public Library</u>                    |             |            |            |            |            |            |            |            |            |            |
| Volumes in collection                    | 80,174      | 80,000     | 79,138     | 80,032     | 81,758     | 78,600     | 73,871     | 72,345     | 72,290     | 69,500     |
| Items circulated                         | 316,758     | 306,070    | 300,069    | 299,178    | 295,300    | 238,000    | 235,246    | 231,990    | 227,671    | 238,718    |
| <u>Human Services</u>                    |             |            |            |            |            |            |            |            |            |            |
| Senior mini-bus trips                    | 3,601       | 3,833      | 3,279      | 2,950      | 2,515      | 2,454      | 2,663      | 2,194      | 2,236      | 2,310      |
| Households provided energy assistance    | 49          | 35         | 30         | 30         | 57         | 89         | 104        | 129        | 156        | 164        |
| Households provided food bank assistance | 73          | 75         | 70         | 65         | 65         | 65         | 60         | 65         | 65         | 60         |
| <u>Education</u>                         |             |            |            |            |            |            |            |            |            |            |
| Elementary schools                       | 2           | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 2          |
| Grade 5/6 schools                        | 1           | 1          | 1          | 1          | 1          | 0          | 0          | 0          | 0          | 0          |
| Middle schools                           | 1           | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| High schools                             | 1           | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |

Source(s): Various Town Departments  
N/A: Information is not available

TOWN OF AVON, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

JUNE 30, 2007

|   | FISCAL YEAR |        |        |        |       |       |       |       |       |       |
|---|-------------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
|   | 2007        | 2006   | 2005   | 2004   | 2003  | 2002  | 2001  | 2000  | 1999  | 1998  |
| <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                               | 25          | 20     | 17     | 22     | 25    | 23    | 31    | 28    | 26    | 21    |
| Fire vehicles                                 | 13          | 12     | 12     | 12     | 17    | 15    | 16    | 14    | 14    | 14    |
| <u>Public Works</u>                           |             |        |        |        |       |       |       |       |       |       |
| Miles of town roads                           | 104.00      | 102.00 | 100.39 | 100.23 | 96.57 | 95.18 | 94.87 | 96.00 | 95.00 | 94.00 |
| Linear feet of sidewalks                      | 49465       | 100    | N/A    | N/A    | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Streetlights                                  | 802         | 787    | 781    | 773    | 760   | 756   | 707   | 688   | 686   | 673   |
| Traffic signals                               | 12          | 12     | 12     | 11     | 11    | 11    | 9     | 9     | 9     | 9     |
| Public works vehicles                         | 33          | 33     | 32     | 33     | 34    | 31    | 31    | 30    | 29    | 28    |
| <u>Parks and Recreation</u>                   |             |        |        |        |       |       |       |       |       |       |
| Acreage (parks only)                          | 1,158       | 1,155  | 1,155  | 1,155  | 1,155 | 1,122 | 807   | 791   | 791   | 779   |
| Parks and greens                              | 14          | 14     | 14     | 14     | 14    | 13    | 11    | 11    | 11    | 10    |
| Athletic fields (includes Board of Education) | 30          | 30     | 27     | 27     | 27    | 27    | 25    | 23    | 23    | 23    |
| Swimming pools                                | 2           | 2      | 2      | 2      | 2     | 2     | 2     | 2     | 2     | 2     |
| <u>Public Library</u>                         |             |        |        |        |       |       |       |       |       |       |
| Library                                       | 1           | 1      | 1      | 1      | 1     | 1     | 1     | 1     | 1     | 1     |
| <u>Human Services</u>                         |             |        |        |        |       |       |       |       |       |       |
| Senior center                                 | 1           | 1      | 1      | 1      | 1     | 1     | 1     | 1     | 1     | 1     |
| <u>Education</u>                              |             |        |        |        |       |       |       |       |       |       |
| Schools                                       | 5           | 5      | 5      | 5      | 5     | 4     | 4     | 4     | 4     | 4     |
| <u>Water</u>                                  |             |        |        |        |       |       |       |       |       |       |
| Fire hydrant rentals                          | 684         | 614    | 595    | 579    | 579   | 573   | 573   | 491   | 491   | 491   |
| <u>Sewer</u>                                  |             |        |        |        |       |       |       |       |       |       |
| Sanitary sewers (miles)                       | 70.58       | 68.46  | 68.07  | 64.47  | 61.23 | 59.6  | 57.1  | 57.42 | 56.97 | 55.92 |
| Storm sewers (miles)                          | 39.59       | 38.43  | 28.23  | 37.21  | 34.79 | 33.63 | 33.46 | 33.24 | 33.24 | 33.24 |

Source(s): Various Town Departments

Note: No capital asset indicator is available for the conservation and development function.