

TOWN OF AVON CONNECTICUT

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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TOWN OF AVON, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Town of Avon

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December 23, 2021

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 annual comprehensive financial report of the Town of Avon for the fiscal year ended June 30, 2021.

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 CliftonLarsonAllen LLP, 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, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Avon's financial statements for the fiscal year ended June 30, 2021, 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 nineteenth year the report has been prepared using the financial reporting requirements outlined in GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State of Local Governments*. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Avon

Avon, formerly Northington, or North Parish of Farmington, was settled in 1645. In 1830, after the construction and opening of the Towpath Canal, Avon was incorporated as a separate Town and took its name from the Avon River in England. Avon is located approximately ten miles west of metropolitan Hartford, has a land area of 23.2 square miles according to the 2016 Plan of Conservation and Development and an estimated population of 18,932 according to figures reported by the U.S. Department of Commerce (the United States Census).

The Town's topography includes many interesting natural features. Steep ridges and rolling hills give Avon its unique character. Avon is at 93% build-out, but there remains approximately 7% 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 Chairperson 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 three districts and required three polling locations. The increase in population resulted in an increased number of voters, required an additional polling place, bringing it to a total of three.

Most homes in Avon are single-family homes with a median of 7.4 rooms selling anywhere from \$300,000 to over \$1,000,000. Condominiums are generally valued between \$150,000 and \$500,000. Roughly 7,957 acres of land have been developed for residential purposes resulting in 5,323 single family, 1,829 condominiums, and 538 apartments. Approximately 590 acres of land have been developed for commercial and industrial uses. At present, there are approximately 850 businesses located in Avon. The Town's two business parks still have remaining undeveloped land which can support about 400,000 square feet of additional office and industrial space and 150,000 thousand square feet of retail space. Avon is served by Connecticut Routes 10, 44 (Albany Turnpike), 167, 177, and 202 (16 miles of state roads) that provide thoroughfare access to the 110 miles of Town roads and 23.3 miles of private roads. Interstate 84, a major east-west limited access highway, lies six miles to the south. Numerous public and private passenger and freight common carriers serve the Town. Bradley International Airport is a half-hour drive to the north. Passenger and freight rail service is available in Hartford ten miles to the east.

The Town of Avon provides municipal services in the functional areas of police, a volunteer fire department, public works including engineering, health and social services, recreation and parks, library, planning and community development including zoning, and a K-12 public education system. The Town has no sewer treatment facility of its own, but instead contracts with the neighboring towns of Canton, Farmington, and Simsbury for treatment of sewage effluent. The Town adopts an annual budget for its General Fund and nine nonmajor Special Revenue funds: Sewer, State and Federal Education Grants, Cafeteria, Recreation Activities, Local Capital Improvement Program, Forest Park Management, Use of School Facilities, Town Aid Road, and Police Services. 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

Avon is a desirable low-density suburban community with excellent schools and a high standard of living. Avon continues to experience a moderate increase in the number of new home permits. In fiscal year 2020-2021, a total of 17 new, single-family homes were permitted with the average value of a residence in the amount of \$268,437 (not including the cost of a building lot) and an average house size of 2,571 square feet. Commercial permits and other types of residential permits continue to dominate, with the number of plan reviews and inspections required remaining high.

As of June 2021, the Town's unemployment rate of 4.5% compares favorably to the state's rate of 6.8%. Avon's per capita personal income is \$71,347, versus the state's average, which is \$44,496.

Avon is fortunate to have a well-balanced diverse mix of business and industrial uses, medical services, and a variety of quality housing. Major industries with headquarters or divisions located within the Town of Avon include Oldcastle Infrastructure, Inc., concrete

product supplier; Connecticut-On-Line Computer Center, a centralized computer facility for northeast banks; Ironwood Capital Management; PMP Corporation, formerly Petroleum Meter and Pump; Trend Offset Printing Inc., a California based company; Legere Group Ltd., woodworking; O.F.S. Fitel LLC, a fiber optics manufacturing facility; and Orafol Americas Inc. of Germany (formerly Reflexite Film Fibers, Inc.) World Headquarters (located in Avon Park South). Several major medical or insurance-related companies are also located in Avon including Magellan Health, Women's Health USA; AUL Reinsurance Management Services; Ballentine Capital Management, Inc.; Apple Rehabilitation Inc.; Adams and Knight Inc., integrated marketing agency; ERC Long-Term Care Solutions; and the Research and Development Center for iDevices.

The Town's central business district currently enjoys a 93% occupancy rate with a variety of specialty shops and commercial businesses. Presently, there are more than 1,000,000 square feet of existing retail space, 950,000 square feet of office space, and 600,000 square feet of manufacturing space primarily with access along Route 44, with average daily traffic volume between 19,500 and 28,900 vehicles. Town estimates there are roughly 400,000 square feet of future expansion availability evenly split between office and industrial with about 150,000 square feet of possible future retail expansion. There are nine bank branch offices located in Town including several national and community-based banks. Avon is home to three championship golf courses, two private and one public. The Blue Fox Run Golf Course was voted one of the nation's 10 best woman-friendly public courses. There is a wide array of medical services available in Town, including the Avon Wellness Center, a 75,000-square foot facility operated by Hartford Hospital, the Saint Francis Hospital Medical Center housed in a 25,000 square foot facility, the 20,000 square foot Helen and Harry Gray Cancer Treatment Center operated by Hartford Hospital, and the Hartford Hospital walk-in clinic operating in a 20,000 square foot building. Avon also has a senior housing community for Independent Living, Assisted Living and Reflections Memory Care: the Residence at Brookside. Several large projects were completed in the last five years: Hartford Healthcare Urgent Care Center on Route 44 added to the existing medical services, a 62,500-square-foot assisted living building, "The Residence at Brookside", was constructed at 117 Simsbury Road, and Raymour & Flanigan constructed an additional 15,000 square feet to the existing building located at 15 Waterville Road. Currently continuing through Phase 1A of construction is the Avon Village Center project, which includes a Whole Foods building, as well as four additional commercial buildings, two residential structures, and all infrastructure related to these facilities.

The year 2021 was an active one for the Avon Historical Society. With a grant from Farmington Bank Community Foundation, it presented a five-part virtual series, in partnership with the Avon Free Public Library and Avon Senior Center, entitled "Unearthing History: The Discovery of a 12,500-year-old PaleoIndian Site along the Farmington River" with expert speakers in archaeology, geology, anthropology and an update on the Brian D. Jones site in Avon. Over 800 people participated via Zoom or watched it later on YouTube. A second series is planned for 2022 to continue the exploration of this time in world history. Additionally, the Town of Avon, in partnership with the Avon Historical Society, started a multi-year adaptive reuse of Schoolhouse No. 3 located at 8 East Main Street to make it into a state-of-the art museum to open in 2023 in time for the building's birthday when it becomes the Town's oldest structure. The Avon Police Department continues to strive for national re-accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The Department has been awarded this accreditation since 1993; it serves as the international gold standard for Public Safety agencies.

The October 1, 2019 Grand List increased by \$13,625,656 to \$2,572,968,792, or an increase of .532%, from the 2018 Grand List of \$2,559,343,136. The Town conservatively budgets revenues, such as building permit activity and conveyance fees, which are highly

dependent on the economy and current market conditions. Building permits issued for 2020-2021 indicate a total value of \$38,912,692. The Town is not highly dependent on State revenues (represents 3.41% of the Town's total revenues), and because the Town's budget process occurs much earlier than the State's budget schedule, it forces the Town to estimate grants at the current level of funding or based upon the legislative estimates provided at that time. This approach has worked well for the Town.

Avon's Annual Budget document was recently featured as a case study in the second edition of *Understanding Government Budgets: A Guide to Practices in the Public Sector* by R. Mark Musell and Ryan Yeung. The textbook is intended for graduate and undergraduate public administration students and provides a survey on budgeting in the public sector at the federal, state and local levels. Avon serves as a case study for best practices in local government.

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. Future development will focus on infill rather than straight green field development. The current mix of 70% single-family homes and 30% multi-family homes has generally served the Town well. This ratio has provided opportunities for buyers and renters at varying levels of income and ages. Avon is recognized as a desirable community in which to live. Slight increases in affordable/attainable housing are also on the horizon. A development for 250-unit apartment complex in dwelling duplexes and quadraplex was recently approved at Avon Mill on Waterville Road.

Avon was given an A+ grade in Niche's 2021 "Best Places to Live" in Connecticut, and maintained its high ranking, coming in at #3 in Niche's 2021 "Best" for suburbs to buy a house and to raise a family in Connecticut. Families with children seek access to Avon's excellent school system, and an increasing number of older active adults anxious to take advantage of Avon's lifestyle and amenities, have kept housing prices relatively stable. The baby boom generation, those residents born between 1946 and 1964, comprise a significant portion of the Town's overall population. As a result, we can expect a greater demand in the future for services and a variety of alternative housing choices for seniors. This trend will include a demand for smaller housing units near services and shopping, active adult and senior living facilities, and specialized transportation. A predicted drop in school-age population, a projected reduction in total debt, and anticipated tax revenues from the 1.2M square-foot Avon Village Center mixed-use project, should result in a favorable situation over the next planning period, permitting the Town to continue to offer a top tier educational system and high quality services, while maintaining a modest tax rate. Commuters passing through Avon, the employees of our businesses, the patrons of our stores, health facilities, tourists and professional offices, the inflow and outflow results in more traffic, leading to additional demands for services and increased use of our municipal infrastructure. Expenditure growth in four functions were level to, or exceeded, the growth of Town expenditures as a whole. For a ten-year period, expenditures in the public safety function grew 35%, due to town growth and increased demands for services; public works expenditures grew 12%, again, attributed to town growth, increased demands for services and increased road maintenance; and in health and social services, the growth at 38%, due to increased numbers and client services. Expenditures for the Board of Education function grew at 32%, mostly due to transportation and labor contracts; all compared with a 23% increase in total Town expenditures.

Avon's Public Schools continue to be recognized as one of the most outstanding communities for education in the State of Connecticut. A rigorous curriculum, outstanding teachers, and a community invested in high quality education provide students with the foundation needed to be successful. Avon High School, with just under 1,000 students, is

consistently ranked among the most competitive high schools at both the state and national levels. In the graduating class of 2021, Avon Public Schools proudly announced one National Merit Scholarship winner, four National Merit Finalists and 18 Commended Scholars. Avon also remains among the highest scoring districts statewide on the SAT. Students participated in a total of 559 Advanced Placement tests, achieving scores of 4 or 5 on 62% of the exams. 94% of graduates enrolled in an accredited college or university. Niche, an on-line source that provides in-depth profiles on every school and college in America utilizing powerful search and data tools has ranked the community of Avon the third Best Place to Live in CT due in part to its highly rated public schools; giving A+ ratings for both Avon High School and Avon Middle School and A- to Thompson Brook School, Pine Grove School and Roaring Brook School.

In the latest edition of *US News & World Reports*, Avon High School received a score of 95.78 out of 100 and ranked 753 in the National Ranking of all high schools in the nation; 17th in Connecticut.

To ensure Avon's students are taught using current and relevant curriculum, content areas are constantly reviewed and revised. To enhance the learning experience for students, while providing them with digital literacy and technology skills that will help them throughout their education and in life, 1:1 Chromebooks are provided for all students in grades kindergarten through 12th grade. The Chromebooks also provide students with access to a number of online programs to supplement their learning. The district also recently purchased new interactive display panels which will allow teachers to wirelessly connect to the panels to use during instruction.

Long-Term Financial Planning

Avon recognized the value of allowing residents a realistic methodology to estimate changes in the Grand List, and in their individual property values, and project tax impacts of additional town borrowings over various periods of time. In a collaborative effort between the three boards (Town Council, Board of Finance, and Board of Education), Town management and the Town's financial advisor, a "formula" was developed whereby residents and business can visit the town website, enter in their individual assessed values (also available on the website) and obtain an estimate of the additional tax payments that would be required on a monthly and annual basis to cover the cost of any proposed bonding projects. The Town expanded this methodology by creating a tax calculator that allows residents to view the impact of the revaluation of property when it occurs and for every proposed budget, including the 2020-2021 fiscal year.

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

In May of 2012, the Town was pleased to learn that the State of Connecticut committed to fund 100% of the cost for the Old Farms Road Bridge replacement, Rt. 10 intersection

improvements, and reconstruction of Old Farms Road between Rt. 10 and Tillotson Road. These projects have been on the Town's CIP program for more than twenty-five years. The Engineering Department worked with the Connecticut Department of Transportation on the project's final design and permitting, and construction commenced in 2019. The project received a notice of Substantial Completion from the CT DOT in July 2020 with only minor items such as final landscaping and restoration of the construction trailer site remaining as of October 2020. This was nearly three months ahead of the contracted schedule and included amenities that were not in the original contract.

On March 15, 2016, the Town closed on \$11.4 million General Obligation Refunding Bonds. A refunding means that future interest payments cease and principal payments are refinanced through a bond issue at lower interest rates. In order to maintain maximum control of the process, and to realize as close to the projected savings as possible, the bonds were sold on a negotiated basis. Additionally, the retention of an independent Pricing Agent assured that the Town received the best rate available in the market on the day of pricing. The refunding will result, over a span of Fiscal Years 2016 through 2027, a total budgetary savings of \$385,413.

The Town presented, and adopted, at referendum in December 2018, a combined appropriation of \$6,885,000 (all authorized for issuance of notes and bonds) for two projects: the Avon High School Synthetic Turf Field and Track Improvements Project and the Town and Public Safety Communication System Replacement Project. The Town issued a \$3,275,000 General Obligation Bond dated June 16, 2020 for the entire amount of \$2,995,000 for the turf fields and \$280,000 for a portion of the communication system. In preparation for the issuance of the bond, the Town's AAA rating was reaffirmed by both Standard & Poor's and Moody's following a ratings review process. Interest rates range from 2% to 4% over the next 15 years. More information on these projects are on page viii.

Relevant Financial Policies

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

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

A trust fund for other post-employment benefits was created, which allows the Town to invest more aggressively for this liability. The pension investment advisor makes recommendations as to how the money is invested and the Ad Hoc Pension Investment Advisory Committee reviews the recommendation before approval and implementation. In 2018 the Investment Policy Statements (IPS) for the Town and the Board of Education were amended to rebalance between equities and fixed income in order to perform to the actuarial investment return assumptions. The Retiree Medical Benefits Reserve Fund,

which was created pursuant to the authority granted under Section 7-403a of the Connecticut General Statutes, will continue to exist until exhausted with a portion transferred to the trust fund on an annual basis to supplement the budgeted amount. The plan is to phase-in, increasing the contribution, so that in the final year of the phase-in, the annual required contribution would be met.

The Town has acted to establish policies regarding Fund Balance. On December 6, 2001, the Town Council adopted a policy to establish, as a long-term goal, a 10% Unreserved Undesignated General Fund Balance and to retain sufficient undesignated fund balances (10% or more) in the Special Revenue Funds. There was a budgeted use of Unassigned General Fund Balance in the fiscal year 2020-2021 budget in the amount of \$1,800,000. Even in the face of increasing operating costs for the Town government, Avon has been able to maintain an adequate surplus in its General Fund. To further manage this surplus, the Board of Finance adopted a policy on the use of surplus funds in December of 2006. Use of the funds may be granted by the Board after receiving a showing of substantial support by the requesting authority and finding that “such use will meet an extraordinary need or unusual opportunity.”

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

Per State law, each approved subdivision must contribute a portion of the total property to the Town as dedicated open space or make a payment to the Town in lieu of this land dedication. The Open Space Fund is currently at \$650,861; its purpose is for the acquisition of open space in other areas of Town. The Town is constantly looking to acquire open space when it makes sense and is reasonably priced.

Major Initiatives

Throughout the year, staff monitored a number of COVID-19 related funding sources at the state and federal levels and submitted reimbursement requests under these programs. The Town has received over \$150,000 in funding from FEMA and the federal Coronavirus Relief Fund program for expenditures in fiscal years 2019-2020 and 2020-2021. This funding was used for expenditures required to protect the health of staff and preserve the continuity of operations during the height of the pandemic. The Board of Education received additional funding allotments for educational needs. Additionally, the Town anticipates receiving over \$5.4 million over the next two years through the American Rescue Plan Act. Staff continues to review the complex guidelines detailing allowable uses of the funds in order to develop recommendations for their use.

The communication system replacement project, which was approved in a December 2018 referendum, unfortunately, is unable to proceed as originally designed and approved. Town staff continue to work diligently through collaboration with an independent consultant, the vendor for the project, and the State to redesign the project and identify a combination of sites that will allow for the project to move forward. This redesign process has been positive as it has given the Town the opportunity to consider utilizing shared components of the State’s system in its new design, increasing the Town’s capabilities and avoiding some of the capital costs associated with a standalone system.

In February, a donation was received from the Avon Community Recreational Neighborhood, Inc. (ACORN) towards the installation of athletic lighting at the synthetic turf

field and track at Avon High School. The Town contributed the balance of the project cost and the lights were installed in spring 2021.

Another major project was the replacement of the geothermal HVAC system at the Library. The system, installed during the 2012 renovation and expansion project, has experienced multiple failures since its installation. Work to replace the existing system with a more conventional and robust version of geothermal technology began in February 2021 and the new system was powered up in late June. In the coming months, the Library courtyard will be restored. A total of \$1.8 million was appropriated for this project over several fiscal years.

The Avon Village Center project, a \$225 million mixed-use development, has progressed throughout the year. Most notably, the development's new public roads and the Town's first roundabout opened to traffic in spring 2021. Whole Foods opened in fall 2021 and a number of smaller tenants have come forward to lease some of the available retail spaces. Town staff continue to work closely with the developer to ensure that the project is built according to the approvals of the Planning & Zoning Commission and the Town's overall vision for the area. Construction of a retail building behind Whole Foods is nearing completion. The newest building under construction is located right next to a bike trail and will house public rest rooms. The bike trail has been reopened to the public. Two additional buildings in Phase 1A are under construction and scheduled to be completed in August 2021.

The Town continues to contract out for grounds and building maintenance, some equipment maintenance, janitorial services, snow removal and catch basin cleaning. The Town participates in regional purchasing and cooperative bidding through the State of Connecticut, CRCOG, Connecticut Conference of Municipalities (CCM), OMNIA, Sourcewell, Connecticut Library consortium, CEN/Nutmeg Network, and other consortiums. The Town, with CCM, offers residents a prescription discount card program, and with the Community Renewal Team, provides lunches to senior residents at the Avon Senior Center. The Town participates in Household Hazardous Waste Collection in a regional cooperative program, Animal Control Officer cost sharing agreement with the Town of Canton, and numerous joint processes for the Town and Board of Education procurement of property and casualty insurance, various employee benefits and for a health and wellness consultant.

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, 2020. This was the thirty-eighth 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 GFOA presented a Distinguished Budget Presentation Award to the Town of Avon for its annual budget for the fiscal year beginning July 1, 2021. This was the thirty-seventh consecutive year that the government has achieved this prestigious award. In order to receive this award a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report could not have been accomplished without the dedicated services of the Finance group, Cruz Saubidet, Christine Pescatore, Laurie Dorn, Jeff Morrow, and Paul Sarpong. I would like to thank the audit team of CliftonLarsonAllen LLP, for their guidance and assistance. Due credit should also be given to the Town Manager, Superintendent of Schools, Board of Education's Business Manager, the Town Council, the Board of Finance, and the Board of Education for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tom DiStasio".

Tom DiStasio, CPA
Director of Finance

**TOWN OF AVON
PRINCIPAL OFFICIALS
AT JUNE 30, 2021**

TOWN COUNCIL

Heather Maguire, Chairperson
Jeff Bernetich James Speich
Don Polhamus Anthony Weber

BOARD OF FINANCE

Thomas F. Harrison, Chairman
Ken Birk Catherine Durdan, Vice-Chair
Margaret Bratton Katrina Marin
Catherine Salchert Ellen Retelle

BOARD OF EDUCATION

Debra Chute, Chairperson
Jacqueline Blea Jay Spivak, Vice-Chair
David Cavanaugh Bogdan Oprica
Jeffrey S. Fleischman Lisa Seminara
Jason Indomenico Laura Young

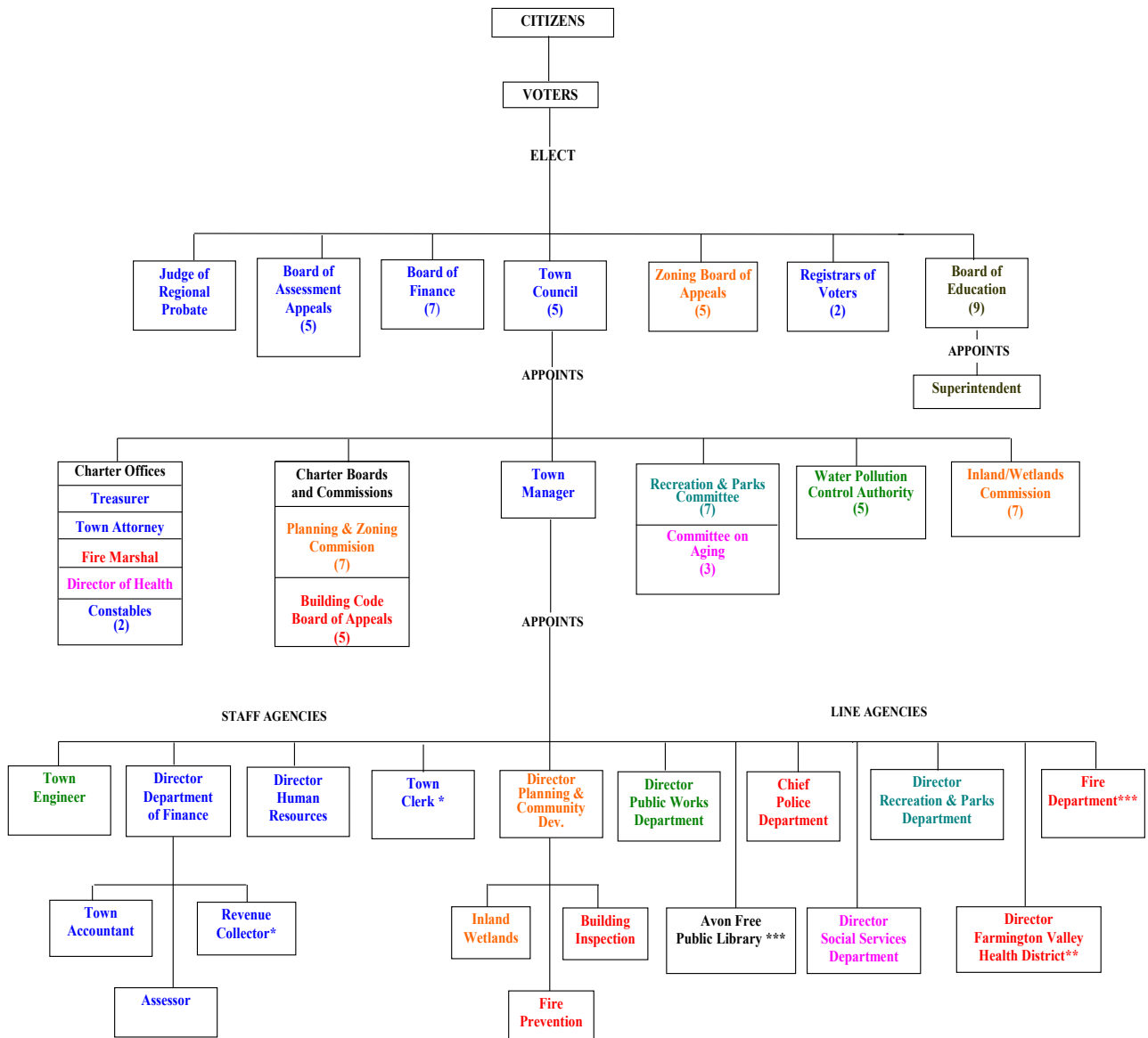
GENERAL GOVERNMENT

Town Manager	Brandon Robertson
Town Accountant	Laurie Dorn
Town Attorney	Alfred E. Smith, Jr.
Town Clerk	Ann L. Dearstyne
Town Engineer	Lawrence E. Baril
Town Planner	Hiram Peck
Town Treasurer	James R. McCarthy
Director of Finance	Thomas G. DiStasio
Director of Human Resources	Stephanie Askeland
Director of Recreation & Parks	Ruth Checko
Director of Social Services	Alan E. Rosenberg
Director of Public Works	Bruce Williams
Assessor	Harry DerAsadourian
Building Official	Raymond Steadward
Collector of Revenue	Deborah Fioretti
Librarian	Glenn Grube
Director of Police Services	James V. Rio
Fire Chief	Bruce Appell

EDUCATION

Superintendent of Schools	Bridget Heston Carnemolla
Business Manager	Susan Russo

TOWN OF AVON ORGANIZATIONAL CHART



* Recommended by Town Manager, approved by Town Council.

** The Town participates in a Regional Health District.

*** The Town funds the Avon Volunteer Fire Department and Avon Free Public Library, Inc.

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



Government Finance Officers Association

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, 2020

Christopher P. Morill

Executive Director/CEO



Independent Auditors' Report

To the Board of Finance
Town of Avon, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Avon, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During fiscal year ended June 30, 2021, the Town of Avon, Connecticut, adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the Town of Avon, Connecticut, reported a restatement for the change in accounting principle (see Note 8). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

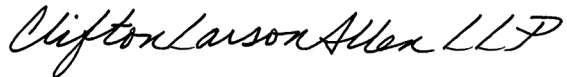
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Avon, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021 on our consideration of the Town of Avon, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Avon, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Avon, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 23, 2021

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021. 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 2021 fiscal year by \$105,901,645 (net position). Of this amount, a negative value of \$21,871,642 represents the portion that is unrestricted, which is primarily attributable to the recognition of long-term liabilities for pension and other postemployment benefits (OPEB) on a government wide basis as required by GAAP.
- Total net position increased \$7,850,811 due to favorable results in intergovernmental grant revenues, charges for services, and expenses. Board of education expenses increased due to the recognition of "on-behalf" contributions to the state teachers' retirement program and OPEB. An equal amount of revenue associated with these "on-behalf" contributions offsets the recognition of these expenses and is included in the operating grants and contributions program revenue category.
- As of the close of the current fiscal year, governmental funds reported combining ending fund balances of \$31,967,562, a decrease of \$553,998 from last year's \$32,521,560. Of this total amount, \$139,379 is nonspendable (prepaid, inventory, or restricted), \$993,901 is restricted by governmental grant requirements or other legal restrictions, \$14,934,277 is committed by the Town Council (budget-making authority), \$3,303,281 is assigned, and \$12,596,724 (\$12,718,912 of which is part of the General Fund) is available for spending at the government's discretion (unassigned fund balance). The (\$122,188) unassigned fund balance in "nonmajor governmental funds" is a negative amount due to a \$110,702 grant recorded as a deferred inflow, as a result of the fact that the funds due to the government were not received within 60 days of year end, as well as a \$13,662 operating deficit in a fund that was established for a community event that was held in a previous fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,718,912 or 12.53% of total General Fund expenditures and transfers out of \$101,507,423, including the State's contribution and offsetting expenditures for teacher's retirement and OPEB.
- Appropriations from General Fund unassigned fund balance totaling \$1,263,584 were approved during the current fiscal year to: take advantage of grant funding available to offset the cost of a capital project, fund an emergency equipment replacement, and ensure compliance with the Town charter. General Fund unassigned fund balance will be replenished for all uses approved during the current fiscal year in fiscal year 2021/2022 through a combination of budget appropriations and grant revenues. There were no instances in which the use of General Fund unassigned fund balance was approved without a plan to replenish the entire use having been previously established.

Overview of the Basic Financial Statement

This discussion and analysis is intended to serve as an introduction to the Town of Avon's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

The Town maintains various 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 Capital Improvement Fund Account (CIFA), both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits VIII and IX of this report.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29-73 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 74-91 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 92-115 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Avon, our assets exceeded liabilities by \$105,901,645 at the close of the most recent fiscal year.

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

	Governmental Activities	
	2021	2020
Current assets	\$ 55,440,271	\$ 48,243,747
Capital assets, net of accumulated depreciation	144,708,555	144,751,767
Noncurrent assets	174,622	-
Total assets	<u>200,323,448</u>	<u>192,995,514</u>
Deferred outflows of resources	<u>3,709,107</u>	<u>3,768,094</u>
Long-term liabilities outstanding	62,113,491	76,782,590
Other liabilities	15,692,779	12,111,397
Total liabilities	<u>77,806,270</u>	<u>88,893,987</u>
Deferred inflows of resources	<u>20,324,640</u>	<u>10,051,527</u>
Net Position:		
Net investment in capital assets	126,527,955	123,550,748
Nonexpendable - purposes of trust	71,459	64,259
Expendable - purposes of trust	29,530	
Grants	174,545	
Net pension asset	174,622	
Other purposes	795,176	
Unrestricted	<u>(21,871,642)</u>	<u>(25,796,913)</u>
Total Net Position	<u>\$ 105,901,645</u>	<u>\$ 97,818,094</u>

The Town's net position increased by \$7,850,811 during the current fiscal year. Of this amount, a negative value of \$21,871,642 represents the portion that is unrestricted, which is primarily attributable to the recognition of the pension obligation and the recording of the net OPEB liability as required by GAAP. The Town generated net general revenues of \$85,931,717 and net general expenses of \$78,080,906. Gross expenses of \$112,213,661 were offset by \$9,093,388 in charges for services, \$24,506,537 in operating grants and contributions, and \$532,830 in capital grants and contributions. Of the net expenses, the largest amount was \$57,652,310, which was for the operating of the Town's school system. Net public safety expenses of \$10,128,348, net general government costs of \$2,770,146, net public works costs of \$3,807,961, net educational - cultural expenses of \$1,747,415, net recreation and parks expenses of \$810,075, net conservation and development costs of \$485,203, health and social services expenses of \$596,104, and interest expense of \$83,344 accounted for all net expenses. The majority of the Town's revenue was \$85,087,477 in property taxes, \$34,132,755 in charges for services and grants, and \$844,240 in nonrestricted grants, investment income, miscellaneous, and transfers.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental Activities. Governmental activities increased the Town's net position by \$7,850,811. Key elements of this decrease are as follows:

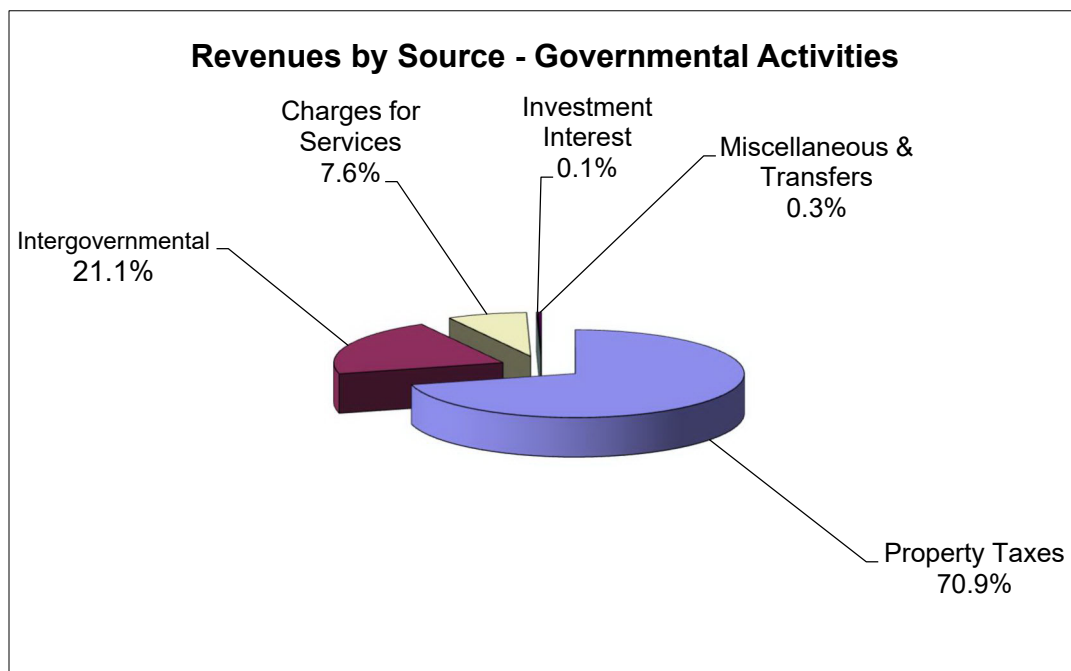
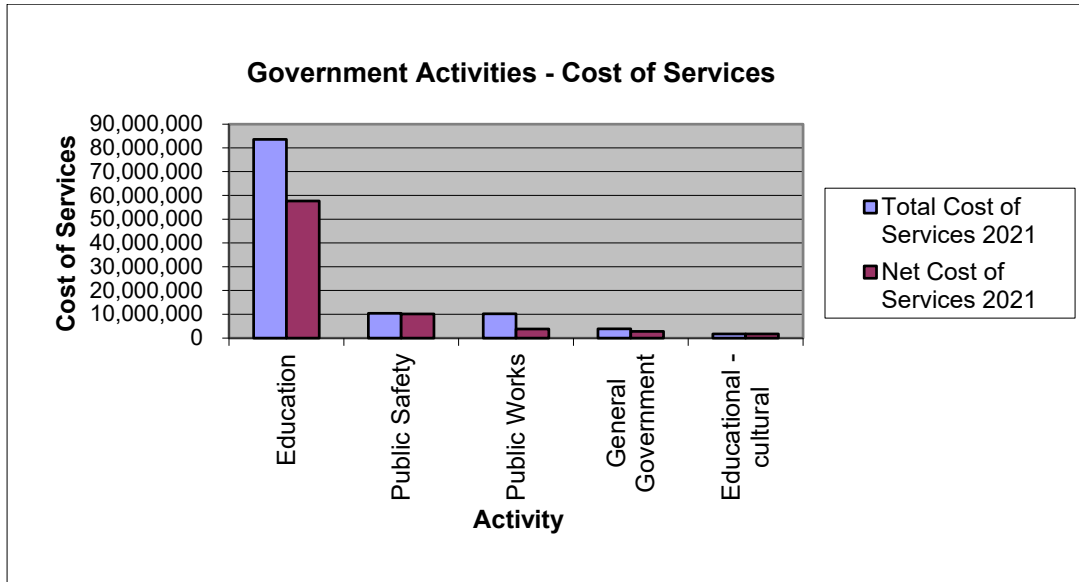
	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 9,093,388	\$ 10,343,698
Operating grants and contributions	24,506,537	17,539,610
Capital grants and contributions	532,830	18,846
General revenues:		
Property taxes	85,087,477	84,757,302
Grants and contributions not restricted to specific programs	266,473	267,287
Investment income	113,598	665,824
Miscellaneous	464,169	398,320
Total revenues	<u>120,064,472</u>	<u>113,990,887</u>
Program Expenses:		
General government	3,862,914	4,438,962
Public safety	10,420,926	12,029,141
Public works	10,199,133	9,841,578
Health and social services	621,989	577,294
Recreation and parks	1,270,380	1,276,822
Education - cultural	1,747,856	1,960,605
Conservation and development	490,204	724,082
Board of Education	83,516,915	76,017,437
Interest expense	83,344	88,928
Total program expenses	<u>112,213,661</u>	<u>106,954,849</u>
Change in net position	7,850,811	7,036,038
Net Position - Beginning of Year	97,818,094	<u>90,782,056</u>
Restatement	232,740	
Net Position - Beginning of Year, as restated	<u>98,050,834</u>	
Net Position - End of Year	<u>\$ 105,901,645</u>	<u>\$ 97,818,094</u>

On the revenue side, Property taxes, which comprises 70.9% of Town revenues, increased by \$330,175 (0.39%) to \$85,087,477 due to increases to the Town's grand list (0.535%), supplemental motor vehicle revenues, and collections from prior levies. The mill rate did not increase over the prior year and was set to meet an adopted budget expenditure increase of 3.48%. Charges for services saw an overall decrease of \$1,250,310. General government reported an increase that was driven by recording and conveyance revenues, while public safety reported a decrease in permit activity, particularly related to a reduction in commercial permit activity pertaining to the Avon Village Center project. Public works reported an increase in building permit revenues and landfill fees, which offset a large decrease in sewer use fees that were higher than anticipated in 2020 as a result of adjustments made by the Water Pollution Control Authority to the sewer use billing procedures during that year. Fiscal Year 2021 presents results that are more consistent with expectations. Recreation and parks reported an increase due to fees collected for programs held during 2021 that had to be cancelled during 2020 due to the COVID-19 pandemic. The Board of Education reported decreases in inter-district tuition payments as a neighboring city required fewer special education services related to the Open Choice program. Also contributing to the Board of Education's decrease in charges for services revenue was a reduction in the amount of cafeteria services revenue recognized in 2021. Operating grants and contributions increased \$6,966,627 primarily due to the recording of the "on-behalf" payments made by the State, towards the teacher's retirement of \$8,340,844 and the teacher's OPEB benefit in the amount of \$201,293. Additionally, the Board of Education reported a significant increase in grant funding to support COVID-19 recovery. Program revenues for public works grants increased by \$359,101 due to the receipt of capital donations for road improvements and the installation of lights at the Avon High School track and turf field. Investment Income decreased \$552,226 due to lower interest rates. Miscellaneous revenues increased in the amount of \$65,849 due to unexpected one-time revenues that did not occur in 2020 but were received in 2021.

Major program expenses in 2021 for public works, health and social services, and recreation and parks were generally consistent with those of 2020, with variances of less than 10% from one year to the next in each program. General government, public safety, educational-cultural, and conservation and development costs decreased by \$576,048, \$1,608,215, \$212,749, and \$233,878, respectively; due to the effects of adjustments to record liabilities, deferred inflows, and deferred outflows associated with the Town's pension and OPEB plans. Offsets to the general government decrease include increased expenses for property damage repairs, as well as the filling of vacancies in the Human Resources Department. Additional decreases in public safety costs include savings from position vacancies within the Patrol Services unit of the Police Department throughout the year, as well as the retirement of the Emergency Management Director/Fire Marshall, which resulted in this position being vacant for a period of time. The Board of Education's program expenses increased \$7,499,478 primarily due to the recording of the "on-behalf" payments made by the State towards the teacher's retirement in the amount of \$8,340,844, and the teacher's OPEB benefit in the amount of \$201,293. Interest expense showed a decrease of \$5,584 due to the paying down of long term debt obligations, including capital leases.

There continues to be community expectations for a rate of tax growth that approximates inflation with accompanying requests for additional and higher quality services by our residents. In response to these trends, the Town's budget included a mix of initiatives, which are designed to reduce taxpayer costs in some areas, but also increase services where needed in others. Some examples are continued restructured staffing arrangements in Public Safety (Protection and Communication), continued cross training of staff in Conservation and Development (Department of Planning and Community Development), a continued shift of recreation activity and park maintenance costs from the General Fund to be supported by user fees in the Recreation Activities Fund (Special Revenue Fund), continued planning with area towns for shared services arrangements, and increased hours for part-time positions in the Library in an attempt to limit full-time personnel increases with the accompanying benefit costs. The Town has undertaken a conscious policy of trying to restrain the rate of growth in the number of people employed by the Town by seeking alternative methods of service delivery. This has been done by establishing contractual relationships for landscaping and custodial work, bidding snowplowing/sanding on some roads and contracting certain landfill recycling programs.

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 69% of the service charges, \$6,301,191, are generated by public works, public safety and general government. The Board of Education contributed \$2,306,065 or 25% in service fees as well. Avon has never been reliant on state and federal grants that, while helpful in keeping our overall costs down, do not contribute significantly to total revenues.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of Avon's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing our financing requirements. In particular, unassigned fund balance may serve as a useful measure of the 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 \$31,967,562, a decrease of \$553,998 in comparison with the prior year. Of this total amount, \$139,379 is nonspendable (prepaid and inventory), \$993,901 is restricted by governmental grants or other legal restriction, \$14,934,277 is committed by the Town Council (budget-making authority), \$3,303,281 is assigned and \$12,718,912 of General Fund is available for spending at the government's discretion (unassigned fund balance). In Nonmajor Governmental Funds, (\$122,188) of unassigned fund balance available for spending at the government's discretion, is a negative amount due to a \$110,702 grant recorded as a deferred inflow as the funds were not received within 60 days of year end and due to a \$13,662 operating deficit occurring in a community event that will be covered by a transfer in of revenues in a future fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,718,912, while total fund balance reached \$16,080,661. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.53% of total General Fund expenditures and transfers out of \$101,507,423, while total General Fund balance represents 15.84% of that same amount.

The fund balance of Avon's General Fund decreased by \$814,661 during the current fiscal year. The key factor contributing to this decrease was the budgeted use of Unassigned General Fund Balance in 2020/2021 in the amount of \$1,800,000. This decrease was offset by intergovernmental revenues and charges for services that exceeded budgeted projections, along with favorable expenditure variances in every department. At the end of 2020/2021, additional fund balance assignments were approved for the funding future OPEB liabilities (\$150,000), the funding of future defined benefit pension contributions (\$200,000), funding the budgeted use of Unassigned General Fund Balance in 2021/2022 (\$206,000), and funding future capital expenditures at the Avon High School track and turf field. These assignments were offset by favorable revenues and positive expenditure variances. It should be noted that there were two appropriations made during the year requiring the use of unassigned fund balance. One to replace rooftop HVAC units at Avon High School (\$796,396), and another to replace the emergency generator at the Avon Police Department (\$162,000). Unassigned General Fund Balance will be fully reimbursed for both of these amounts through a combination of grant funding and Fiscal Year 2021/2022 appropriations. Encumbrances from 2021 in the amount of \$1,544,453 are authorized to be carried over to the following fiscal year, and are classified as assigned amounts in the General Fund.

The Capital Improvement Fund Account (CIFA) is one of Avon's major governmental funds. Most of the Town's major capital expenditures are processed through this account. Bond anticipation notes (BAN) and bond proceeds are also handled in the CIFA account. In 2021, CIFA fund balance increased by \$381,631, from \$7,857,071 to \$8,238,702. This was primarily due to the approval of capital projects as part of the 2021 budget process. Such projects included road improvements, tennis court repairs at Sycamore Hills Recreation Area, Phase III of the Roaring Brook School roof replacement, a generator replacement at the Avon Police Department, and Phase I of the Avon High School HVAC rooftop unit replacement. The last two projects listed were completed in 2021 and their corresponding budget appropriations approved for 2022 will be used to reimburse Unassigned General Fund Balance. As the Town's debt service obligations decrease, the operating funds are shifted to CIFA to finance the cash "pay-as-you-go" projects. The CIFA Fund Balance of \$8,238,702 is committed for capital projects.

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

Net position of the Internal Service Fund at the end of the year amounted to \$2,461,208. The total change in net position for the fund was an increase of \$58,971. Operating revenues for the fund, representing charges for services that are health insurance premiums paid by Town and Board of Education, amounted to \$9,268,379. Operating expenses for medical claims were \$9,209,408.

General Fund Budgetary Highlights

The original budget of \$92,290,914 increased \$2,353,895 during the year to \$94,644,809. The significant supplemental and additional appropriations are noted below:

Revenues

- \$796,396 addition from General Fund Unassigned Fund Balance;
- \$291,561 addition from General Fund Unassigned Fund Balance;
- \$200,000 addition from assignment for pension contributions;
- \$200,000 addition from assignment for debt service;
- \$166,054 addition from intergovernmental education program grants for Open Choice revenues to fund;
- \$162,000 addition from General Fund Unassigned Fund Balance;
- \$150,000 addition from General Fund Unassigned Fund Balance;
- \$150,000 addition from assignment for post-employment benefits.

Expenditures

- \$796,396 for funding the replacement of rooftop HVAC units at Avon High School;
- \$291,561 for funding the cost of a fire engine replacement;
- \$200,000 for funding Town employee retirement expenditures, all departments;
- \$200,000 for funding Town debt service expenditures, all departments;
- \$166,054 for funding the programs and special education needs of Avon Public Schools;
- \$162,000 for funding the replacement of an emergency generator at the Avon Police Department
- \$150,000 for funding a transfer out of the General Fund to the Compensated Absences Debt Service Fund to fund future vacation and sick severance payouts;
- \$150,000 for funding Town employee future retiree health benefits, all departments.

Of the increase, \$310,311 was funded from intergovernmental increases in various grants. Please see the fifth bullets under both Revenues and Expenditures in the "General Fund Budgetary Highlights" above for detail regarding the most significant of these increases. The remaining \$2,043,584 of the increase was funded from other financing sources, including various assignments. Please see the first, second, third, fourth, sixth, seventh, and eighth bullets under both Revenues and Expenditures in the "General Fund Budgetary Highlights" above for further detail regarding the most significant of these increases.

Capital Asset and Debt Administration

Capital Assets. The Town of Avon's investment in capital assets for its governmental assets includes land, buildings and improvements, land improvements, equipment, vehicles, and infrastructure (roads, sewer lines, storm drains). The total net decrease in our investment in capital assets for the current fiscal year was \$43,212 (-.02%). Multi-year projects carried in the capital asset category of construction in progress were transferred to their appropriate asset class, and there were additions in capital assets, which, after accumulated depreciation, diluted the capital asset addition amount.

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

- HVAC Repairs at Town Buildings, \$1,324,701;
- Synthetic Turf Field and Track Improvements Project at Avon High School, \$573,433;
- Fire Engine Replacement, \$546,071;
- Patrol Building Improvements, \$516,808;
- Board of Education Computer Lease, \$263,120;
- Dump Truck Replacement, \$209,922;
- Roaring Brook School Roof Replacement, \$197,896;
- Avon Village Center Independent Inspection Services, \$165,675;
- Underground Storage Tank Replacement at Public Works Facility, \$116,653;
- Reconstruction of Old Farms Road & Thompson Road, \$111,150;
- Sycamore Hills Recreation Area Pool Improvements, \$70,845;
- Old Farms Road Bridge, Relocation, Reconstruction Projects, \$57,971.

	Governmental Activities	
	2021	2020
Land	\$ 7,662,553	\$ 7,662,553
Construction in progress	10,762,521	7,024,406
Land improvements	4,404,401	4,709,569
Buildings and improvements	77,429,710	80,067,177
Equipment	4,159,456	4,721,410
Vehicles	4,376,583	4,132,275
Infrastructure	35,913,331	36,434,377
Total	<u>\$ 144,708,555</u>	<u>\$ 144,751,767</u>

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

Long-Term Debt. At the end of the current fiscal year, the Town of Avon had \$17,365,000 of long-term general obligation bonded debt issued and outstanding. All of the Town's debt is general obligation and backed by the full faith and credit of the Town.

**OUTSTANDING DEBT
GENERAL OBLIGATION BONDS
JUNE 30, 2021**

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding</u>	<u>Date of Fiscal Year Maturity</u>
10/30/12	AFPL Renovations, Additions, Improvements	2.00	\$ 7,100,000	\$ 3,650,000	2028
3/15/16	General Purpose Refunding	2.00-4.00	964,000	817,000	2027
3/15/16	High School Refunding	2.00-4.00	9,423,000	7,984,000	2027
3/15/16	AMS Roof Refunding	2.00-4.00	1,013,000	859,000	2027
7/18/18	Land Purchase 2018	1.75	1,600,000	1,000,000	2026
6/16/20	Town & Public Safety Communication System Replacement Project	2.00-4.00	280,000	261,191	2035
6/16/20	Avon High School Turf Field & Track Improvement Project	2.00-4.00	<u>2,995,000</u>	<u>2,793,809</u>	2035
Total Bonds			\$ <u>23,375,000</u>	\$ <u>17,365,000</u>	

The Town of Avon's total debt decreased by \$2,645,000 (13.22%) during the current fiscal year due to the paying down of principal. Avon has earned the highest credit rating possible: "Aaa" from Moody's Investors Service, Inc., and "AAA" from Standard & Poor's, for all of its general obligation debt. The Town's credit rating was affirmed by both credit rating agencies: Standard & Poor's and Moody's in May 2020.

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 \$88,751,179). For June 30, 2021, the maximum amount of borrowing permitted under the formula would be \$621,258,253. With net borrowings of \$17,365,000, the Town of Avon's outstanding general obligation debt is \$603,893,253 below the maximum debt limitation (see "Schedule of Debt Limitation" on Table 13 of this report).

Additional information on the Town's long-term debt can be found in Note 3E on pages 42-44 of this document.

Economic Factors and Next Year's Budget and Rates

The Town has successfully managed its budgetary operations through prudent, conservative fiscal management. The Town did slightly exceed the 2.5% soft expenditure cap requested by the State due to budgeted expenditures outpacing increases in excludable costs such as special education expenditures. The Town's adopted 2021/2022 budget used \$206,000 in Unassigned General Fund Balance and \$250,000 of General Fund Balance assigned to offset Board of Education expenditures to partially offset the tax increase included in the adopted 2021/2022 budget. The Town anticipates needing to make up for these fund balance uses with additional revenue appropriations. The Town also expects to see State funding either stay level, or decrease, along with the potential of absorbing unfunded state mandates.

- Grand list growth is expected to increase by 1.08%.
- Property tax collections will exceed 99% with the reserve for uncollectible at \$600,000.
- Assessment appeals and tax refunds will approximate 1% of tax revenues.
- Licenses, Fees and Permits revenue for most of the Town funds are level funded to the 2020/2021 level. Building, Structure and Equipment fees, which are based on prior and current activity, and estimates from the Building Department, will be level funded at \$425,000, no change from fiscal year 2020/2021. Commercial permits with the number of plan reviews and inspections required remain high.
- Revenues from recording and conveyance fees, based on current sales of existing properties and current mortgage interest rates, are expected to remain level.
- Discretionary grant revenues are expected to remain essentially the same; while formulary grant revenues are expected to decrease. The Town's adopted budget for 2022 reflects a net decrease in State and Intergovernmental grants of \$46,394 or -1.33% as compared to 2021, primarily due to a recommendation of the Board of Education, to reduce the budget for Special Education Excess Cost revenue to \$811,685. The Town did not budget the receipt of Grants for Municipal Projects or the Municipal Stabilization Grant, which amounted to \$261,442 and \$142,054, respectively, in 2021. The Connecticut State budget was signed by the Governor without major tax hikes, and without reducing overall aid to cities and towns, but realigning aid in favor of distressed municipalities. It is recommended to budget conservatively for the Intergovernmental State Grants-In-Aid moving forward. Although Avon receives a small portion of its revenues from state grants, reductions in these grants do have an impact on Town services. The Board of Education is recommending minor increase in various education grants. All other Town and Board of Education intergovernmental grants are level funded.
- Avon intends that user fees cover the majority of costs of certain services such as sewer use, sewer connection, landfill, recreational programs, and education programs. These fees are reviewed annually and reset according to expected usage and inflation. Sewer use charge per equivalent dwelling is currently \$600 per year. Review of activity in Sewer Use charges, Recreation and Parks charges, and Education charges for current services warranted a variety of adjustments to their respective budgeted fees. Decreases relative to Board of Education and Recreation and Parks revenues were recommended as a result of uncertainty surrounding the ongoing COVID-19 pandemic. Due to the continued increase in the cost of special education services provided to students attending Avon Public Schools through the Open Choice Program, the District recommended a \$350,000 increase in Special Education Tuition reimbursement revenue.
- The Town budgeted investment income at \$200,000 in 2022, representing a decrease of \$140,000 from 2021. This is due to the Federal Reserve's ongoing commitment to keeping interest rates low to continue to aid the economy during the ongoing turmoil caused by the ongoing public health crisis.

- Personal services (salary and benefits) expenditures will increase will by \$608,038 and will make up 74.82% of overall Town Operating expenditures. Overall wages increased by \$292,512 as compared to 2021. The Town operating expenditures reflect a reclassification of an Administrative Secretary I to Administrative Analyst in the Human Resources Department. The total number of full-time positions increased from 107 to 108.
- All current Town employees, except Police Officers, Dispatchers, and Public Works employees, have the option to participate in either the PPO healthcare plan or the High Deductible Health Plan (HDHP) offered by the Town. All employees enrolled in PPO healthcare coverage contribute either 15% or 20% toward their healthcare coverage under the plan (depending on their date of hire). Employees who are eligible to participate in both the PPO healthcare plan and HDHP contribute 18% toward their healthcare coverage under the HDHP. As of July 1, 2021, the HDHP is the only healthcare coverage option offered by the Town to Police Officers, Dispatchers, and Public Works employees. Police Officers and Dispatchers participating in the HDHP contribute 15% toward their healthcare coverage under the plan. Public Works employees participating in the HDHP contribute 13% toward their healthcare coverage under the plan. All employees hired before 1/1/2007 contribute 15% toward coverage under the dental plan offered by the Town, while employees hired after 1/1/2007 contribute 20% toward coverage under the dental plan offered by the Town.
- Employee benefits have increased by \$297,220 (3.32%). The increase is caused by a number of factors including increased contribution to the defined benefit plan (\$196,102 or 5.50%). Medical insurance funding increased \$100,102 or 6.22%, which was mitigated by the participation of 30 employees opting out of medical insurance coverage through the Town's Health Insurance Waiver Program. There was a budgeted increase of \$31,609 (1.91%) in contributions towards other poste employment benefits (OPEB), which was supported by supplementing the budgeted amount with a contribution from the Post-Retirement Medical Benefits Reserve Fund in the amount of \$85,265. The Town of Avon does not provide post-retirement medical benefits to those dispatcher retirees, or their families, if hired after 7/1/2013. The Town of Avon does not provide post-retirement medical benefits to those public works retirees, or their families, if hired after 7/1/2014. Both Police and Non-Organized may continue with post-retirement medical benefits. However, upon reaching the age of 65, coverage under the Town's Medicare Supplemental Plan for Police hired after 7/1/2009 and their spouses, will be covered at 50% by the Town, with the retiree and/or their spouse responsible for covering the difference.
- The Board of Education's criteria that was used to shape the budget was to continue to advance with the Blueprint for Excellence. We are committed to meeting the needs of all students, clear communication and transparent processes, rigorous, comprehensive, and innovative programs, collaboration, professional development and ethical practices, continuous improvement through systematically assessing our actions and outcome and using all resources to the greatest advantage of our students.
- 79.95% of the Board of Education budget relates to salaries and benefits. 11.00% relates to transportation and tuition, followed by contracted services, utilities, supplies and equipment.
- Transportation has remained relatively stable. Special education outplacement facilities and magnet school tuition obligations continue to escalate between 4.00% and 8.00% annually. However, the District is expecting this to be offset by Special Education Tuition Reimbursements from the City of Hartford. This assumption is based on an increase in the cost of special education services provided to students attending Avon Public Schools through the Open Choice Program.

- The budget again supported capital improvement by including large multi-year capital projects, such as those on a phased-in basis, including road improvements, Sycamore Hills Recreation Area tennis court repairs, police building improvements, Buckingham Park infield improvements, Farmington Valley Trail fence replacement, Avon Volunteer Fire Department facility improvements, the next phase of a roof replacement for Roaring Brook School, the next phase of a rooftop HVAC unit replacement project at Avon High School, and Thompson Brook School tennis and basketball court repairs.
- At the close of the 2021 fiscal year, unassigned fund balance in the General Fund amounted to \$12,718,912. In order to mitigate the tax increase in 2021/2022, the Board of Finance adopted a budget for 2021/2022 using \$206,000 in Unassigned General Fund Balance and \$250,000 of General Fund Balance assigned to offset Board of Education expenditures. At the end of Fiscal Year 2020/2021, an assignment was approved in the amount of \$206,000 to be used to cover subsequent year expenditures in 2021/2022.

All of these factors were considered in preparing the budget for the 2022 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

TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Current assets:	
Cash and cash equivalents	\$ 51,817,263
Investments	74,560
Receivables, net of allowance for uncollectibles:	
Property taxes	784,323
Assessments	2,043,754
Intergovernmental	270,435
Accounts	382,016
Other current assets	67,920
Total current assets	<u>55,440,271</u>
Noncurrent assets:	
Net pension asset	174,622
Capital assets, nondepreciable	18,425,074
Capital assets, net of accumulated depreciation	126,283,481
Total noncurrent assets	<u>144,883,177</u>
Total assets	<u>200,323,448</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	568,319
Deferred outflows - pension	1,471,771
Deferred outflows - OPEB	1,669,017
Total deferred outflows of resources	<u>3,709,107</u>
Liabilities:	
Current liabilities:	
Accounts payable	2,981,751
Accrued liabilities	623,578
Unearned revenue	2,878,586
Due to fiduciary funds	5,569,743
Noncurrent liabilities, due within one year	3,639,121
Total current liabilities	<u>15,692,779</u>
Noncurrent liabilities:	
Due in more than one year	62,113,491
Total liabilities	<u>77,806,270</u>
Deferred Inflows of Resources:	
Advance property tax collections	6,623,353
Deferred inflows - pension	6,318,591
Deferred inflows - OPEB	7,382,696
Total deferred inflows of resources	<u>20,324,640</u>
Net Position:	
Net investment in capital assets	126,527,955
Restricted:	
Nonexpendable - purposes of trust	71,459
Expendable - purposes of trust	29,530
Grants	174,545
Net pension asset	174,622
Other purposes	795,176
Unrestricted	<u>(21,871,642)</u>
Total Net Position	<u>\$ 105,901,645</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, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
General government	\$ 3,862,914	\$ 819,071	\$ 273,697	\$	\$ (2,770,146)
Public safety	10,420,926	257,862	34,716		(10,128,348)
Public works	10,199,133	5,224,258	634,084	532,830	(3,807,961)
Health and social services	621,989	25,885			(596,104)
Recreation and parks	1,270,380	454,805	5,500		(810,075)
Educational - cultural	1,747,856	441			(1,747,415)
Conservation and development	490,204	5,001			(485,203)
Board of Education	83,516,915	2,306,065	23,558,540		(57,652,310)
Interest on long-term debt	83,344				(83,344)
Total Governmental Activities	\$ <u>112,213,661</u>	\$ <u>9,093,388</u>	\$ <u>24,506,537</u>	\$ <u>532,830</u>	<u>(78,080,906)</u>
General Revenues:					
Property taxes					85,087,477
Grants and contributions not restricted to specific programs					266,473
Investment income					113,598
Miscellaneous					464,169
Total general revenues					<u>85,931,717</u>
Change in net position					7,850,811
Net Position at Beginning of Year, as Restated					<u>98,050,834</u>
Net Position at End of Year					\$ <u>105,901,645</u>

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General</u>	<u>CIFA</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 47,054,846	\$ 576,314	\$ 4,184,576	\$ 51,815,736
Investments			74,560	74,560
Receivables, net	1,047,733		2,389,742	3,437,475
Due from other funds	250,187	8,721,732	3,539,370	12,511,289
Other	<u>58,468</u>		<u>9,452</u>	<u>67,920</u>
Total Assets	<u>\$ 48,411,234</u>	<u>\$ 9,298,046</u>	<u>\$ 10,197,700</u>	<u>\$ 67,906,980</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,091,462	\$ 1,059,344	\$ 379,452	\$ 2,530,258
Accrued liabilities	547,830			547,830
Due to other funds	20,742,019		250,187	20,992,206
Unearned revenue	<u>2,704,396</u>		<u>174,190</u>	<u>2,878,586</u>
Total liabilities	<u>25,085,707</u>	<u>1,059,344</u>	<u>803,829</u>	<u>26,948,880</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	621,513			621,513
Unavailable revenue - special assessments			1,631,796	1,631,796
Unavailable revenue - grants receivable			113,876	113,876
Advance property tax collections	<u>6,623,353</u>			<u>6,623,353</u>
Total deferred inflows of resources	<u>7,244,866</u>	<u>-</u>	<u>1,745,672</u>	<u>8,990,538</u>
Fund Balances:				
Nonspendable	58,468		80,911	139,379
Restricted			993,901	993,901
Committed		8,238,702	6,695,575	14,934,277
Assigned	3,303,281			3,303,281
Unassigned	<u>12,718,912</u>		<u>(122,188)</u>	<u>12,596,724</u>
Total fund balances	<u>16,080,661</u>	<u>8,238,702</u>	<u>7,648,199</u>	<u>31,967,562</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 48,411,234</u>	<u>\$ 9,298,046</u>	<u>\$ 10,197,700</u>	<u>\$ 67,906,980</u>

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TOWN OF AVON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

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

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

Total fund balance (Exhibit III)	\$ 31,967,562
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital assets	226,090,705
Accumulated depreciation	(81,382,150)

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

Property tax receivable - accrual basis change	621,513
Property tax interest and lien accrual	53,816
Allowance for doubtful accounts	(10,763)
Sewer assessment receivable - accrual basis change	1,631,796
Grants receivable - accrual basis change	113,876
Deferred outflows - pension	1,471,771
Deferred outflows - OPEB	1,669,017
Net pension asset	174,622

Internal service funds are used by management to charge the cost of medical insurance to individual departments. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,461,208
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(17,365,000)
Net pension liability	(17,586,164)
Capital leases	(400,150)
Compensated absences	(4,358,283)
Net OPEB liability	(24,969,246)
Landfill postclosure liability	(90,000)
Bond premium	(983,769)
Deferred inflows - pension	(6,318,591)
Deferred inflows - OPEB	(7,382,696)
Deferred charge on refunding	568,319
Accrued interest payable	(75,748)

Net Position of Governmental Activities (Exhibit I)	<u>\$ 105,901,645</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>CIFA</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 85,021,376	\$	\$	\$ 85,021,376
Intergovernmental	11,257,257		2,528,038	13,785,295
Charges for services	3,776,801		4,522,206	8,299,007
Investment income	93,672	881	19,045	113,598
Other local revenues	203,229	382,499	516,596	1,102,324
Total revenues	<u>100,352,335</u>	<u>383,380</u>	<u>7,585,885</u>	<u>108,321,600</u>
Expenditures:				
Current:				
Town Council:				
General government	3,627,019		446,512	4,073,531
Public safety	11,446,312		147,759	11,594,071
Public works	6,433,747		2,911,089	9,344,836
Health and social services	597,887			597,887
Recreation and parks	788,408		261,618	1,050,026
Educational - cultural	1,751,983			1,751,983
Conservation and development	684,397			684,397
Miscellaneous	422,912			422,912
Total town council	<u>25,752,665</u>	<u>-</u>	<u>3,766,978</u>	<u>29,519,643</u>
Board of Education	68,805,737		2,438,599	71,244,336
Debt service	3,151,590	8,448		3,160,038
Capital outlay		4,796,245	418,456	5,214,701
Total expenditures	<u>97,709,992</u>	<u>4,804,693</u>	<u>6,624,033</u>	<u>109,138,718</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,642,343</u>	<u>(4,421,313)</u>	<u>961,852</u>	<u>(817,118)</u>
Other Financing Sources (Uses):				
Capital lease issuance	263,120			263,120
Transfers in	77,307	4,804,185	314,487	5,195,979
Transfers out	(3,797,431)	(1,241)	(1,397,307)	(5,195,979)
Net other financing sources (uses)	<u>(3,457,004)</u>	<u>4,802,944</u>	<u>(1,082,820)</u>	<u>263,120</u>
Net Change in Fund Balances	(814,661)	381,631	(120,968)	(553,998)
Fund Balances at Beginning of Year, as Restated	<u>16,895,322</u>	<u>7,857,071</u>	<u>7,769,167</u>	<u>32,521,560</u>
Fund Balances at End of Year	<u>\$ 16,080,661</u>	<u>\$ 8,238,702</u>	<u>\$ 7,648,199</u>	<u>\$ 31,967,562</u>

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TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (553,998)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	4,651,938
Depreciation expense	(4,688,065)
Loss on disposal of capital assets	(7,085)

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

Increase (decrease) in property tax receivable - accrual basis change	68,210
Increase (decrease) in property tax interest and lien revenue	(2,636)
(Increase) decrease in property tax and sewer use allowance for doubtful accounts	527
Increase (decrease) in sewer assessments receivable - accrual basis change	794,381
Increase (decrease) in grants receivable - accrual basis change	(92,485)
Increase (decrease) in net pension asset	174,622
Increase (decrease) in deferred outflows amounts related to pension	(225,690)
Increase (decrease) in deferred outflows amounts related to OPEB	240,034

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

Accrued interest	14,151
Principal payments	2,645,000
Amortization of bond premiums	472,196
Amortization of deferred charge on refunding	(73,331)
Capital leases issuance	(263,120)
Capital leases payments	239,674

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

(Increase) decrease in compensated absences	(253,465)
(Increase) decrease in net pension liability	8,703,508
(Increase) decrease in OPEB liability	3,121,198
Landfill postclosure payments	30,000
(Increase) decrease in deferred inflows amounts related to pension	(4,966,904)
(Increase) decrease in deferred inflows amounts related to OPEB	(2,236,820)

The net revenue of the internal service funds is reported with the governmental activities.	<u>58,971</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 7,850,811</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021**

	Governmental Activities
	Internal Service Fund
Assets:	
Current assets:	
Cash	\$ 1,527
Due from other funds	2,911,174
Total Assets	<u>2,912,701</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>451,493</u>
Total Net Position	<u>\$ 2,461,208</u>

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Charges for services:	
Town	\$ 1,886,818
Board of Education	7,057,403
Other	324,158
Total operating revenues	<u>9,268,379</u>
Operating expenses:	
Medical claims:	
Town	2,279,139
Board of Education	6,930,269
Total operating expenses	<u>9,209,408</u>
Change in Net Position	58,971
Net Position at Beginning of Year	<u>2,402,237</u>
Net Position at End of Year	\$ <u><u>2,461,208</u></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, 2021**

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 9,189,556
Claims paid	(9,188,029)
Net cash provided by (used in) operating activities	<u>1,527</u>
Net Increase (Decrease) in Cash	1,527
Cash at Beginning of Year	<u>-</u>
Cash at End of Year	<u><u>\$ 1,527</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ 58,971
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in due from other funds	(78,823)
Increase (decrease) in claims payable	<u>21,379</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,527</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Fund CPACE Fund
Assets:		
Cash and cash equivalents	\$ 502,502	\$
Investments, at fair value:		
Guaranteed interest contract	1,372,111	
Mutual funds	50,441,185	
Total investments	51,813,296	
Due from other funds	5,568,243	1,500
Total assets	57,884,041	1,500
Liabilities:		
Accounts payable	88,222	
Net Position:		
Restricted for Pension Benefits	42,336,367	
Restricted for OPEB Benefits	15,459,452	
Restricted for CPACE		1,500
Total net position	\$ 57,795,819	\$ 1,500

The accompanying notes are an integral part of the financial statements

TOWN OF AVON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Fund CPACE Fund
Additions:		
Contributions:		
Employer	\$ 7,325,644	\$
Plan members	187,835	
Total contributions	<u>7,513,479</u>	
Investment income:		
Net increase (decrease) in fair value of investments	9,167,694	
Interest and dividends	1,572,841	
Total investment income	<u>10,740,535</u>	
Total additions	<u>18,254,014</u>	
Deductions:		
Benefits	5,763,499	
Administration	55,835	
Total deductions	<u>5,819,334</u>	
Change in Net Position	12,434,680	
Net Position at Beginning of Year, as Restated	<u>45,361,139</u>	<u>1,500</u>
Net Position at End of Year	<u>\$ 57,795,819</u>	<u>\$ 1,500</u>

The accompanying notes are an integral part of the financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) and a postretirement retiree health plan (OPEB) to provide retirement benefits and post-retirement health care benefits to employees and their beneficiaries. The Town appoints a majority of the Pension Board and is required to make contributions to the pension and OPEB plans and can impose its will.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

The Town reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

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

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

The *Custodial Funds* account for monies held on behalf of other governments.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Internal Service Fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

C. Cash Equivalents

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

D. Investments

Investments for the Town are reported at fair value.

E. Receivables and Payables

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

F. Property Taxes and Other Receivables

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

In the fund financial statements, all property taxes receivable at June 30, 2021 that have not been collected within 60 days of June 30 have been recorded as unavailable revenue, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of 1-1/2% per month. An amount of \$185,317 has been established as an allowance for uncollected taxes.

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received are reported at acquisition value.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	10-20
Land improvements	15-25
Roads	80
Sewer lines	100
Storm drains	40
Vehicles	7-25
Equipment	5-35
Computer equipment	5-10

H. Net Pension Liability (Asset)

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

I. Net Other Post Employment Benefit (OPEB) Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

J. Compensated Absences

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and, so, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows related to a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs or changes in the net difference between projected and actual earnings on pension and OPEB plan investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees) or in the case of the difference in projected and actual earnings on pension and OPEB plan investments, over a systematic and rational method over a closed five-year period.

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

L. Long-Term Obligations

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

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

M. Fund Equity and Net Position

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable Fund Balance

This balance represents amounts that cannot be spent due to form, including inventories, prepaid amounts and the corpus of permanent funds.

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

N. Accounting Estimates

The preparation of financial statements in conformity with 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.

O. Subsequent Events Evaluation by Management

In preparing these financial statements, management has evaluated subsequent events through December 23, 2021, which represents the date the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Town established a Town-wide budget in accordance with provisions of its Charter and the Connecticut General Statutes. Budgets for the General Fund, Sewer Fund, State and Federal Education Grants Fund, School Cafeteria Fund, Recreational Activities Fund, Local Capital Improvement Program Fund, Forest Park Management Fund, Town Aid Road Fund, Police Special Services Fund and Use of School Facilities Fund are legally adopted annually at the Annual Town Meeting. Budgets for these funds are presented on a basis consistent with generally accepted accounting principles except that encumbrances and transfers out are shown as budgetary obligations and transfers in are shown as revenues. In addition, for the General Fund, State of Connecticut on-behalf contributions are shown as revenues and expenditures. Transfers and supplemental appropriations were approved during the year in accordance with provisions of its Charter and the Connecticut General Statutes. There were \$2,353,895 of additional appropriations during the year in the General Fund, \$2,043,584 from fund balance and \$310,311 from additional revenue sources.

- Annual operating budgets are prepared and employed for management control for the General Fund. Unencumbered appropriations of these funds lapse at year end. Encumbered appropriations are carried forward. Transfer of funds between appropriations shall be approved by the Town Council for amounts not exceeding 1/10 of 1% of the current Town operating budget. Transfers exceeding 1/10 of 1% are approved by the Board of Finance upon recommendation of the Town Council. Additional appropriations may be made by the Board of Finance upon favorable recommendation of the Town Council. The legal level of control is at the department level. Line items within these departments may individually exceed their appropriations, as long as in the aggregate they do not. Management is not authorized to transfer budgeted amounts or to approve additional appropriations.

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have Board of Education, Board of Finance and Town Council approval.
- Nonlapsing project budgets exceeding one year in length are employed for the capital projects funds. These budgets are not “annual” budgets; they are nonlapsing budgets and span two to three years.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Capital Projects Authorizations

The following is a summary of capital projects at June 30, 2021:

<u>Capital Project</u>	<u>Authorization</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2021</u>
Capital and nonrecurring CIFA:	\$ 1,984,580	\$ 418,456	\$ 1,234,420	\$ 750,160
General government	32,290,154	4,563,910	27,373,584	4,916,570
Board of Education	<u>4,226,332</u>	<u>239,542</u>	<u>3,934,967</u>	<u>291,365</u>
Total	<u>\$ 38,501,066</u>	<u>\$ 5,221,908</u>	<u>\$ 32,542,971</u>	<u>\$ 5,958,095</u>

B. Deficit Fund Balances

For the year ended June 30, 2021, the following funds had deficit fund balances:

Nonmajor Funds:	
Avon Day Fund	\$ 13,662
Local Capital Improvement Program Fund	108,526

These amounts will be funded through grant revenue, donations and transfers in the future.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$26,579,347 of the Town's bank balance of \$26,579,347 was exposed to custodial credit risk at June 30, 2021, as follows:

Uninsured and uncollateralized	\$ 23,871,412
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,707,935</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 26,579,347</u>

Cash Equivalents

At June 30, 2021, the Town's cash equivalents amounted to \$25,360,496. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
STIF	AAAm

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STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Investments

As of June 30, 2021, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Other Investments:		
Mutual Fund	N/A	\$ 50,515,744
Guaranteed Interest Contract	N/A	<u>1,372,112</u>
Total Investments		<u>\$ 51,887,856</u>

Interest Rate Risk

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

Credit Risk - Investments

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

Concentration of Credit Risk

The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2021, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

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

The Town's pension investments are governed by its *Statement of Investment Policies and Objectives*. The policy details asset mix ranges for the following classes of investments: core equities (40% - 50%), international equities (0% - 10%), small to mid-cap equities (0% - 10%), fixed income investments (40% - 50%) and cash equivalents (0% - 10%). The overall investment return is expected to exceed the actuarial investment return assumption, the inflation rate as measured by the Consumer Price Index, and the return of a passively managed portfolio. Each portfolio has specific objectives as well.

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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.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2021:

	June 30, 2021	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Mutual funds	\$ 50,515,744	\$ 50,515,744	\$	
Guaranteed interest contract	1,372,112		1,372,112	
Total Investments Measured at Fair Value	\$ 51,887,856	\$ 50,515,744	\$ 1,372,112	\$ -

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Guaranteed interest contracts in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

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B. Receivables

Fund receivables as of June 30, 2021, including the applicable allowances for collection losses, are as follows:

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Property taxes	\$ 926,587	\$	\$ 926,587
Assessments		2,043,754	2,043,754
Intergovernmental		270,435	270,435
Accounts	306,463	75,553	382,016
Gross receivables	1,233,050	2,389,742	3,622,792
Allowances	(185,317)		(185,317)
Net Receivables	<u>\$ 1,047,733</u>	<u>\$ 2,389,742</u>	<u>\$ 3,437,475</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,662,553	\$	\$	\$ 7,662,553
Construction in progress	7,024,406	3,738,115		10,762,521
Total capital assets not being depreciated	<u>14,686,959</u>	<u>3,738,115</u>	<u>-</u>	<u>18,425,074</u>
Capital assets being depreciated:				
Land improvements	6,241,684			6,241,684
Buildings and improvements	125,945,214			125,945,214
Equipment	15,935,829	276,346	86,390	16,125,785
Vehicles	7,984,983	637,477	24,735	8,597,725
Infrastructure	50,755,223			50,755,223
Total capital assets being depreciated	<u>206,862,933</u>	<u>913,823</u>	<u>111,125</u>	<u>207,665,631</u>
Less accumulated depreciation for:				
Land improvements	1,532,115	305,168		1,837,283
Buildings and improvements	45,878,037	2,637,467		48,515,504
Equipment	11,214,419	833,689	81,779	11,966,329
Vehicles	3,852,708	390,695	22,261	4,221,142
Infrastructure	14,320,846	521,046		14,841,892
Total accumulated depreciation	<u>76,798,125</u>	<u>4,688,065</u>	<u>104,040</u>	<u>81,382,150</u>
Total capital assets being depreciated, net	<u>130,064,808</u>	<u>(3,774,242)</u>	<u>7,085</u>	<u>126,283,481</u>
Governmental Activities Capital Assets, Net	<u>\$ 144,751,767</u>	<u>\$ (36,127)</u>	<u>\$ 7,085</u>	<u>\$ 144,708,555</u>

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

General government	\$ 461,860
Public safety	316,999
Public works	776,645
Recreation and parks	305,831
Educational - cultural	140,489
Board of Education	<u>2,686,241</u>
Total Depreciation Expense - Governmental Activities	\$ <u>4,688,065</u>

D. Interfund Receivables, Payables and Transfers

A summary of interfund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 250,187
CIFA	General Fund	8,721,732
Nonmajor Governmental Funds	General Fund	3,539,370
Internal Service Fund	General Fund	2,911,174
Other Post Employment Benefits Fund	General Fund	5,568,243
CPACE Fund	General Fund	<u>1,500</u>
		<u>\$ 20,992,206</u>

Several Nonmajor Governmental Funds owe the General Fund for expenditures paid by the General Fund. The General Fund owes the CIFA Fund for ongoing project expenditures. The General Fund owes the Internal Service Fund and the Other Post Employment Benefits fund for medical costs. Also, the General Fund owes the nonmajor funds for other reimbursable expenditures.

A summary of interfund transfers as of June 30, 2021 is as follows:

	<u>General Fund</u>	<u>CIFA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
General Fund	\$	\$ 3,484,185	\$ 313,246	\$ 3,797,431
CIFA Fund			1,241	1,241
Nonmajor Governmental Funds	<u>77,307</u>	<u>1,320,000</u>		<u>1,397,307</u>
Total Transfers In	<u>\$ 77,307</u>	<u>\$ 4,804,185</u>	<u>\$ 314,487</u>	<u>\$ 5,195,979</u>

The General Fund transferred funds to the CIFA Fund for budgeted capital projects for town facilities. General Fund transfers to nonmajor governmental funds were to the Capital and Nonrecurring Expenditures Fund for town equipment, and to Debt Service Fund to cover debt payments. Transfers from the Nonmajor Governmental Funds to the CIFA fund were for budgeted projects in the Sewer, Town Aid Road, and Recreation Funds.

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E. Long-Term Debt

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 18,710,000	\$	\$ 2,345,000	\$ 16,365,000	\$ 2,340,000
General obligation bonds - direct placement	1,300,000		300,000	1,000,000	200,000
Premium on bonds	1,455,965		472,196	983,769	
Total bonds payable	<u>21,465,965</u>	<u>-</u>	<u>3,117,196</u>	<u>18,348,769</u>	<u>2,540,000</u>
Capital lease obligations	376,704	263,120	239,674	400,150	197,464
Compensated absences	4,104,818	1,654,165	1,400,700	4,358,283	871,657
Net pension liability	26,289,672		8,703,508	17,586,164	
Net OPEB liability	28,090,444		3,121,198	24,969,246	
Landfill post-closure costs	<u>120,000</u>		<u>30,000</u>	<u>90,000</u>	<u>30,000</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 80,447,603</u>	<u>\$ 1,917,285</u>	<u>\$ 16,612,276</u>	<u>\$ 65,752,612</u>	<u>\$ 3,639,121</u>

Liabilities for general obligations bonds, capital lease obligations, compensated absences, net pension liability, net OPEB liability, and landfill post-closure costs have historically been liquidated by the general fund.

General Obligation Bonds

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

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

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
General purpose:		
General obligation improvement	2-4%	\$ 4,728,191
General obligation direct placement	1.75%	1,000,000
School:		
School improvement	2-4%	<u>11,636,809</u>
Total Outstanding		<u>\$ 17,365,000</u>

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Future maturities for outstanding general obligation bonds are as follows:

General Obligation Bonds			
	Principal		Interest
2022	\$ 2,340,000	\$	481,025
2023	2,335,000		413,950
2024	2,340,000		338,900
2025	2,340,000		271,750
2026	2,380,000		203,800
2027-2031	3,770,000		302,000
2032-2035	860,000		49,450
Total	<u>\$ 16,365,000</u>	<u>\$</u>	<u>2,060,875</u>

General Obligation Bonds - Direct Placement

During 2018, the Town purchased approximately 38 acres having the address of 828 West Avon Road, Avon, Connecticut, leasing approximately 22 acres to the seller Severni. The property was purchased for \$2,000,000 with \$400,000 payable at closing and a 7-year nontransferable bond with an interest rate of 1.75% in the amount of \$1,600,000 payable in annual installments.

Future maturities for outstanding direct placement general obligation bonds are as follows:

General Obligation Bonds			
Direct Placement			
	Principal		Interest
2022	\$ 200,000	\$	17,500
2023	200,000		14,000
2024	200,000		10,500
2025	200,000		7,000
2026	200,000		3,500
Total	<u>\$ 1,000,000</u>	<u>\$</u>	<u>52,500</u>

Statutory Debt Limitations

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 199,690,153	\$ 9,338,191	\$ 190,351,962
Schools	399,380,306	11,636,809	387,743,497
Sewers	332,816,921		332,816,921
Urban renewal	288,441,332		288,441,332
Pension deficit	266,253,537		266,253,537

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The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$621,258,253.

The indebtedness reflected above includes bonds outstanding, school construction grants receivable and sewer assessments receivable.

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 3 years at \$30,000 per year are \$90,000. This amount is based on estimates that are subject to change due to inflation, technology or applicable laws and regulations.

Authorized/Unissued Bonds

At June 30, 2021, there were \$3,610,000 of authorized, unissued general purpose bonds.

F. Capital Leases

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

	<u>Governmental Activities</u>
Equipment	\$ 962,025
Less accumulated depreciation	<u>(498,545)</u>
Net Book Value	<u><u>\$ 463,480</u></u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2021 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 216,628
2023	145,370
2024	70,625
Less amount for interest	<u>(32,473)</u>
Minimum Lease Payments	<u><u>\$ 400,150</u></u>

TOWN OF AVON, CONNECTICUT
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G. Fund Balance

The components of fund balance for the governmental funds as of June 30, 2021 are as follows:

	<u>General Fund</u>	<u>CIFA</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 9,452	\$ 9,452
Prepaid items	58,468			58,468
Police Officers' meritorious service			71,459	71,459
Restricted:				
Debt service			86,322	86,322
Fisher Meadow donations			708,854	708,854
Town aid road projects			151,588	151,588
Police Officers' meritorious service			29,530	29,530
State and federal education grant			17,607	17,607
Committed to:				
Open space		650,861		650,861
Sewer fund			3,783,002	3,783,002
General government		295,719	1,029,518	1,325,237
Public safety		797,888	286,830	1,084,718
Public works		5,821,930	664,732	6,486,662
Recreation and parks		380,939	286,210	667,149
Board of Education		291,365	645,283	936,648
Assigned to:				
Payroll escrow	75,000			75,000
Pension contributions	400,000			400,000
Post-employment benefits	300,000			300,000
Capital reserve	59,082			59,082
Capital asset replacement	83,342			83,342
Subsequent year expenditures	206,000			206,000
Return of fund balance from BOE	250,000			250,000
General government	51,903			51,903
Public safety	320,350			320,350
Public works	95,327			95,327
Recreation and parks	884			884
Conservation and development	30,390			30,390
Health and social services	35,642			35,642
Education	1,309,957			1,309,957
Other post-employment benefits	85,404			85,404
Unassigned	12,718,912		(122,188)	12,596,724
Total Fund Balances	\$ <u>16,080,661</u>	\$ <u>8,238,702</u>	\$ <u>7,648,199</u>	\$ <u>31,967,562</u>

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

General Fund	\$ 1,544,453
CIFA	4,791,818
Nonmajor Governmental Funds	<u>401,927</u>
Total	<u><u>\$ 6,738,198</u></u>

Significant encumbrances are included in the committed and assigned categories of fund balance.

4. EMPLOYEE RETIREMENT PLANS

A. Defined Benefit Pension Plans

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

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

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

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

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

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

Plan Descriptions and Benefits Provided

Town Employees

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

Board of Education

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

At July 1, 2020, retirement plan membership consisted of:

	<u>Town</u>	<u>Board of Education</u>
Retirees and beneficiaries		
currently receiving benefits	87	48
Terminated employees entitled to		
benefits but not yet receiving them	1	51
Current active employees	<u>4</u>	<u>86</u>
Total	<u><u>92</u></u>	<u><u>185</u></u>

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

TOWN OF AVON, CONNECTICUT
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Summary of Significant Accounting Policies

Basis of Accounting

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

Valuation of Investments

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

Funding Policy

Required employee contributions under the plans are as follows:

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

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

Investments

Investment Policy

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

<u>Asset Class</u>	<u>Target Allocation</u>
US Core Fixed Income	40.00%
Large Cap US Equities	35.00%
Mid Cap US Equities	10.00%
Developed Foreign Equities	15.00%
Total	100.00%

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Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.46% for the Town and 26.81% for the Board of Education. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

Town Employees Retirement Plan

The Town's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020.

The components of the net pension liability of the Town at June 30, 2021 were as follows:

Total pension liability	\$	42,980,721
Plan fiduciary net position		<u>25,394,557</u>
Net Pension Liability	\$	<u><u>17,586,164</u></u>
Plan fiduciary net position as a percentage of the total pension liability		59.08%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.25%

Mortality rates were based on the PubS-2010 Mortality Table for police and PubG-2010 Mortality Table for all others with generational projection per the MP-2019 Ultimate Scale.

The plan has not had a formal actuarial experience study performed.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Core Fixed Income	1.36%
Large Cap U.S. Equities	4.55%
Mid Cap U.S. Equities	5.09%
Developed Foreign Equities	6.35%

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Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances as of July 1, 2020	\$ 43,812,469	\$ 20,112,806	\$ 23,699,663
Changes for the year:			
Service cost	17,565		17,565
Interest	2,623,537		2,623,537
Effect of economic/demographic gains or losses	291,057		291,057
Benefit payments, including refunds of member contributions	(3,763,907)	(3,763,907)	-
Employer contributions		3,718,708	(3,718,708)
Net investment income		5,351,459	(5,351,459)
Administrative expenses		(24,509)	24,509
Net Changes	<u>(831,748)</u>	<u>5,281,751</u>	<u>(6,113,499)</u>
Balances as of June 30, 2021	\$ 42,980,721	\$ 25,394,557	\$ 17,586,164

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

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

	1% Decrease	Current	1% Increase
	(5.25%)	Discount Rate	(7.25%)
		(6.25%)	
Net Pension Liability	\$ 21,360,494	\$ 17,586,164	\$ 14,340,144

Board of Education Retirement Plan

The components of the net pension liability (asset) of the Board of Education at June 30, 2021 were as follows:

Total pension liability	\$ 16,767,188
Plan fiduciary net position	<u>16,941,810</u>
Net Pension Liability (Asset)	\$ <u>(174,622)</u>
Plan fiduciary net position as a percentage of the total pension liability	101.04%

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.00%

Mortality rates were based on the PubG-2010 Mortality with generational projection per the MP-2019 Ultimate Scale.

The plan has not had a formal actuarial experience study performed.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	1.36%
Large Cap U.S. Equities	4.55%
Mid Cap U.S. Equities	5.09%
Developed Foreign Equities	6.35%

Discount Rate

The discount rate used to measure the total pension liability was 6.00%, a decrease from 6.25% for the prior year. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances as of July 1, 2020	\$ 15,650,619	\$ 13,060,610	\$ 2,590,009
Changes for the year:			
Service cost	527,305		527,305
Interest	992,341		992,341
Effect of economic/demographic gains or losses	(241,544)		(241,544)
Changes of assumptions	448,682		448,682
Benefit payments, including refunds of member contributions	(610,215)	(610,215)	-
Employer contributions		797,132	(797,132)
Member contributions		187,835	(187,835)
Net investment income		3,525,422	(3,525,422)
Administrative expenses		(18,974)	18,974
Net Changes	1,116,569	3,881,200	(2,764,631)
Balances as of June 30, 2021	\$ 16,767,188	\$ 16,941,810	\$ (174,622)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability (Asset)	\$ (2,204,978)	\$ (174,622)	\$ 2,207,581

TOWN OF AVON, CONNECTICUT
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the Town recognized pension expense of \$610,024 for the Town Plan and \$220,280 for the Board of Education Plan. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

		Town	
		Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earning on pension plan investments	\$		\$ 3,423,445
Total	\$	-	\$ 3,423,445

		Board of Education	
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	50,138	\$ 592,829
Changes of assumptions		1,421,633	
Net difference between projected and actual earning on pension plan investments			2,302,317
Total	\$	1,471,771	\$ 2,895,146

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

Year Ending June 30

	Town	BOE	Total
2022	\$ (909,556)	\$ (239,390)	\$ (1,148,946)
2023	(830,210)	(215,461)	(1,045,671)
2024	(864,393)	(422,302)	(1,286,695)
2025	(819,286)	(546,222)	(1,365,508)
	\$ (3,423,445)	\$ (1,423,375)	\$ (4,846,820)

B. Defined Contribution Plans

Plan Description

The Town maintains two single-employer, defined contribution pension plans, the Avon 401(a) Management Money Purchase Plan and the Avon 401(a) Full-Time Employees' Plan. Both plans are administered by the International City/County Management Association (ICMA). The Town is required to contribute 2.75% of compensation for the Management Money Purchase Plan participants and between 7.50% and 9.25% 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 Money Purchase Plan and Full-Time Employees' Plan during the year ended June 30, 2021 were \$2,678 and \$789,117, respectively. Members of the Management Money Purchase Plan are required to contribute 2.75% of their annual earnings, and members of the Full-Time Employees' Plan are required to contribute between 7.50% and 9.25% of their annual earnings. The employees' contributions to each plan were \$2,678 and \$789,117, respectively. During the year there were forfeitures of \$26,650.

C. Connecticut Teachers Retirement System - Pension

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

**TOWN OF AVON, CONNECTICUT
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Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$8,340,844 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2021, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>130,037,833</u>
Total	\$	<u><u>130,037,833</u></u>

TOWN OF AVON, CONNECTICUT
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The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2021, the Town recognized pension expense and revenue of \$18,627,303 in Exhibit II.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%
- Decrease payroll growth assumption from 3.25% to 3.00%
- Rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

TOWN OF AVON, CONNECTICUT
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Long-Term Rate of Return

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

Asset Class	Expected Return	Target Allocation
Domestic Equity Fund	5.60 %	20.00
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
High Yield Bond Fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
Total		<u>100.00</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

Other Information

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

5. POSTEMPLOYMENT HEALTHCARE PLAN - OTHER POST EMPLOYMENT BENEFITS PROGRAM

A. Town and Board of Education Plans

Summary of Significant Accounting Policies

Basis of Accounting

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

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

Plan Description and Benefits Provided

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

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

Management of the OPEB plan is vested with the Town Manager and Director of Finance. Policy oversight is provided by the Ad Hoc Pension Investment Advisory Committee, which consists of six members.

TOWN OF AVON, CONNECTICUT
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At July 1, 2020, plan membership consisted of the following:

	Other Post Employment Benefits Program	
	Town	Board of Education
Retired members	68	26
Beneficiaries	7	2
Spouses of retired members	48	13
Active plan members	93	446
Total Participants	216	487

Funding Policy

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

2020-2021 Annual Premiums	Employee	Spouse
Future Retirees:		
Police and Dispatchers	\$ 9,348	\$ 9,348
Public Works and Nonorganized	11,418	13,053
Future Retirees:		
Police and Dispatchers	11,418	13,053
Public Works and Nonorganized	11,418	13,053
Post 65 Medical Plan:		
Cigna Plan	9,612	11,027
Anthem Plan	5,878	5,878
Dental - All Groups	571	808

Board of Education Employees

2020-2021 Annual Premiums	Employee	Spouse
Pre-65 Medical Plan	\$ 7,986	\$ 8,639
Dental	679	961

**TOWN OF AVON, CONNECTICUT
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For the year ended June 30, 2021, there were \$-0- of member contributions to the Town and BOE plans, respectively. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan were \$1,887,122 for the Town Plan and \$922,682 for the Board of Education Plan. These contributions were made in accordance with actuarially determined requirements.

The Town has assigned a portion of general fund balance to fund these benefits in the future. Net position available for future benefits at June 30, 2021 was \$300,000. The Town plans on transferring these monies into the OPEB Trust Fund in the future.

Investments

Investment Policy

The OPEB Plan's policy in regard to the allocation of invested assets are governed by its Investment Policy Statement (IPS), approved by the Town Council on January 6, 2011. A change was made to the allocation ratios in the IPS; approved by Town Council September 6, 2018. The investment of these assets shall be guided by the following underlying goals: to achieve the stated actuarial target of the Trust; to exceed the rate of inflation as defined by CPI, by approximately 4% per annum over a full market cycle (a 5-10 year period); to maintain sufficient liquidity to meet the obligations of the Trust; to diversify the assets of the Trust in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that could occur from concentrated positions; to achieve investment results over the long-term that compare favorably with those of other municipal investment pools, professionally managed portfolios and appropriate market indexes.

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 5.52% and 34.04% for the Town Employees OPEB Plan and Board of Education Employees OPEB Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2021. The components of the net OPEB liability of the Town at June 30, 2021, were as follows:

Town Employees

Total OPEB liability	\$	32,289,742
Plan fiduciary net position		<u>10,496,659</u>
Net OPEB Liability	\$	<u><u>21,793,083</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		32.51%

**TOWN OF AVON, CONNECTICUT
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Board of Education Employees

Total OPEB liability	\$	8,138,956
Plan fiduciary net position		<u>4,962,793</u>
Net OPEB Liability	\$	<u><u>3,176,163</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		60.98%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate - Town	6.25%
Discount rate - BOE	6.00%
Inflation rate	2.50%
Medical trend rate - Town	Pre-Medicare 6.20% - 4.00%
	over 53 years
	Post-Medicare 4.90% - 4.00%
	over 53 years
Medical trend rate - BOE	6.20% - 4.00% over 53 years
Salary increases	3.50% including inflation*

*graded by service for
teachers and administrators

Mortality - Teachers and Administrators

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Mortality - All Others

Mortality rates were based on the Pub-2010 mortality table with generational projection of future improvements per the MP-2019 Ultimate Table.

The plan has not had a formal actuarial experience study performed.

TOWN OF AVON, CONNECTICUT
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The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2020. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Core Fixed Income	30.00 %	1.36 %
US Large Caps	25.00	4.55
Foreign Developed Equity	17.50	6.35
US Inflation-Indexed Bonds	10.00	1.68
US Mid Caps	6.00	5.09
Emerging Markets Equity	5.00	8.40
US Small Caps	4.00	6.17
US REITs	1.25	5.35
Non-US REITs	1.25	6.68
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25% for the Town and 6.00% for the Board of Education plan. In the prior year it was 6.5 % for both plans. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWN OF AVON, CONNECTICUT
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Changes in the Net OPEB Liability - Town

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of July 1, 2020	\$ 31,951,410	\$ 9,223,795	\$ 22,727,615
Changes for the year:			
Service cost	735,627		735,627
Interest	2,087,116		2,087,116
Effect of economic/demographic gains or losses	(388,119)		(388,119)
Changes of assumptions	(922,678)		(922,678)
Benefit payments	(1,173,614)	(1,173,614)	-
Contributions - employer		1,887,122	(1,887,122)
Net investment income		571,708	(571,708)
Administrative expense		(12,352)	12,352
Net Changes	<u>338,332</u>	<u>1,272,864</u>	<u>(934,532)</u>
Balances as of June 30, 2021	\$ <u>32,289,742</u>	\$ <u>10,496,659</u>	\$ <u>21,793,083</u>

Changes in the Net OPEB Liability - Board of Education

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of July 1, 2020	\$ 8,326,757	\$ 2,963,928	\$ 5,362,829
Changes for the year:			
Service cost	293,675		293,675
Interest	553,426		553,426
Effect of economic/demographic gains or losses	(1,476,230)		(1,476,230)
Effect of assumptions changes or inputs	657,091		657,091
Benefit payments	(215,763)	(215,763)	-
Contributions - employer		922,682	(922,682)
Net investment income		1,291,946	(1,291,946)
Net Changes	<u>(187,801)</u>	<u>1,998,865</u>	<u>(2,186,666)</u>
Balances as of June 30, 2021	\$ <u>8,138,956</u>	\$ <u>4,962,793</u>	\$ <u>3,176,163</u>

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the Net OPEB liability to Changes in the Discount Rate

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

		1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability - Town	\$	26,635,979	\$ 21,793,083	\$ 17,898,192
		1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability - BOE	\$	3,849,107	\$ 3,176,163	\$ 2,554,799

Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

		1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability - Town	\$	17,386,840	\$ 21,793,083	\$ 27,345,511
		1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability - BOE	\$	2,274,173	\$ 3,176,163	\$ 4,236,061

TOWN OF AVON, CONNECTICUT
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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Town recognized OPEB expense of \$1,640,161 for the Town and \$45,231 for the Board of Education. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Town	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	291,509	2,796,877
Net difference between projected and actual earnings on pension plan investments	540,420	
Total	\$ 831,929	\$ 3,120,795

	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	837,088	2,954,845
Net difference between projected and actual earning on pension plan investments		430,217
		876,839
Total	\$ 837,088	\$ 4,261,901

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

<u>Year Ending June 30</u>	<u>Town</u>	<u>BOE</u>	<u>Total</u>
2022	\$ (572,469)	\$ (586,214)	\$ (1,158,683)
2023	(634,514)	(593,773)	(1,228,287)
2024	(701,093)	(584,490)	(1,285,583)
2025	(219,813)	(582,890)	(802,703)
2026	(160,977)	(367,632)	(528,609)
Thereafter		(709,814)	(709,814)
	\$ (2,288,866)	\$ (3,424,813)	\$ (5,713,679)

B. Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement or Medicare Advantage Plan options, as long as they do not remarry.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$201,293 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>19,395,147</u>
Total	\$	<u><u>19,395,147</u></u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$895,909 in Exhibit II.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	5.125% for 2020, decreasing to an ultimate Rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 3.50% to 2.21%
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience
- Long-term health care cost trend rates were updated;
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and,
- The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:
 - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
 - Decrease payroll growth assumption from 3.25% to 3.00%.
 - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%, in the prior year it was 3.50%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination.

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

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

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

6. COMBINING TRUST FUND SCHEDULES

Financial statements for the individual pension plans and the OPEB plans as of and for the year ended June 30, 2021 are as follows:

Statement of Fiduciary Net Position

	Pension Town	Pension Board of Education	Other Post Employment Benefit Fund Town	Other Post Employment Benefit Fund Board of Education	Eliminations	Total Trust Funds
Assets:						
Cash and cash equivalents	\$ 145,184	\$ 52,136	\$ 231,630	\$ 73,552	\$	\$ 502,502
Investments, at fair value:						
Guaranteed interest contract	903,036	469,075				1,372,111
Mutual funds	24,346,337	16,420,599	2,925,679	6,748,570		50,441,185
Total investments	25,249,373	16,889,674	2,925,679	6,748,570	-	51,813,296
Due from other funds			7,427,572		(1,859,329)	5,568,243
Total assets	25,394,557	16,941,810	10,584,881	6,822,122	(1,859,329)	57,884,041
Liabilities:						
Accounts payable			88,222			88,222
Due to other funds				1,859,329	(1,859,329)	-
Total liabilities	-	-	88,222	1,859,329	(1,859,329)	88,222
Net Position:						
Restricted for Pension Benefits	\$ 25,394,557	\$ 16,941,810	\$ 10,496,659	\$ 4,962,793	\$	\$ 57,795,819

**TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Statement of Changes in Fiduciary Net Position

	Pension Town	Pension Board of Education	Other Post Employment Benefit Fund Town	Other Post Employment Benefit Fund Board of Education	Eliminations	Total Trust Funds
Additions:						
Contributions:						
Employer	\$ 3,718,708	\$ 797,132	\$ 1,887,122	\$ 922,682	\$	\$ 7,325,644
Plan members		187,835				187,835
Total contributions	<u>3,718,708</u>	<u>984,967</u>	<u>1,887,122</u>	<u>922,682</u>	<u>-</u>	<u>7,513,479</u>
Investment income:						
Net change in fair value of investments	4,499,633	2,965,276	523,092	1,179,693		9,167,694
Interest and dividends	851,826	560,146	48,616	112,253		1,572,841
Total investment income	<u>5,351,459</u>	<u>3,525,422</u>	<u>571,708</u>	<u>1,291,946</u>	<u>-</u>	<u>10,740,535</u>
Total additions	<u>9,070,167</u>	<u>4,510,389</u>	<u>2,458,830</u>	<u>2,214,628</u>	<u>-</u>	<u>18,254,014</u>
Deductions:						
Benefits	3,763,907	610,215	1,173,614	215,763	-	5,763,499
Administration	24,509	18,974	12,352			55,835
Total deductions	<u>3,788,416</u>	<u>629,189</u>	<u>1,185,966</u>	<u>215,763</u>	<u>-</u>	<u>5,819,334</u>
Net change in net position	5,281,751	3,881,200	1,272,864	1,998,865	-	12,434,680
Net position at beginning of year	<u>20,112,806</u>	<u>13,060,610</u>	<u>9,223,795</u>	<u>2,963,928</u>		<u>45,361,139</u>
Net Position at End of Year	<u>\$ 25,394,557</u>	<u>\$ 16,941,810</u>	<u>\$ 10,496,659</u>	<u>\$ 4,962,793</u>	<u>\$ -</u>	<u>\$ 57,795,819</u>

7. OTHER INFORMATION

A. Risk Management

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

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.

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

An analysis of the activity in the claims liability for the medical claims fund is as follows:

	Balance July 1	Current Year Claims and Changes in Estimates	Claims Payments	Balance June 30
Medical Claims Fund:				
2020-2021	\$ 430,114	\$ 9,209,408	\$ 9,188,029	\$ 451,493
2019-2020	355,943	9,035,659	8,961,488	430,114

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.

8. GASB 84 - RESTATEMENT

The Town previously reported the activities of the Student Activity Fund, Flexible Spending Fund, CPACE Fund, Police Cadet Activity Fund, Compliance Bond Fund, Trail Equipment Replacement Fund and the Asset Forfeiture Fund as fiduciary funds. As a result of implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the Town made the following reporting changes: The activities of the Compliance Bond Fund are reported with the general fund activities, the Student Activity Fund, Flexible Spending Fund, Police Cadet Activity Fund, Trail Equipment Replacement Fund, and Asset Forfeiture Fund are now reported as a special revenue funds and the CPACE Fund is now reported as a custodial fund. Accordingly, the Town increased the beginning assets and liabilities of the General Fund by \$45,080, and thus no effect to the beginning fund balance. The Town created new special revenue funds for the Student Activity Fund, Flexible Spending Fund, Police Cadet Activity Fund, Trail Equipment Replacement Fund, and Asset Forfeiture Fund thus increasing assets and fund balance \$232,740. The Town created a new custodial fund, increasing net position \$1,500. Accordingly, the Town restated beginning balances of the assets, liabilities, fund balance and net position as follows:

Governmental Funds:	Governmental Activities Net Position	Nonmajor Governmental Funds Fund Balance
Balance as previously reported June 30, 2020	\$ 97,818,094	\$ 7,536,427
Adjustment:		
Student Activity Fund now reported as a Special Revenue Fund	179,277	179,277
Flexible Spending Fund now reported as a Special Revenue Fund	46,171	46,171
Police Cadet Activity Fund now reported as a Special Revenue Fund	817	817
Trail Equipment Replacement Fund now reported as a Special Revenue Fund	5,305	5,305
Asset Forfeiture Fund now reported as a Special Revenue Fund	1,170	1,170
Balance as restated July 1, 2020	\$ 98,050,834	\$ 7,769,167

TOWN OF AVON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Fiduciary Funds:	<u>Agency Funds</u>	<u>Custodial Funds Net Position</u>
Balance as previously reported June 30, 2020	\$ 279,320	\$ -
Adjustments:		
Student Activity Fund now reported as a Special Revenue Fund	(179,277)	
Flexible Spending Fund now reported as a Special Revenue Fund	(46,171)	
CSPACE Fund now reported as a Custodial Fund	(1,500)	1,500
Police Cadet Activity Fund now reported as a Special Revenue Fund	(817)	
Compliance Bond Fund now reported in the General Fund	(45,080)	
Trail Equipment Replacement Fund now reported as a Special Revenue Fund	(5,305)	
Asset Forfeiture Fund now reported as a Special Revenue Fund	<u>(1,170)</u>	<u></u>
Balance as restated July 1, 2020	\$ <u>-</u>	\$ <u>1,500</u>

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Supplemental Appropriations	Final Budget	Actual	Variance with Final Budget
Revenues:					
Property taxes:					
Current levy	\$ 84,145,108	\$	\$ 84,145,108	\$ 83,674,265	\$ (470,843)
Supplemental real estate	55,750		55,750	42,264	(13,486)
Supplemental MV	492,136		492,136	775,942	283,806
Prior levies	175,000		175,000	283,766	108,766
Interest and penalties	150,000		150,000	203,814	53,814
Telephone gross receipts	55,000		55,000	41,325	(13,675)
Total property taxes	<u>85,072,994</u>	<u>-</u>	<u>85,072,994</u>	<u>85,021,376</u>	<u>(51,618)</u>
Intergovernmental:					
State grants-in aid:					
OPM CRF-Covid Relief		67,645	67,645	140,098	72,453
DEEP/Farmington River Trail		3,000	3,000	3,000	-
Municipal Grant Proj 43587				261,442	261,442
Equalized cost sharing (ECS)	391,430		391,430	541,355	149,925
Education Program Grants	1,560,000	166,054	1,726,054	1,529,810	(196,244)
PILOT - colleges and hospitals				9	9
Property tax relief - elderly				5,031	5,031
Grants in lieu of taxes	27,370		27,370	27,370	-
Veteran reimbursements	4,750		4,750		(4,750)
Youth services grant				24,923	24,923
Emergency management grants				9,057	9,057
Judicial branch				736	736
CT Trust for Historic Preservation					-
Nutmeg Conn 114-01 Grant					-
Miscellaneous State grant receipts	5,100		5,100		(5,100)
Absentee Ballots		10,087	10,087	12,887	2,800
OPM FEMA Covid Relief		21,525	21,525	17,348	(4,177)
Municipal revenue sharing		42,000	42,000	142,054	100,054
Technology President Election Grant				6,505	6,505
Total intergovernmental	<u>1,988,650</u>	<u>310,311</u>	<u>2,298,961</u>	<u>2,721,625</u>	<u>422,664</u>

(Continued on next page)

TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Supplemental Appropriations	Final Budget	Actual	Variance with Final Budget
Charges for Services:					
General government:					
Hunting and fishing	\$ 80	\$	\$ 80	\$ 81	\$ 1
Recording and conveyance	550,000		550,000	730,181	180,181
Sale of maps and publications	20,000		20,000	29,058	9,058
PA 05-228 Local CAP Recording Fee	6,600		6,600	7,943	1,343
Court	150		150		(150)
Town Clerk land recording fee				140	140
Public safety:					
Accident reports and photos	2,000		2,000	1,846	(154)
Alarm system				25	25
Animal pound fees	500		500	390	(110)
Police protection	4,500		4,500	15,415	10,915
Blds. struct. and equipment	425,000		425,000	625,708	200,708
Animal licenses	1,900		1,900	12,867	10,967
Public works:					
Landfill - residential fees	128,000		128,000	309,901	181,901
Landfill - bulky waste	25,000		25,000	53,025	28,025
Lakeview water main extension				248	248
Water main interest				152	152
Street and curb	2,000		2,000	7,100	5,100
Health and social services:					
Vital statistics	22,500		22,500	25,885	3,385
Recreation and parks:					
Swim fees	55,000		55,000	51,965	(3,035)
Organized summer programs	43,000		43,000	44,979	1,979
Educational - cultural:					
Library	6,500		6,500	441	(6,059)
BOE empl bnft contr dental/life	106,000		106,000	114,179	8,179
BOE misc receipts				29	29
BOE tuition receipts parent paid	155,000		155,000	113,258	(41,742)
BOE team mentor prog state pmts				2,366	2,366
BOE student parking fees	30,000		30,000	32,000	2,000
BOE sped interdist tuition receipt	1,100,000		1,100,000	1,423,828	323,828
BOE sports program participation fees	179,000		179,000	121,997	(57,003)
Conservation and development	10,000		10,000	5,001	(4,999)
Total charges for services	<u>2,872,730</u>	<u>-</u>	<u>2,872,730</u>	<u>3,730,008</u>	<u>857,278</u>
Investment Income	<u>340,000</u>	<u>-</u>	<u>340,000</u>	<u>93,536</u>	<u>(246,464)</u>
Other Local Revenues:					
Refunds and reimbursements	126,960		126,960	51,004	(75,956)
Miscellaneous	8,280		8,280	4,348	(3,932)
Admin allowance ICMA				10,000	10,000
Rents and reimbursements	60,000		60,000	79,998	19,998
BOE Misc Revenue				853	853
Salvage and demolition sales	8,500		8,500	24,427	15,927
Interlocal program funding	2,800		2,800	2,727	(73)
Energy Incentive				14,095	14,095
Sale of property	10,000		10,000	9,272	(728)
Cancelled encumbrances				20,443	20,443
Total other local revenues	<u>216,540</u>	<u>-</u>	<u>216,540</u>	<u>217,167</u>	<u>627</u>
Total revenues	<u>90,490,914</u>	<u>310,311</u>	<u>90,801,225</u>	<u>91,783,712</u>	<u>982,487</u>
Other Financing Sources:					
Appropriation of fund balance	1,800,000	1,413,584	3,213,584		(3,213,584)
Assigned for pension		200,000	200,000		(200,000)
Assigned to post employment benefits		150,000	150,000		(150,000)
Assigned to debt		200,000	200,000		(200,000)
Transfers in		80,000	80,000	157,307	77,307
Total other financing sources	<u>1,800,000</u>	<u>2,043,584</u>	<u>3,843,584</u>	<u>157,307</u>	<u>(3,686,277)</u>
Total Revenues and Other Financing Sources	<u>\$ 92,290,914</u>	<u>\$ 2,353,895</u>	<u>\$ 94,644,809</u>	<u>\$ 91,941,019</u>	<u>\$ (2,703,790)</u>
Underliquidation of encumbrances from June 30, 2020				(20,443)	
Capital lease issuance				263,120	
State Teachers' Retirement pension expense (revenue)				8,337,844	
State Teachers' Retirement OPEB expense (revenue)				204,293	
Activity of OPEB Special Revenue, combined with General Fund for GASB 54				(33,071)	
Balance, GAAP Basis - June 30, 2021				<u>\$ 100,692,762</u>	

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Expenditures:					
Town Council:					
General Government:					
Legislative - Town Council	\$ 50,664	\$ (2,737)	\$ 47,927	\$ 47,727	\$ 200
Executive - Town Manager	557,277	9,332	566,609	564,679	1,930
Judicial - probate	6,988		6,988	6,962	26
Elections	134,458	(19,052)	115,406	113,634	1,772
Legal services	185,000	3,695	188,695	188,695	-
Recording and reporting	439,462	23,714	463,176	461,670	1,506
Office building - Town hall	120,930	3,722	124,652	124,273	379
Human resources	213,317	17,349	230,666	228,050	2,616
Finance	1,865,543	36,486	1,902,029	1,889,271	12,758
Total general government	3,573,639	72,509	3,646,148	3,624,961	21,187
Public Safety:					
Police protection	7,695,218	102,632	7,797,850	7,688,530	109,320
Fire protection	2,091,589	137,314	2,228,903	2,228,711	192
Central communications	918,176	(5,845)	912,331	904,419	7,912
Protective inspection	444,151	6,532	450,683	431,477	19,206
Other protection	271,747	(36,944)	234,803	189,458	45,345
Total public safety	11,420,881	203,689	11,624,570	11,442,595	181,975
Public Works:					
Administration	505,523	(3,251)	502,272	490,335	11,937
Highways	2,236,984	36,917	2,273,901	2,171,562	102,339
Sanitation	469,373	(11,478)	457,895	438,416	19,479
Machinery and equipment	648,318	20,606	668,924	662,426	6,498
Building and grounds	2,363,934	56,639	2,420,573	2,275,201	145,372
Engineering	416,086	8,351	424,437	413,702	10,735
Total public works	6,640,218	107,784	6,748,002	6,451,642	296,360
Health and Social Services:					
Conservation of health	153,000	26,488	179,488	179,488	-
Social services	445,263	5,470	450,733	434,362	16,371
Total health and social services	598,263	31,958	630,221	613,850	16,371
Recreation and Parks:					
Recreation	783,990	15,236	799,226	728,856	70,370
Parks	23,080	3,579	26,659	22,228	4,431
Senior citizens	29,450	(579)	28,871	13,134	15,737
Community activities	25,319	99	25,418	16,630	8,788
Total recreation and parks	861,839	18,335	880,174	780,848	99,326
Educational-Cultural:					
Library	1,768,042	15,841	1,783,883	1,746,821	37,062

(Continued on next page)

TOWN OF AVON, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Conservation and Development:					
Planning and zoning	\$ 506,155	\$ (384)	\$ 505,771	\$ 492,014	\$ 13,757
Conservation of natural resources	196,731	14,878	211,609	203,946	7,663
Total conservation and development	702,886	14,494	717,380	695,960	21,420
Miscellaneous:					
Claims and losses	15,000		15,000	14,085	915
Municipal insurance	277,450	13,351	290,801	290,801	-
Intergovernmental expenditure	63,875	(13,351)	50,524	50,081	443
Contingency	10,000	67,648	77,648	67,945	9,703
Total miscellaneous	366,325	67,648	433,973	422,912	11,061
Total Town Council	25,932,093	532,258	26,464,351	25,779,589	684,762
Board of Education:					
Salaries	38,718,888	(905,571)	37,813,317	37,528,081	285,236
Employee benefits	10,354,342	(44,445)	10,309,897	10,309,897	-
Purchased prf & tech services	1,449,368	(113,537)	1,335,831	1,335,831	-
Property services	778,770	311,015	1,089,785	1,089,785	-
Other purchased services	7,089,577	(698,615)	6,390,962	6,390,962	-
General supplies & utilities	2,150,275	328,767	2,479,042	2,479,042	-
Equipment	376,685	1,291,059	1,667,744	1,667,744	-
Fees & membership	97,320	(2,619)	94,701	94,701	-
Total Board of Education	61,015,225	166,054	61,181,279	60,896,043	285,236
Debt service:					
Bonds and bond anticipation notes	2,959,750	200,000	3,159,750	3,151,590	8,160
Total expenditures	89,907,068	898,312	90,805,380	89,827,222	978,158
Transfers out	2,383,846	1,455,583	3,839,429	3,797,431	41,998
Total Expenditures and Other Financing Uses	\$ 92,290,914	\$ 2,353,895	\$ 94,644,809	\$ 93,624,653	\$ 1,020,156
Encumbrances outstanding June 30, 2021 charged to budgetary expenditures during the year ended June 30, 2021				(\$1,453,991)	
Encumbrances received and liquidated in the current year				\$474,513	
Change in accrued payroll				\$56,991	
Capital lease issuance				\$263,120	
State Teachers' Retirement pension expense (revenue)				\$8,337,844	
State Teachers' Retirement OPEB expense (revenue)				\$204,293	
Balance, GAAP Basis - June 30, 2021				\$ 101,507,423	

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

TOWN	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability:								
Service cost	\$ 163,905	\$ 149,834	\$ 146,076	\$ 106,979	\$ 72,683	\$ 14,551	\$ 15,576	\$ 17,565
Interest	2,980,790	2,979,055	2,925,097	2,881,746	2,801,325	2,721,665	2,623,031	2,623,537
Changes in benefit terms						189,868	(283,029)	291,057
Effect of economic/demographic gains or losses						808,194		
Differences between expected and actual experience		436,694	(87,525)	142,719	297,926			
Changes of assumptions		430,089	426,171	820,553	814,832		3,037,111	
Benefit payments, including refunds of member contributions	(3,266,880)	(3,429,651)	(3,595,436)	(3,665,823)	(3,625,343)	(3,625,729)	(3,778,449)	(3,763,907)
Net change in total pension liability	(122,185)	566,021	(185,617)	286,174	361,423	108,549	1,614,240	(831,748)
Total pension liability - beginning	41,183,864	41,061,679	41,627,700	41,442,083	41,728,257	42,089,680	42,198,229	43,812,469
Total pension liability - ending	41,061,679	41,627,700	41,442,083	41,728,257	42,089,680	42,198,229	43,812,469	42,980,721
Plan fiduciary net position:								
Contributions - employer	2,367,723	2,611,489	2,718,922	2,784,344	2,974,142	3,156,575	3,315,082	3,718,708
Contributions - employee	61,664	62,311	58,945	47,386	31,969	87,658		
Net investment income	2,615,214	392,103	(221,261)	2,065,484	1,604,141	1,066,219	1,410,151	5,351,459
Benefit payments, including refunds of member contributions	(3,266,880)	(3,429,651)	(3,595,436)	(3,665,823)	(3,625,343)	(3,625,729)	(3,778,449)	(3,763,907)
Administrative expense	(21,273)	(21,105)	(21,846)	(21,453)	(22,640)	(22,342)	(22,948)	(24,509)
Net change in plan fiduciary net position	1,756,448	(384,853)	(1,060,676)	1,209,938	962,269	662,381	923,836	5,281,751
Plan fiduciary net position - beginning	16,043,463	17,799,911	17,415,058	16,354,382	17,564,320	18,526,589	19,188,970	20,112,806
Plan fiduciary net position - ending	17,799,911	17,415,058	16,354,382	17,564,320	18,526,589	19,188,970	20,112,806	25,394,557
Town's Net Pension Liability - Ending	\$ 23,261,768	\$ 24,212,642	\$ 25,087,701	\$ 24,163,937	\$ 23,563,091	\$ 23,009,259	\$ 23,699,663	\$ 17,586,164
Plan fiduciary net position as a percentage of the total pension liability	43.35%	41.84%	39.46%	42.09%	44.02%	45.47%	45.91%	59.08%
Covered payroll	\$ 1,528,161	\$ 1,244,618	\$ 1,146,084	\$ 1,008,320	\$ 968,415	\$ 835,010	\$ 644,025	\$ 396,939
Town's net pension liability as a percentage of covered payroll	1522.21%	1945.39%	2188.99%	2396.46%	2433.16%	2755.57%	3679.93%	4430.44%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

BOARD OF EDUCATION

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability:								
Service cost	\$ 525,256	\$ 556,668	\$ 536,754	\$ 563,301	\$ 576,814	\$ 490,495	\$ 495,815	\$ 527,305
Interest	611,000	658,710	712,072	782,703	858,481	903,576	890,338	992,341
Changes in benefit terms			(152,845)	-				
Effect of economic/demographic gains or losses						(896,489)	(40,629)	(241,544)
Differences between expected and actual experience	119,783	(193,612)	252,702	175,488	(68,982)			
Changes of assumptions				310,917	347,954	354,292	1,371,068	448,682
Benefit payments, including refunds of member contributions	(402,777)	(364,877)	(293,632)	(308,945)	(448,848)	(564,062)	(527,035)	(610,215)
Net change in total pension liability	853,262	656,889	1,055,051	1,523,464	1,265,419	287,812	2,189,557	1,116,569
Total pension liability - beginning	7,819,165	8,672,427	9,329,316	10,384,367	11,907,831	13,173,250	13,461,062	15,650,619
Total pension liability - ending	8,672,427	9,329,316	10,384,367	11,907,831	13,173,250	13,461,062	15,650,619	16,767,188
Plan fiduciary net position:								
Contributions - employer	507,738	506,967	508,433	514,235	622,289	698,616	610,663	797,132
Contributions - employee	299,105	293,265	304,720	277,493	227,313	226,274	210,397	187,835
Net investment income	871,716	175,505	(46,816)	1,048,650	861,522	676,111	930,705	3,525,422
Benefit payments, including refunds of member contributions	(402,777)	(364,877)	(293,632)	(308,945)	(448,848)	(564,062)	(527,035)	(610,215)
Administrative expense	(14,704)	(14,465)	(13,785)	(14,746)	(17,793)	(17,293)	(18,079)	(18,974)
Net change in plan fiduciary net position	1,261,078	596,395	458,920	1,516,687	1,244,483	1,019,646	1,206,651	3,881,200
Plan fiduciary net position - beginning	5,756,750	7,017,828	7,614,223	8,073,143	9,589,830	10,834,313	11,853,959	13,060,610
Plan fiduciary net position - ending	7,017,828	7,614,223	8,073,143	9,589,830	10,834,313	11,853,959	13,060,610	16,941,810
Town's Net Pension Liability (Asset) - Ending	\$ <u>1,654,599</u>	\$ <u>1,715,093</u>	\$ <u>2,311,224</u>	\$ <u>2,318,001</u>	\$ <u>2,338,937</u>	\$ <u>1,607,103</u>	\$ <u>2,590,009</u>	\$ <u>(174,622)</u>
Plan fiduciary net position as a percentage of the total pension liability	80.92%	81.62%	77.74%	80.53%	82.24%	88.06%	83.45%	101.04%
Covered payroll	\$ 4,234,029	\$ 4,580,259	\$ 4,872,609	\$ 4,459,116	\$ 4,885,541	\$ 4,793,820	\$ 3,988,673	\$ 3,800,852
Town's net pension liability as a percentage of covered payroll	39.08%	37.45%	47.43%	51.98%	47.87%	33.52%	64.93%	-4.59%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

TOWN

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially-determined contribution	\$ 2,030,829	\$ 2,119,020	\$ 2,367,723	\$ 2,611,489	\$ 2,718,922	\$ 2,784,344	\$ 2,965,142	\$ 3,140,575	\$ 3,298,082	\$ 3,718,708
Contributions in relation to the actuarially-determined contribution	<u>2,030,829</u>	<u>2,119,020</u>	<u>2,367,723</u>	<u>2,611,489</u>	<u>2,718,922</u>	<u>2,784,344</u>	<u>2,974,142</u>	<u>3,156,575</u>	<u>3,315,082</u>	<u>3,718,708</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(9,000)</u>	\$ <u>(16,000)</u>	\$ <u>(17,000)</u>	\$ <u>-</u>
Covered payroll	\$ 1,954,201	\$ 1,540,675	\$ 1,528,161	\$ 1,244,618	\$ 1,146,084	\$ 1,008,320	\$ 968,415	\$ 835,010	\$ 644,025	\$ 396,939
Contributions as a percentage of covered payroll	103.92%	137.54%	154.94%	209.82%	237.24%	276.14%	307.11%	378.03%	514.74%	936.85%

Notes to Schedule

Valuation date July 1, 2020
Measurement date June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, layered
Remaining amortization period	10 years
Amortization growth rate	3.50%
Asset valuation method	5 year non-asymptotic, no corridor
Inflation	2.75%
Salary increases	3.50%
Cost of living adjustments	None
Investment rate of return	6.25%
Turnover	Age-based table
Retirement age	All active members are assumed to retire on their normal retirement dates
Mortality	PubS-2010 Mortality Table for Police and PubG-2010 Mortality Table for all others with generational projection per the MP-2019 Ultimate scale

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

BOARD OF EDUCATION

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially-determined contribution	\$ 318,093	\$ 330,426	\$ 480,771	\$ 506,967	\$ 504,392	\$ 514,235	\$ 622,289	\$ 698,616	\$ 610,663	\$ 797,132
Contributions in relation to the actuarially-determined contribution	318,093	480,000	507,738	506,967	508,433	514,235	622,289	698,616	610,663	797,132
Contribution Deficiency (Excess)	\$ -	\$ (149,574)	\$ (26,967)	\$ -	\$ (4,041)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,880,490	\$ 4,041,241	\$ 4,234,029	\$ 4,580,259	\$ 4,872,609	\$ 4,459,116	\$ 4,885,541	\$ 4,793,820	\$ 3,988,673	\$ 3,800,852
Contributions as a percentage of covered payroll	8.20%	11.88%	11.99%	11.07%	10.43%	11.53%	12.74%	14.57%	15.31%	20.97%

Notes to Schedule

Valuation date July 1, 2020
Measurement date June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, layered
Remaining amortization period	10 years
Amortization growth rate	3.50%
Asset valuation method	5 year non-asymptotic, no corridor
Inflation	2.75%
Investment rate of return	6.00%
Retirement age and Turnover	Age-based table
Mortality	PubG-2010 Mortality with generational projection per the MP Ultimate scale

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

TOWN

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	15.71%	2.34%	(1.22%)	12.52%	8.62%	5.40%	6.87%	24.46%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

BOARD OF EDUCATION

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	15.55%	2.42%	(0.58%)	12.59%	8.67%	5.94%	7.64%	26.81%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS***

	2015	2016	2017	2018	2019	2020	2021
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	68,083,931	73,660,024	95,715,132	90,724,585	89,755,368	116,405,455	130,037,833
Total	\$ 68,083,931	\$ 73,660,024	\$ 95,715,132	\$ 90,724,585	\$ 89,755,368	\$ 116,405,455	\$ 130,037,833
Town's covered payroll	\$ 26,073,558	\$ 26,651,752	\$ 27,614,326	\$ 27,547,607	\$ 28,723,475	\$ 29,414,259	\$ 29,968,136
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	<p>The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019:</p> <ul style="list-style-type: none"> - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF AVON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS*

TOWN	2017	2018	2019	2020	2021
Total OPEB liability:					
Service cost	\$ 555,395	\$ 594,273	\$ 727,436	\$ 769,285	\$ 735,627
Interest	1,942,235	2,052,127	2,190,751	2,200,650	2,087,116
Changes of benefit terms					
Differences between expected and actual experience					
Effect of economic/demographic gains or losses			(8,561)		(388,119)
Changes of assumptions			641,321	(3,440,258)	(922,678)
Benefit payments	(1,095,722)	(833,086)	(764,223)	(1,309,633)	(1,173,614)
Net change in total OPEB liability	1,401,908	1,813,314	2,786,724	(1,779,956)	338,332
Total OPEB liability - beginning	27,729,420	29,131,328	30,944,642	33,731,366	31,951,410
Total OPEB liability - ending	29,131,328	30,944,642	33,731,366	31,951,410	32,289,742
Plan fiduciary net position:					
Contributions - employer	1,946,608	2,130,593	1,975,319	2,020,072	1,887,122
Contributions - member	153,311				
Net investment income	169,420	132,046	142,369	104,299	571,708
Benefit payments	(1,079,312)	(833,086)	(764,223)	(1,309,633)	(1,173,614)
Administrative expense	(16,410)	(5,900)	(23,473)	(7,150)	(12,352)
Other					
Net change in plan fiduciary net position	1,173,617	1,423,653	1,329,992	807,588	1,272,864
Plan fiduciary net position - beginning	4,488,945	5,662,562	7,086,215	8,416,207	9,223,795
Plan fiduciary net position - ending	5,662,562	7,086,215	8,416,207	9,223,795	10,496,659
Net OPEB Liability - Ending	\$ 23,468,766	\$ 23,858,427	\$ 25,315,159	\$ 22,727,615	\$ 21,793,083
Plan fiduciary net position as a percentage of the total OPEB liability	19.44%	22.90%	24.95%	28.87%	32.51%
Covered payroll	\$ 4,848,188	\$ 5,277,848	\$ 5,277,848	\$ 7,970,045	\$ 7,970,045
Net OPEB liability as a percentage of covered payroll	484.07%	452.05%	479.65%	285.16%	273.44%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF AVON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS*

BOARD OF EDUCATION	2017	2018	2019	2020	2021
Total OPEB liability:					
Service cost	\$ 349,565	\$ 374,035	\$ 283,422	\$ 324,791	\$ 293,675
Interest	607,202	654,981	700,168	557,676	553,426
Changes of benefit terms					
Differences between expected and actual experience					
Effect of economic/demographic gains or losses			(2,385,800)		(1,476,230)
Effect of assumptions changes or inputs			363,110	(568,997)	657,091
Benefit payments	<u>(381,547)</u>	<u>(212,941)</u>	<u>(375,581)</u>	<u>(475,620)</u>	<u>(215,763)</u>
Net change in total OPEB liability	575,220	816,075.00	(1,414,681)	(162,150)	(187,801)
Total OPEB liability - beginning	<u>8,512,293</u>	<u>9,087,513</u>	<u>9,903,588</u>	<u>8,488,907</u>	<u>8,326,757</u>
Total OPEB liability - ending	<u>9,087,513</u>	<u>9,903,588</u>	<u>8,488,907</u>	<u>8,326,757</u>	<u>8,138,956</u>
Plan fiduciary net position:					
Contributions - employer	1,096,301	1,389,412	620,355	887,456	922,682
Contributions - member	162,121				
Net investment income (loss)	16,759	53,128	190,834	175,735	1,291,946
Benefit payments	(381,137)	(212,941)	(375,581)	(475,620)	(215,763)
Administrative expense	<u>(410)</u>				
Other					
Net change in plan fiduciary net position	893,634	1,229,599	435,608	587,571	1,998,865
Plan fiduciary net position - beginning	<u>(182,484)</u>	<u>711,150</u>	<u>1,940,749</u>	<u>2,376,357</u>	<u>2,963,928</u>
Plan fiduciary net position - ending	<u>711,150</u>	<u>1,940,749</u>	<u>2,376,357</u>	<u>2,963,928</u>	<u>4,962,793</u>
Net OPEB Liability - Ending	<u>\$ 8,376,363</u>	<u>\$ 7,962,839</u>	<u>\$ 6,112,550</u>	<u>\$ 5,362,829</u>	<u>\$ 3,176,163</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.83%	19.60%	27.99%	35.60%	60.98%
Covered payroll	\$ 27,317,927	\$ 29,004,929	\$ 29,004,929	\$ 26,770,839	\$ 26,770,839
Net OPEB liability as a percentage of covered payroll	30.66%	27.45%	21.07%	20.03%	11.86%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB
LAST TEN FISCAL YEARS**

TOWN

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution (1)	\$ 1,617,000	\$ 1,715,000	\$ 1,915,000	\$ 2,007,000	\$ 2,169,173	\$ 2,356,683	\$ 2,548,324	\$ 2,700,739	\$ 2,986,851	\$ 3,163,176
Contributions in relation to the actuarially determined contribution	<u>1,142,000</u>	<u>1,545,000</u>	<u>1,712,000</u>	<u>1,895,000</u>	<u>1,809,878</u>	<u>1,946,608</u>	<u>2,130,593</u>	<u>1,975,319</u>	<u>2,020,072</u>	<u>1,887,122</u>
Contribution Deficiency (Excess)	<u>\$ 475,000</u>	<u>\$ 170,000</u>	<u>\$ 203,000</u>	<u>\$ 112,000</u>	<u>\$ 359,295</u>	<u>\$ 410,075</u>	<u>\$ 417,731</u>	<u>\$ 725,420</u>	<u>\$ 966,779</u>	<u>\$ 1,276,054</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 4,848,188	\$ 4,848,188	\$ 5,277,848	\$ 4,848,188	\$ 7,970,045	\$ 7,970,045
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	37.33%	40.15%	40.37%	40.74%	25.35%	23.68%

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2018 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Amortization period	12 years
Amortization growth rate	3.50%
Asset valuation method	5-year smoothed market value, non-asymptotic, no corridor
Inflation	2.50%
Salary increases, including inflation	3.50%
Discount rate	6.25%
Healthcare trend rates	Pre-Medicare: 6.20% to 4.00% over 53 years Post-Medicare: 4.90% to 4.00% over 53 years

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB
LAST TEN FISCAL YEARS**

BOARD OF EDUCATION

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution (1)	\$ 854,000	\$ 913,000	\$ 935,000	\$ 1,016,000	\$ 974,866	\$ 1,063,989	\$ 1,111,525	\$ 1,177,141	\$ 887,456	\$ 922,682
Contributions in relation to the actuarially determined contribution	<u>607,000</u>	<u>601,000</u>	<u>507,000</u>	<u>540,000</u>	<u>569,278</u>	<u>1,096,301</u>	<u>1,389,412</u>	<u>620,355</u>	<u>887,456</u>	<u>922,682</u>
Contribution Deficiency (Excess)	<u>\$ 247,000</u>	<u>\$ 312,000</u>	<u>\$ 428,000</u>	<u>\$ 476,000</u>	<u>\$ 405,588</u>	<u>\$ (32,312)</u>	<u>\$ (277,887)</u>	<u>\$ 556,786</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ N/A	\$ N/A	\$ 25,533,000	\$ 25,533,000	\$ 27,317,927	\$ 27,317,927	\$ 29,004,929	\$ 29,004,929	\$ 26,770,839	\$ 26,770,839
Contributions as a percentage of covered payroll	N/A	N/A	1.99%	2.11%	2.08%	4.01%	4.79%	2.14%	3.32%	3.45%

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2018 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Amortization period	12 years
Amortization growth rate	3.50%
Asset valuation method	5-year smoothed market value, non-asymptotic, no corridor
Inflation	2.50%
Salary increases	Graded by service for Teachers and Administrators; 3.50% for all others
Discount rate	6.00%
Healthcare trend rates	6.20% - 4.00% over 53 years

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB
LAST FIVE FISCAL YEARS***

TOWN

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	4.10%	2.45%	1.64%	1.07%	5.52%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB
LAST FIVE FISCAL YEARS***

BOARD OF EDUCATION

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	10.20%	4.73%	8.05%	5.78%	34.04%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FOUR FISCAL YEARS***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>23,351,462</u>	<u>17,942,658</u>	<u>18,154,088</u>	<u>19,395,147</u>
Total	<u>\$ 23,351,462</u>	<u>\$ 17,942,658</u>	<u>\$ 18,154,088</u>	<u>\$ 19,395,147</u>
Town's covered payroll	\$ 27,547,607	\$ 28,723,475	\$ 29,414,259	\$ 29,968,136
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%	2.50%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; Long-term health care cost trend rates were updated; The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and, The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below: - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**SUPPLEMENTAL, COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

GENERAL FUND

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

TOWN OF AVON, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2021

	<u>General</u>	<u>Other Post Employment Benefits</u>	<u>Eliminations</u>	<u>Total General Fund</u>
ASSETS				
Cash and cash equivalents	\$ 45,689,863	\$ 1,364,983	\$	\$ 47,054,846
Investments				-
Receivables, net	1,047,733			1,047,733
Due from other funds	654,606		(404,419)	250,187
Other	<u>58,468</u>			<u>58,468</u>
Total Assets	<u>\$ 47,450,670</u>	<u>\$ 1,364,983</u>	<u>\$ (404,419)</u>	<u>\$ 48,411,234</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,091,462	\$	\$	\$ 1,091,462
Accrued liabilities	547,830			547,830
Due to other funds	19,866,859	1,279,579	(404,419)	20,742,019
Unearned revenue	<u>2,704,396</u>			<u>2,704,396</u>
Total liabilities	<u>24,210,547</u>	<u>1,279,579</u>	<u>(404,419)</u>	<u>25,085,707</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	621,513			621,513
Advance property tax collections	<u>6,623,353</u>			<u>6,623,353</u>
Total deferred inflows of resources	<u>7,244,866</u>	<u>-</u>	<u>-</u>	<u>7,244,866</u>
Fund Balances:				
Nonspendable	58,468			58,468
Assigned	3,217,877	85,404		3,303,281
Unassigned	<u>12,718,912</u>			<u>12,718,912</u>
Total fund balances	<u>15,995,257</u>	<u>85,404</u>	<u>-</u>	<u>16,080,661</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 47,450,670</u>	<u>\$ 1,364,983</u>	<u>\$ (404,419)</u>	<u>\$ 48,411,234</u>

**TOWN OF AVON, CONNECTICUT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Other Post Employment Benefits</u>	<u>Eliminations</u>	<u>Total General Fund</u>
Revenues:				
Property taxes	\$ 85,021,376	\$	\$	\$ 85,021,376
Intergovernmental	11,257,257			11,257,257
Charges for services	3,730,008	46,793		3,776,801
Investment income	93,536	136		93,672
Other local revenues	203,229			203,229
Total revenues	<u>100,305,406</u>	<u>46,929</u>	<u>-</u>	<u>100,352,335</u>
Expenditures:				
Current:				
Town Council:				
General government	3,627,019			3,627,019
Public safety	11,446,312			11,446,312
Public works	6,433,747			6,433,747
Health and social services	597,887			597,887
Recreation and parks	788,408			788,408
Educational - cultural	1,751,983			1,751,983
Conservation and development	684,397			684,397
Miscellaneous	422,912			422,912
Total town council	<u>25,752,665</u>	<u>-</u>	<u>-</u>	<u>25,752,665</u>
Board of Education	68,805,737			68,805,737
Debt service	3,151,590			3,151,590
Total expenditures	<u>97,709,992</u>	<u>-</u>	<u>-</u>	<u>97,709,992</u>
Excess of Revenues over Expenditures	<u>2,595,414</u>	<u>46,929</u>	<u>-</u>	<u>2,642,343</u>
Other Financing Sources (Uses):				
Capital lease issuance	263,120			263,120
Transfers in	157,307		(80,000)	77,307
Transfers out	(3,797,431)	(80,000)	80,000	(3,797,431)
Net other financing uses	<u>(3,377,004)</u>	<u>(80,000)</u>	<u>-</u>	<u>(3,457,004)</u>
Net Change in Fund Balances	(781,590)	(33,071)	-	(814,661)
Fund Balances at Beginning	<u>16,776,847</u>	<u>118,475</u>		<u>16,895,322</u>
Fund Balances at End of Year	<u>\$ 15,995,257</u>	<u>\$ 85,404</u>	<u>\$ -</u>	<u>\$ 16,080,661</u>

TOWN OF AVON, CONNECTICUT
GENERAL FUND
REPORT OF THE PROPERTY TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2021

Grand List Date	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections		Transfers to Suspense	Transfers from Suspense	Adjusted Taxes Collectible	Collections					Uncollected Taxes June 30, 2021
			Additions	Deductions				Taxes Collected	Refunds	Net Taxes Collected	Interest and Fees	Total Collections	
2004 & Earlier	\$ 332	\$	\$		\$		\$ 332	\$		\$ -	\$	\$ -	\$ 332
2005	340						340			-		-	340
2006	839						839			-		-	839
2007	864					6	870			-		-	870
2008	1,056				6		1,050			-		-	1,050
2009	1,094					239	1,333	237		237	452	689	1,096
2010	1,125				2		1,123			-		-	1,123
2011	8,725					85	8,810	85		85	130	215	8,725
2012	11,749					99	11,848	99		99	142	241	11,749
2013	15,028					167	15,195	167		167	2,199	2,366	15,028
2014	18,366					227	18,593	2,611		2,611	644	3,255	15,982
2015	36,288			94	1,097	95	35,192	664		664	7,592	8,256	34,528
2016	99,038			507	9,400	125	89,256	13,164	273	12,891	4,417	17,308	76,365
2017	185,120		984	2,976	6,515	256	176,869	40,522	716	39,806	20,661	60,467	137,063
2018	435,793		685	119,540	3,299		313,639	226,217	112,536	113,681	41,615	155,296	199,958
Total Prior Years	815,757	-	1,669	123,117	20,319	1,299	675,289	283,766	113,525	170,241	77,852	248,093	505,048
October 1, 2019		85,445,726	211,399	650,301			85,006,824	84,679,053	93,768	84,585,285	125,962	84,711,247	421,539
Total	\$ 815,757	\$ 85,445,726	\$ 213,068	\$ 773,418	\$ 20,319	\$ 1,299	\$ 85,682,113	\$ 84,962,819	\$ 207,293	\$ 84,755,526	\$ 203,814	\$ 84,959,340	\$ 926,587

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

Use of School Facilities Fund - To account for user charges and expenditures associated with the after-school use of Board of Education facilities by outside organizations.

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

Fisher Meadow Maintenance Fund - To account for conservation, farming, recreation and open space in accordance with the deeds, agreements and grant requirements of the Fisher Family and the State of Connecticut.

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

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

Trail Equipment Replacement Fund - This fund was established by The Equipment Sharing Agreement: Farmington Valley Trail Maintenance was established November 1, 2008 and shall automatically renew for successive terms of five (5) additional years unless all but one Participating Municipality provides written notice to the other of its election not to renew the Agreement for another five (5) assessment years. The participating municipalities are the Towns of Avon, Canton, East Granby, Suffield, Simsbury, Farmington, Granby and Burlington. The Agreement is for the shared use of trail maintenance equipment for the ongoing maintenance of the Farmington Valley Trail. The housing town (Avon) will cover routine operating expenses and will bill the other towns on a regular basis.

Asset Forfeiture Fund - The Avon Police Department receives proceeds for forfeited property obtained in drug or gang-related crimes and uses the funds to cover costs associated with training officers for crime prevention and law enforcement.

Student Activity Funds - To account for various student functions and programs in the Town's schools.
Flexible Spending Account - To account for the flexible health spending account activity for the Town's Board of Education employees.

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

Avon Day Fund – To account for funding from donations, rental of booths and also from proceeds from Avon Day token sales. Funds collected are used to reimburse operating expenses associated with the event. The Avon Day Committee then decides, of the remaining fund balance, what percentage will be held back for the next Avon Day's needs and what percentage is donated to Town of Avon Special Needs.

Property Damage Fund - To account for funding from claims filed with parties for damages to Town property. Any surplus funds remaining after the repairs to the property is completed, are used for future damages where there is no third party to file a claim with or to cover unfunded property damage insurance deductibles.

Town Clerk Fund - To account for the Town Clerk's collection of fees related to land records, foreclosures and document recorded fees, which are remitted to the State.

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.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal may be used.

Police Officers' Meritorious Service Fund - This fund was established November 21, 2007 and approved by Town Council December 6, 2007. The purpose is to aid in avoidable hardships suffered by qualified officers of the Avon Police Department arising in the line of duty to the extent not compensated by any source, to encourage unfunded scholarly effort to the Police Department, and to recognize exceptionally meritorious conduct performed in the line of duty. This fund may receive bequests, gifts or donations by third parties for the benefit of the fund.

**TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021**

	Special Revenue Funds						
	Sewer Fund	State and Federal Education Grants Fund	School Cafeteria Fund	Recreational Activities Fund	Local Capital Improvement Program Fund	Forest Park Management Fund	Use of School Facilities Fund
ASSETS							
Cash and cash equivalents	\$ 2,889,944	\$ 14,987	\$ 225,259	\$ 81,941	\$	\$	\$ 14,857
Investments							
Receivables	2,043,754	21,773	137,960		110,702		
Due from other funds	689,990	72,452		206,985		18,079	123,776
Other			9,452				
Total Assets	<u>\$ 5,623,688</u>	<u>\$ 109,212</u>	<u>\$ 372,671</u>	<u>\$ 288,926</u>	<u>\$ 110,702</u>	<u>\$ 18,079</u>	<u>\$ 138,633</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 126,066	\$ 72,597	\$ 8,031	\$ 20,795	\$	\$	\$
Due to other funds			104,001		108,526		
Unearned revenue	82,824	15,834					
Total liabilities	<u>208,890</u>	<u>88,431</u>	<u>112,032</u>	<u>20,795</u>	<u>108,526</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:							
Unavailable revenue - special assessments	1,631,796						
Unavailable revenue - grants receivable		3,174			110,702		
Total deferred inflows of resources	<u>1,631,796</u>	<u>3,174</u>	<u>-</u>	<u>-</u>	<u>110,702</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable			9,452				
Restricted		17,607					
Committed	3,783,002		251,187	268,131		18,079	138,633
Unassigned					(108,526)		
Total fund balances	<u>3,783,002</u>	<u>17,607</u>	<u>260,639</u>	<u>268,131</u>	<u>(108,526)</u>	<u>18,079</u>	<u>138,633</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,623,688</u>	<u>\$ 109,212</u>	<u>\$ 372,671</u>	<u>\$ 288,926</u>	<u>\$ 110,702</u>	<u>\$ 18,079</u>	<u>\$ 138,633</u>

(Continued on next page)

**TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021**

	Special Revenue Funds							
	Town Aid Road Fund	Fisher Meadow Maintenance Fund	Police Special Services Fund	Police Cadet Activities Fund	Trail Equipment Replacement Fund	Asset Forfeiture Fund	Student Activities Fund	Flex Spending Fund
ASSETS								
Cash and cash equivalents	\$ 156,343	\$ 206,695	\$ 155,900	\$	\$ 16,071	\$	\$ 225,450	\$ 30,013
Investments								
Receivables			75,553					
Due from other funds		502,159	125,142	817		1,170		
Other								
Total Assets	<u>\$ 156,343</u>	<u>\$ 708,854</u>	<u>\$ 356,595</u>	<u>\$ 817</u>	<u>\$ 16,071</u>	<u>\$ 1,170</u>	<u>\$ 225,450</u>	<u>\$ 30,013</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 977		\$	\$	\$	\$	\$	\$
Due to other funds	3,778				6,521			
Unearned revenue			71,752					
Total liabilities	<u>4,755</u>	<u>-</u>	<u>71,752</u>	<u>-</u>	<u>6,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:								
Unavailable revenue - special assessments								
Unavailable revenue - grants receivable								
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted	151,588	708,854						
Committed			284,843	817	9,550	1,170	225,450	30,013
Unassigned								
Total fund balances	<u>151,588</u>	<u>708,854</u>	<u>284,843</u>	<u>817</u>	<u>9,550</u>	<u>1,170</u>	<u>225,450</u>	<u>30,013</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 156,343</u>	<u>\$ 708,854</u>	<u>\$ 356,595</u>	<u>\$ 817</u>	<u>\$ 16,071</u>	<u>\$ 1,170</u>	<u>\$ 225,450</u>	<u>\$ 30,013</u>

**TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021**

	Special Revenue Funds					Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Donations Fund	Avon Day Fund	Property Damage Fund	Town Clerk Fund	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	Police Officers' Meritorious Service Fund	
ASSETS								
Cash and cash equivalents	\$ 4,342	\$	\$ 52,897	\$ 12,028	\$	\$ 71,420	\$ 26,429	\$ 4,184,576
Investments							74,560	74,560
Receivables								2,389,742
Due from other funds	62,025			46,909	86,322	1,603,544		3,539,370
Other								9,452
Total Assets	\$ 66,367	\$ -	\$ 52,897	\$ 58,937	\$ 86,322	\$ 1,674,964	\$ 100,989	\$ 10,197,700
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 7,598	\$	\$ 27,178	\$ 3,059	\$	\$ 113,151	\$	\$ 379,452
Due to other funds		13,662	13,699					250,187
Unearned revenue						3,780		174,190
Total liabilities	7,598	13,662	40,877	3,059	-	116,931	-	803,829
Deferred Inflows of Resources:								
Unavailable revenue - special assessments								1,631,796
Unavailable revenue - grants receivable								113,876
Total deferred inflows of resources	-	-	-	-	-	-	-	1,745,672
Fund Balances:								
Nonspendable							71,459	80,911
Restricted					86,322		29,530	993,901
Committed	58,769		12,020	55,878		1,558,033		6,695,575
Unassigned		(13,662)						(122,188)
Total fund balances	58,769	(13,662)	12,020	55,878	86,322	1,558,033	100,989	7,648,199
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 66,367	\$ -	\$ 52,897	\$ 58,937	\$ 86,322	\$ 1,674,964	\$ 100,989	\$ 10,197,700

TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds						
	<u>Sewer Fund</u>	<u>State and Federal Education Grants Fund</u>	<u>School Cafeteria Fund</u>	<u>Recreational Activities Fund</u>	<u>Local Capital Improvement Program Fund</u>	<u>Forest Park Management Fund</u>	<u>Use of School Facilities Fund</u>
Revenues:							
Intergovernmental	\$	\$ 1,562,158	\$ 494,862	\$ 2,500	\$ 110,330	\$	\$
Charges for services	3,424,459		106,156	338,457			
Investment income							
Other local revenues							17,260
Total revenues	<u>3,424,459</u>	<u>1,562,158</u>	<u>601,018</u>	<u>340,957</u>	<u>110,330</u>	<u>-</u>	<u>17,260</u>
Expenditures:							
Current:							
General government							
Public safety							
Public works	2,401,682				110,702		
Recreation and parks				241,258		5,200	
Education		1,467,677	606,127				2,558
Capital outlay							
Total expenditures	<u>2,401,682</u>	<u>1,467,677</u>	<u>606,127</u>	<u>241,258</u>	<u>110,702</u>	<u>5,200</u>	<u>2,558</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,022,777</u>	<u>94,481</u>	<u>(5,109)</u>	<u>99,699</u>	<u>(372)</u>	<u>(5,200)</u>	<u>14,702</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out	(710,000)	(77,307)		(35,000)			
Net other financing sources (uses)	<u>(710,000)</u>	<u>(77,307)</u>	<u>-</u>	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	312,777	17,174	(5,109)	64,699	(372)	(5,200)	14,702
Fund Balances at Beginning of Year, as Restated	<u>3,470,225</u>	<u>433</u>	<u>265,748</u>	<u>203,432</u>	<u>(108,154)</u>	<u>23,279</u>	<u>123,931</u>
Fund Balances at End of Year	<u>\$ 3,783,002</u>	<u>\$ 17,607</u>	<u>\$ 260,639</u>	<u>\$ 268,131</u>	<u>\$ (108,526)</u>	<u>\$ 18,079</u>	<u>\$ 138,633</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, 2021

	Special Revenue Funds							
	Town Aid Road Fund	Fisher Meadow Maintenance Fund	Police Special Services Fund	Police Cadet Activities Fund	Trail Equipment Replacement Fund	Asset Forfeiture Fund	Student Activities Fund	Flex Spending Fund
Revenues:								
Intergovernmental	\$ 312,687	\$	\$	\$	\$	\$	\$	\$
Charges for services			155,899		19,404		329,889	62,363
Investment income		316						
Other local revenues		153,449						
Total revenues	<u>312,687</u>	<u>153,765</u>	<u>155,899</u>	<u>-</u>	<u>19,404</u>	<u>-</u>	<u>329,889</u>	<u>62,363</u>
Expenditures:								
Current:								
General government								
Public safety			147,759					
Public works	398,705							
Recreation and parks		1			15,159			
Education							283,716	78,521
Capital outlay								
Total expenditures	<u>398,705</u>	<u>1</u>	<u>147,759</u>	<u>-</u>	<u>15,159</u>	<u>-</u>	<u>283,716</u>	<u>78,521</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(86,018)</u>	<u>153,764</u>	<u>8,140</u>	<u>-</u>	<u>4,245</u>	<u>-</u>	<u>46,173</u>	<u>(16,158)</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out	(575,000)							
Net other financing sources (uses)	<u>(575,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(661,018)	153,764	8,140	-	4,245	-	46,173	(16,158)
Fund Balances at Beginning of Year, as Restated	<u>812,606</u>	<u>555,090</u>	<u>276,703</u>	<u>817</u>	<u>5,305</u>	<u>1,170</u>	<u>179,277</u>	<u>46,171</u>
Fund Balances at End of Year	<u>\$ 151,588</u>	<u>\$ 708,854</u>	<u>\$ 284,843</u>	<u>\$ 817</u>	<u>\$ 9,550</u>	<u>\$ 1,170</u>	<u>\$ 225,450</u>	<u>\$ 30,013</u>

TOWN OF AVON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds					Capital Projects Fund	Permanent Fund	
	Donations Fund	Avon Day Fund	Property Damage Fund	Town Clerk Fund	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	Police Officers' Meritorious Service Fund	Total Nonmajor Governmental Funds
Revenues:								
Intergovernmental	\$	\$	\$	\$ 5,500	\$	\$ 40,001	\$	\$ 2,528,038
Charges for services				14,159		71,420		4,522,206
Investment income							18,729	19,045
Other local revenues	43,684		116,032			178,971	7,200	516,596
Total revenues	<u>43,684</u>	<u>-</u>	<u>116,032</u>	<u>19,659</u>	<u>-</u>	<u>290,392</u>	<u>25,929</u>	<u>7,585,885</u>
Expenditures:								
Current:								
General government	34,071		116,525	11,746	284,170			446,512
Public safety								147,759
Public works								2,911,089
Recreation and parks								261,618
Education								2,438,599
Capital outlay						418,456		418,456
Total expenditures	<u>34,071</u>	<u>-</u>	<u>116,525</u>	<u>11,746</u>	<u>284,170</u>	<u>418,456</u>	<u>-</u>	<u>6,624,033</u>
Excess (Deficiency) of Revenues over Expenditures	<u>9,613</u>	<u>-</u>	<u>(493)</u>	<u>7,913</u>	<u>(284,170)</u>	<u>(128,064)</u>	<u>25,929</u>	<u>961,852</u>
Other Financing Sources (Uses):								
Transfers in					150,000	164,487		314,487
Transfers out								(1,397,307)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>164,487</u>	<u>-</u>	<u>(1,082,820)</u>
Net Change in Fund Balances	9,613	-	(493)	7,913	(134,170)	36,423	25,929	(120,968)
Fund Balances at Beginning of Year, as Restated	<u>49,156</u>	<u>(13,662)</u>	<u>12,513</u>	<u>47,965</u>	<u>220,492</u>	<u>1,521,610</u>	<u>75,060</u>	<u>7,769,167</u>
Fund Balances at End of Year	<u>\$ 58,769</u>	<u>\$ (13,662)</u>	<u>\$ 12,020</u>	<u>\$ 55,878</u>	<u>\$ 86,322</u>	<u>\$ 1,558,033</u>	<u>\$ 100,989</u>	<u>\$ 7,648,199</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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Sewer assessments	\$ 90,000	\$ 90,000	\$ 175,997	\$ 85,997
Sewer connections	30,000	30,000	93,100	63,100
Sewer use charges	3,150,770	3,150,770	3,056,393	(94,377)
Permits and inspections	1,500	1,500	2,670	1,170
Interest and lien fees	11,000	11,000	64,299	53,299
Miscellaneous			33,500	33,500
Total revenues	<u>3,283,270</u>	<u>3,283,270</u>	<u>3,425,959</u>	<u>142,689</u>
Expenditures:				
Current:				
Public works	<u>2,837,922</u>	<u>3,298,962</u>	<u>2,408,397</u>	<u>890,565</u>
Excess (Deficiency) of Revenues over Expenditures	<u>445,348</u>	<u>(15,692)</u>	<u>1,017,562</u>	<u>1,033,254</u>
Other Financing Sources (Uses):				
Transfers out	(710,000)	(710,000)	(710,000)	-
Appropriation of fund balance	<u>264,652</u>	<u>725,692</u>	<u></u>	<u>(725,692)</u>
Net other financing uses	<u>(445,348)</u>	<u>15,692</u>	<u>(710,000)</u>	<u>(725,692)</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>-</u>	307,562	\$ <u>307,562</u>
Fund Balances at Beginning of Year			<u>3,457,471</u>	
Fund Balances at End of Year			\$ <u>3,765,033</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis	\$ 3,425,959	\$ 2,408,397	\$ 3,765,033
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			4,318
Cancelled encumbrances	(1,500)		
Prior year encumbrances paid		6,936	
Current year encumbrances	<u></u>	<u>(13,651)</u>	<u>13,651</u>
Balance, GAAP Basis	\$ <u>3,424,459</u>	\$ <u>2,401,682</u>	\$ <u>3,783,002</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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 864,800	\$ 864,800	\$ 1,562,158	\$ 697,358
Other revenue				
Total revenues	<u>864,800</u>	<u>864,800</u>	<u>1,562,158</u>	<u>697,358</u>
Expenditures:				
Education	<u>864,800</u>	<u>864,800</u>	<u>1,467,677</u>	<u>(602,877)</u>
Excess of Revenues over Expenditures			94,481	94,481
Other Financing Sources (Uses):				
Transfers in				
Transfers out			<u>(77,307)</u>	<u>(77,307)</u>
Net Other Financing Uses			<u>(77,307)</u>	<u>(77,307)</u>
Net Change in Fund Balances	\$ <u> </u>	\$ <u> </u>	17,174	\$ <u>17,174</u>
Fund Balances at Beginning of Year			<u>433</u>	
Fund Balances at End of Year			\$ <u>17,607</u>	

**TOWN OF AVON, CONNECTICUT
SCHOOL CAFETERIA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 202,814	\$ 202,814	\$ 463,926	\$ 261,112
Charges for services	<u>808,455</u>	<u>808,455</u>	<u>106,156</u>	<u>(702,299)</u>
Total revenues	1,011,269	1,011,269	570,082	(441,187)
Expenditures:				
Education	<u>1,011,269</u>	<u>1,011,269</u>	<u>575,191</u>	<u>436,078</u>
Net Change in Fund Balances	\$ <u> </u>	\$ <u> </u>	(5,109)	\$ <u>(5,109)</u>
Fund Balances at Beginning of Year			<u>265,748</u>	
Fund Balances at End of Year			\$ <u>260,639</u>	
<u>Reconciliation to GAAP Basis</u>				
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>	
Balance, Budgetary Basis	\$ 570,082	\$ 575,191	\$ 260,639	
Commodities received	<u>30,936</u>	<u>30,936</u>		
Balance, GAAP Basis	\$ <u>601,018</u>	\$ <u>606,127</u>	\$ <u>260,639</u>	

**TOWN OF AVON, CONNECTICUT
RECREATIONAL ACTIVITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	\$ 422,512	\$ 422,512	\$ 338,457	\$ (84,055)
Intergovernmental			2,500	
Other revenues		2,500	4,650	2,150
Total revenues	<u>422,512</u>	<u>425,012</u>	<u>345,607</u>	<u>(81,905)</u>
Expenditures:				
Recreation and parks	<u>422,512</u>	<u>429,512</u>	<u>243,972</u>	<u>185,540</u>
Excess (Deficiency) of Revenues over Expenditures		<u>(4,500)</u>	<u>101,635</u>	<u>103,635</u>
Other Financing Sources:				
Transfers out			<u>(35,000)</u>	<u>(35,000)</u>
Net other financing sources (uses)			<u>(35,000)</u>	<u>(35,000)</u>
Net Change in Fund Balances	<u>\$</u>	<u>\$ (4,500)</u>	66,635	<u>\$ 68,635</u>
Fund Balances at Beginning of Year			<u>196,471</u>	
Fund Balances at End of Year			<u>\$ 263,106</u>	
<u>Reconciliation to GAAP Basis</u>				
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>	
Balance, Budgetary Basis	\$ 345,607	\$ 243,972	\$ 263,106	
Prior year encumbrances paid		2,311		
Cancelled encumbrances	(4,650)			
Current year encumbrances		<u>(5,025)</u>	<u>5,025</u>	
Balance, GAAP Basis	<u>\$ 340,957</u>	<u>\$ 241,258</u>	<u>\$ 268,131</u>	

**TOWN OF AVON, CONNECTICUT
 LOCAL CAPITAL IMPROVEMENT PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 127,104	\$ 127,104	\$ 110,330	\$ (16,774)
Expenditures:				
Public works	<u>127,104</u>	<u>127,104</u>	<u>110,702</u>	<u>16,402</u>
Deficiency of Revenues over Expenditures	\$ <u> </u>	\$ <u> </u>	(372)	\$ <u>(372)</u>
Fund Balances at Beginning of Year			<u>(108,154)</u>	
Fund Balances at End of Year			\$ <u>(108,526)</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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Other local revenues	\$ 10,000	\$ 10,000	\$	\$ (10,000)
Expenditures:				
Recreation and parks	<u>10,000</u>	<u>10,000</u>		<u>10,000</u>
Net Change in Fund Balances	\$ <u> </u>	\$ <u> </u>		\$ <u> </u>
Fund Balances at Beginning of Year			<u>10,579</u>	
Fund Balances at End of Year			\$ <u>10,579</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Ending Balance, Budgetary Basis	\$	\$	\$ 10,579
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year			7,500
Prior year encumbrances paid	<u> </u>	<u>5,200</u>	<u> </u>
Ending Balance, GAAP Basis	\$ <u> </u>	\$ <u>5,200</u>	\$ <u>18,079</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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 312,623	\$ 312,623	\$ 312,687	\$ 64
Expenditures:				
Public works	<u>312,623</u>	<u>402,623</u>	<u>398,705</u>	<u>3,918</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u> </u>	\$ <u>(90,000)</u>	(86,018)	\$ <u>3,982</u>
Other Financing Sources:				
Transfers out	<u> </u>	<u> </u>	<u>(575,000)</u>	<u>(575,000)</u>
Net Change in Fund Balances	\$ <u> </u>	\$ <u>(90,000)</u>	(661,018)	\$ <u>(571,018)</u>
Fund Balances at Beginning of Year			<u>812,606</u>	
Fund Balances at End of Year			\$ <u>151,588</u>	

**TOWN OF AVON, CONNECTICUT
USE OF SCHOOL FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Other local revenues	\$ 50,000	\$ 50,000	\$ 17,260	\$ (32,740)
Expenditures:				
Education	<u>50,000</u>	<u>50,000</u>	<u>2,558</u>	<u>47,442</u>
Net Change in Fund Balances	\$ <u> </u>	\$ <u> </u>	14,702	\$ <u>14,702</u>
Fund Balances at Beginning of Year			<u>118,261</u>	
Fund Balances at End of Year			\$ <u>132,963</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis	\$ 17,260	\$ 2,558	\$ 132,963
Encumbrances outstanding from the prior year, still outstanding at end of current fiscal year	<u> </u>	<u> </u>	<u>5,670</u>
Balance, GAAP Basis	\$ <u>17,260</u>	\$ <u>2,558</u>	\$ <u>138,633</u>

**TOWN OF AVON, CONNECTICUT
POLICE SPECIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Other local revenues	\$ 39,186	\$ 39,186	\$ 155,899	\$ 116,713
Expenditures:				
Public safety	<u>39,186</u>	<u>90,585</u>	<u>96,359</u>	<u>(5,774)</u>
Excess (Deficiency) of Revenues over Expenditures		(51,399)	59,540	110,939
Other Financing Uses:				
Appropriation of fund balance	<u></u>	<u>177,024</u>	<u></u>	<u>(177,024)</u>
Net Change in Fund Balances	\$ <u></u>	\$ <u>(19,375)</u>	59,540	\$ <u>78,915</u>
Fund Balances at Beginning of Year			<u>225,303</u>	
Fund Balances at End of Year			\$ <u>284,843</u>	
<u>Reconciliation to GAAP Basis</u>				
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>	
Balance, Budgetary Basis	\$ 155,899	\$ 96,359	\$ 284,843	
Prior year encumbrances paid	<u></u>	<u>51,400</u>	<u></u>	
Balance, GAAP Basis	\$ <u>155,899</u>	\$ <u>147,759</u>	\$ <u>284,843</u>	

FIDUCIARY FUNDS

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

Pension Trust Funds

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

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

Other Post Employment Benefits Fund

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

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

Custodial Fund

Custodial funds are used to report resources held by the reporting government in a purely custodial capacity.

C-PACE Clean Energy Fund - To account for assessments collected on behalf of and remitted to the Clean Energy Finance and Investment Authority (CEFIA) for the Commercial & Industrial Property Assessed Clean Energy (C-PACE) program.

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2021

	<u>Pension</u>	<u>Other Post Employment Benefit Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ <u>197,320</u>	\$ <u>305,182</u>	\$ <u>502,502</u>
Investments, at fair value:			
Guaranteed interest contract	1,372,111		1,372,111
Mutual funds	<u>40,766,936</u>	<u>9,674,249</u>	<u>50,441,185</u>
Total investments	<u>42,139,047</u>	<u>9,674,249</u>	<u>51,813,296</u>
Due from other funds		<u>5,568,243</u>	<u>5,568,243</u>
Total assets	<u>42,336,367</u>	<u>15,547,674</u>	<u>57,884,041</u>
Liabilities:			
Accounts payable		88,222	88,222
Due to other funds			-
Total liabilities	<u>-</u>	<u>88,222</u>	<u>88,222</u>
Net Position:			
Restricted for Pension Benefits and OPEB Benefits	\$ <u>42,336,367</u>	\$ <u>15,459,452</u>	\$ <u>57,795,819</u>

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Pension	Other Post Employment Benefit Fund	Total
Additions:			
Contributions:			
Employer	\$ 4,515,840	\$ 2,809,804	\$ 7,325,644
Plan members	187,835		187,835
Total contributions	<u>4,703,675</u>	<u>2,809,804</u>	<u>7,513,479</u>
Investment income:			
Net increase in fair value of investments	7,464,909	1,702,785	9,167,694
Interest and dividends	1,411,972	160,869	1,572,841
Total investment income	<u>8,876,881</u>	<u>1,863,654</u>	<u>10,740,535</u>
Total additions	<u>13,580,556</u>	<u>4,673,458</u>	<u>18,254,014</u>
Deductions:			
Benefits	4,374,122	1,389,377	5,763,499
Administration	43,483	12,352	55,835
Total deductions	<u>4,417,605</u>	<u>1,401,729</u>	<u>5,819,334</u>
Changes in Net Position	9,162,951	3,271,729	12,434,680
Net Position at Beginning of Year	<u>33,173,416</u>	<u>12,187,723</u>	<u>45,361,139</u>
Net Position at End of Year	<u>\$ 42,336,367</u>	<u>\$ 15,459,452</u>	<u>\$ 57,795,819</u>

OTHER INFORMATION

CIFA FUND

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, 2021

	Project Appropriations July 1, 2020	Additions (Reductions)	Project Appropriations June 30, 2021	Expenditures Incurred to July 1, 2020	Current Year Expenditures	Expenditures Incurred to June 30, 2021	Current Year Encumbrances	Unexpended Appropriations June 30, 2021
General Government:								
Synthetic Field Project	\$ 3,026,855		\$ 3,026,855	\$ 2,830,062	\$ 196,793	\$ 3,026,855		\$ -
Underground Storage Tank Repl.	460,000		460,000	343,347	116,653	460,000		-
Town Clerk Vault Exp.	25,000		25,000					25,000
DPW Shop Floor & Wall Coating	50,000		50,000	27,908		27,908		22,092
DPW-Salt Shed Replacement	200,000		200,000	195,412	4,588	200,000		-
Reconstruct Tillotson Rd	35,000		35,000		3,000	3,000		32,000
Dry Hydrant Oak Bluff	38,814		38,814	38,814		38,814		-
Town Energy Efficiency Impr.	28,643		28,643		27,804	27,804		839
Patrol Building Improvements	825,000	237,000	1,062,000	321,948	516,808	838,756	179,716	43,528
Sidewalk Improvement	25,000		25,000					25,000
Tennis Court Repair- Sycamore	38,145		38,145	31,755	4,489	36,244	1,901	-
Sycamore Hills Pool Improvements	310,400		310,400	204,456	70,846	275,302		35,098
Sewer Pump Station Replacement	220,000		220,000				146,753	73,247
Lateral Extension Program	2,798,999	660,000	3,458,999	1,352,085		1,352,085		2,106,914
Infiltration & Inflow Study	950,000	50,000	1,000,000	368,995		368,995		631,005
DPW-Phone System	135,000		135,000	47,320	9,375	56,695		78,305
Fire Co. Bldg. Impr.-Incl. Consult.	250,000		250,000	194,857	95	194,952		55,048
Fisher Meadows Field Expansion	691,674		691,674	424,376	15,654	440,030		251,644
Infrastructure Security Improvements	25,000		25,000		25,000	25,000		-
HVAC Repairs- Town Bldg.	455,257	1,358,228	1,813,485	108,145	1,324,701	1,432,846	112,170	268,469
Riverdale Pump Station Rehab	155,000		155,000		40,120	40,120	103,880	11,000
Old Farm Rd Rehab. Design	55,000	(1,241)	53,759	53,759		53,759		-
Countryside Park Improvements		35,000	35,000		11,945	11,945		23,055
Senior Center Improvements	50,000		50,000	2,520		2,520		47,480
School House #3 Improvement	30,000		30,000		6,338	6,338		23,662
COVID 19				21,907	(21,907)			-
Drainage Improve-Cider Brook Rd	75,000		75,000					75,000
Drainage Improvements	100,000		100,000	94,500		94,500		5,500
Road Overlay Project	7,648,280	812,451	8,460,731	7,510,135	878,411	8,388,546	42,991	29,194
Cider Brook Drainage & Road Impr.	20,000		20,000					20,000
Fisher Meadows Irrig. Impr.	320,000		320,000	156,902	768	157,670		162,330
Fire Engine Replacement	1,824,193	488,113	2,312,306	1,766,235	554,549	2,320,784		(8,478)
Highway Division Equip. Replace	1,156,139	210,000	1,366,139	1,156,139	209,923	1,366,062		77
Buildings & Grounds Equipment	350,000		350,000	341,551	2,344	343,895		6,105
Large Field Toro Mower	78,156		78,156	77,001	1,019	78,020		136
1995 Ford Pickup Replacement	50,000		50,000		32,987	32,987		17,013
Tractor	45,000		45,000	30,204		30,204		14,796
IT Infrastructure Upgrade	35,000		35,000	22,154	11,434	33,588		1,412
Police Dept Radio System Equip	4,450,000		4,450,000	471,851	2,358	474,209	3,273,069	702,722
Vehicles	484,000	145,000	629,000	468,647	5,058	473,705	84,849	70,446
7.58 Cu. Dump Truck	190,000		190,000	184,339		184,339		5,661
DPW Vehicle	35,000		35,000		35,000	35,000		-
SYNTHETIC FIELD PROJECT		440,048	440,048		375,368	375,368		64,680
Police Vehicles		116,000	116,000		102,389	102,389	17,021	(3,410)
Total General Government	27,739,555	4,550,599	32,290,154	18,847,324	4,563,910	23,411,234	3,962,350	4,916,570
Board of Education:								
PGS Air Handling PHS 1 RTU Rpl. 3	548,813		548,813	541,456		541,456		7,357
AHS Boiler Replacement	72,615		72,615	6,683		6,683		65,932
RBS HVAC Units	376,699		376,699	375,049	1,050	376,099		600
BOE Security-Cameras, Locks, Doors	265,000		265,000	259,300	5,700	265,000		-
Classroom Flooring & Replacement	543,397		543,397	536,742	5,920	542,662		735
BOE Security Upgrades	977,412	60,000	1,037,412	977,412	28,976	1,006,388	30,989	35
AHS Water Htr./Boiler Repl.	211,000		211,000	7,200		7,200		203,800
RBS Roof Replacement	165,000	210,000	375,000	162,115	197,896	360,011	2,100	12,889
AHS Rooftop HVAC Unit Replacements		796,396	796,396				796,379	17
Total Board of Education	3,159,936	1,066,396	4,226,332	2,865,957	239,542	3,105,499	829,468	291,365
Total	\$ 30,899,491	\$ 5,616,995	\$ 36,516,486	\$ 21,713,281	\$ 4,803,452	\$ 26,516,733	\$ 4,791,818	\$ 5,207,935

**TOWN OF AVON, CONNECTICUT
CAPITAL AND NONRECURRING EXPENDITURES FUND
PROJECT LENGTH SCHEDULE OF EXPENDITURES - PROJECT BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Appropriations July 1, 2020</u>	<u>Additions (Reductions)</u>	<u>Project Appropriations June 30, 2021</u>	<u>Expenditures Incurred to July 1, 2020</u>	<u>Current Year Expenditures</u>	<u>Expenditures Incurred to June 30, 2021</u>	<u>Current Year Encumbrances</u>	<u>Unexpended Appropriations June 30, 2021</u>
General Government:								
Secret Lake Drainage	\$ 17,171	\$	\$ 17,171	\$ 9,050	\$	\$ 9,050	\$	\$ 8,121
Cider Brook Bridge Replacement	535,000	149,618	684,618	42,224	24,700	66,924	89,700	527,994
Revaluation (2018)	225,000		225,000	102,347	24,161	126,508		98,492
Reconstruction Old Farms/Thompson Rds	543,585	1,241	544,826	102,072	120,599	222,671	186,079	136,076
15 Darling Drive	36,478		36,478	36,478		36,478		-
Service and Consultant	204,699	114,108	318,807	155,970	165,675	321,645		(2,838)
OFR CEPA expense	10,000	34,450	44,450		57,971	57,971	12,939	(26,460)
Community Connectivity Grant		29,130	29,130		25,350	25,350	2,650	1,130
Permit Tracking Software		84,100	84,100				76,455	7,645
Total Capital and Nonrecurring	<u>\$ 1,571,933</u>	<u>\$ 412,647</u>	<u>\$ 1,984,580</u>	<u>\$ 448,141</u>	<u>\$ 418,456</u>	<u>\$ 866,597</u>	<u>\$ 367,823</u>	<u>\$ 750,160</u>

**TOWN OF AVON, CONNECTICUT
LONG-TERM DEBT OBLIGATIONS
SCHEDULE OF BOND MATURITIES
JUNE 30, 2021**

JUNE 30, 2024

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
General Purpose:						
Bonds:						
Avon Public Library	\$ 7,100,000	10-30-12	2022	\$ 525,000	\$ 73,000	\$ 598,000
Interest payable December 15			2023	525,000	62,500	587,500
and June 15 of each year			2024	525,000	52,000	577,000
at 2.0%			2025	525,000	41,500	566,500
principal payable - June			2026	525,000	31,000	556,000
			2027	525,000	20,500	545,500
			2028	500,000	10,000	510,000
				3,650,000	290,500	3,940,500
General Purpose Refunding	964,000	3-15-16	2022	135,000	25,265	160,265
Interest payable October 15			2023	134,000	21,230	155,230
and April 15 of each year			2024	135,000	16,520	151,520
at 2.0-4.0%			2025	135,000	12,470	147,470
principal payable - October			2026	138,000	8,360	146,360
			2027	140,000	2,800	142,800
				817,000	86,645	903,645
Town & Public Safety	280,000	6-16-20	2022	18,809	9,345	28,154
Communications System			2023	18,809	8,592	27,401
Replacement Project			2024	18,809	7,840	26,649
Interest payable December 15			2025	18,809	7,088	25,897
and June 15 of each year			2026	18,809	6,335	25,144
at 2.0-4.0%			2027	18,809	5,583	24,392
principal payable - June			2028	18,809	4,831	23,640
			2029	18,809	4,078	22,887
			2030	18,809	3,326	22,135
			2031	18,382	2,573	20,955
			2032	18,382	1,838	20,220
			2033	18,382	1,287	19,669
			2034	18,382	735	19,117
			2035	18,382	368	18,750
				261,191	63,819	325,010
Total General Purposes				4,728,191	440,964	5,169,155
Private Placement:						
Bonds:						
Land Purchase 2018 *	\$ 1,600,000	7-01-18	2022	\$ 200,000	\$ 17,500	\$ 217,500
Interest payable July 15 of			2023	200,000	14,000	214,000
each year at 1.75%			2024	200,000	10,500	210,500
			2025	200,000	7,000	207,000
			2026	200,000	3,500	203,500
Total Private Placement				1,000,000	52,500	1,052,500
Total Town				5,728,191	493,464	6,221,655

(Continued on next page)

**TOWN OF AVON, CONNECTICUT
LONG-TERM DEBT OBLIGATIONS
SCHEDULE OF BOND MATURITIES (CONTINUED)
JUNE 30, 2021**

June 30, 2024

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
Schools:						
Bonds:						
Refunding	\$ 9,423,000	3-15-16	2022	\$ 1,318,000	\$ 246,900	\$ 1,564,900
Avon High School			2023	1,315,000	207,405	1,522,405
Renovations			2024	1,318,000	161,320	1,479,320
Interest payable October 15			2025	1,318,000	121,780	1,439,780
and April 15 of each year			2026	1,352,000	81,560	1,433,560
at 2.0-4.0%			2027	1,363,000	27,260	1,390,260
principal payable - October						
				7,984,000	846,225	8,830,225
Refunding	\$ 1,013,000	3-15-16	2022	142,000	26,560	168,560
Avon Middle School			2023	141,000	22,315	163,315
Roof			2024	142,000	17,360	159,360
Interest payable October 15			2025	142,000	13,100	155,100
and April 15 of each year			2026	145,000	8,780	153,780
at 2.0-4.0%			2027	147,000	2,940	149,940
principal payable - October						
				859,000	91,055	950,055
Avon High School Turf Field &	\$ 2,995,000	6-16-20	2022	201,191	99,955	301,146
Track Improvement Project			2023	201,191	91,908	293,099
Interest payable December 15			2024	201,191	83,860	285,051
and June 15 of each year			2025	201,191	75,812	277,003
at 2.0-4.0%			2026	201,191	67,765	268,956
principal payable - June			2027	201,191	59,717	260,908
			2028	201,191	51,669	252,860
			2029	201,191	43,622	244,813
			2030	201,191	35,574	236,765
			2031	196,618	27,527	224,145
			2032	196,618	19,662	216,280
			2033	196,618	13,763	210,381
			2034	196,618	7,865	204,483
			2035	196,618	3,932	200,550
				2,793,809	682,631	3,476,440
Total Schools				11,636,809	1,619,911	13,256,720
Grand Total-All Bonded Debt				\$ 17,365,000	\$ 2,113,375	\$ 19,478,375

STATISTICAL SECTION

This part of the Town of Avon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the government's financial health.

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net investment in capital assets	\$ 115,379,009	\$ 118,098,045	\$ 117,881,652	\$ 118,793,898	\$ 119,384,191	\$ 121,244,059	\$ 122,926,656	\$ 125,283,735	\$ 123,550,748	\$ 126,527,955
Restricted										
Nonexpendable - purposes of trust										71,459
Expendable - purposes of trust										29,530
Grants										174,545
Net pension asset										174,622
Other purposes					(55,309)	61,304	66,141	71,340	64,259	795,176
Unrestricted	<u>12,329,474</u>	<u>13,660,559</u>	<u>(7,580,353)</u>	<u>(8,973,932)</u>	<u>(8,996,683)</u>	<u>(35,884,141) *</u>	<u>(35,429,391)</u>	<u>(34,573,019)</u>	<u>(25,796,913)</u>	<u>(21,871,642)</u>
Total Governmental Activities Net Position	<u>\$ 127,708,483</u>	<u>\$ 131,758,604</u>	<u>\$ 110,301,299</u>	<u>\$ 109,819,966</u>	<u>\$ 110,332,199</u>	<u>\$ 85,421,222</u>	<u>\$ 87,563,406</u>	<u>\$ 90,782,056</u>	<u>\$ 97,818,094</u>	<u>\$ 105,901,645</u>

* Restated for GASB 75

TABLE 2

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 3,699,703	\$ 3,887,306	\$ 3,856,414	\$ 4,646,274	\$ 5,054,762	\$ 5,092,723	\$ 5,259,593	\$ 4,081,541	\$ 4,438,962	\$ 3,862,914
Public safety	9,135,168	9,128,593	9,447,490	9,791,364	10,225,228	10,380,345	10,615,016	11,561,883	12,029,141	10,420,926
Public works	9,025,502	6,067,288	7,378,074	8,495,593	9,173,641	8,707,196	9,562,683	9,520,951	9,841,578	10,199,133
Health and social services	455,739	454,762	761,000	566,900	610,314	618,921	604,707	487,032	577,294	621,989
Recreation and parks	1,370,892	1,348,905	1,254,944	1,189,960	1,197,746	1,229,717	1,309,141	1,291,138	1,276,822	1,270,380
Educational cultural	1,402,620	1,392,800	1,396,274	1,343,538	1,384,043	1,449,442	1,487,041	1,827,791	1,960,605	1,747,856
Conservation and development	561,273	517,166	592,945	492,487	535,617	531,433	539,068	661,503	724,082	490,204
Board of Education	55,476,822	58,665,309	60,926,974	63,530,460	64,741,526	70,345,291	67,239,900	71,816,351	76,017,437	83,516,915
Interest expense	1,045,803	1,049,140	921,075	816,154	500,118	584,557	519,206	257,298	88,928	83,344
Total governmental activities expenses	82,173,522	82,511,269	86,535,190	90,872,730	93,422,995	98,939,625	97,136,355	101,505,488	106,954,849	112,213,661
Program Revenues:										
Governmental activities:										
Charges for services	5,809,050	6,905,655	5,926,742	5,903,556	5,651,311	5,645,635	5,637,127	7,229,361	10,343,698	9,093,388
Operating grants and contributions	11,127,231	9,387,422	11,335,763	10,676,357	11,336,604	15,639,406	11,503,400	12,970,047	17,539,610	24,506,537
Capital grants and contributions	1,065,967	240,923	262,989	321,473	901,473	1,054,261	550,371	152,310	18,846	532,830
Total governmental activities program revenues	18,002,248	16,534,000	17,525,494	16,901,386	17,889,388	22,339,302	17,690,898	20,351,718	27,902,154	34,132,755
Net revenues (expenses):										
Governmental activities	(64,171,274)	(65,977,269)	(69,009,696)	(73,971,344)	(75,533,607)	(76,600,323)	(79,445,457)	(81,153,770)	(79,052,695)	(78,080,906)
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	66,459,769	68,880,202	71,382,861	72,768,968	74,759,366	77,168,752	80,382,156	82,628,403	84,757,302	85,087,477
Grants and contributions not restricted to specific programs	608,088	564,786	587,848	488,888	382,132	367,241	287,610	275,936	267,287	266,473
Unrestricted investment earnings	94,451	130,883	135,539	87,150	204,928	290,352	586,602	921,647	665,824	113,598
Miscellaneous	1,044,056	451,519	600,473	527,893	699,414	454,531	331,273	546,434	398,320	464,169
Total governmental activities	68,206,364	70,027,390	72,706,721	73,872,899	76,045,840	78,280,876	81,587,641	84,372,420	86,088,733	85,931,717
Change in Net Position:										
Governmental activities	\$ 4,035,090	\$ 4,050,121	\$ 3,697,025	\$ (98,445)	\$ 512,233	\$ 1,680,553	\$ 2,142,184	\$ 3,218,650	\$ 7,036,038	\$ 7,850,811

TABLE 3

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 190,147	\$ 7,406	\$ 5,157	\$ 27,237	\$ 11,398	\$ 13,077	\$ 96,320	\$ 43,294	\$ 59,972	\$ 58,468
Assigned	2,318,586	2,664,114	4,164,774	3,050,722	2,326,985	2,116,988	2,234,305	1,902,980	4,112,896	3,303,281
Unassigned	6,610,507	8,035,653	8,687,086	106,053,843	8,443,716	8,954,322	9,594,498	11,175,459	12,722,454	12,718,912
Total General Fund	<u>\$ 9,119,240</u>	<u>\$ 10,707,173</u>	<u>\$ 12,857,017</u>	<u>\$ 109,131,802</u>	<u>\$ 10,782,099</u>	<u>\$ 11,084,387</u>	<u>\$ 11,925,123</u>	<u>\$ 13,121,733</u>	<u>\$ 16,895,322</u>	<u>\$ 16,080,661</u>
All other governmental funds:										
Nonspendable	\$ 5,326	\$ 5,871	\$ 4,221	\$ 8,824	\$ 61,671	\$ 64,034	\$ 70,832	\$ 76,931	\$ 69,850	\$ 80,911
Restricted	147,936	202,058	275,270	344,654	760,214	691,402	880,410	1,111,995	1,378,930	993,901
Committed	2,646,944	6,858,931	7,592,171	9,220,651	9,257,902	10,264,955	9,467,597	9,366,115	14,066,534	14,934,277
Unassigned	<u>(3,563,089)</u>						<u>(2,042)</u>	<u>(269,759)</u>	<u>(121,816)</u>	<u>(122,188)</u>
Total All Other Governmental Funds	<u>\$ (762,883)</u>	<u>\$ 7,066,860</u>	<u>\$ 7,871,662</u>	<u>\$ 9,574,129</u>	<u>\$ 10,079,787</u>	<u>\$ 11,020,391</u>	<u>\$ 10,416,797</u>	<u>\$ 10,285,282</u>	<u>\$ 15,393,498</u>	<u>\$ 15,886,901</u>

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property taxes	\$ 66,477,970	\$ 68,836,758	\$ 71,328,459	\$ 72,702,548	\$ 74,777,579	\$ 77,085,268	\$ 80,359,926	\$ 82,563,358	\$ 84,561,255	\$ 85,021,376
Intergovernmental (state and federal grants)	12,974,621	9,986,030	12,159,977	11,409,523	12,464,156	17,006,783	16,922,028	8,523,573	13,409,943	13,785,295
Charges for services	5,809,050	6,905,655	5,926,742	5,949,951	5,689,126	5,686,935	5,678,186	7,256,193	9,595,956	8,299,007
Contributions										
Investment income	94,451	130,883	135,539	87,150	204,928	290,352	586,602	921,647	665,824	113,598
Other local revenues	1,061,483	657,594	653,548	614,239	862,793	519,041	475,291	618,732	691,731	1,102,324
Total revenues	<u>86,417,575</u>	<u>86,516,920</u>	<u>90,204,265</u>	<u>90,763,411</u>	<u>93,998,582</u>	<u>100,588,379</u>	<u>104,022,033</u>	<u>99,883,503</u>	<u>108,924,709</u>	<u>108,321,600</u>
Expenditures:										
Town Council:										
General government	3,143,074	3,233,325	3,254,877	3,112,248	3,123,409	3,535,117	3,697,800	3,683,960	3,685,447	4,073,531
Public safety	8,606,336	8,728,912	8,960,231	9,599,202	10,058,947	10,403,599	10,874,651	11,180,560	11,290,319	11,594,071
Public works	8,361,461	6,250,964	6,695,152	7,265,068	7,682,977	7,621,372	8,344,648	8,464,351	8,305,380	9,344,836
Health and social services	434,439	453,173	486,497	502,740	506,087	520,032	513,906	515,599	563,164	597,887
Recreation and parks	1,216,090	1,218,102	1,160,087	1,115,972	1,127,639	1,159,410	1,251,232	1,160,315	1,152,089	1,050,026
Educational - cultural	1,392,328	1,455,561	1,402,014	1,479,743	1,541,279	1,607,338	1,657,693	1,705,979	1,744,194	1,751,983
Conservation and development	550,396	559,185	602,191	613,764	650,786	655,995	665,679	666,166	672,032	684,397
Miscellaneous	232,806	451,039	298,811	333,033	275,247	280,949	282,880	291,084	304,891	422,912
Total Town Council	23,936,930	22,350,261	22,859,860	24,021,770	24,966,371	25,783,812	27,288,489	27,668,014	27,717,516	29,519,643
Board of Education	53,902,777	55,758,766	58,831,942	60,392,678	61,659,117	67,664,985	69,839,858	64,331,909	69,452,527	71,244,336
Debt Service:										
Principal	3,550,000	3,365,000	2,895,000	2,775,000	2,910,000	2,365,000	2,220,000	2,220,000	2,535,000	2,645,000
Interest	1,108,237	1,072,321	963,788	872,488	789,813	664,750	598,850	535,750	501,692	515,038
Total Debt Service	4,658,237	4,437,321	3,858,788	3,647,488	3,699,813	3,029,750	2,818,850	2,755,750	3,036,692	3,160,038
Capital improvements	6,448,853	1,902,921	2,053,230	2,809,696	3,451,950	3,115,689	3,989,441	5,931,070	3,897,907	5,214,701
Total expenditures	<u>88,946,797</u>	<u>84,449,269</u>	<u>87,603,820</u>	<u>90,871,632</u>	<u>93,777,251</u>	<u>99,594,236</u>	<u>103,936,638</u>	<u>100,686,743</u>	<u>104,104,642</u>	<u>109,138,718</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,529,222)</u>	<u>2,067,651</u>	<u>2,600,445</u>	<u>(108,221)</u>	<u>221,331</u>	<u>994,143</u>	<u>85,395</u>	<u>(803,240)</u>	<u>4,820,067</u>	<u>(817,118)</u>
Other Financing Sources (Uses):										
Proceeds from sale of land/capital assets										
Issuance of capital lease			354,201	155,863	299,906	248,749	151,747	268,335	278,823	263,120
Issuance of Bond/BAN		7,100,000						1,600,000	3,275,000	
Bond/BAN issue premium		250,025							507,915	
Issuance of refunding bonds					11,400,000					
Premium on refunding bonds					1,367,508					
Payment to escrow agent					(12,603,307)					
Transfers in	1,376,492	1,928,933	3,360,194	3,859,133	4,330,203	4,769,823	4,768,645	4,335,646	2,935,205	5,195,979
Transfers out	(1,376,492)	(1,928,933)	(3,360,194)	(4,066,008)	(4,755,203)	(4,769,823)	(4,768,645)	(4,335,646)	(2,935,205)	(5,195,979)
Total other financing sources (uses)	<u>-</u>	<u>7,350,025</u>	<u>354,201</u>	<u>(51,012)</u>	<u>39,107</u>	<u>248,749</u>	<u>151,747</u>	<u>1,868,335</u>	<u>4,061,738</u>	<u>263,120</u>
Net Change in Fund Balances	<u>(2,529,222)</u>	<u>9,417,676</u>	<u>2,954,646</u>	<u>(159,233)</u>	<u>260,438</u>	<u>1,242,892</u>	<u>237,142</u>	<u>1,065,095</u>	<u>8,881,805</u>	<u>(553,998)</u>
Fund Balance at Beginning of Year	<u>10,885,579</u>	<u>8,356,357</u>	<u>17,774,033</u>	<u>20,729,819</u> *	<u>20,601,448</u> **	<u>20,861,886</u>	<u>22,104,778</u>	<u>22,341,920</u>	<u>23,407,015</u>	<u>32,521,560</u> ***
Fund Balance at End of Year	<u>\$ 8,356,357</u>	<u>\$ 17,774,033</u>	<u>\$ 20,728,679</u>	<u>\$ 20,570,586</u>	<u>\$ 20,861,886</u>	<u>\$ 22,104,778</u>	<u>\$ 22,341,920</u>	<u>\$ 23,407,015</u>	<u>\$ 32,288,820</u>	<u>\$ 31,967,562</u>
Debt Service as a Percentage to Noncapital Expenditures	5.65%	5.44%	4.50%	4.12%	4.12%	4.12%	2.81%	2.81%	3.03%	3.02%
Total Debt Service	\$ 4,658,237	\$ 4,437,321	\$ 3,858,788	\$ 3,647,488	\$ 3,699,813	\$ 3,029,750	\$ 2,818,850	\$ 2,755,750	\$ 3,036,692	\$ 3,160,038
Noncapital expenditures	\$ 82,489,875	\$ 81,632,751	\$ 85,830,005	\$ 88,570,430	\$ 90,652,884	\$ 96,745,852	\$ 100,363,020	\$ 94,760,502	\$ 100,206,400	\$ 104,486,780

*FY 2015 fund balance is restated at beginning of year due to moving donations revenues and expenditures to new Special Revenue Fund (Donations Fund).

**FY 2016 fund balance is restated at beginning of year due to moving revenues and expenditures to two new Special Revenue Funds (Avon Day Fund and Property Damage Fund).

***FY 2021 fund balance is restated at beginning of year due to the implementation of GASB Statement No. 84.

TABLE 5

**TOWN OF AVON, CONNECTICUT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property		Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2012	\$ 2,082,821,950	\$ 318,054,740	\$ 161,455,980	\$ 76,284,190	\$ 271,385,060	\$ 2,638,616,860	25.04	\$ 3,742,718,950	70.5 %
2013	2,099,240,690	319,617,200	173,638,190	75,610,970	279,639,180	2,668,107,050	25.65	3,747,341,362	71.2
2014	2,116,947,550	323,533,960	169,534,790	78,810,320	281,023,970	2,688,826,620	26.32	3,697,904,084	72.7
2015	1,975,267,600	325,431,330	175,775,500	82,606,100	240,650,750	2,559,080,530	28.32	3,655,829,328	70.0
2016	1,992,524,590	327,845,890	178,142,700	83,561,770	240,632,240	2,582,074,950	28.80	3,786,173,057	68.2
2017	2,000,794,600	329,328,350	176,244,430	86,335,450	240,552,120	2,592,702,830	29.52	3,812,798,280	68.0
2018	2,013,787,610	330,070,100	178,545,800	89,406,430	241,507,800	2,611,809,940	30.59	3,785,231,800	69.0
2019	2,021,499,800	329,276,340	175,759,330	89,050,090	241,516,850	2,615,585,560	31.35	3,763,432,460	69.5
2020	1,956,003,078	332,558,398	180,813,340	89,968,320	241,529,423	2,559,343,136	32.90	3,656,204,480	70.0
2021	1,959,846,474	333,915,378	180,714,960	98,491,980	241,454,033	2,572,968,792	32.90	3,728,940,280	69.0

Source: Town Assessor's Office

Note: By state law, property is assessed at 70% of actual value with periodic revaluation of real property.

TABLE 6

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

Fiscal Year	Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct	State	County
2012	23.32	1.72	25.04	N/A	N/A
2013	24.08	1.57	25.65	N/A	N/A
2014	25.00	1.32	26.32	N/A	N/A
2015	27.01	1.31	28.32	N/A	N/A
2016	27.62	1.18	28.80	N/A	N/A
2017	28.53	0.99	29.52	N/A	N/A
2018	29.58	1.01	30.59	N/A	N/A
2019	30.36	0.99	31.35	N/A	N/A
2020	31.52	1.38	32.90	N/A	N/A
2021	31.84	1.06	32.90	N/A	N/A

TABLE 7

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List
CL&P, a/k/a Eversource	\$ 21,928,130	1	0.84 %	\$ 12,541,520	4	0.48 %
Avon Town Center	17,962,430	2	0.69			
Connecticut Water Company *	16,887,750	3	0.65	9,513,650	8	0.36
Avon 46 LLC***	15,984,540	4	0.61	13,901,020	1	0.53
Two Fifty-Five West Main LLC	14,651,339	5	0.56	12,652,020	3	0.48
Avon Mill LLC	14,436,449	6	0.55	13,647,330	2	0.52
Avon Marketplace Investors	13,816,530	7	0.53	10,813,240	5	0.41
Nod Brook LLC	13,309,030	8	0.51			
KRE-BSL Husky Avon LLC (River Ridge)	9,786,300	9	0.38			
AD1AvonHotels LLC ** (Marriott)	9,414,965	10	0.36			
Ensign Bickford Realty Corp.				10,687,800	6	0.41
Family Wellness Center				8,895,050	10	0.34
Riverdale Farms LLC				9,973,030	7	0.38
Connecticut On-Line Computer				9,333,610	9	0.35
	<u>\$ 148,177,463</u>		<u>5.69 %</u>	<u>\$ 111,958,270</u>		<u>4.26 %</u>

* Formerly Avon Water Company

**Formerly BRE Apex Property Owner LLC

***Formerly GAIA Avon Place LLC

Source: Town Assessor's Office

TABLE 8

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Percentage of Levy Uncollected	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2012	\$ 66,262	\$ 66,073	99.72 %	0.28 %	134	\$ 66,207	99.92 %
2013	68,687	68,528	99.77	0.23	85	68,613	99.89
2014	71,181	71,014	99.76	0.24	81	71,094	99.88
2015	72,652	72,412	99.67	0.33	145	72,558	99.87
2016	74,538	74,333	99.73	0.27	104	74,437	99.86
2017	76,942	76,689	99.67	0.33	109	76,798	99.81
2018	80,215	79,920	99.63	0.37	135	80,055	99.80
2019	82,409	82,088	99.61	0.39	112	82,200	99.75
2020	84,558	84,122	99.48	0.52	114	84,236	99.62
2021	85,007	84,585	99.50	0.50	N/A	84,585	99.50

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

TABLE 9

**TOWN OF AVON, CONNECTICUT
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt General Obligation Bonds	Accumulated Resources Restricted for Debt Repayment	Net Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Taxable Value (1)	Bonded Debt per Capita (2)	Capital Leases	Other Debt Total Debt	Total Debt Per Capita (2)	Percentage of Personal Income (2)
2012	\$ 29,906,570	\$ 155,446	\$ 29,751,124	0.79%	\$ 1,599	\$	\$ 29,906,570	\$ 1,599	3.09%
2013	33,861,024	48,073	33,812,951	0.90%	1,782		33,861,024	1,782	3.45%
2014	30,919,827	25,338	30,894,489	0.84%	1,602	230,043	31,149,870	1,614	2.61%
2015	28,098,630	31,247	28,067,383	0.77%	1,434	232,484	28,331,114	1,445	2.34%
2016	26,014,575	90,761	25,923,814	0.68%	1,307	313,279	26,327,854	1,323	2.14%
2017	23,509,630	67,070	23,442,560	0.61%	1,282	402,088	23,911,718	1,304	1.95%
2018	21,149,685	49,680	21,100,005	0.56%	1,152	358,138	21,507,823	1,172	1.74%
2019	20,389,740	64,391	20,325,349	0.54%	1,099	398,497	20,788,237	1,120	1.69%
2020	21,465,965	220,492	21,245,473	0.58%	1,175	376,703	21,842,668	1,195	1.65%
2021	18,348,769	86,322	18,262,447	0.49%	969	400,150	18,748,919	990	1.39%

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

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

TABLE 10

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 470,001,581	\$ 489,834,639	\$ 504,598,451	\$ 522,097,100	\$ 532,901,257	\$ 549,535,427	\$ 566,255,025	\$ 590,060,653	\$ 605,765,265	\$ 621,258,253
Total net debt applicable to limit	<u>54,999,110</u>	<u>35,312,055</u>	<u>32,741,930</u>	<u>27,635,000</u>	<u>24,208,066</u>	<u>21,884,367</u>	<u>19,773,495</u>	<u>19,270,000</u>	<u>23,620,000</u>	<u>20,975,000</u>
Legal Debt Margin	<u>\$ 434,237,064</u>	<u>\$ 454,522,584</u>	<u>\$ 471,856,521</u>	<u>\$ 494,462,100</u>	<u>\$ 508,693,191</u>	<u>\$ 527,651,060</u>	<u>\$ 546,481,530</u>	<u>\$ 570,790,653</u>	<u>\$ 582,145,265</u>	<u>\$ 600,283,253</u>
Total net debt applicable to the limit as a percentage of debt limit	11.70%	7.21%	6.49%	5.29%	4.54%	3.98%	3.49%	3.27%	3.90%	3.38%

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 2021 debt limit can be found on Table 13 of this report.

TOWN OF AVON, CONNECTICUT
DEBT STATEMENT
AS OF JUNE 30, 2021

Long-Term Debt:

Bonds:

General public improvement	\$ 5,728,191
School	<u>11,636,809</u>
Total bonds	<u>17,365,000</u>

Total Net Direct Debt	\$ <u><u>17,365,000</u></u>
-----------------------	-----------------------------

TABLE 12

**TOWN OF AVON, CONNECTICUT
CURRENT DEBT RATIOS
AS OF JUNE 30, 2021**

Population (a)	18,932		
Net Taxable Grand List (October 1, 2019) (b)	\$ 2,572,968,792		
Estimated Full Value (70%)	\$ 3,675,669,703		
Equalized Net Taxable Grand List (2019) (c)	\$ 3,736,845,069		
Income per Capita (2019) (d)	\$ 71,347		
	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	<u>\$ 17,365,000</u>	<u>\$ 17,365,000</u>	<u>\$ 17,365,000</u>
Per Capita	\$ 917	\$ 917	\$ 917
Ratio to Net Taxable Grand List	0.67%	0.67%	0.67%
Ratio to Estimated Full Value	0.47%	0.47%	0.47%
Ratio to Equalized Net Taxable Grand List	0.46%	0.46%	0.46%
Debt per Capita to Income per Capita	1.29%	1.29%	1.29%

(a) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. Census April 1, 2020

(b) Grand List October 1, 2019, Town of Avon Division of Assessing

(c) State of Connecticut, Office of Policy and Management, Fiscal Indicators, Town of Avon, 2019

(d) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. Census April 1, 2020

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2021**

Total tax collections (including interest and lien fees)
received by Treasurer at June 30, 2020 \$ 84,514,189

Total tax collections (including interest and lien fees)
received by Treasurers of all other taxing districts within Town for current fiscal year 4,236,990

Reimbursement for Revenue Loss: Tax Relief for Elderly

Base for Debt Limitation Computation \$ 88,751,179

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2-1/4 times base	\$ 199,690,153	\$	\$	\$	\$
4-1/2 times base		399,380,306			
3-3/4 times base			332,816,921		
3-1/4 times base				288,441,332	
3 times base					266,253,537
Total debt limitation	<u>199,690,153</u>	<u>399,380,306</u>	<u>332,816,921</u>	<u>288,441,332</u>	<u>266,253,537</u>
Indebtedness:					
Bonds payable	5,728,191	11,636,809			
Bonds authorized and unissued	<u>3,610,000</u>				
Net indebtedness (1)	<u>9,338,191</u>	<u>11,636,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding Debt	<u>\$ 190,351,962</u>	<u>\$ 387,743,497</u>	<u>\$ 332,816,921</u>	<u>\$ 288,441,332</u>	<u>\$ 266,253,537</u>

(1) The total of the above net indebtedness amounts to: \$ 20,975,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 621,258,253

TABLE 14

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

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (3)	Median Age (4)	Education Level in Years of Schooling (5)	School Enrollment (6)	Unemployment Rate (7)
2012	18,700	966,902	51,706	42.0	16	3,534	5.3
2013	19,000	982,414	51,706	42.0	16	3,405	5.2
2014	19,300	1,191,852	61,754	45.1	16	3,379	4.7
2015	19,600	1,210,378	61,754	45.1	16	3,320	4.1
2016	19,900	1,228,905	61,754	45.1	16	3,273	3.6
2017	18,335	1,225,181	66,822	45.1	16	3,289	3.5
2018	18,352	1,237,475	67,430	45.8	16	3,208	3.4
2019	18,561	1,229,258	66,228	45.7	16	3,156	2.6
2020	18,276	1,326,728	72,594	45.8	16	3,146	3.4
2021	18,932	1,350,741	71,347	45.0	16	3,162	5.3

Sources:

- (1) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. Census April 1, 2020
- (2) Formula of population times per capita personal income, divided by one thousand
- (3) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT
- (4) AdvanceCT State Profile
- (5) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT
2015-2019 Census Estimates: percentage of Avon population with Bachelor's Degree or higher is 66.2%
- (6) Town of Avon, Board of Education
- (7) State of Connecticut, Department of Labor

TABLE 15

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Avon	559	1	5.84 %	559	1	6.99 %
Avon Health Center, Inc.	207	2	2.16	216	5	2.70
Women's Health USA	183	3	1.91	186	7	2.32
Big Y Supermarket	166	4	1.73	195	6	2.44
Apple Health Care, Inc	147	5	1.54	216	4	2.70
O.F.S Fitel LLC	142	6	1.48	177	8	2.21
Legere Group	136	7	1.42	155	9	1.94
Wal-Mart	134	8	1.40	220	3	2.75
Orifal (formerly Reflexite Tech Center)	134	9	1.40	91	10	1.14
Connecticut On-Line Computer Center (COCC)	72	10	0.75	330	2	4.12
	<u>1,880</u>		<u>19.84 %</u>	<u>2,345</u>		<u>29.31 %</u>

Source: Town Assessor's Office

TABLE 16

**TOWN OF AVON, CONNECTICUT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
JUNE 30, 2021**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>General Government</u>										
Manager	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Town Hall*	1.0									
Human Resources*	1.5									
Finance	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Accounting*	3.6									
Assessor*	2.6									
Revenue Collection*	2.5									
Town Clerk*	2.5									
Planning & Community Development	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Marshall*	1.7									
Building	3.0	4.0								
Engineering*	5.6		4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0
Other		10.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0
<u>Public Safety</u>										
Sworn Officers	28.0	35.0	35.0	35.0	35.0	35.0	35.0	36.0	44.0	44.0
Dispatchers**	4.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0		
Civilian*	5.5									
<u>Public Works</u>	25.5	28.0	28.0	28.0	28.0	28.0	28.0	28.0	27.0	27.0
<u>Parks and Recreation</u>	3.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<u>Senior Center</u>	1.6									
<u>Public Library</u>	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<u>Human Services</u>	1.2	0.6	0.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
<u>Board of Education</u>										
Certified	293.8	292.6	293.7	288.7	301.7	294.4	295.9	295.1	294.9	288.4
Total	402.7	397.6	399.7	395.7	407.7	400.4	400.9	402.1	399.9	393.4

Source: Annual Operating Budgets

Notes: 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.

* Prior to fiscal year 2020/2021: Town Clerk, Town Hall, Accounting, Assessor, Revenue Collection, and Human Resources were included in Other; Fire Marshall was included in Building; Engineering was included in Public Works; and Administrative Support (Civilians) were included in Dispatchers.

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

TABLE 17

TOWN OF AVON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
JUNE 30, 2021

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>General Government</u>										
Marriage licenses	91	83	103	124	122	122	114	115	114	87
Birth certificates	187	136	154	146	142	140	99	128	99	73
Death certificates	131	218	211	228	221	189	191	176	191	120
<u>Boards and Agencies</u>										
Registered voters	12,953	13,267	12,996	12,651	12,526	11,590	11,231	11,272	11,981	11,824
Elections and referenda	1	1	5	2	2	4	3	2	2	3
<u>Planning and Development</u>										
Building permits issued	2,311	1,836	1,789	1,749	618	700	752	604	567	617
Building inspections conducted	2,812	2,346	2,814	2,563	2,026	2,282	2,387	2,249	2,404	2,171
Value of building permits	38,912,962	41,578,462	31,559,903	33,736,397	23,065,385	32,967,887	35,540,625	42,734,952	52,928,314	34,205,274
<u>Public Safety</u>										
Arrests	74	106	187	214	164	219	292	180	280	280
Parking violations	1	0	0	0	0	1	5	4	14	12
Traffic violations	373	956	727	1,478	426	1,175	1,166	812	1,554	1,635
Emergency responses	1,723	1,813	1,940	1,831	1,821	1,847	1,673	1,780	2,009	1,603
Fires extinguished	38	43	41	31	45	38	45	45	32	7
Inspections/fire prevention	440	237	292	348	388	256	451	439	381	381
Calls for service	12,867	13,922	16,593	19,464	16,126	21,053	19,646	15,125	12,343	18,638
Citations issued	283	437	564	948	380	659	917	586	932	1,293
<u>Public Works</u>										
Miles of roads maintained	111	111	111	110	110	110	110	106	108	108
Refuse collected (tons per year)	730	653	650	660	670	700	746	756	782	862
Recyclables collected (tons per year)	337	388	375	448	418	413	421	554	481	504
<u>Parks and Recreation</u>										
Total park reservations	3,020	3,817	4,017	3,965	3,652	4,032	3,422	1,758	1,826	1,886
Total day camp registrations	528	141	457	474	499	495	452	531	519	539
Total swim memberships	513	357	426	373	417	358	360	371	382	443
Pool attendance	14,473	14,022	14,821	13,189	13,627	13,717	12,949	12,375	9,748	12,430
<u>Public Library</u>										
Volumes in collection	199,693	191,571	195,637	195,684	153,962	124,772	122,367	117,374	94,978	96,440
Items circulated	204,815	212,594	225,318	258,724	285,596	299,743	291,256	295,590	290,058	208,132
<u>Human Services</u>										
Senior mini-bus trips	1,618	2,323	2,971	2,708	2,205	2,535	2,682	2,494	2,903	2,647
Households provided energy assistance	107	129	143	131	129	78	89	80	76	43
Households provided food bank assistance	116	113	130	121	110	110	127	127	114	106
<u>Education</u>										
Elementary schools	2	2	2	2	2	2	2	2	2	2
Grade 5/6 schools	1	1	1	1	1	1	1	1	1	1
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments

TABLE 18

**TOWN OF AVON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
JUNE 30, 2021**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<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	19	20	20	20	23	23	23	23	28	28
Fire vehicles	15	17	15	18	13	14	14	14	13	13
<u>Public Works</u>										
Miles of town roads	111	111	111	111	111	111	111	111	108	108
Linear feet of sidewalks (See Note)	53065	53065	53065	53065	53065	53065	53065	53065	50865	50865
Streetlights	795	795	795	795	795	795	781	781	828	828
Traffic signals	21	21	21	21	22	22	22	22	18	18
Public works vehicles	33	31	32	32	32	31	31	31	30	33
<u>Parks and Recreation</u>										
Acreage (parks only)	1167	1167	1155	1155	1155	1155	1155	1155	1155	1155
Parks and greens	14	14	14	14	14	14	14	14	14	14
Athletic fields (includes Board of Education)	36	36	30	30	30	30	30	30	30	30
Swimming pools	2	2	2	2	2	2	2	2	2	2
<u>Public Library</u>										
Library	1	1	1	1	1	1	1	1	1	1
<u>Human Services</u>										
Senior center	1	1	1	1	1	1	1	1	1	1
<u>Education</u>										
Schools	5	5	5	5	5	5	5	5	5	5
<u>Water</u>										
Fire hydrant rentals	765	767	771	765	765	764	761	748	721	721
<u>Sewer</u>										
Sanitary sewers (miles)	92.1	91.4	91.4	91.98	90.1	90.1	89.4	88	88	77.39
Storm sewers (miles)	85	85	85	85	85	85	85	85	85	75

Source(s): Various Town Departments

Note: No capital asset indicator is available for the conservation and development function.
Per implementation of Pavement Management Program effective in 06-07 information to be captured in square feet.