

**TOWN OF AVON  
PENSION TRUST  
FIDUCIARY FUND  
FISCAL YEAR 2014/2015**

**NAME OF FUND:** Pension Trust (18)

**FUND TYPE:** Fiduciary Funds (Trust and Agency Funds)

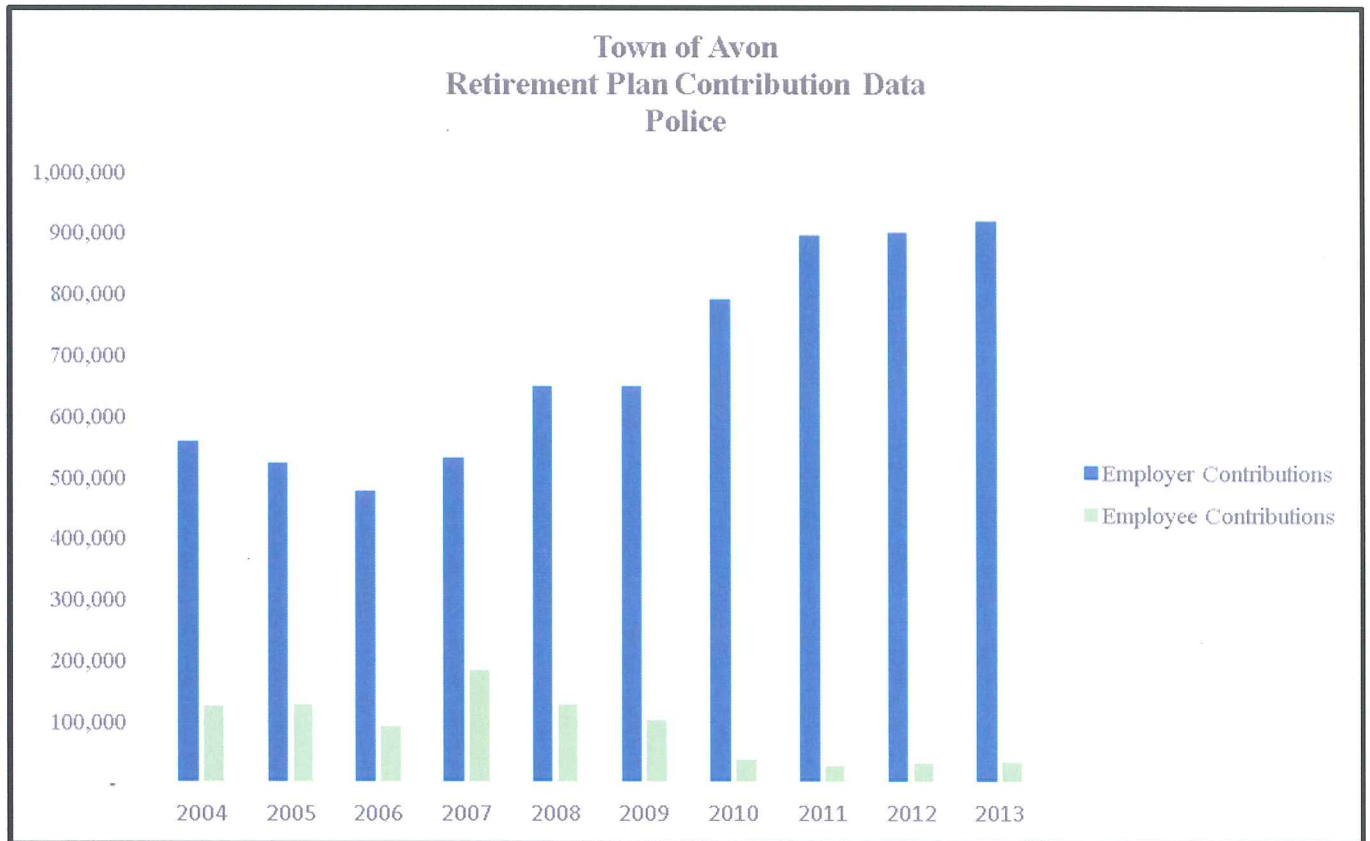
**PROGRAM DESCRIPTION**

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.

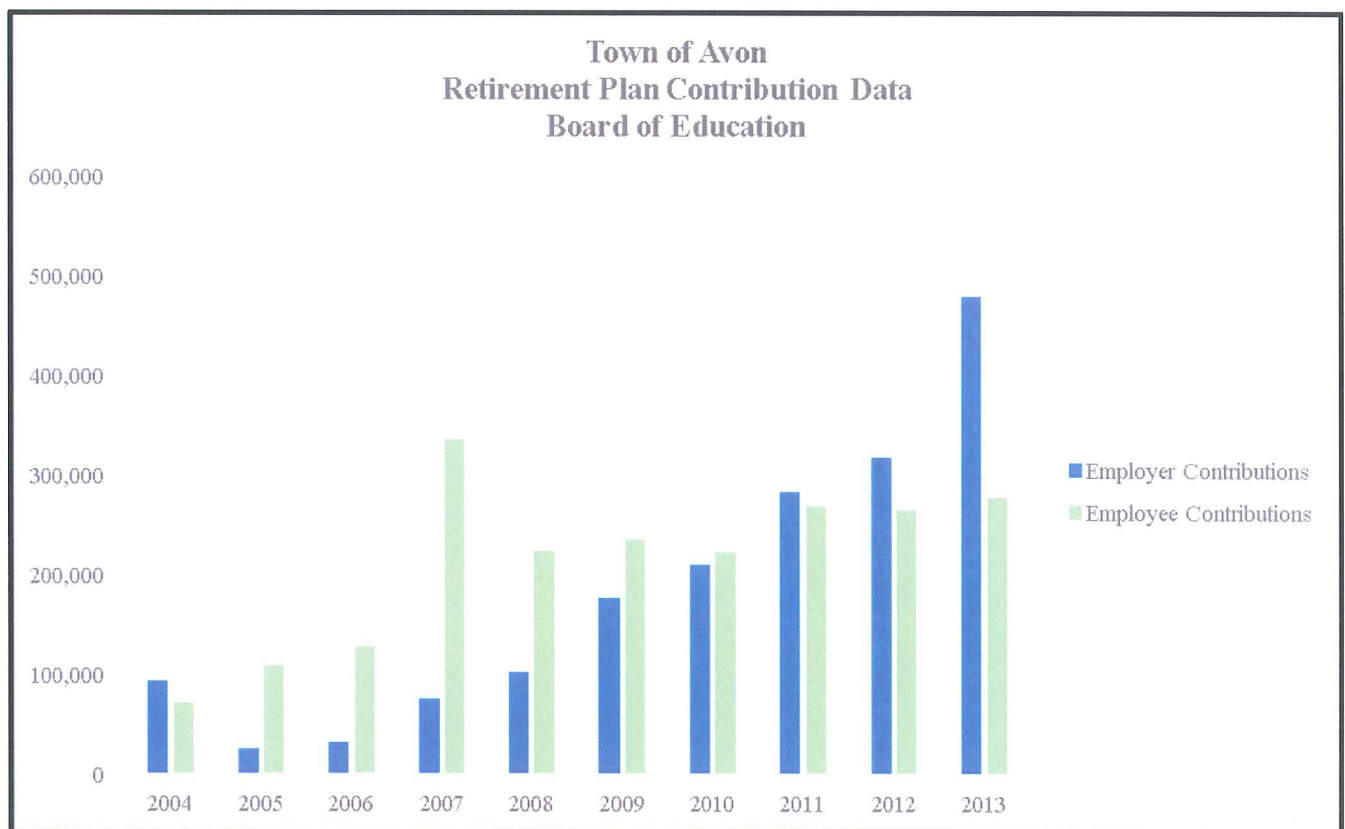
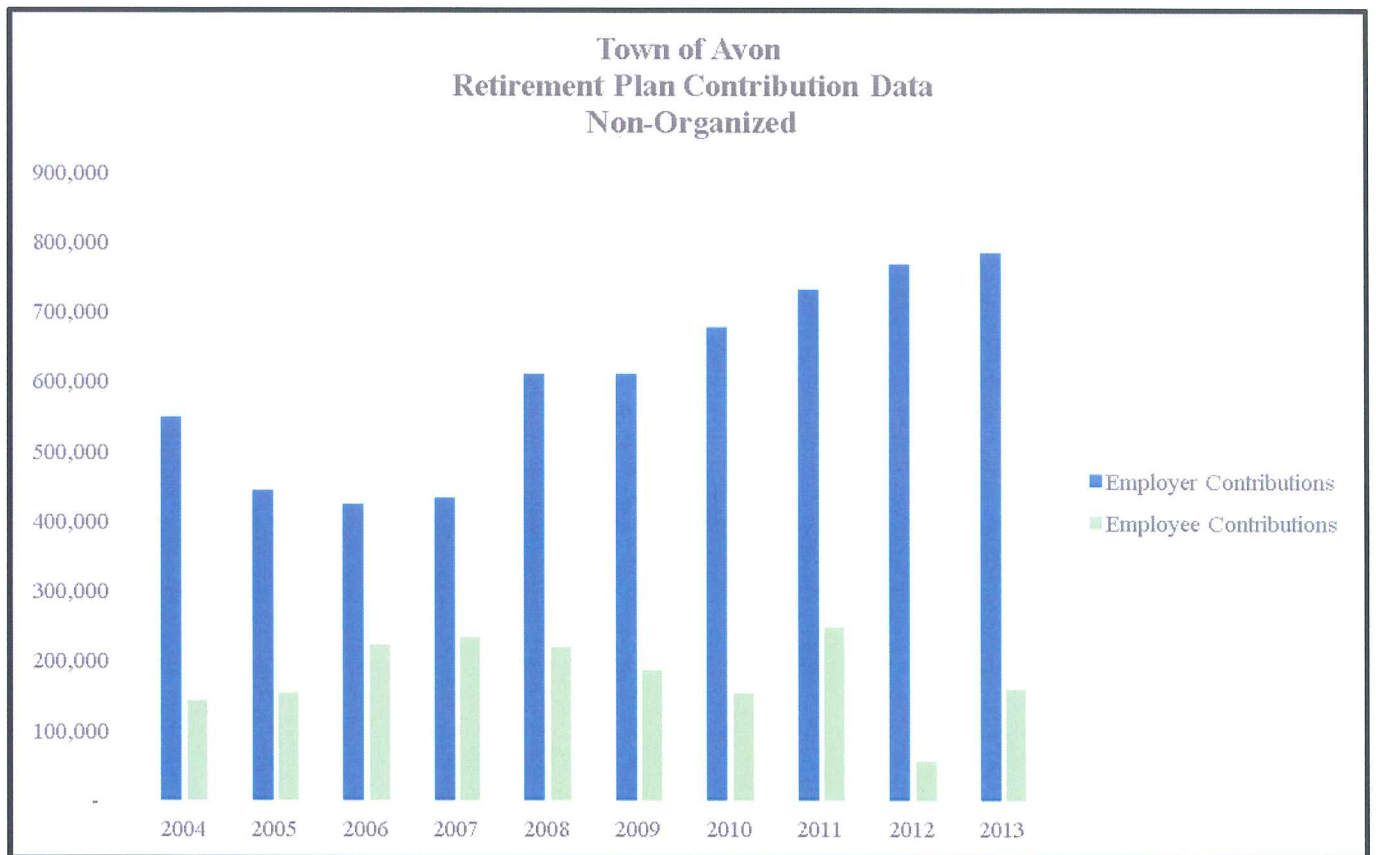
The Employees Retirement Pension Trust Fund is used to report the accumulation of resources for pension benefit appropriations and payments to qualified Town and Board of Education employees. The Town also maintains five agency funds. They are the AHS, AMS, RBS and PGS Student Activity funds, and the 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.

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.

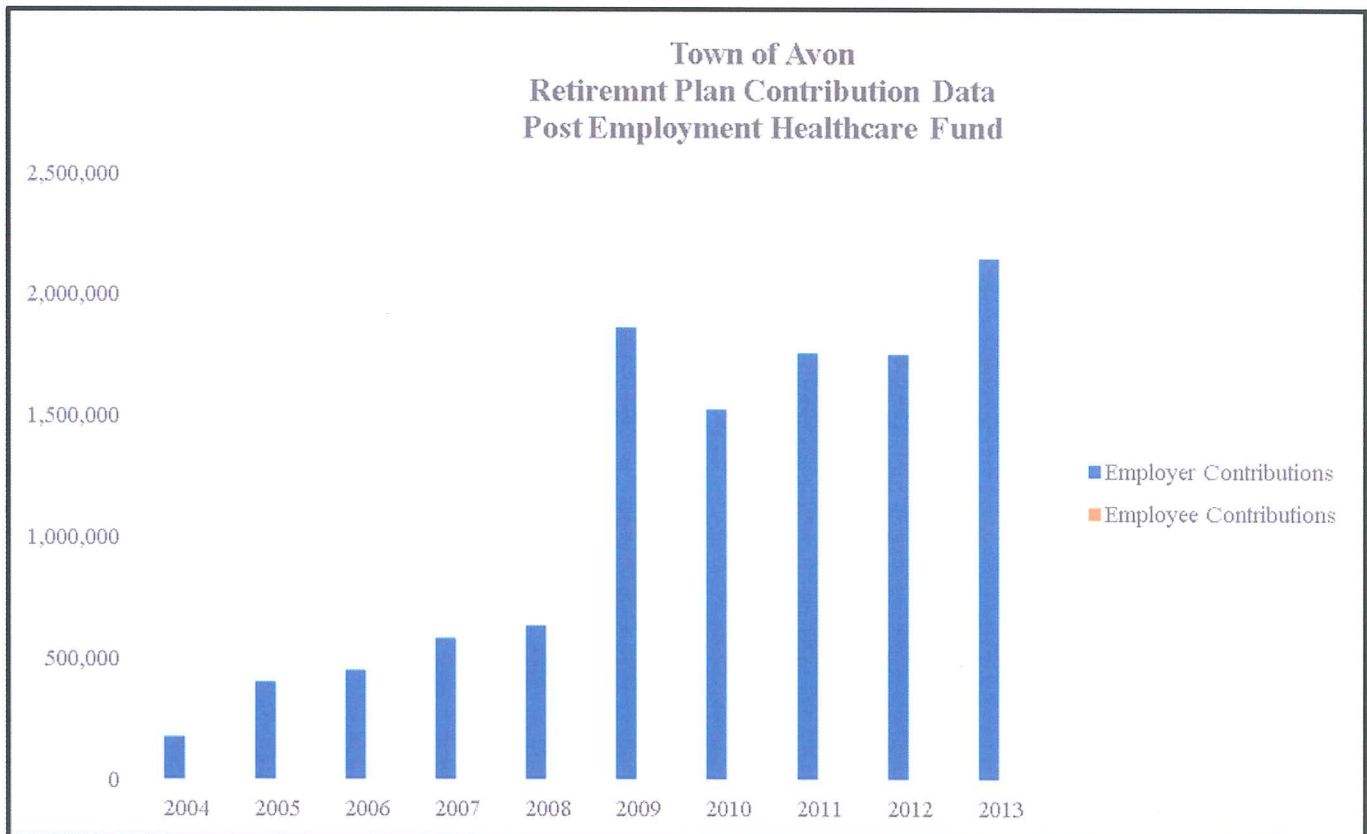
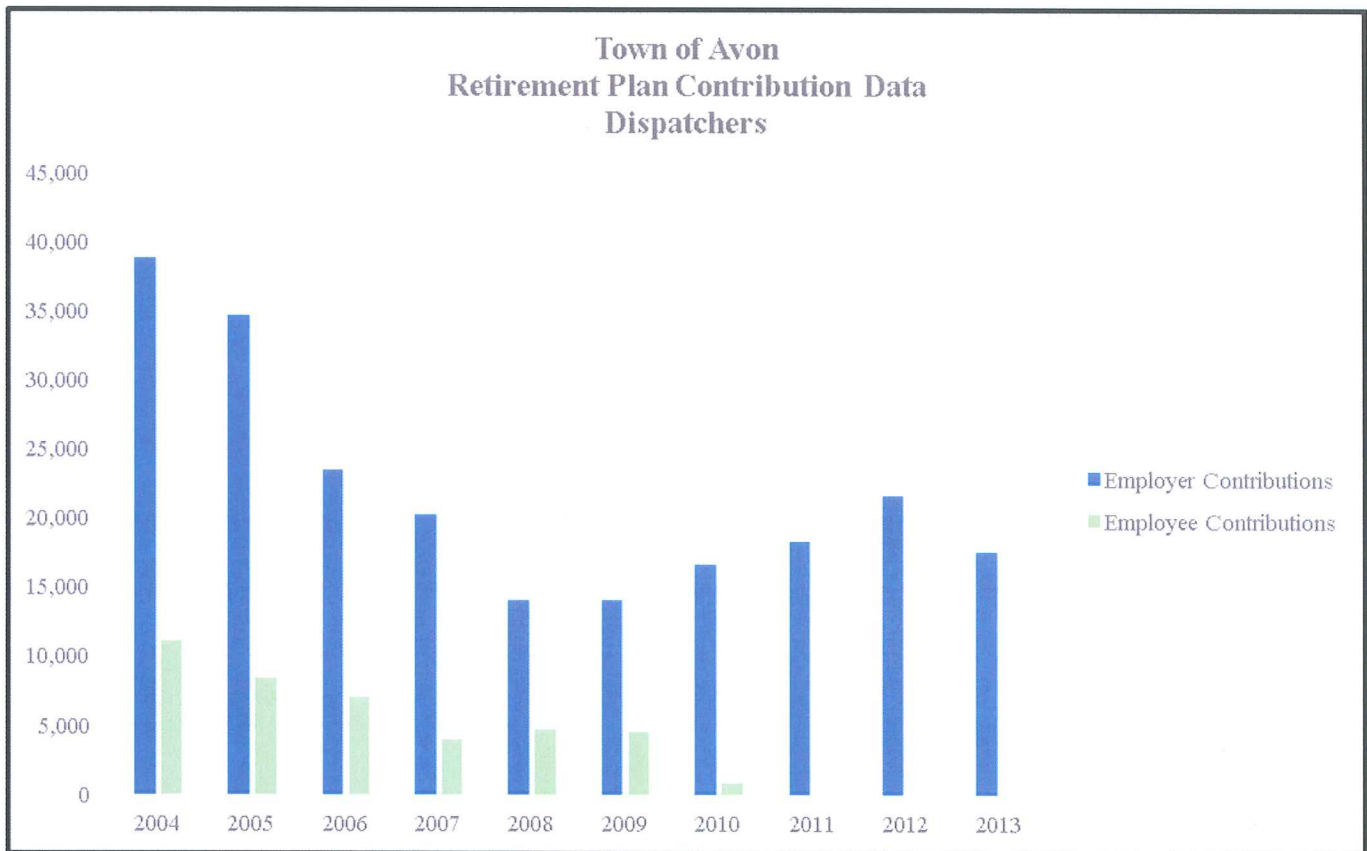
BUDGET	2012/13 ACTUAL	2013/2014 BUDGETED	2013/2014 ESTIMATED	2014/15 REQUESTED TOWN MANAGER	2014/15 RECOMMENDED TOWN COUNCIL	2014/15 ADOPTED	2014/15 DOLLAR INCREASE/ (DECREASE)	2014/15 PERCENT INCREASE/ -DECREASE
<b>REVENUES:</b>								
Operating Revenues 'from':								
General Fund								
General Government (Town)	\$2,108,377	\$2,244,492	\$2,244,492	\$2,470,397	\$2,470,397	\$2,470,397	\$225,905	10.06%
FB Assigned for Pension	\$60,000	\$120,000	\$120,000	\$132,500	\$132,500	\$132,500	\$12,500	10.42%
Board of Education	318,093	480,000	480,000	490,386	490,386	490,386	\$10,386	2.16%
Total General Fund	\$2,486,470	\$2,844,492	\$2,844,492	\$3,093,283	\$3,093,283	\$3,093,283	\$248,791	8.75%
Sewer Fund	49,761	53,231	53,231	58,592	58,592	58,592	\$5,361	10.07%
<b>TOTAL REVENUES</b>	<b>\$2,536,231</b>	<b>\$2,897,723</b>	<b>\$2,897,723</b>	<b>\$3,151,875</b>	<b>\$3,151,875</b>	<b>\$3,151,875</b>	<b>\$254,152</b>	<b>8.77%</b>
<b>BUDGET:</b>								
<b>APPROPRIATIONS:</b>								
General Government (Town)	\$2,168,377	\$2,364,492	\$2,364,492	\$2,602,897	\$2,602,897	\$2,602,897	\$238,405	10.08%
Board of Education	318,093	480,000	480,000	490,386	490,386	490,386	\$10,386	2.16%
Total General Fund	\$2,486,470	\$2,844,492	\$2,844,492	\$3,093,283	\$3,093,283	\$3,093,283	\$248,791	8.75%
Sewer Fund	49,761	53,231	53,231	58,592	58,592	58,592	\$5,361	10.07%
<b>TOTAL APPROPRIATIONS</b>	<b>\$2,536,231</b>	<b>\$2,897,723</b>	<b>\$2,897,723</b>	<b>\$3,151,875</b>	<b>\$3,151,875</b>	<b>\$3,151,875</b>	<b>\$254,152</b>	<b>8.77%</b>



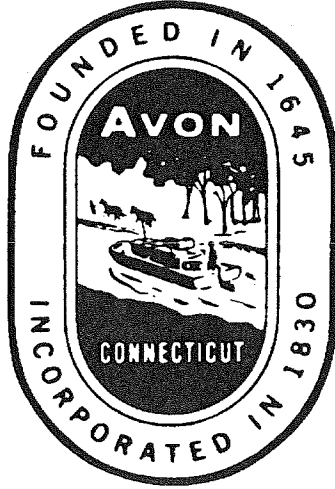
Source: June 30, 2013 CAFR, Combining Statement of Changes in Fiduciary Net Assets



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 2014/2015**

**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 2014/2015 in the amount of \$1,437,832 with contributions for annual funding within the General Fund, the Sewer Fund and the Board of Education. The Town budgeted \$680,957 for current retiree health costs, \$525,000 for a portion of the actuarially determined Post-Retiree Medical and \$106,875 from SRF Fund Balance Assigned for OPEB (ERRP). The Board of Education's contribution for fiscal year 2014/2015 in the amount of \$25,000 is for a portion of the actuarially determined Post-Retiree Medical costs. In fiscal years 2011/2012, 2012/2013, and 2013/2014, \$25,000 was budgeted by the Board of Education for a portion of the actuarially determined Post-Retiree Medical costs.

<b>BUDGET:</b>	202/2013 ACTUAL	2013/2014 BUDGETED	2013/2014 ESTIMATED	2014/2015 REQUESTED TOWN MANAGER	2014/2015 RECOMMENDED TOWN COUNCIL	2014/2015 ADOPTED	2014/2015 DOLLAR INCREASE/ (DECREASE)	2014/2015 PERCENT INCREASE/ -DECREASE
<b>REVENUES:</b>								
Operating Revenues 'from':								
General Fund:								
Claims & Losses –								
Hospitalization								
Retiree Health (Town)	\$977,209	\$1,110,917	\$1,110,917	\$1,150,842	\$1,150,842	\$1,150,842	\$ 39,925	3.59%
FB Assigned for OPEB	50,000	0	0	100,000	100,000	100,000	100,000	100.00%
FB Assigned for OPEB (ERRP)	0	100,000	100,000	106,875	106,875	106,875	6,875	6.88%
Retiree Health (BOE)	25,000	25,000	25,000	25,000	25,000	25,000	0	0.00%
Total General Fund	1,052,209	1,235,917	1,235,917	1,382,717	1,382,717	1,382,717	146,800	11.88%
Sewer Fund	40,178	50,568	50,568	55,115	55,115	55,115	4,547	8.99%
<b>TOTAL REVENUES</b>	<b>\$1,092,387</b>	<b>\$1,286,485</b>	<b>\$1,286,485</b>	<b>\$1,437,832</b>	<b>\$1,437,832</b>	<b>\$1,437,832</b>	<b>\$151,347</b>	<b>11.76%</b>
<b>BUDGET:</b>								
<b>APPROPRIATIONS:</b>								
Trust Fund:								
General Government	\$164,647	\$ 194,464	\$ 194,464	\$ 218,036	\$ 218,036	\$ 218,036	\$ 23,572	12.12%
Public Safety	485,577	573,527	573,527	643,060	643,060	643,060	69,533	12.12%
Public Works	285,041	337,447	337,447	376,772	376,772	376,772	39,325	11.65%
Health & Social Services	11,720	13,842	13,842	15,520	15,520	15,520	1,678	12.12%
Recreation & Parks	77,011	90,957	90,957	101,984	101,984	101,984	11,027	12.12%
Cultural & Education	19,951	23,564	23,564	26,421	26,421	26,421	2,857	12.12%
Conservation & Development	23,440	27,684	27,684	31,039	31,039	31,039	3,355	12.12%
Retiree Health (BOE)	25,000	25,000	25,000	25,000	25,000	25,000	0	0.00%
<b>TOTAL APPROPRIATIONS</b>	<b>\$1,092,387</b>	<b>\$1,286,485</b>	<b>\$1,286,485</b>	<b>\$1,437,832</b>	<b>\$1,437,832</b>	<b>\$1,437,832</b>	<b>\$151,347</b>	<b>11.76%</b>