TOWN OF AVON
PENSION TRUST
FIDUCIARY FUND
FISCAL YEAR 2015/2016

NAME OF FUND: Pension Trust (18)

FUND TYPE: Fiduciary Funds (Trust and Agency Funds)

PROGRAM DESCRIPTION

Per recommendation of our independent auditors, the appropriations for the fund are in the general fund and sewer special revenue fund. For financial reporting purposes, the Town will continue to report a separate Pension Trust Fund identified within the Fiduciary Type. Fiduciary Funds are used to account for assets held by a governmental unit acting as a trustee or agent for individuals, organization, other governmental units, or other fund of the same governmental unit. For that reason, fiduciary funds are identified as Trust and Agency Funds.

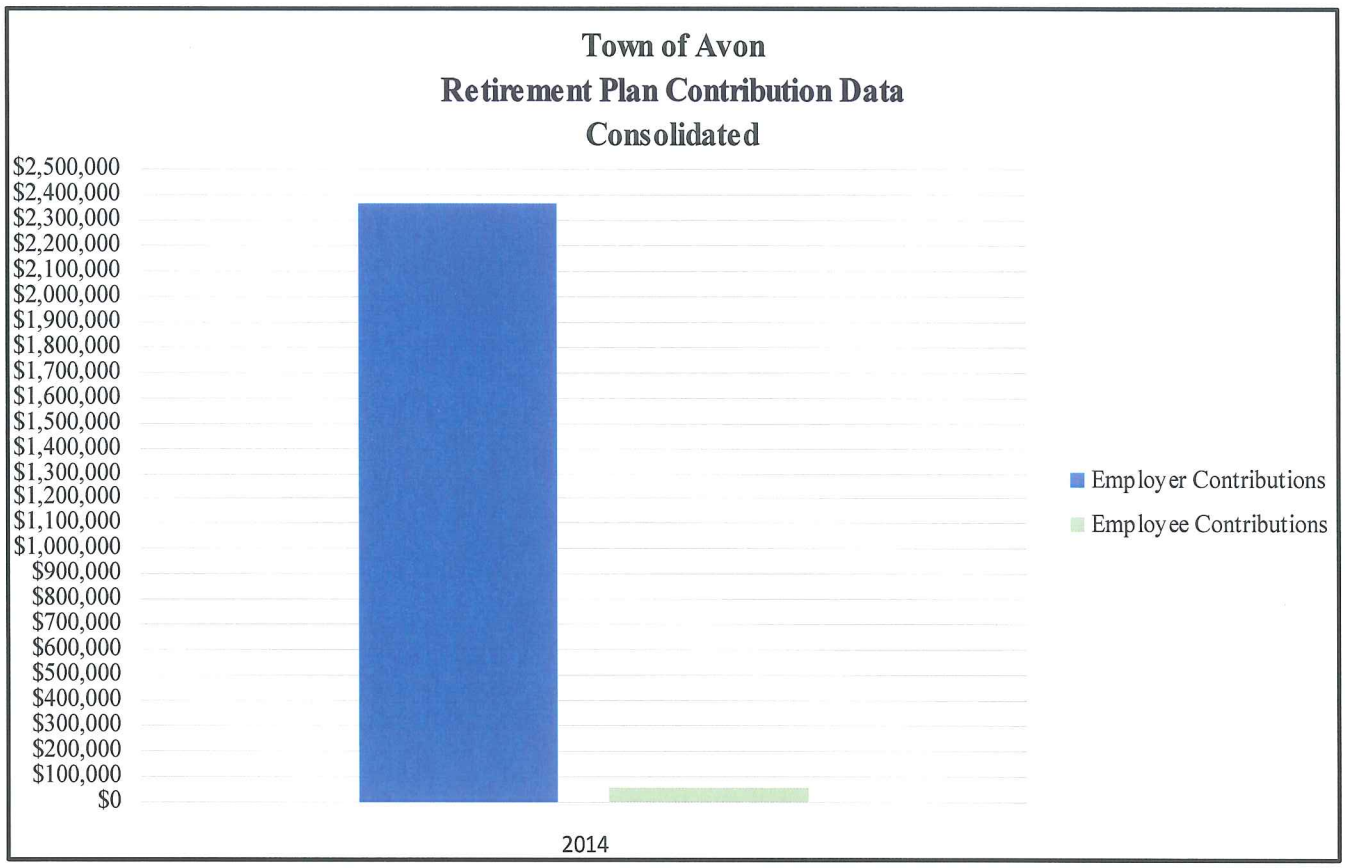
The Employees Retirement Pension Trust Fund is used to report the accumulation of resources for pension benefit appropriations and payments to qualified Town and Board of Education employees. The Town also maintains five agency funds. They are the AHS, AMS, RBS and PGS Student Activity funds, and the Board of Education Special Programs fund. No estimated revenues or appropriations are budgeted by the Town, since the Town acts only as a custodian of assets. Furthermore, an agency fund will have little or no fund balance.

BUDGET	2013/2014 ACTUAL	2014/2015 BUDGETED	2014/2015 ESTIMATED	2015/2016 REQUESTED TOWN MANAGER	2015/2016 RECOMMENDED TOWN COUNCIL	2015/2016 ADOPTED	2015/2016 DOLLAR INCREASE/ (DECREASE)	2015/2016 PERCENT INCREASE/ -DECREASE
REVENUES:								
Operating Revenues 'from':								
General Fund								
General Government (Town)	$2,244,492	$2,470,397	$2,470,397	$2,521,616	$2,521,616		$51,219	2.07%
FB Assigned for Pension	120,000	132,500	132,500	187,500	187,500		$55,000	41.51%
Board of Education	480,000	490,386	490,386	508,433	508,433		$18,047	3.68%
Total General Fund	2,844,492	3,093,283	3,093,283	3,217,549	3,217,549		$124,266	4.02%
Sewer Fund	53,231	58,592	58,592	59,806	59,806		$1,214	2.07%
TOTAL REVENUES	$2,897,723	$3,151,875	$3,151,875	$3,277,355	$3,277,355		$125,480	3.98%
BUDGET:								
APPROPRIATIONS:								
General Government (Town)	$2,364,492	$2,602,897	$2,602,897	$2,709,116	$2,709,116		$106,219	4.08%
Board of Education	480,000	490,386	490,386	508,433	508,433		$18,047	3.68%
Total General Fund	2,844,492	3,093,283	3,093,283	3,217,549	3,217,549		$124,266	4.02%
Sewer Fund	53,231	58,592	58,592	59,806	59,806		$1,214	2.07%
TOTAL APPROPRIATIONS	$2,897,723	$3,151,875	$3,151,875	$3,277,355	$3,277,355		$125,480	3.98%

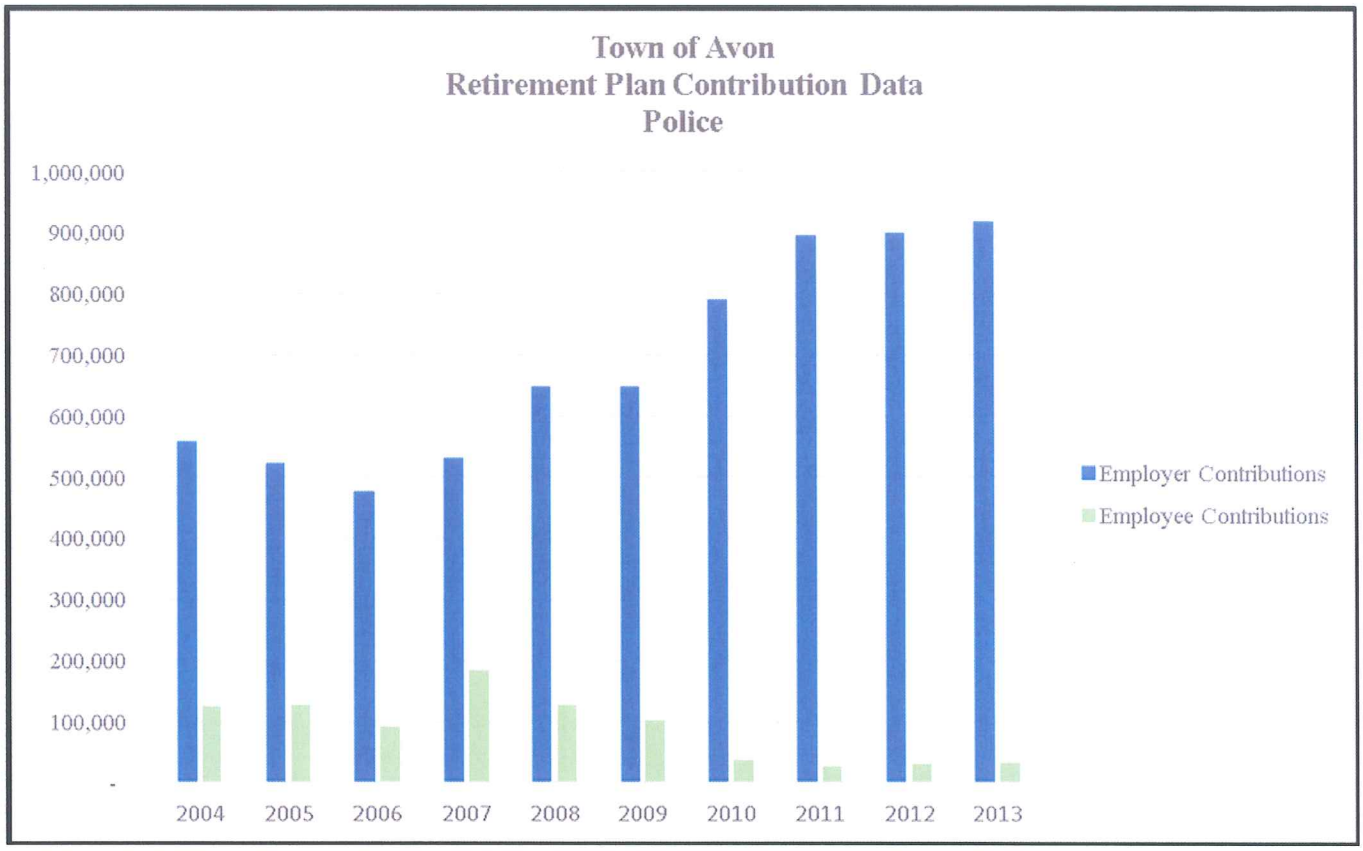
Presented below are the recommended appropriations within the general fund and sewer fund for the Employees Retirement Pension Trust Fund. On September 4, 2003, a pension funding change was made in the amortization method from level dollar to level percent has had a positive impact on the funding calculations. July 1, 2009, the asset smoothing method was changed so that +/- 20%"corridor" was removed. For fiscal year 2012/2013, the actuaries determined that liabilities for all of the plans came close to what was expected. A decision was made to reduce the actuarial assumption for the Town plans by .25%, with the increase in employer contributions to be funded from a pension designation in the General Fund.

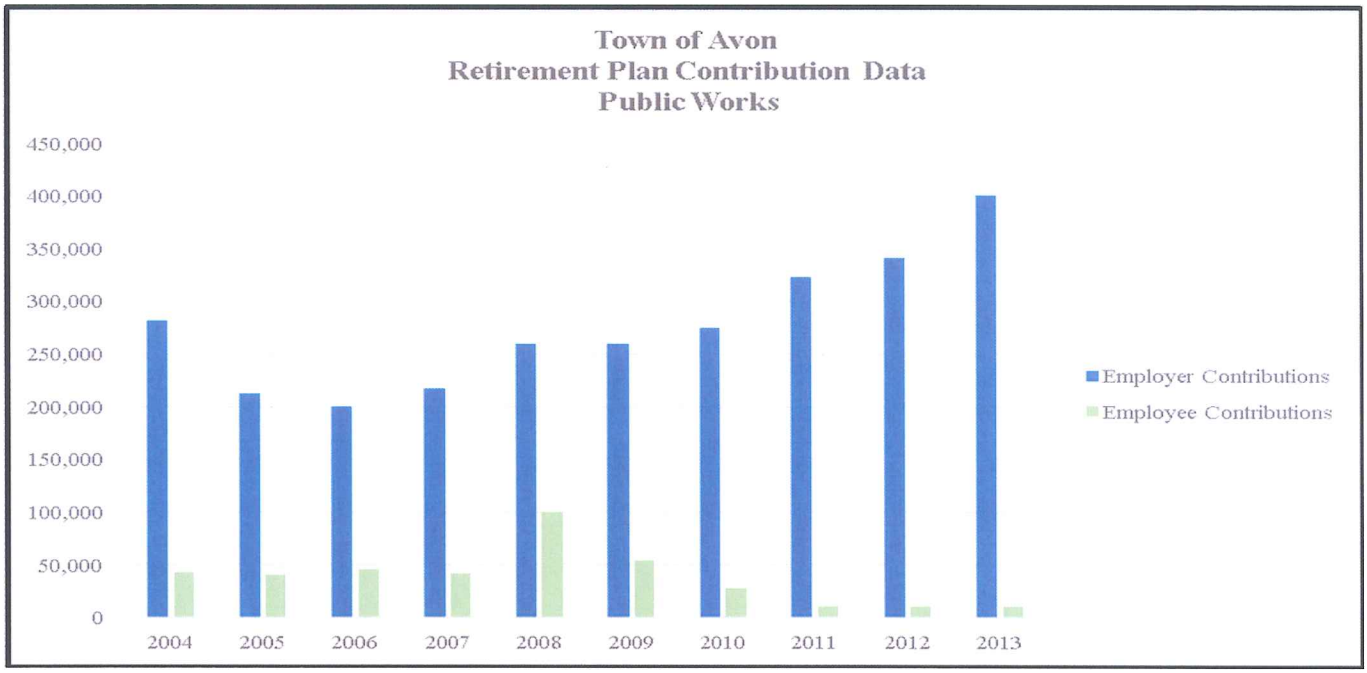
For fiscal year 2014/2015, the actuarial assumption was reduced further to 7.50%, with the increase in employer contributions to be funded from the pension assignment in the General Fund. For fiscal year 2015/2016, the actuarial assumption was further reduced to 7.375% and the increase in employer contributions is partially funded from the pension assignment in the General Fund.

Prior to 2014, the annual costs for Dispatchers, Non-Organized, Public Works and Police groups were determined in four separate valuations. In order to streamline administration for these four closed plans, they combined into one plan, effective June 30, 2014.

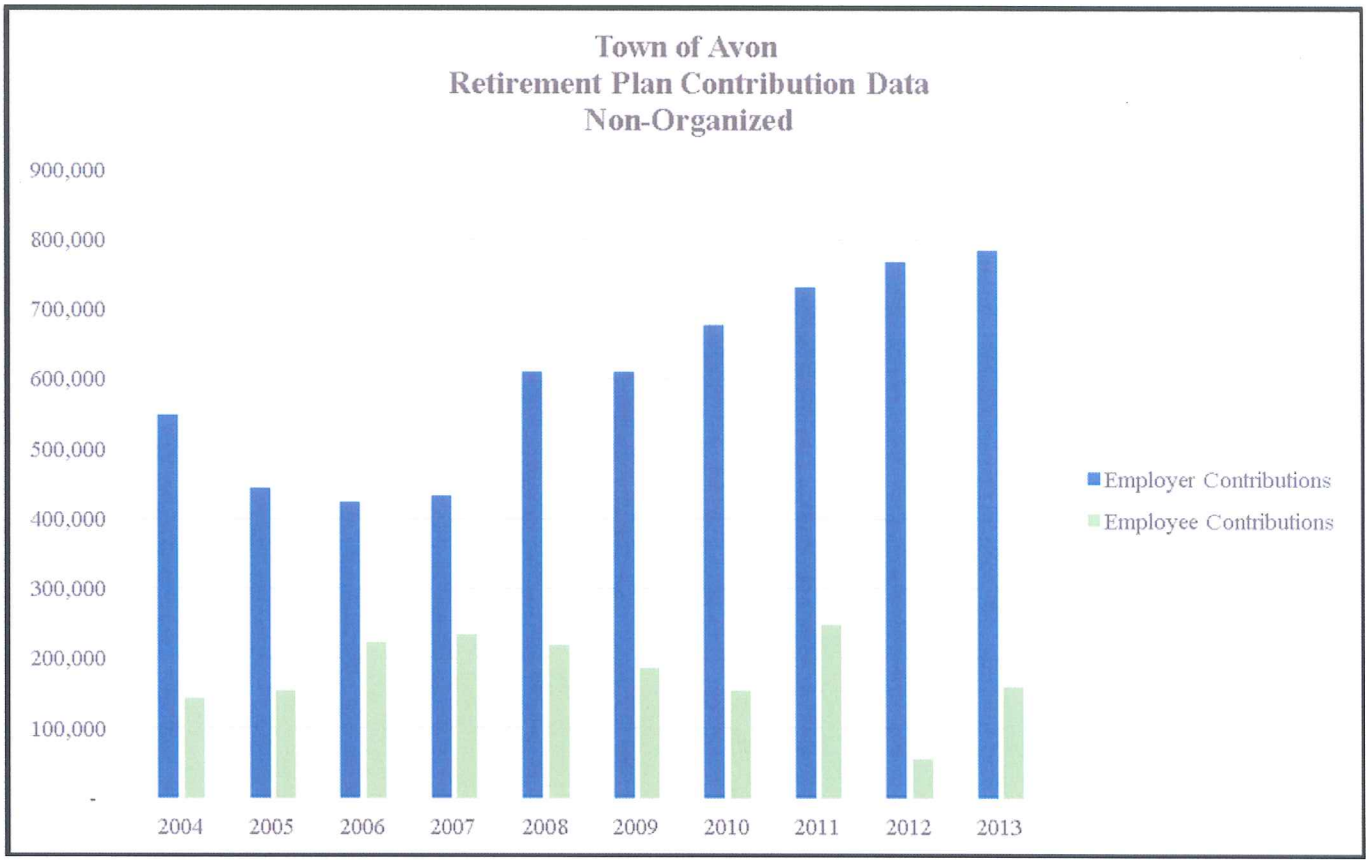


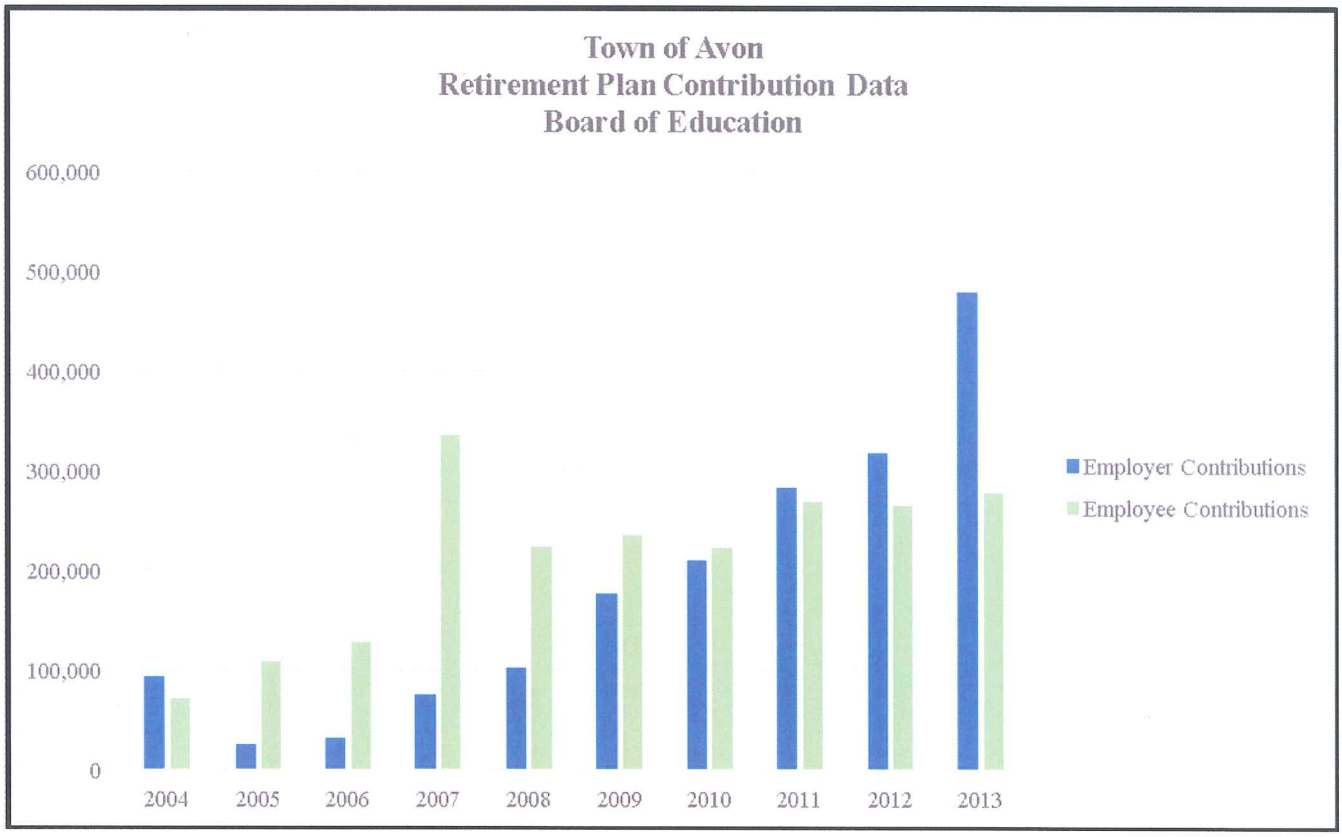
Source: June 30, 2014 CAFR, Combining Statement of Changes in Fiduciary Net Assets



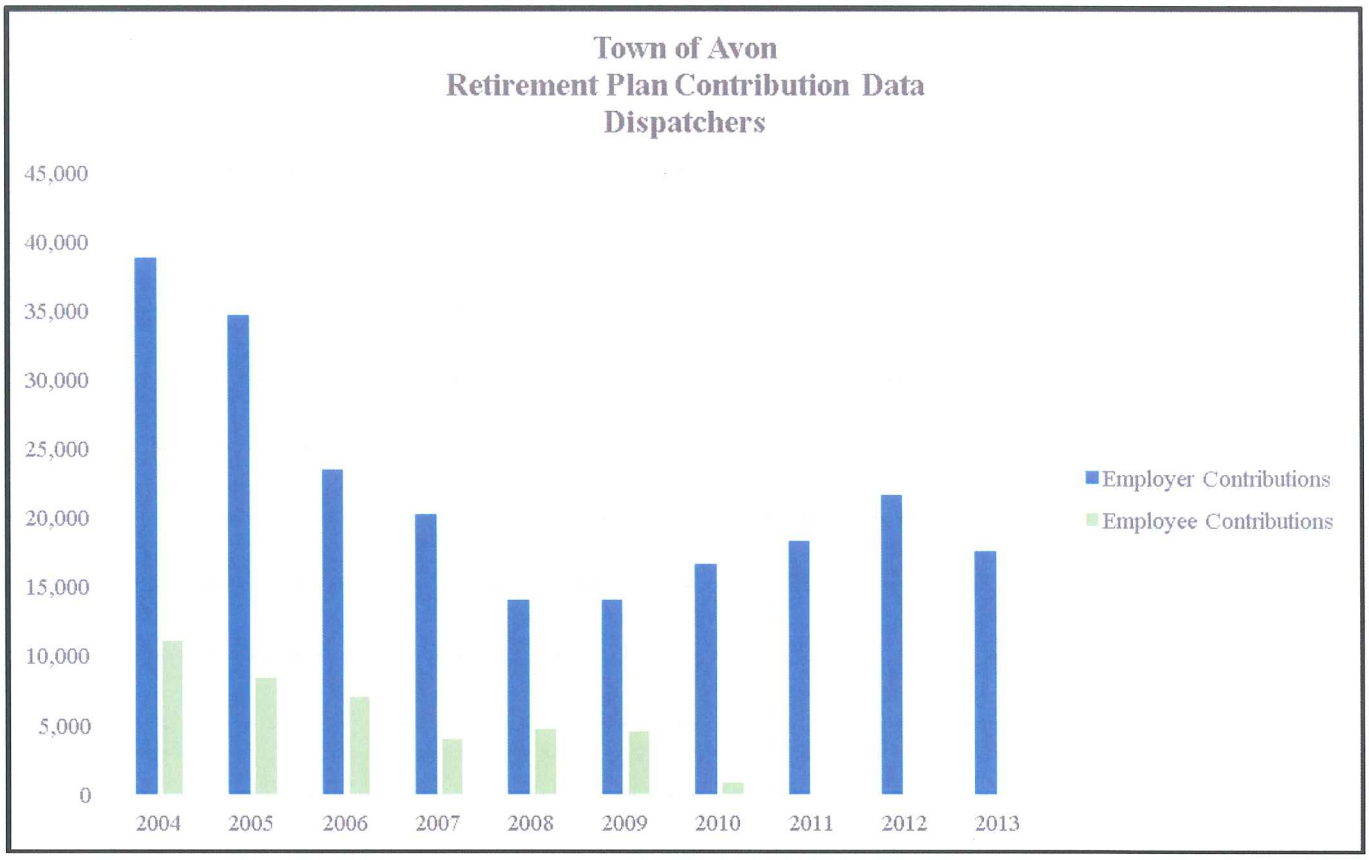


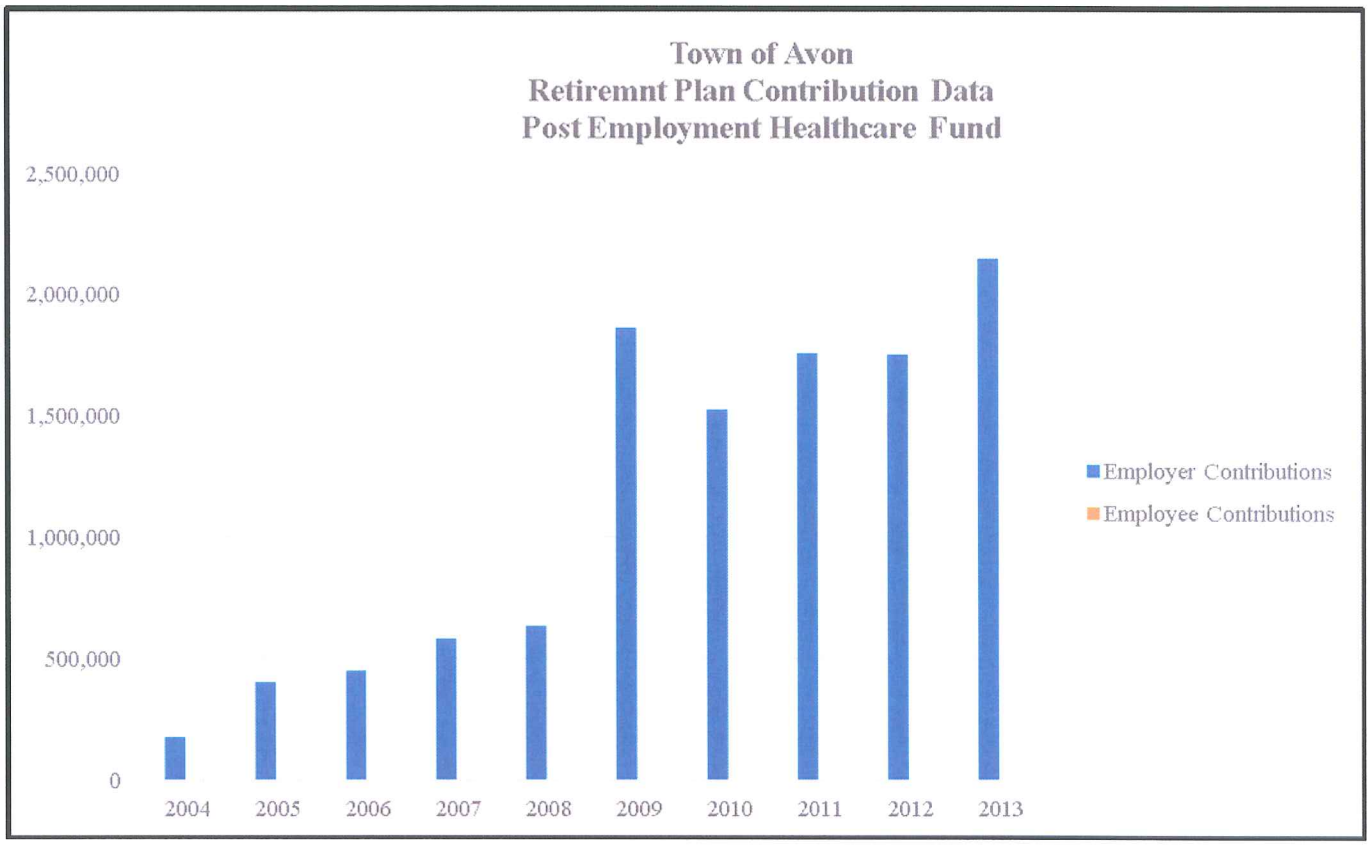
Source: June 30, 2013 CAFR, Combining Statement of Changes in Fiduciary Net Assets





Source: June 30, 2013 CAFR, Combining Statement of Changes in Fiduciary Net Assets





Source: June 30, 2013 CAFR, Combining Statement of Changes in Fiduciary Net Assets

TOWN OF AVON
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
FISCAL YEAR 2015/2016

NAME OF FUND: Other Post Employment Benefits Trust Fund (19)

FUND TYPE: Fiduciary Fund (Trust and Agency Funds)

PROGRAM DESCRIPTION:

The purpose of this trust fund is to provide funding for the actuarially determined share of the Town of Avon's liability for health and other post-employment benefits to retired employees of the Town. The Trust is intended to constitute a funding vehicle for purposes of GASB 43 and GASB 45 and to fund all or part of such liability on an annual basis using revenues generated by the Trust Fund. The Town shall budget and deposit sufficient funds to the Trust Fund in accordance with the recommendations of the actuary as contained in the actuarial report. Revenues earned from the Trust Fund are to be used to offset annual budgetary obligations of the Town of Avon, which have been incurred in funding the employer's share of employee post-retirement medical costs. Funds shall be invested in accordance with the Trust Fund Agreement and managed by an independent investment manager selected by the Town Council. Costs for management of the fund shall include, but not be limited to, direct administrative, actuarial, and investment management costs, which are to be charged to the Fund. The Trust Fund shall be used for the exclusive purposes of defraying reasonable expenses of administering the Plan and Trust and providing OPEB Benefits to Plan Participants.

The Town Council approved creation of the fund on June 4, 2009. Presented below is the recommended appropriation for fiscal year 2015/2016 in the amount of $1,635,378 with contributions for annual funding within the General Fund, the Sewer Fund and the Board of Education. The Town budgeted $859,878 for current retiree health costs, with $225,000 to come from fund balanced assigned for OPEB, covering a portion of the $750,000 actuarially determined Post-Retiree Medical. The Board of Education's contribution for fiscal year 2015/2016 in the amount of $25,500 is for a portion of the actuarially determined Post-Retiree Medical costs. In fiscal years 2011/2012, 2012/2013, 2013/2014 and 2014/2015, $25,000 was budgeted by the Board of Education for a portion of the actuarially determined Post-Retiree Medical costs.

BUDGET:	2013/14 ACTUAL	2014/15 BUDGETED	2014/15 ESTIMATED	2015/16 REQUESTED TOWN MANAGER	2015/16 RECOMMENDED TOWN COUNCIL	2015/16 ADOPTED	2015/16 DOLLAR INCREASE/ (DECREASE)	2015/16 PERCENT INCREASE/ - DECREASE
REVENUES:								
Operating Revenues 'from':								
General Fund:								
Claims & Losses – Hospitalization								
Retiree Health (Town)	$1,110,917	$1,150,842	$1,150,842	$1,318,387	$1,318,387		$167,545	14.56%
FB Assigned For OPEB	0	100,000	100,000	225,000	225,000		125,000	100.00%
FB Assigned For OPEB (ERRP)	100,000	106,875	106,875	0	0		(106,875)	-100.00%
Retiree Health (BOE)	25,000	25,000	25,000	25,500	25,500		500	2.00%
Total General Fund	1,235,917	1,382,717	1,382,717	1,568,887	1,568,887		186,170	13.46%
Sewer Fund	50,568	55,115	55,115	66,491	66,491		11,376	20.64%
TOTAL REVENUES	$1,286,485	$1,437,832	$1,437,832	$1,635,378	$1,635,378		$197,546	13.74%
BUDGET: APPROPRIATIONS:								
Trust Fund:								
General Government	$194,464	$218,036	$218,036	$247,854	$247,854		29,818	13.68%
Public Safety	573,527	643,060	643,060	730,998	730,998		87,938	13.68%
Public Works	337,447	376,772	376,772	432,134	432,134		55,362	14.69%
Health & Social Services	13,842	15,520	15,520	17,642	17,642		2,122	13.67%
Recreation & Parks	90,957	101,984	101,984	115,933	115,933		13,949	13.68%
Cultural & Education	23,564	26,421	26,421	30,033	30,033		3,612	13.67%
Conservation & Development	27,684	31,039	31,039	35,284	35,284		4,245	13.68%
Retiree Health (BOE)	25,000	25,000	25,000	25,500	25,500		500	2.00%
TOTAL APPROPRIATIONS	$1,286,485	$1,437,832	$1,437,832	$1,635,378	$1,635,378		197,546	13.74%