

# **TOWN OF AVON CONNECTICUT**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Prepared By:  
Department of Finance

Director of Finance:  
Margaret Colligan

**TOWN OF AVON, CONNECTICUT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS**

<b>Introductory Section</b>	<b>Page</b>
Letter of Transmittal	i-vii
Principal Officials	viii
Organizational Chart: Structure of Government	ix
Organizational Chart: Department of Finance	x
Certificate of Achievement for Excellence in Financial Reporting for the Year Ended June 30, 2007	xi
 <b>Financial Section</b>	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-13
 <b><u>Exhibit</u></b>	
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
I    Statement of Net Assets	14
II   Statement of Activities	15
<u>Fund Financial Statements</u>	
III   Balance Sheet - Governmental Funds	16-17
IV   Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18-19
V    Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	20
VI   Statement of Net Assets - Proprietary Fund	21
VII   Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	22
VIII  Statement of Cash Flows - Proprietary Fund	23
IX   Statement of Fiduciary Net Assets	24
X    Statement of Changes in Fiduciary Net Assets	25
Notes to Basic Financial Statements	26-49
<u>Required Supplementary Information</u>	
RSI   Schedule of Funding Progress - Avon Retirement System	50-51

	<b>Schedules</b>	<b>Page</b>
<b><u>Exhibit</u></b>		
	<u>General Fund</u>	
A-1	Comparative Balance Sheets	52
A-2	Schedule of Revenues and Other Financing Sources - Budget and Actual	53-54
A-3	Schedule of Expenditures and Other Financing Uses - Budget and Actual	55-56
A-4	Report of the Property Tax Collector	57
	<u>CIFA Fund</u>	
B	Project Length Schedule of Expenditures - Project Budget and Actual	58
	<u>Nonmajor Governmental Funds</u>	
C-1	Combining Balance Sheet	59-60
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	61-62
	Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
C-3	Sewer Fund	63
C-4	State and Federal Education Grants Fund	64
C-5	School Cafeteria Fund	65
C-6	Recreational Activities Fund	66
C-7	Local Capital Improvement Program Fund	67
C-8	Forest Park Management Fund	68
C-9	Town Aid Road Fund	69
C-10	Use of School Facilities Fund	70
C-11	Project Length Schedule of Expenditures - Project Budget and Actual - Capital and Nonrecurring Expenditure Fund	71
	<u>Fiduciary Funds</u>	
D	Agency Funds - Combining Statement of Changes in Assets and Liabilities	72
	<u>Detailed Schedule of Long-Term Debt Obligations</u>	
E	Schedule of Bond Maturities	73-74

**Table**

1	Net Assets by Component	75
2	Changes in Net Assets	76
3	Fund Balance of Governmental Funds	77
4	Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	78
5	Assessed and Estimated Actual Value of Taxable Property	79
6	Principal Taxpayers	80
7	Property Tax Levies and Collections	81
8	Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt per Capita	82
9	Legal Debt Margin Information	83
10	Debt Statement	84
11	Current Debt Ratios	85
12	Schedule of Debt Limitation	86
13	Demographic and Economic Statistics	87
14	Principal Employers	88
15	Full-Time Equivalent Government Employees by Function/Program	89
16	Operating Indicators by Function/Program	90
17	Capital Asset Statistics by Function/Program	91



# TOWN OF AVON

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

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

**TOWN MANAGER'S OFFICE**

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

**ASSISTANT TOWN MANAGER**

Tel. (860) 409-4377  
Fax (860) 409-4368

**ACCOUNTING**

Tel. (860) 409-4339  
Fax (860) 677-2847

**ASSESSOR'S OFFICE**

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

**BUILDING DEPARTMENT**

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

**COLLECTOR OF REVENUE**

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

**ENGINEERING DEPARTMENT**

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

**FINANCE DEPARTMENT**

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

**FIRE MARSHAL**

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

**HUMAN RESOURCES**

Tel. (860) 409-4303  
Fax (860) 409-4366

**LANDFILL**

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

**PLANNING & ZONING**

Tel. (860) 409-4328  
Fax (860) 409-4375

**POLICE DEPARTMENT**

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

**PROBATE**

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

**PUBLIC LIBRARY**

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

**PUBLIC WORKS**

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

**RECREATION AND PARKS**

Tel. (860) 409-4332  
Fax (860) 409-4334  
Cancellation (860) 409-4365

**REGISTRAR OF VOTERS**

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

**SOCIAL SERVICES**

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

**TOWN CLERK**

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

**TDD-HEARING IMPAIRED**

Tel. (860) 409-4361

December 22, 2008

To the Town Manager, Superintendent of Schools,  
Honorable Members of the Town Council,  
Board of Finance, and Board of Education, and  
To the Citizens of the Town of Avon:

Connecticut State Statutes require that all municipal entities publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Avon for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Avon has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Avon's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditors' 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 sixth year the report has been prepared using the new financial reporting requirements as outlined in GASB No. 34, *Basic Financial Statements and Management’s Discussion and Analysis - for State of Local Governments*. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Avon’s MD&A can be found immediately following the report of the independent auditors.

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

Avon, formerly Northington, or North Parish of Farmington, was settled in 1645. Incorporated in 1830, Avon is located approximately ten miles west of metropolitan Hartford. The Town has a land area of 22.6 square miles and an estimated population of 17,800 according to figures provided by the Town Planner’s office.

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

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

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

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

### ***Local Economy***

Avon is a desirable low-density suburban community with excellent schools and a high standard of living. Residential growth declined in Avon in fiscal year 2007-2008 with 19 single family home building permits, down from last year's 25 single family home building permits. Avon, along with the rest of the nation, is experiencing a construction slowdown of new homes.

As of June 2008, the Town's unemployment rate of 3.7% compares favorably to the state's average of 5.5%. Avon's per capita personal income is \$51,706 versus the state's average, which is \$28,766.

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

The Town's central business district is currently enjoying a more than 95% occupancy rate with a variety of specialty shops and commercial businesses. Presently, there is more than 1,000,000 square feet of existing retail space, 950,000 square feet of office space, and 600,000 square feet of manufacturing space primarily along U.S. Route 44, with traffic counts in excess of 30,000 vehicles per day. There are 14 bank branch offices located in Town with Sovereign Bank and Northwest Community Bank, having constructed new facilities within the past 2 years. The Blue Fox Run Golf Course, voted one of the nation's 10 best woman-friendly public courses, is presently expanding with the addition of a 9-hole executive course. There is a wide array of medical services available in Town, including the Avon Wellness Center, a 75,000-square foot facility operated by Hartford Hospital and Saint Francis Hospital and Medical Center housed in a 25,000 square foot facility and a just completed 20,000 square feet Helen and Harry Gray Cancer Treatment Center operated by Hartford Hospital.

The Town of Avon completed a general purpose revaluation of all property values for the October 1, 2004 Grand List, with the next revaluation occurring October 1, 2008. The October 1, 2006 Grand List grew by \$39,404,420 to \$2,226,999,410, or an increase of 1.8%, from the 2005 Grand List of \$2,187,594,990. Real estate increased \$37,205,290, or 1.91%, which was consistent with the increase in property values. Building permits issued for 2007-2008 indicate a total value of new work of \$13,706,629. As the Town physically matures, and growth begins to slow, the emphasis will change from accommodating growth through the expansion of Town and School facilities, to maintenance and upkeep of existing facilities. The current mix of 72% single-family homes and 28% multi-family homes has served the Town well. This ratio has provided opportunities for buyers and renters with varying levels of income as well as age. Avon is recognized as a desirable community in which to live. Hartford Magazine, in its November 2005 issue "Rating the Suburbs", ranked Avon first as the

most desirable community among the 12,500 to 25,000 population category and in 2008, ranked Avon second in the same category; however, it was ranked number 1 in the economy sub-category. Connecticut Magazine, in its November 2006 issue, ranked Avon fifth overall in the 15,000 to 25,000 population category within Connecticut, on the combined data of education, economy, cost of living, crime and leisure/culture, areas that seem to be important to most people. In July 2005, a national media source, CNN Money, ranked Avon as one of the safest places in the United States to live.

A number of citizens have expressed concern over the rapid development of the Town and its impact on Town services. The fact is that the rate of population growth in terms of the percent increase has actually been declining since the peak during the 1950's (66% increase from the 1950 population of 3,171 to 5,273 in 1960). The gain in population over the past fifty-five years has been relatively stable, averaging about 2,500 per decade, with the current population in 2008 being 17,800. The impact of this growth on Town services has been gradual, predictable, and manageable. What is not often calculated into the cost of Town services are the transient populations that visit Avon - the commuters passing through Avon, the employees of our businesses, the patrons of our stores, health facilities, tourists and professional offices. This inflow and outflow results in more traffic, additional public safety calls to be answered and increased use of our municipal infrastructure. When coupled with the rapid growth in the towns west of Avon, this flow presents the appearance of a much larger level of growth than has actually occurred. Expenditure growth in three functions exceeds the growth of Town expenditures as a whole. For a ten-year period, expenditures in the educational-cultural (library) function grew at 67.15%, due to increased demands for services, expenditures for the conservation and development function grew at 64.24% due to demands caused by increased development activity, and expenditures for the Board of Education function grew at 152.47%, due to increased school enrollment, all compared with a 58.93% increase in total Town expenditures.

A comprehensive impartial town-wide survey of Avon residents professionally administered by the University of Connecticut Center for Survey Research and Analysis found that 99% of residents rank Avon's quality of life as good or excellent. A follow-up study of Avon Businesses conducted in conjunction with the Avon Chamber of Commerce by the same center found that 89% of Avon businesses found Avon a good or excellent place to do business.

Avon's educational system continues to be regarded as one of the best in the State of Connecticut during the 2007-2008 school year:

- 58% of all 10th grade students met goal on all four Connecticut Academic Performance subtests. While this percentage represents a decline from 2006's 63%, Avon students compare favorably to high performing public schools throughout Connecticut.
- On this same assessment, Avon students had the highest percentage of students reaching goal in Writing Across the Disciplines and Science among similar schools in our District Reference Group (DRG B).
- Among all students taking the Connecticut Mastery Test (CMT) in grades 3-8, 91% to 97% achieved the NCLB "proficiency" level.
- CMT reading scores in grade 8 have sustained a performance level over 90 % at or above the state goal for the past seven years.
- CMT performance in math, reading, and writing ranged from 91% to 97% proficiency in all grades assessed.
- Grade 3 students ranked sixth in the entire state for the percentage of students reaching state goal in reading.



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

A long-term goal of the Town is to retain sufficient undesignated fund balances (10% or more) in the General Fund and Special Revenue Funds. No use of Undesignated General Fund resources had been included in the fiscal year 2007-2008 budget, and historically, the Town uses a small portion to mitigate the impact of revaluation in those affected years. Even in the face of increasing operating costs for the Town government, Avon has been able to maintain an adequate surplus in its General Fund. To further manage this surplus, the Board of Finance adopted a policy on the use of surplus funds in December of 2006. Use of the funds may be granted by the Board after receiving a showing of substantial support by the requesting authority and finding the “such use will meet an extraordinary need or unusual opportunity”.

The December 2003 *Report on High School Facility Needs* showed that space utilization continued to increase proportionately as enrollment increased. A High School Facilities Committee was created to study the facilities needs options to accommodate the projected growth from the building maximum as originally designed of 850 students to projected enrollment of 1,200 students by the 2012 school year. The Committee agreed to and proposed a recommendation for additions, renovations and building improvements in the amount of \$25,998,000, which was approved at referendum on June 20, 2005 but bids received in the following summer months showed that costs for materials and construction rose since the initial estimate was prepared. An additional \$4,700,000 was needed to cover the higher-than-expected construction costs for the expansion, which included adding 14 rooms, a new gymnasium and a cafeteria. The additional funding was approved at referendum on October 11, 2006. The project has proceeded on time and under budget. Notes, bonds, and state grant funds will finance the project with an estimated impact to the Board of Education’s operating budget of 1% for the first year, with 2.5% in inflation adjustments made in each subsequent year for facility operating costs.

Avon High School expansion project had highlighted the need for a realistic methodology to estimate changes in the Grand List and in individual property values that can be utilized to project tax impacts of additional town borrowings over various periods of time. The joint effort of the three boards, Town management and the financial advisor led to a “formula” in which residents and business can visit the town website, enter in their individual assessed values, which are also available on the website, and obtain an estimate of the additional tax payments that would be required on a monthly and annual basis to cover the cost of any proposed bonding projects.

In response to a growing increase in elementary school population in grades K-4, the Board of Education has formed an ad hoc committee to study elementary school facility needs and operational capacities. This study plans to include funding for modular classroom space in future capital budget proposals.

This year, because of an impasse in the teacher’s contract negotiations, the Board of Education went to the State Arbitration Panel for a decision. After the decision from the panel, the Board of Education presented to the Town Council and the residents the economic impact of the contract award so that all involved would better understand the process from local negotiations to a State Arbitration Panel. The Town Council voted to accept a new three year contract for teachers, which included the decision of a panel of arbitrators regarding a general wage statement.

The Town, presented at a June 14, 2007 Town-wide referendum, appropriated \$2,360,000 for renovations, additions and improvements to Buildings 5 and 6 at the Avon Town Hall campus, as identified in the Town Hall Master Plan, and authorized the issuance of notes and bonds to finance such project. Other than the Open Space acquisition of the 318 acre Fisher Farm in 2003, no general government project requiring an independent referendum vote had been placed before the voters since 1995. The formal dedication of the renovations to the Town Hall campus took place on May 1, 2008.

Future projects anticipated by the Town include the replacement and related improvements to the Avon Middle School Roof, renovations, additions and improvements to the Town Hall campus buildings 1, 2 and Town Clerk's vault expansion, Library renovation and expansion, a replacement (Company Number 2 Secret Lake) Fire Station, a new fire training facility and additional athletic and recreational facilities. The Middle School Roof project will lessen the impact on the operating budget. By replacing the roof, it will eliminate further repair costs and by replacing the HVAC units with more energy efficient models, it is anticipated that will also have a favorable impact. The Town Hall renovation program can be expected to impact costs, but they should be marginal, reflecting a total of more space, but less per unit heating costs as the buildings are renovated, insulated and gas heat is installed. The Library expansion will double the square footage and significantly impact building operating and staff costs. It may be necessary to acquire more land to meet the expanding functions of the Library and to meet the open space and parking requirements required by Zoning. Likely funding sources for the expansion may include bonds, notes, grants if available, and donations.

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

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

The Town accepted \$65,750 in fees in lieu of deeded open space land from developers was accepted in 2007-2008 Open Space Fund, used for the acquisition of open space in other areas of Town. The Town is constantly looking to acquire open space when it makes sense and is reasonably priced. The Town demolished the 1948 Towpath School turning the site into additional green space for Avon center.

A true or operating lease policy was adopted in April of 2008 by both the Town Council and Board of Finance. The true or operating lease policy allows the Town of Avon to choose lease assets rather than buy as leases offer more flexibility in terms of adjusting to changes. Soon after the true or operating lease policy was adopted, a debt policy was introduced and adopted by both the Town Council and Board of Finance. The purpose of the debt policy is to establish parameters and guidance to make decisions on capital spending and issuance of debt as a means to fund them.

### ***Major Initiatives***

The Avon Water Pollution Control Authority hired consultants (Fuss and O'Neill) to update the Town's Sewer Facilities Master Plan, first prepared in 1977. The Town accepted the Plan and the State of Connecticut DEP accepted the Plan in the summer of 2007. The Plan addresses maintenance for current sewer users, future needs for residents, and any new development in Town.

The Town Council received a Recreation Facilities Master Plan that deals with utilization and growth of facilities in order to meet the Town's needs for the next 10 - 15 years. The Town Council is also working with a consultant and the Engineering and Public Works Departments, to create a Pavement Management Plan. This includes developing a database to track road conditions, implement repair strategies and determine life expectancy for the Town roads.

The Town's first Plan of Development was adopted in 1956 with subsequent plans adopted in 1968, 1979, 1991 and 2006. A Plan of Conservation and Development is required by Connecticut General Statutes to be updated every ten years. This plan presents a series of policies related to both the conservation and development of land in Avon. A special study for Avon Center, which is part of the Town-wide Plan of Development, is proposing to make the center more aesthetically pleasing and welcoming to pedestrians with landscaping, new streetlamps and sidewalks, in hopes that through its' efforts, the special village character of this area can be preserved while making the center a more

vibrant area. The Town recently has been awarded a Small Town Economic Assistance Program (STEAP) grant for sidewalk, lighting and other improvements to Avon Center.

In 2007-2008 a Police Officer's Meritorious Service Fund was established which was made possible by the generous contribution of a long-time Avon resident. The purpose of the Fund include assisting officers who have suffered a hardship in the line of duty, encouraging scholarly efforts of meaningful value to the Police Department, and recognizing exceptionally meritorious conduct by officers.

The Town of Avon provides post employment healthcare benefits for retirees and their dependents. As of the end of the current fiscal year, there were 56 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. One notable initiative began five years ago that has been continued in fiscal year 2007-2008, is budgeting for a portion of the Town's future liability of post-retirement employee health benefits. The Town has recently completed compiling and updating the census, medical cost, asset and retiree medical cost sharing data in order for the actuarial firm to perform a 2008 valuation as the last valuation was performed in 2004.

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

### ***Awards and Acknowledgements***

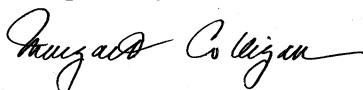
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the twenty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town believes that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Avon for its annual budget for the fiscal year beginning July 1, 2007. This was the twenty-third consecutive year that the government has achieved this prestigious award. In order to receive this award a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department, in particular Town Accountant, Charles Lucas and Administrative Analyst, Kara Song. I would like to thank the audit team of Blum, Shapiro & Company, P.C., for their guidance and assistance. Due credit should also be given to the Town Manager, Superintendent of Schools, the Town Council, the Board of Finance, and the Board of Education for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,



Margaret Colligan, CPFO  
Director of Finance

**TOWN OF AVON  
PRINCIPAL OFFICIALS  
AT JUNE 30, 2008**

**TOWN COUNCIL**

John Carlson, Chairman  
William J. Shea, II      Mark Zacchio  
David Pena              Pamela Samul

**BOARD OF FINANCE**

Thomas F. Harrison, Chairman  
Catherine Durdan      William R. Hooper, II  
Thomas A. Gugliotti    Margaret Bratton  
James Speich          Brett Eisenlohr

**BOARD OF EDUCATION**

Margaret Roell, Chairperson  
Douglas Evans          Michael J. Eagen  
Bernadette R. Mayer    Kenneth Notestine  
Angela Shelton          Barbara Zuras  
William Stokesbury      Houston Putnam Lowry

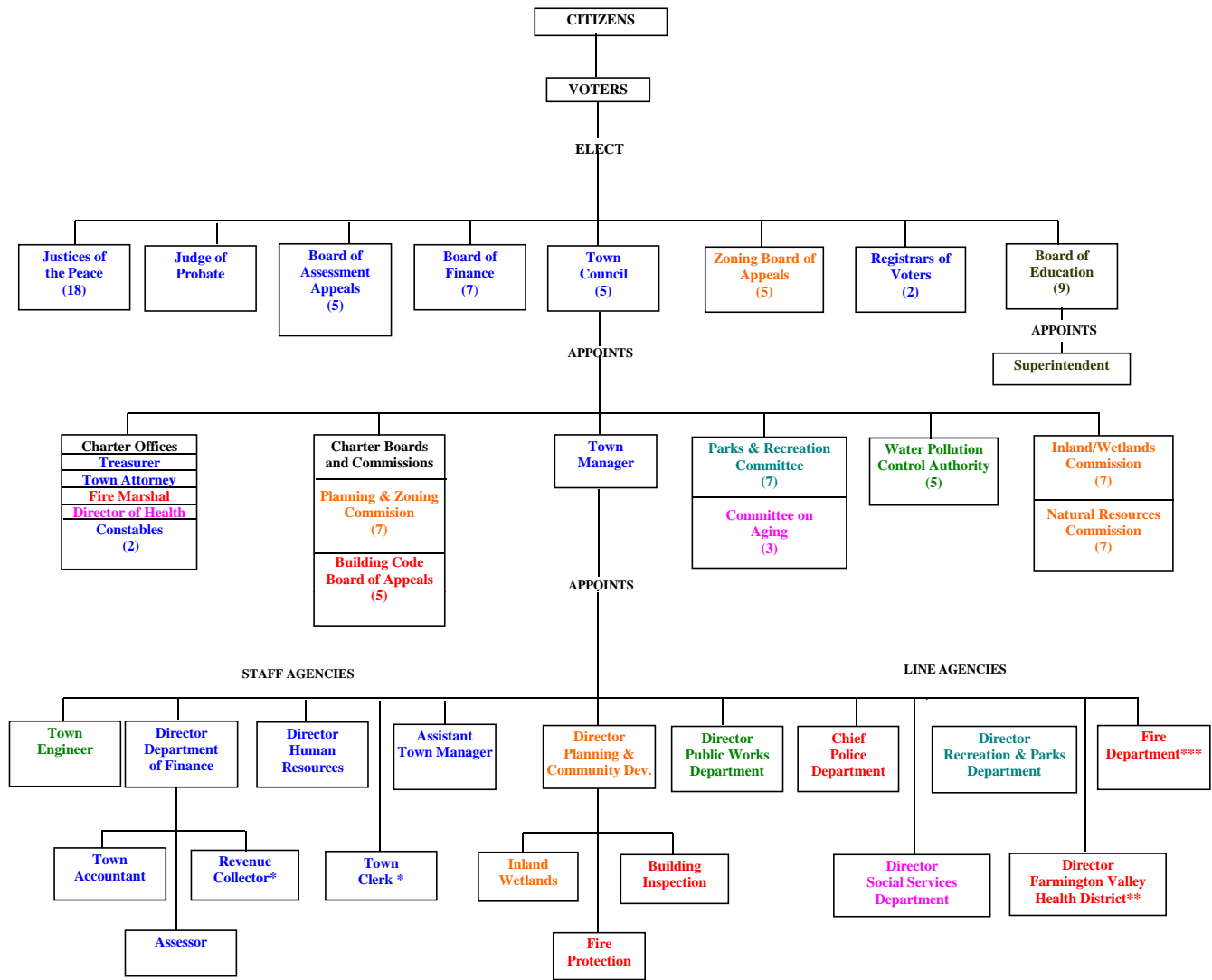
**GENERAL GOVERNMENT**

Town Manager	Philip K. Schenck, Jr.
Assistant to the Town Manager	Blythe C. Robinson
Town Accountant	Charles M. Lucas, Jr.
Town Attorney	Dwight A. Johnson
Town Clerk	Ann L. Dearstyne
Town Engineer	Thomas A. Daukas
Town Planner	Steven A. Kushner
Town Treasurer	James R. McCarthy
Director of Finance	Margaret Colligan
Director of Human Resources	William F. Vernile
Director of Recreation & Parks	Glenn M. Marston
Director of Social Services	Alan E. Rosenberg
Director of Public Works	Bruce Williams
Assessor	Harry DerAsadourian
Building Official	James Sansone
Collector of Revenue	Kathleen H. Roth
Librarian	Virginia G. Vocelli
Police Chief	Mark Rinaldo
Fire Chief	James DiPace

**EDUCATION**

Superintendent of Schools	Richard Kisiel, Ed.D
Director of Finance	Gary Franz

# ORGANIZATIONAL CHART FOR THE TOWN OF AVON



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

## Department of Finance

### Director of Finance

1. Budget Formulation, Execution, and Research
2. Treasury, Cash, and Debt Management
3. General Accounting
4. Appropriation Accounting and Financial Reporting
5. Internal and External Auditing
6. Revenue Collections
7. Materials Administration
8. Purchasing Administration
9. Electronic/Automated Data Processing Operations

### Division of Accounting

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

### Division of Revenue Collection

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

### Division of Assessment

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Avon  
Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

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



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director



## Independent Auditors' Report

To the Board of Finance  
Town of Avon  
Avon, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of and for the year ended June 30, 2008, which collectively comprise the Town of Avon, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Avon, Connecticut, as of June 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 13 and the required supplementary information on pages 50 and 51 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2008 on our consideration of the Town of Avon, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over compliance on the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

December 16, 2008

**TOWN OF AVON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

---

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, 2008. 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 2008 fiscal year by \$113,615,791 (net assets). Of this amount, \$12,623,398 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets increased by \$10,200,834 due primarily to the addition of new capital assets in excess of depreciation expense and construction in progress costs for the Town high school of \$16,960,335.
- As of the close of the current fiscal year, governmental funds reported combining ending fund balances of (\$12,443,957), a decrease of \$12,304,500 in comparison from last year's (\$139,457). \$4,676,227 of General Fund and \$4,595,530 of Other Governmental Funds is available for spending at the government's discretion (unreserved fund balance). In CIFA, (\$22,277,767) unreserved fund balance is a negative amount due to the issuance of bond anticipation notes that are reported as a fund liability as the notes will not be replaced by debt one year beyond the date of the balance sheet. As of June 30, 2008, \$187,558 of the combining fund balances has been designated for specific purposes.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$4,488,669 or 5.61% of total General Fund expenditures and transfers out of \$79,975,846.
- Total debt decreased by \$3,511,091 (18.59%) to \$15,373,738 (including amortized bond premium) during the current fiscal year.

**Overview of the Basic Financial Statement**

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

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

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

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

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

business-type activities. The governmental activities of the Town include general government, public safety, public works, health and social services, recreation and parks, education - cultural (library), conservation and development, Board of Education and interest expense.

The government-wide financial statements can be found on 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 14 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, CIFA (Capital Improvement Fund Account), and Sewer Fund, all of which are considered to be major funds. Data from the other 11 governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on Exhibits III through V 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 Exhibits VI through VIII of this report.

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Notes to Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 26-49 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 50-51 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 52-71 of this report.

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, our assets exceeded liabilities by \$113,615,791 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets, \$100,992,393 (88.89%), reflects the investment in capital assets (e.g., land, buildings and improvements, equipment, vehicles and infrastructure), less any related debt used to acquire those assets that is still outstanding. Avon uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

<b>NET ASSETS</b>		
<b>JUNE 30, 2008 AND 2007</b>		
	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
Current assets	\$ 17,350,509	\$ 29,228,708
Capital assets, net of accumulated depreciation	142,788,131	123,171,400
Noncurrent assets	733,604	1,133,104
Total assets	<u>160,872,244</u>	<u>153,533,212</u>
Long-term liabilities outstanding	14,487,599	21,367,053
Other liabilities	32,768,854	28,751,202
Total liabilities	<u>47,256,453</u>	<u>50,118,255</u>
Net Assets:		
Invested in capital assets, net of related debt	100,992,393	86,386,400
Unrestricted	<u>12,623,398</u>	<u>17,028,557</u>
Total Net Assets	<u>\$ 113,615,791</u>	<u>\$ 103,414,957</u>

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Town's net assets increased by \$10,200,834 during the current fiscal year. Unrestricted net assets, the portion of net assets that may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation or other legal requirements is \$12,623,398. The Town generated net general revenues of \$60,359,152, which exceeded its net operating expenses for governmental activities of \$50,158,318 by the amount of the net asset increase. Gross expenses of \$81,589,453 were offset by \$4,585,742 in charges for services, \$19,168,475 in operating grants and contributions, and \$7,676,918 in capital grants and contributions. Of the net expenses, the largest amount was \$33,106,639, which was for the operating of the Town's school system. Net public safety expenses of \$7,506,777, public works net outlays of \$2,628,260, net general government costs of \$2,498,106, interest expense of \$1,420,878, and education-cultural (library) expenses of \$1,320,446 accounted for almost all net expenses. The majority of the Town's revenue was \$57,525,758 in property tax collections, \$31,431,135 in charges for services and grants, and \$2,833,394 in nonrestricted grants, investment income, miscellaneous and transfers.

**Governmental Activities.** Governmental activities increased the Town's net assets by \$10,200,834. Key elements of this increase are as follows:

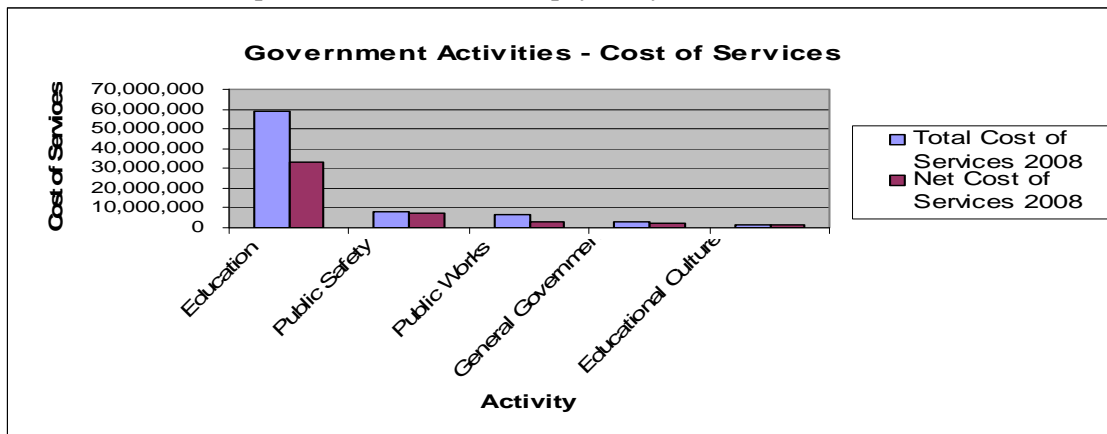
<b>CHANGE IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2008 AND 2007</b>			
	<b>Governmental Activities</b>		
	<b>2008</b>	<b>2007</b>	
Revenues:			
Program revenues:			
Charges for services	\$ 4,585,742	\$ 4,268,592	
Operating grants and contributions	19,168,475	5,187,201	
Capital grants and contributions	7,676,918	1,652,764	
General revenues:			
Property taxes	57,525,758	54,985,721	
Grants and contributions not restricted to specific programs	484,160	471,823	
Investment income	1,361,187	1,923,744	
Miscellaneous	988,047	370,776	
Transfers		(125,000)	
Total revenues	<u>91,790,287</u>	<u>68,735,621</u>	
Program Expenses:			
General government	3,150,197	2,697,324	
Public safety	8,386,614	7,752,887	
Public works	6,379,490	5,615,483	
Health and social services	418,457	339,011	
Recreation and parks	1,259,443	1,192,893	
Education - cultural	1,340,878	1,271,577	
Conservation and development	470,631	480,105	
Board of Education	58,762,865	42,831,505	
Interest expense	1,420,878	1,164,309	
Total program expenses	<u>81,589,453</u>	<u>63,345,094</u>	
Increase in net assets	10,200,834	5,390,527	
Net assets - Beginning of Year, as Restated	<u>103,414,957</u>	<u>96,327,484</u>	
Net Assets - End of Year	<u>\$ 113,615,791</u>	<u>\$ 101,718,011</u>	

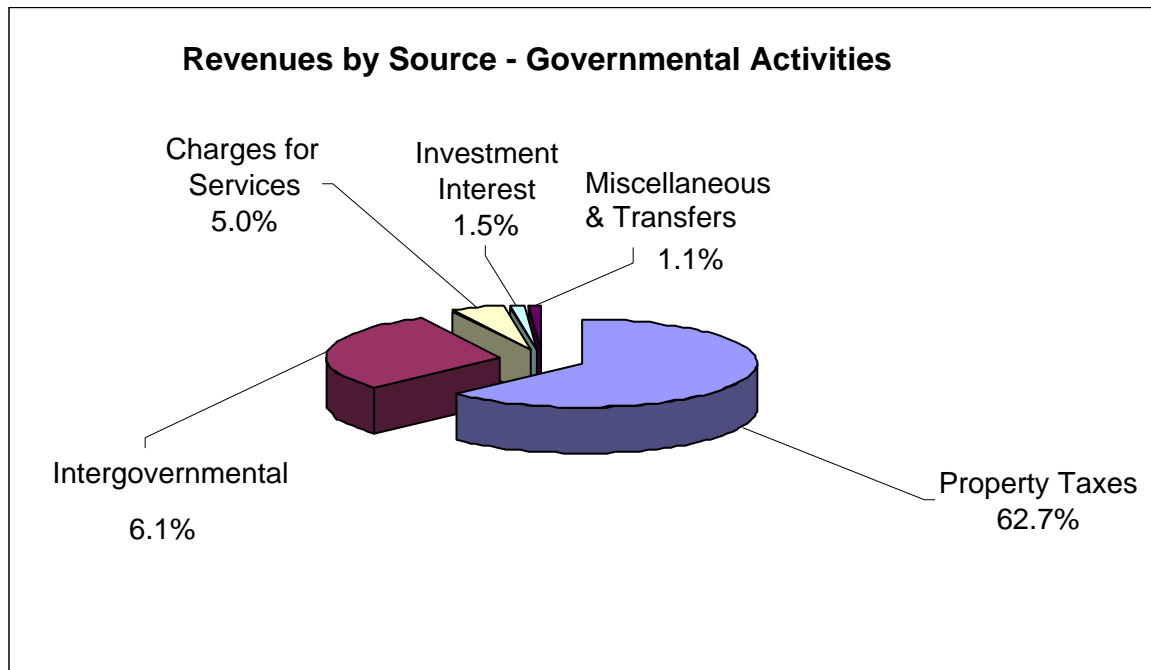
## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Property taxes increased by \$2,540,037 (4.62%) to \$57,525,758 and operating grants and contributions increased by \$13,981,274 (269.5%) from fiscal year 2007 to fiscal year 2008. Most of this increase was necessary to fund unplanned staffing and program requirements in special education, increases in utility costs and enrollment growth in the Board of Education (\$15,931,360), overtime, energy/utility, gas costs for public works (\$764,007), hydrant rental and police protection costs for public safety (\$633,727), pension contributions for general government (\$452,873) and interest expense (\$256,569), which, in total, was offset by a discretionary spending freeze and by an expected reduction in conservation and development (\$9,474) due to restructured staffing arrangement and retirement. There are growing community expectations for a rate of tax growth that approximates inflation with accompanying requests for additional and higher quality services by our residents. In response to these trends, the Town's budget included a mix of initiatives, which are designed to reduce taxpayer costs in some areas, but also increase services where needed in others. Some examples are restructured staffing arrangements in Public Safety (Protection and Communication) and Conservation and Development (Department of Planning and Community Development), a continued shift of recreation activity and park maintenance costs from the General Fund to the Recreation Activities Fund (Special Revenue Fund), continued planning with area towns for shared services arrangements, and increased hours for part-time positions in the Library in an attempt to limit full-time personnel increases with the accompanying benefit costs. The Town has undertaken a conscious policy of trying to restrain the rate of growth in the number of people employed by the Town by seeking alternative methods of service delivery. This has been done by establishing contractual relationships for landscaping and custodial work, bidding snowplowing/sanding on some new roads and contracting certain landfill recycling programs.

On the revenue side, property taxes, which comprise 62.7% of Town revenues, exceeded the original budget due to high collections on the current levy (99%); supplemental motor vehicle exceeded the original budget as well. Charges for services saw an increase of \$317,150 in the areas of police services for road work and public works fees. Recording and conveyance and building, structures and equipment permit activity dropped as expected along with other fee and permit activity that is directly related to the housing slowdown. Operating grants and contributions and capital grants and contributions increased \$21,446,732 primarily in the Board of Education function due to the substantial increase in pension contributions made by the State on behalf of the Town's teachers (\$16,089,746), the receipt of progress payments made by the State for the high school construction project and additional funds from the State and Federal government. In the Public works function under capital grants and contributions, the increase of revenues consist of donated roads from developers along with the associated sewer infrastructure, miscellaneous was higher due to unexpected Connecticut Resources Recovery Authority (CRRA) distribution of a class action suit, and investment income decreased due to lower than estimated interest rate activity.

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 70% of the service charges, \$3,196,535, are generated by public works, the police and general government. The Board of Education contributed close to \$900,000 in service fees as well. Avon has never been reliant on state and federal grants that, while helpful in keeping our overall costs down, do not contribute significantly to total revenues.

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

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

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

As of the end of the current fiscal year, our governmental funds reported combined ending fund balances of (\$12,443,957), a decrease of \$12,304,500 in comparison with the prior year. Of this total amount, (\$13,006,010) constitutes unreserved fund balance, which is available for spending at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period in the amount of \$215,101; and 2) to contribute to the payment of compensated absences (debt service fund) in the amount of \$346,952.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$4,488,669, while total fund balance reached \$4,676,227. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 5.61% of total General Fund expenditures and transfers out of \$79,975,846, while total General Fund balance represents 5.85% of that same amount.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

---

The fund balance of the Town's General Fund increased by \$898,794 during the current fiscal year. Key factors contributing to the growth were the planned drawdown of project interest income and transfer from the Thompson Brook School and Avon High School capital projects, return of excess equity from multiple projects and the transfer in from multiple closed capital projects.

The Capital Improvement Fund Account (CIFA) is one of the Town's major governmental funds. Most of the Town's major capital expenditures are processed through this account. Bond anticipation note (BAN) and bond proceeds are also handled in the CIFA account. Fund balance decreased \$13,706,525 from (\$8,571,242) to (\$22,277,767) primarily due to the issuance of bond anticipation notes that are reported as a fund liability because they will not be replaced by debt one year beyond the date of the balance sheet. The CIFA Fund Balance is (\$22,277,767) that is available for future capital projects is negative due to the issuance of the bond anticipation notes. The Town also accepted \$65,750 of open space fees in 2007-2008.

The Sewer Fund is the other major governmental fund. This is the first year reporting it as a major governmental fund. The Town has no treatment facility of its own, but instead contracts with the neighboring towns of Canton, Farmington and Simsbury for treatment of sewage effluent. At the end of the current fiscal year, \$211,956 is reserved for encumbrances primarily for payment of waste treatment costs per the inter-town agreements. Fund balance increased \$241,336 from \$2,037,412 to \$2,278,748 in anticipation of funding upcoming sewer capital projects building to extend public sewers in Verville Road and to fund renovations to a pump station.

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

Unrestricted net assets of the Internal Service Fund at the end of the year amounted to \$324,642. The total change in net assets for the fund was an increase of \$32,726. Operating revenues for the fund, representing charges for services that are health insurance premiums paid by Town and Board of Education, amounted to \$6,525,304. Operating expenses for medical claims were \$6,492,578. The General Fund increased its contributions into the Internal Service Fund by \$17,500 through an appropriation of fund balance. This was done in order in accordance with Town policy, which states that the net assets in the Internal Service Fund should be the goal of 10% of the next year's projected expenses.

### **General Fund Budgetary Highlights**

The original budget of \$62,359,526 increased \$1,516,363 during the year to \$63,875,889. The significant additional appropriations are noted below:

#### **Revenues**

- \$283,420 for outside police services reimbursement, which was used for increased police program expenditures;
- \$271,364 appropriation of fund balance, which includes funding the purchase of a vehicle for public safety (\$18,000), funding a wood chipper for public works (\$27,564), funding emergency roof repairs for the Board of Education Middle School (\$50,800), funding future payouts of accumulated leave time to employees (\$157,500), and to fund Medical reserve equity (\$17,500);
- \$7,364 addition of State revenue grant for DUI Enforcement and \$12,581 addition of a Federal grant for supplemental police patrols for public safety;
- \$20,250 addition of state revenue grant for Youth services program for health and social services;
- \$375,260 addition of state revenue grant for Equalized Cost Sharing for the Board of Education;



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

---

- \$89,484 addition of insurance proceeds applied to offset funding replacement computer equipment damaged from a lightning strike (\$62,371) and to offset the cost of expanding the police impound lot in order to house a truck involved in a motor vehicle investigation (\$27,113);
- \$302,954 addition of a Connecticut Resources Recovery Authority class action distribution and \$17,624 recycling rebate which funded budgetary over expenditures in Town-wide functions/programs.

### Expenditures

- \$283,420 for Public Safety for police service outside jobs/construction/traffic monitoring;
- \$302,954 for Town-wide over expenditures for funding pension, hydrant rental and overtime that could not be covered by transfers;
- \$375,260 for the Board of Education operating budget shortfall that could not be covered by transfers;
- \$98,500 to restore road improvement funding that was cut during the budget process but reinstated when the recording and conveyance fee was extended.

Of the increase, \$1,244,999 was funded out of miscellaneous increases in various grants, unexpected one-time revenues, transfers in from other line items, and reductions in other expenditures, detail as provided in the highlights above. The remaining \$271,364 was budgeted from available fund balance with the detail provided in the second bullet under General Fund Budgetary Highlights, Revenues.

### Capital Asset and Debt Administration

**Capital Assets.** The Town of Avon's investment in capital assets for its governmental assets includes land, buildings and improvements, land improvements, equipment, vehicles and infrastructure (roads, sewer lines, storm drains). The total net increase in our investment in capital assets for the current fiscal year was \$19,616,730 (15.93%).

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

- The Avon High School Renovations and Additions Capital Project has been substantively completed for a total of \$16,960,335.
- The Town Hall Renovations project has been completed for a total of \$2,240,254.
- This year, the Town accepted \$1,735,719 for contractor-provided roads and associated sewer infrastructure.
- The Town is in the process of completion of a roof replacement project at public works (\$155,664), purchased a dump truck for public works (\$174,203), is moving towards completion on a generator purchase for public works to be used in emergency management (\$155,875), completed roof repairs at a PreK - 4 school (\$637,463) and performed of renovations in Town Hall (\$71,910), and purchased a vehicle for police, a wood chipper for public works, and various technology items for police and general government.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

## CAPITAL ASSETS, NET OF DEPRECIATION JUNE 30, 2008 AND 2007

	Governmental Activities	
	2008	2007
Land	\$ 7,662,553	\$ 6,622,223
Construction in progress	51,145,773	36,453,958
Land improvements	1,229,880	114,946
Buildings and improvements	43,497,260	43,408,907
Equipment	2,074,059	1,271,702
Vehicles	2,698,730	2,197,940
Infrastructure	34,479,876	33,101,725
Total	\$ <u>142,788,131</u>	\$ <u>123,171,401</u>

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

**Long-Term Debt.** At the end of the current fiscal year, the Town had \$15,285,000 of long-term general obligation bonded debt issued and \$26,422,000 of bond anticipation notes outstanding. All of the Town's debt is general obligation and backed by the full faith and credit of the Town.

## OUTSTANDING DEBT GENERAL OBLIGATION BONDS AND BOND ANTICIPATION NOTES JUNE 30, 2008

Bonds			Date of Fiscal Year Maturity		
Date	Purpose	Rate %	Original Issue	Debt Outstanding	
1/15/94	Roaring Brook Elem. Renovations	4.00-5.00	\$ 5,670,000	\$ 400,000	2009
9/15/97	High School Renovations	4.25-6.25	4,300,000	1,130,000	2012
9/15/97	Police Department Renovations	4.25-6.25	1,800,000	470,000	2012
1/15/98	High School Renovations	4.00-5.75	5,825,000	1,800,000	2012
7/15/98	High School Renovations	4.10-4.75	6,915,000	2,654,250	2013
7/15/98	Sewer Interceptor	4.10-4.75	550,000	210,750	2013
7/15/02	Fisher Farms Open Space	3.00-5.00	1,295,000	680,000	2016
7/15/02	Thompson Brook School	3.00-5.00	14,245,000	7,340,000	2016
5/01/10	MH Rhodes Property	3.60	600,000	600,000	2010
Total Bonds			\$ <u>41,200,000</u>	\$ <u>15,285,000</u>	
Notes					
10/27/05	High School Renovations	3.54	\$ 24,062,000	\$ 24,062,000	2009
10/26/07	Town Hall Renovations	3.54	2,360,000	2,360,000	2009
Total Notes			\$ <u>26,422,000</u>	\$ <u>26,422,000</u>	

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

---

The Town's total debt decreased by \$3,308,489 (15.48%) during the current fiscal year. The Town retired \$18,000,000 of BANs used to finance the construction of innovations and additions to Avon High School during the year, paid down principal of \$175,000 and issued \$2,360,000 of BANs to finance the renovations, additions and improvements to building 5 and 6 at the Town Hall campus. The Town's policy of aggressively retiring its bonds (shorter maturities than statutory maximums) prevents us from being able to refund our higher rate bonds at current low interest rates.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times its tax collections plus interest and lien fees (seven times \$60,378,899). For June 30, 2008, the maximum amount of borrowing permitted under the formula would be \$422,652,293. With net borrowings of \$82,135,050, the Town's outstanding general obligation debt is \$340,517,243 below the maximum debt limitation (see Schedule of Debt Limitation on Table 12 of this report).

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

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

- As part of the budget process, for the first item under the Town's Charter, as amended in 1998, the town council had to set the 2008-2009 budget following the rejection by the voters of three proposed budgets. The Council voted to adopt a budget retaining the 3.84% tax increase the Board of Finance had recommended but also added about \$180,000 to the Capital Improvement Program to cover increased costs of replacing the Roaring Brook School boiler.
- Grand list is expected to be approximately 1.56%. Legislative changes now call for a five-year cycle for revaluation process, which will be started in the 2008-2009 budget year.
- Property tax collections will exceed 99%, and the reserve for uncollectible is increased to \$635,565.
- Assessment appeals and tax refunds will approximate 1% of tax revenues.
- A second year of significant decline in growth in terms of new single family housing permits. However families with children seeking Avon's premier school system and older active adults anxious to take advantage of Avon's lifestyle and amenities have kept housing prices relatively stable (only a 1.75% decline from last year). The goal will be to upgrade and expand Town-provided amenities such as quality educational, recreational and cultural facilities but a rate of tax growth that approximate inflation.
- Discretionary grant revenues are expected to remain the same or decline based on State of Connecticut budget issues. However, because Avon receives such a small portion of its revenues from state grants, they should have only a marginal effect on Town services.
- The Town intends that user fees cover the majority of costs of certain services such as sewer use, sewer connection, landfill and recreational programs. These fees are reviewed annually and reset according to expected usage and inflation. Sewer charges will increase from \$275 to \$300 per year and landfill fees will increase to offset prior and anticipated increase in disposal fees to Connecticut Resource Recovery Authority.
- Construction grants continue to decline in the education construction reimbursement area, reflecting the State's change to progress payments versus reimbursements.
- The Town has projected investment income to fall from \$1,165,761 to \$819,400, a decrease of 29.97%.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

---

- Personal services (salary and benefits) growth will amount to \$390,852 (50.24%) of the Town budget increase, 70.83% of the Town operating expenditures) reflecting hourly increases for nonorganized personnel, classification adjustments, increased overtime, additional positions and step increases. Conversion, reassignments and re-alignments account for a decline in funded full time position from 112 to 109.
- Increased insurance premium sharing by employees. All current employees contribute 5% - 20%; all new hires for Police, Dispatch, Non-Organized and Public works contribute 20% toward both health and dental care.
- Virtually the entire Board of Education increase relates to teacher salary and benefit increases.
- Due to the increase in the required pension contributions because of the volume of unanticipated retirements and to help offset this increase, the Town has deferred the 2008-2009 contribution for funding its post-retiree benefits.
- Renewed arrangements with the Town of Canton to provide Assessing, Social Services and Animal Control Officer Services for a fee.
- A 50% reduction to future retiree health benefits in the Department of Public Works and for non-organized employees hired after January 1, 2007 in an effort to further reduce other post-employment benefits liability.
- Across the board impact of increased energy costs (16.08%).
- Funding for larger multi-year capital projects are included on a phased-in basis with \$255,000 of the cash CIP projects funded from the Sewer Fund.
- At the close of the 2008 fiscal year, unreserved fund balance in the General Fund amounted to \$4,488,669. No use of General Fund undesignated fund balance is included in the 2008-2009 budget.

All of these factors were considered in preparing the budget for the 2009 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 ASSETS

JUNE 30, 2008

	<b><u>Governmental Activities</u></b>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 14,437,898
Investments	1,934,106
Receivables:	
Property taxes	63,469
Assessments	5,220
Intergovernmental	645,176
Accounts	258,806
Other current assets and deferred charges	5,834
Total current assets	<u>17,350,509</u>
Noncurrent assets:	
Receivables, net:	
Assessments	660
Intergovernmental	644,551
Net pension asset	51,638
Deferred charges	36,755
Capital assets, nondepreciable	58,808,326
Capital assets, net of accumulated depreciation	83,979,805
Total noncurrent assets	<u>143,521,735</u>
Total assets	<u>160,872,244</u>
Liabilities:	
Current liabilities:	
Bank overdraft	956,570
Accounts payable	878,778
Accrued liabilities	835,270
Unearned revenue	105,271
Bond anticipation notes	26,422,000
Noncurrent liabilities, due within one year	3,570,965
Total current liabilities	<u>32,768,854</u>
Noncurrent liabilities:	
Due in more than one year	14,487,599
Total liabilities	<u>47,256,453</u>
Net Assets:	
Invested in capital assets, net of related debt	100,992,393
Unrestricted	<u>12,623,398</u>
Total Net Assets	<u><u>\$ 113,615,791</u></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, 2008**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
General government	\$ 3,150,197	\$ 652,091	\$ 32,831	\$	\$ (2,498,106)
Public safety	8,386,614	847,006	318,073		(7,506,777)
Public works	6,379,490	1,697,438		1,735,719	(2,628,260)
Health and social services	418,457	14,283			(404,174)
Recreation and parks	1,259,443	442,023			(817,420)
Educational - cultural	1,340,878	18,561	1,871		(1,320,446)
Conservation and development	470,631	15,013			(455,618)
Board of Education	58,762,865	899,327	18,815,700	5,941,199	(33,106,639)
Interest expense	1,420,878				(1,420,878)
Total Governmental Activities	<u>\$ 81,589,453</u>	<u>\$ 4,585,742</u>	<u>\$ 19,168,475</u>	<u>\$ 7,676,918</u>	<u>(50,158,318)</u>
General Revenues:					
Property taxes					57,525,758
Grants and contributions not restricted to specific programs					484,160
Investment income					1,361,187
Miscellaneous					988,047
Total general revenues					<u>60,359,152</u>
Change in net assets					10,200,834
Net Assets at Beginning of Year, as Restated					<u>103,414,957</u>
Net Assets at End of Year					<u>\$ 113,615,791</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF AVON, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	<u>General</u>	<u>CIFA</u>	<u>Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,709,256	\$ 7,616,135	\$	\$ 112,507	\$ 14,437,898
Investments				1,934,106	1,934,106
Receivables:					
Property taxes	48,242				48,242
Sewer assessments/use charges			6,000		6,000
Intergovernmental	166,515			123,532	290,047
Accounts	254,541				254,541
Due from other funds	3,141,469		2,281,230	880,545	6,303,244
Other				5,833	5,833
Total Assets	<u>\$ 10,320,023</u>	<u>\$ 7,616,135</u>	<u>\$ 2,287,230</u>	<u>\$ 3,056,523</u>	<u>\$ 23,279,911</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Bank overdraft	\$ 956,570	\$	\$	\$	\$ 956,570
Accounts payable	419,068	425,184	2,482	32,041	878,775
Accrued liabilities	224,727				224,727
Due to other funds	3,956,303	3,046,718		94,751	7,097,772
Deferred revenue	87,128		6,000	50,896	144,024
Bond anticipation notes payable		26,422,000			26,422,000
Total liabilities	<u>5,643,796</u>	<u>29,893,902</u>	<u>8,482</u>	<u>177,688</u>	<u>35,723,868</u>
<b>Fund balances:</b>					
Reserved for:					
Encumbrances			211,956	3,145	215,101
Debt service				346,952	346,952
Unreserved, reported in:					
General fund	4,676,227				4,676,227
Special revenue funds			2,066,792	2,223,001	4,289,793
Capital projects funds		(22,277,767)		305,737	(21,972,030)
Total fund balances	<u>4,676,227</u>	<u>(22,277,767)</u>	<u>2,278,748</u>	<u>2,878,835</u>	<u>(12,443,957)</u>
Total Liabilities and Fund Balances	<u>\$ 10,320,023</u>	<u>\$ 7,616,135</u>	<u>\$ 2,287,230</u>	<u>\$ 3,056,523</u>	<u>\$ 23,279,911</u>

(Continued on next page)



## TOWN OF AVON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)  
STATEMENT OF NET ASSETS

JUNE 30, 2008

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:  
Amounts reported for governmental activities in the statement of net asset (Exhibit I)  
are different from the governmental fund balance sheet. The details  
of this difference are as follows:

Total fund balance (Exhibit III)	\$ (12,443,957)
----------------------------------	-----------------

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

Capital assets	178,492,047
Accumulated depreciation	(35,703,916)

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

Property tax and sewer assessment interest and lien accrual	59,513
Property tax and sewer assessment receivable - accrual basis change	38,753
School building grant receivable	1,003,942
Allowance for doubtful accounts	(44,406)
Bond issue costs	36,755
Net pension asset	51,638

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

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	324,642
---	---------

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

Bonds payable	(15,285,000)
Compensated absences	(2,204,826)
Landfill postclosure liability	(480,000)
Bond premium	(88,738)
Accrued interest payable	(140,656)

Net Assets of Governmental Activities (Exhibit I)	\$ <u>113,615,791</u>
---	-----------------------

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>CIFA</u>	<u>Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 57,607,095	\$	\$	\$	\$ 57,607,095
Intergovernmental	18,352,155	5,834,187		1,774,247	25,960,589
Charges for services	1,901,526		1,445,689	1,238,570	4,585,785
Investment income	992,992	355,506		12,689	1,361,187
Other local revenues	795,219	65,750	1,336	118,377	980,682
Total revenues	<u>79,648,987</u>	<u>6,255,443</u>	<u>1,447,025</u>	<u>3,143,883</u>	<u>90,495,338</u>
Expenditures:					
Current:					
Town Council:					
General government	2,526,541			408,158	2,934,699
Public safety	7,876,996			67,000	7,943,996
Public works	3,697,777		1,163,785	315,456	5,177,018
Health and social services	385,590			32,689	418,279
Recreation and parks	774,178			340,177	1,114,355
Educational - cultural	1,289,688			35,800	1,325,488
Conservation and development	461,474				461,474
Miscellaneous	279,276				279,276
Total town council	<u>17,291,520</u>	<u>-</u>	<u>1,163,785</u>	<u>1,199,280</u>	<u>19,654,585</u>
Board of Education	54,645,090			2,442,500	57,087,590
Debt service	4,960,243				4,960,243
Capital outlay		20,925,635		171,785	21,097,420
Total expenditures	<u>76,896,853</u>	<u>20,925,635</u>	<u>1,163,785</u>	<u>3,813,565</u>	<u>102,799,838</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,752,134</u>	<u>(14,670,192)</u>	<u>283,240</u>	<u>(669,682)</u>	<u>(12,304,500)</u>
Other Financing Sources (Uses):					
Transfers in	1,225,653	2,108,209		1,012,688	4,346,550
Transfers out	(3,078,993)	(1,144,542)	(41,904)	(81,111)	(4,346,550)
Net other financing sources (uses)	<u>(1,853,340)</u>	<u>963,667</u>	<u>(41,904)</u>	<u>931,577</u>	<u>-</u>
Net Change in Fund Balances	898,794	(13,706,525)	241,336	261,895	(12,304,500)
Fund Balances at Beginning of Year, as Restated	<u>3,777,433</u>	<u>(8,571,242)</u>	<u>2,037,412</u>	<u>2,616,940</u>	<u>(139,457)</u>
Fund Balances at End of Year	<u>\$ 4,676,227</u>	<u>\$ (22,277,767)</u>	<u>\$ 2,278,748</u>	<u>\$ 2,878,835</u>	<u>\$ (12,443,957)</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

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)	\$ (12,304,500)
---	-----------------

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	22,254,203
Depreciation expense	(2,627,742)
Loss on disposal of capital assets	(9,731)

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

School building grant receipts	(359,391)
Increase in property tax and assessments receivable - accrual basis change	(85,968)
Decrease in property tax interest and lien revenue	(46,474)
Decrease in property tax and sewer use allowance for doubtful accounts	51,062

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

Accrued interest	32,774
Principal payments	3,500,000
Amortization of bond issue costs	(4,500)
Amortization of bond premiums	11,091

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

Change in long-term compensated absences	(232,602)
Landfill postclosure payments	30,000
Net pension asset	(40,114)

The net income of the internal service funds is reported with the governmental activities.	<u>32,726</u>
--	---------------

Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 10,200,834</u>
--	----------------------

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 57,334,463	\$ 57,334,463	\$ 57,607,095	\$ 272,632
Intergovernmental	1,885,844	2,301,299	2,312,409	11,110
Charges for services	1,714,800	2,096,720	1,901,526	(195,194)
Investment income	1,165,761	1,165,761	992,992	(172,769)
Other local revenues	258,658	678,720	795,219	116,499
Total revenues	<u>62,359,526</u>	<u>63,576,963</u>	<u>63,609,241</u>	<u>32,278</u>
Expenditures:				
Current:				
Town Council:				
General government	2,571,211	2,610,947	2,513,602	97,345
Public safety	7,507,519	8,136,859	7,842,687	294,172
Public works	3,697,900	3,835,502	3,691,888	143,614
Health and social services	375,695	391,791	384,862	6,929
Recreation and parks	787,313	816,379	770,809	45,570
Educational - cultural	1,283,304	1,299,953	1,288,157	11,796
Conservation and development	517,722	474,660	460,802	13,858
Miscellaneous	293,884	436,777	436,777	-
Total town council	<u>17,034,548</u>	<u>18,002,868</u>	<u>17,389,584</u>	<u>613,284</u>
Board of Education	38,230,084	38,605,344	38,605,344	-
Debt service	5,138,549	5,134,468	5,134,468	-
Total expenditures	<u>60,403,181</u>	<u>61,742,680</u>	<u>61,129,396</u>	<u>613,284</u>
Excess of Revenues over Expenditures	<u>1,956,345</u>	<u>1,834,283</u>	<u>2,479,845</u>	<u>645,562</u>
Other Financing Sources (Uses):				
Appropriation of fund balance		271,364		(271,364)
Transfers in		27,562	1,225,653	1,198,091
Transfers out	(1,956,345)	(2,133,209)	(2,746,493)	(613,284)
Net other financing uses	<u>(1,956,345)</u>	<u>(1,834,283)</u>	<u>(1,520,840)</u>	<u>313,443</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	959,005	\$ <u>959,005</u>
Fund Balance at Beginning of Year			<u>3,826,461</u>	
Fund Balance at End of Year			\$ <u>4,785,466</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

## STATEMENT OF NET ASSETS

## PROPRIETARY FUND

JUNE 30, 2008

**Governmental  
Activities**

---

**Internal  
Service  
Fund**

---

## Asset:

## Current assets:

Due from other funds

\$ 794,528

## Liabilities:

## Current liabilities:

Claims payable

469,886

Total Net Assets

\$ 324,642

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

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

## PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2008

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Operating revenues:	
Charges for services:	
Town	\$ 1,939,865
Board of Education	4,585,439
Total operating revenues	<u>6,525,304</u>
Operating expenses:	
Medical claims:	
Town	1,897,881
Board of Education	4,594,697
Total operating expenses	<u>6,492,578</u>
Changes in Net Assets	32,726
Net Assets at Beginning of Year	<u>291,916</u>
Net Assets at End of Year	<u>\$ 324,642</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, 2008**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 6,532,681
Claims paid	(6,532,681)
Net cash provided by operating activities	<u>-</u>
Net Increase in Cash	-
Cash at Beginning of Year	<u>-</u>
Cash at End of Year	\$ <u><u>-</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 32,726
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in due from other funds	(143,159)
Decrease in accounts receivable	7,377
Increase in claims payable	<u>103,056</u>
Net Cash Provided by Operating Activities	\$ <u><u>-</u></u>

The accompanying notes are an integral part of the financial statements

## TOWN OF AVON, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2008

	<u>Pension</u>	<u>Agency Funds</u>
Assets:		
Cash	\$ <u>                    </u>	\$ <u>204,407</u>
Investments, at fair value:		
Guaranteed interest contract	1,773,086	
Money market mutual funds	9,235,555	
Small/mid capitalization equity mutual funds	629,792	
International equity mutual funds	1,030,653	
Core equity mutual funds	<u>10,032,557</u>	
Total investments	<u>22,701,643</u>	<u>-</u>
Accounts receivable:		
Employee	<u>18,117</u>	
Total assets	22,719,760	204,407
Liabilities:		
Fiduciary deposits	<u>                    </u>	<u>204,407</u>
Net Assets:		
Net Assets Held in Trust for Pension Benefits and Other Purposes	\$ <u>22,719,760</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements



**TOWN OF AVON, CONNECTICUT**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

**FIDUCIARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2008**

	<u><b>Pension</b></u>
Additions:	
Contributions:	
Employer	\$ 1,633,253
Plan members	678,088
Total contributions	<u>2,311,341</u>
Investment income (loss):	
Net depreciation in fair value of investments	(1,907,210)
Interest and dividends	932,089
Total investment loss	<u>(975,121)</u>
Less investment expenses	155,700
Net investment loss	<u>(1,130,821)</u>
Total additions	<u>1,180,520</u>
Deductions:	
Benefits	2,557,742
Administration	10,356
Total deductions	<u>2,568,098</u>
Changes in Net Assets	(1,387,578)
Net Assets at Beginning of Year, as Restated	<u>24,107,338</u>
Net Assets at End of Year	<u>\$ 22,719,760</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.

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

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

**B. Basis of Presentation**

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

**Government-Wide and Fund Financial Statements**

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

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

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

The *Sewer Fund* accounts 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

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

by the General Fund. The fund also accounts for the collection of sewer connection charges and sewer assessments.

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

#### **C. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

#### **D. Investments**

Investments for the Town are reported at fair value.

## **TOWN OF AVON, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

---

#### **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 uncollectibles. Allowance percentages range from 2% to 47% of outstanding receivable balances at June 30, 2008 and are calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, 2008, which have not been collected within 60 days of June 30, have been recorded as deferred revenue, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

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

#### **G. Capital Assets**

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

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

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

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

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 Assets**

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

#### **I. 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.

#### **J. Long-Term Obligations**

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

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

## **TOWN OF AVON, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

---

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

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

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

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

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

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

#### **L. Accounting Estimates**

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

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

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

The Town established a Town-wide budget in accordance with provisions of its Charter and the Connecticut General Statutes. Budgets for the General Fund, Sewer Fund, State and Federal Education Grants Fund, School Cafeteria Fund, Recreational Activities Fund, Local Capital Improvement Program Fund, Forest Park Management Fund, Town Aid Road Fund and Use of School Facilities Fund are legally adopted annually at the Annual Town Meeting. Transfers and supplemental appropriations were approved during the year in accordance with provisions of its Charter and the Connecticut General Statutes. Additional appropriations from fund balance of \$271,364 and additional appropriations of \$1,244,999 funded by revised revenue estimates were made during the year in the General Fund. These adjustments were presented for approval to the Town Council on December 4, 2008 and to the Board of Finance on December 15, 2008.

- Annual operating budgets are prepared and employed for management control for the General Fund. Unencumbered appropriations of these funds lapse at year end. Encumbered



## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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

	<u>Revenues</u>	<u>Expenditures and Transfers</u>	<u>Fund Balance</u>
Balance, budgetary basis - June 30, 2008	\$ 64,834,894	\$ 63,875,889	\$ 4,785,466
Encumbrances outstanding at June 30, 2007 liquidated during the year ended June 30, 2008		7,478	
Canceled encumbrances			9,638
Change in accrued payroll		52,733	(118,877)
State Teachers' Retirement on-behalf payment	<u>16,039,746</u>	<u>16,039,746</u>	
Balance, GAAP Basis, - June 30, 2008	<u>\$ 80,874,640</u>	<u>\$ 79,975,846</u>	<u>\$ 4,676,227</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### B. Capital Projects Authorizations

The following is a summary of capital projects at June 30, 2008:

<u>Capital Project</u>	<u>Authorization</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2008</u>
Capital and nonrecurring CIFA:	\$ 2,891,802	\$ 171,785	\$ 2,586,066	\$ 305,736
General government	12,133,640	3,290,138	10,890,582	1,243,058
Board of Education	<u>52,982,335</u>	<u>17,635,497</u>	<u>48,593,352</u>	<u>4,388,983</u>
Total	<u>\$ 68,007,777</u>	<u>\$ 21,097,420</u>	<u>\$ 62,070,000</u>	<u>\$ 5,937,777</u>

### 3. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$129,036 of the Town's bank balance of \$327,377 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 106,133
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>22,903</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 129,036</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Investments

As of June 30, 2008, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Mutual Funds:					
Money market	A	\$ 1,352,493	\$	\$ 1,352,493	\$
Money market	A-2/P-2	420,594	420,594		
Money market	P-1/A-1	47,854	47,854		
Money market	Aa2	9,187,701		9,187,701	
Money market	n/a	45,106	45,106		
Treasury Index Fund	AAA	1,065,248		1,065,248	
Equity Index Fund	n/a	637,277	637,277		
Small Mid Capitalization	n/a	629,792	629,792		
International equity	n/a	1,030,653	1,030,653		
Core equity	n/a	10,032,557	10,032,557		
Corporate bond fund	A2/BBB	186,475		186,475	
MBIA Class Plus	AAA	14,436,748	14,436,748		
Total		\$ 39,072,498	\$ 27,280,581	\$ 11,791,917	\$ -

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

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

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

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

The Town's pension investments are governed by its *Statement of Investment Policies and Objectives*. The policy details asset mix ranges for the following classes of investments: core equities (40% - 50%), international equities (0% - 10%), small to mid-cap equities (0% - 10%), fixed income investments (40% - 50%) and cash equivalents (0% - 10%). The overall investment return is

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

expected to exceed the actuarial investment return assumption, the inflation rate as measured by the Consumer Price Index, and the return of a passively managed portfolio. Each portfolio has specific objectives as well. The annualized return of the Balanced Portfolio should exceed by at least 1% the return of a specified group of weighted balanced indexes. The annualized return of the Domestic Equity portfolio should exceed the return of the S & P 500 Stock Index by 1.5% and rank in the upper 40% of a broad universe of managers with similar objectives. The annualized return of the fixed income portfolio is expected to exceed by 1% the Lehman Brothers Aggregate Note Index and rank in the upper 40% of a broad universe of managers with similar objectives.

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

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

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

#### Subsequent Event

Due to an economic downturn in the stock market which occurred subsequent to year end, the value of the Town's investments has declined. As of November 30, 2008, the decline was approximately \$4 million or 20%. These results could differ between November 30, 2008 and the date of this report.

#### B. Receivables

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

	Property Taxes			Sewer Assessments
	Taxes	Interest and Lien Fees	Total	
Current portion	\$ <u>31,927</u>	\$ <u>31,542</u>	\$ <u>63,469</u>	\$ <u>5,220</u>
Long-term portion	\$ 1,624	\$ 27,291	\$ 28,915	\$ 780
Less allowance for uncollectibles	<u>1,624</u>	<u>27,291</u>	<u>28,915</u>	<u>120</u>
Total	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>660</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 32,753	\$
Property taxes collected in advance		54,375
Nonmajor Funds:		
Special assessments not yet due	6,000	
Education revenues collected in advance		35,227
Grant draw downs prior to meeting eligibility requirements		15,669
	<u>\$ 38,753</u>	<u>\$ 105,271</u>

### C. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,622,223	\$ 1,040,330	\$	\$ 7,662,553
Construction in progress	36,453,958	20,590,728	5,898,913	51,145,773
Total capital assets not being depreciated	<u>43,076,181</u>	<u>21,631,058</u>	<u>5,898,913</u>	<u>58,808,326</u>
Capital assets being depreciated:				
Land improvements	160,764	1,264,770		1,425,534
Buildings and improvements	61,677,675	1,464,608	14,500	63,127,783
Equipment	5,622,610	1,129,763	81,157	6,671,216
Vehicles	4,431,564	843,013		5,274,577
Infrastructure	41,364,707	1,819,904		43,184,611
Total capital assets being depreciated	<u>113,257,320</u>	<u>6,522,058</u>	<u>95,657</u>	<u>119,683,721</u>
Less accumulated depreciation for:				
Land improvements	45,818	149,836		195,654
Buildings and improvements	18,268,768	1,368,643	6,888	19,630,523
Equipment	4,350,908	325,287	79,038	4,597,157
Vehicles	2,233,624	342,223		2,575,847
Infrastructure	8,262,982	441,753		8,704,735
Total accumulated depreciation	<u>33,162,100</u>	<u>2,627,742</u>	<u>85,926</u>	<u>35,703,916</u>
Total capital assets being depreciated, net	<u>80,095,220</u>	<u>3,894,316</u>	<u>9,731</u>	<u>83,979,805</u>
Governmental Activities Capital Assets, Net	<u>\$ 123,171,401</u>	<u>\$ 25,525,374</u>	<u>\$ 5,908,644</u>	<u>\$ 142,788,131</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Governmental activities:	
General government	\$ 71,755
Public safety	380,693
Public works	607,707
Recreation and parks	135,483
Educational - cultural	16,472
Board of Education	<u>1,415,362</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,627,472</u>

### D. Interfund Receivables, Payables and Transfers

A summary of interfund balances as of June 30, 2008 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 94,751
	CIFA Fund	<u>3,046,718</u>
		3,141,469
Sewer Fund	General Fund	2,281,230
Nonmajor Governmental Funds	General Fund	880,545
Internal Service Fund	General Fund	<u>794,528</u>
		<u>\$ 7,097,772</u>

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

A summary of interfund transfers as of June 30, 2008 is as follows:

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>CIFA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers In</u>
Transfers in:					
General Fund	\$ 2,088,209	\$ 20,000	\$ 1,144,542	\$ 81,111	\$ 1,225,653
CIFA					2,108,209
Nonmajor Governmental Funds	<u>990,784</u>	<u>21,904</u>			<u>1,012,688</u>
Total Transfers Out	<u>\$ 3,078,993</u>	<u>\$ 41,904</u>	<u>\$ 1,144,542</u>	<u>\$ 81,111</u>	<u>\$ 4,346,550</u>

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

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

Short-term obligation activity for the year ended June 30, 2008 was as follows:

Type of Obligation	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008
Bond Anticipation Notes:				
Town Hall Renovations - interest rate +/- 3.40%, matures October 23, 2008	\$	\$ 2,360,000	\$	\$ 2,360,000
Avon High School Renovations - interest rate +/- 3.40%, matures October 23, 2008	<u>18,000,000</u>	<u>24,062,000</u>	<u>18,000,000</u>	<u>24,062,000</u>
	<u>\$ 18,000,000</u>	<u>\$ 26,422,000</u>	<u>\$ 18,000,000</u>	<u>\$ 26,422,000</u>

### F. Long-Term Debt

#### General Obligation Bonds

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

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. These bonds generally are issued as 15-year serial bonds with varying annual principal payments. School building grants of \$1,003,942 will be used to repay a portion of the respective debt; however, the Town is liable for all outstanding bonds.

General obligation bonds currently outstanding are as follows:

Description	Interest Rate (%)	Amount
General purpose:		
General obligation - improvement	3-6.25%	\$ 1,750,000
Sewer:		
General obligation - improvement	4.1-4.75%	210,750
School:		
School - improvement	3-6.25%	<u>13,324,250</u>
Total Outstanding		<u>\$ 15,285,000</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	<b>General Obligation Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2009	\$ 3,100,000	\$ 653,942
2010	3,300,000	521,792
2011	2,250,000	385,743
2012	2,170,000	288,668
2013	1,465,000	192,409
2014 - 2016	<u>3,000,000</u>	<u>273,500</u>
Total	<u>\$ 15,285,000</u>	<u>\$ 2,316,054</u>

### Changes in Long-Term Liabilities

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 18,785,000	\$	\$ 3,500,000	\$ 15,285,000	\$ 3,100,000
Plus deferred amounts:					
Issuance premium on refunding	<u>99,829</u>		<u>11,091</u>	<u>88,738</u>	
Total bonds payable	<u>18,884,829</u>	<u>-</u>	<u>3,511,091</u>	<u>15,373,738</u>	<u>3,100,000</u>
Compensated absences	<u>1,972,224</u>	<u>1,141,096</u>	<u>908,494</u>	<u>2,204,826</u>	<u>440,965</u>
Landfill post-closure costs	<u>510,000</u>		<u>30,000</u>	<u>480,000</u>	<u>30,000</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 21,367,053</u>	<u>\$ 1,141,096</u>	<u>\$ 4,449,585</u>	<u>\$ 18,058,564</u>	<u>\$ 3,570,965</u>

### Statutory Debt Limitations

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

<b>Category</b>	<b>Debt Limit</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 135,852,523	\$ 5,950,000	\$ 129,902,523
Schools	271,705,046	75,980,300	195,724,746
Sewers	226,420,871	204,750	226,216,121
Urban renewal	196,231,422		196,231,422
Pension deficit	181,136,697		181,136,697

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$422,652,293.



## **TOWN OF AVON, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

---

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$1,003,942 are reflected as deductions in the computation of net indebtedness.

#### **Landfill Closure and Post-Closure Care Costs**

State and federal laws and regulations require landfill closures to meet certain standards. The Town landfill has been closed. Estimated monitoring costs for the next 16 years at \$30,000 per year are \$480,000. This amount is based on estimates which are subject to change due to inflation, technology or applicable laws and regulations.

#### **Authorized/Unissued Bonds**

At June 30, 2008, the amount of authorized, unissued bonds for general purposes is \$4,200,000 and \$37,238,000 for school purposes.

## **4. EMPLOYEE RETIREMENT PLANS**

### **A. Defined Benefit Pension Plans**

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

#### **Plan Description**

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

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Change in Plan Year - During the fiscal year ended June 30, 2008, the Town changed their plan year from a calendar reporting period to a fiscal year reporting period. As a result, the beginning of the year net assets was restated from January 1, 2007 to July 1, 2007. The last actuarial valuation relevant to the plan year was January 1, 2007 for Police, Public Works, Non-organized and Dispatchers. The last actuarial valuation relevant to the plan year was January 1, 2008 for the Board of Education.

### Classes of Employees Covered

	<u>Police</u>	<u>Public Works</u>	<u>Non-Organized</u>	<u>Board of Education</u>	<u>Dispatchers</u>
Retirees and beneficiaries currently receiving benefits	25	8	34	29	2
Terminated employees entitled to benefits but not yet receiving them		1	2	13	1
Current active employees	<u>10</u>	<u>9</u>	<u>24</u>	<u>91</u>	<u>1</u>
Total	<u>35</u>	<u>18</u>	<u>60</u>	<u>133</u>	<u>4</u>

### Benefit Provisions

Required employee contributions under the plans are as follows:

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

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

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Schedule of Employer Contributions and Net Pension Obligation (Asset)

<u>Year Ended December 31</u>	<u>Actual Contribution</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
Police						
2002	\$ 419,886	\$ 419,883	\$ 100.0%	\$ 418,782	100.3%	\$ (5,353)
2003	588,606	588,601	100.0%	587,409	100.2%	(6,550)
2004	523,683	523,683	100.0%	522,394	100.2%	(7,839)
2005	476,216	476,216	100.0%	476,218	100.0%	(7,837)
2006	531,162	531,162	100.0%	531,187	100.0%	(7,812)
2007	647,809	647,809	100.0%	647,791	100.0%	(7,830)
Public Works						
2002	267,786	267,785	100.0%	267,857	100.0%	(876)
2003	281,502	281,500	100.0%	281,578	100.0%	(800)
2004	212,076	212,076	100.0%	212,160	100.0%	(716)
2005	199,939	199,939	100.0%	199,939	100.0%	(716)
2006	216,922	216,922	100.0%	216,924	100.0%	(714)
2007	259,686	259,686	100.0%	259,684	100.0%	(716)
Non-organized						
2002	474,435	458,105	103.6%	458,530	103.5%	(15,684)
2003	548,058	548,057	100.0%	548,959	99.8%	(14,783)
2004	444,532	444,532	100.0%	445,508	99.8%	(13,807)
2005	424,493	424,493	100.0%	424,497	100.8%	(13,803)
2006	433,205	433,205	100.0%	433,249	100.0%	(13,759)
2007	609,472	609,472	100.0%	609,440	100.0%	(13,791)
Board of Education						
2002	143,004	87,709	163.0%	102,135	125.5%	(180,904)
2003	93,000	42,392	219.4%	66,335	140.2%	(207,569)
2004	25,000	63,062	39.64%	96,603	25.8%	(135,966)
2005	32,000	34,088	94.00%	34,126	99.9%	(133,840)
2006	76,088	144,845	52.5%	145,272	52.4%	(64,656)
2007	182,860	222,572	82.1%	222,995	85%	(24,521)
Dispatchers						
2002	35,838	35,837	100.0%	35,123	102.0%	(3,219)
2003	38,802	38,801	100.0%	38,028	102.0%	(3,993)
2004	34,668	34,668	100.0%	33,832	102.5%	(4,829)
2005	23,501	23,501	100.0%	23,503	100.0%	(4,827)
2006	20,220	20,220	100.0%	20,236	100.0%	(4,811)
2007	14,022	14,022	100.0%	14,053	100.0%	(4,780)

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Funded Status and Funding Progress - Pension Plans

The funded status of the Police, Public Works, Non-organized and Dispatchers plans as of January 1, 2007, the most recent actuarial valuation date, and the funded status of the Board of Education plan as of January 1, 2008, the most recent actuarial valuation date, are as follows:

Plan	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
Police	\$ 9,809,097	\$ 16,332,911	\$ (6,523,814)	60.1%	\$ 877,531	(743.4)%
Public Works	2,572,578	5,196,224	(2,623,646)	49.5%	568,978	(461.1)%
Non-organized	7,830,949	12,266,859	4,435,910	63.8%	1,726,076	(257.0)%
BOE	3,477,901	3,983,460	(505,559)	87.3%	3,485,185	(14.5)%
Dispatchers	560,893	677,069	(116,176)	82.8%	54,317	(213.9)%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

### Actuarial Assumptions

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

	Police	Public Works	Non-Organized	Board of Education	Dispatchers
Valuation Date	January 1, 2007	January 1, 2007	January 1, 2007	January 1, 2008	January 1, 2007
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent	Level Percent	Level Percent	Level Percent	Level Percent
Remaining Amortization Period (closed)	20	20	20	16	20
Asset Valuation Method	*	*	*	*	*
Investment Return Rate	8.25%	8.25%	8.25%	8.25%	8.25%
Projected Salary Increases:					
Merit	1.75%	1.75%	1.75%	1.75%	1.75%
Inflation	1.75%	1.75%	1.75%	1.75%	1.75%

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

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Police</u>	<u>Public Works</u>	<u>Non- Organized</u>	<u>Board of Education</u>	<u>Dispatchers</u>
Annual required contribution	\$ 647,809	\$ 259,686	\$ 609,472	\$ 222,572	\$ 14,022
Interest on net pension obligation	(644)	(59)	(1,135)	(5,334)	(397)
Adjustment to annual required contribution	626	57	1,103	5,757	428
Annual pension cost	647,791	259,684	609,440	222,995	14,053
Contribution made	647,809	259,686	609,472	182,860	14,022
Decrease in net pension obligation	(18)	(2)	(32)	40,135	31
Net pension asset at beginning of year	(7,812)	(714)	(13,759)	(64,656)	(4,811)
Net Pension Asset at End of Year	\$ <u>(7,830)</u>	\$ <u>(716)</u>	\$ <u>(13,791)</u>	\$ <u>(24,521)</u>	\$ <u>(4,780)</u>

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Financial statements for each individual pension plan as of and for the year ended June 30, 2008 are as follows:

	Pension Trust Funds					Total
	Police	Public Works	Non-Organized	Board of Education	Dispatchers	Pension Trust Funds
Assets:						
Investments, at fair value:						
Guaranteed investment contract	\$ 377,159	\$ 77,416	\$ 337,979	\$ 974,840	\$ 5,692	\$ 1,773,086
Mutual funds:						
Money market	3,631,122	1,107,394	3,213,757	1,055,178	228,104	9,235,555
Small/mid-cap equity	233,592	59,333	242,447	76,836	17,584	629,792
International equity	399,186	120,182	370,393	115,093	25,799	1,030,653
Core equity	<u>3,935,361</u>	<u>1,208,518</u>	<u>3,512,222</u>	<u>1,128,006</u>	<u>248,450</u>	<u>10,032,557</u>
Total investments	8,576,420	2,572,843	7,676,798	3,349,953	525,629	22,701,643
Accounts receivable				18,117		18,117
Total assets	<u>8,576,420</u>	<u>2,572,843</u>	<u>7,676,798</u>	<u>3,368,070</u>	<u>525,629</u>	<u>22,719,760</u>
Net Assets:						
Held in Trust for Pension Benefits and Other Purposes	\$ <u>8,576,420</u>	\$ <u>2,572,843</u>	\$ <u>7,676,798</u>	\$ <u>3,368,070</u>	\$ <u>525,629</u>	\$ <u>22,719,760</u>
Additions:						
Contributions:						
Employer	\$ 647,809	\$ 259,686	\$ 609,472	\$ 102,264	\$ 14,022	\$ 1,633,253
Plan members	<u>128,104</u>	<u>100,637</u>	<u>219,930</u>	<u>224,674</u>	<u>4,743</u>	<u>678,088</u>
Total contributions	<u>775,913</u>	<u>360,323</u>	<u>829,402</u>	<u>326,938</u>	<u>18,765</u>	<u>2,311,341</u>
Investment income (loss):						
Net depreciation in fair value of investments	(765,602)	(226,364)	(662,333)	(205,183)	(47,728)	(1,907,210)
Interest and dividends	<u>349,057</u>	<u>100,452</u>	<u>305,084</u>	<u>156,640</u>	<u>20,856</u>	<u>932,089</u>
Total investment income	(416,545)	(125,912)	(357,249)	(48,543)	(26,872)	(975,121)
Less investment expenses	<u>58,399</u>	<u>16,735</u>	<u>50,900</u>	<u>26,182</u>	<u>3,484</u>	<u>155,700</u>
Net investment loss	<u>(474,944)</u>	<u>(142,647)</u>	<u>(408,149)</u>	<u>(74,725)</u>	<u>(30,356)</u>	<u>(1,130,821)</u>
Total additions (reductions)	<u>300,969</u>	<u>217,676</u>	<u>421,253</u>	<u>252,213</u>	<u>(11,591)</u>	<u>1,180,520</u>
Deductions:						
Benefits	1,419,791	236,145	680,635	187,868	33,303	2,557,742
Administration	<u>2,193</u>	<u>1,311</u>	<u>2,837</u>	<u>3,954</u>	<u>61</u>	<u>10,356</u>
Total deductions	<u>1,421,984</u>	<u>237,456</u>	<u>683,472</u>	<u>191,822</u>	<u>33,364</u>	<u>2,568,098</u>
Net change in net assets	(1,121,015)	(19,780)	(262,219)	60,391	(44,955)	(1,387,578)
Net assets at beginning of year, as restated	<u>9,697,435</u>	<u>2,592,623</u>	<u>7,939,017</u>	<u>3,307,679</u>	<u>570,584</u>	<u>24,107,338</u>
Net Assets at End of Year	\$ <u>8,576,420</u>	\$ <u>2,572,843</u>	\$ <u>7,676,798</u>	\$ <u>3,368,070</u>	\$ <u>525,629</u>	\$ <u>22,719,760</u>

## TOWN OF AVON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

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

##### Plan Description

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

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

##### Summary of Plan Provisions

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

##### Contribution Requirements and Contributions Made

The total Town contributions for the Management Money Purchase Plan and Full-Time Employees' Plan during the year ended June 30, 2008 were \$28,228, and \$336,070, respectively. Members of the Management Money Purchase Plan are required to contribute 2.5% of their annual earnings, and members of the Full-Time Employees' Plan are required to contribute 7.5% of their annual earnings. The employees' contributions to each plan were \$28,228 and \$336,070, respectively.

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

The amount recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the Town's teachers to the Connecticut State Teachers' Retirement System was \$16,039,746. The State of Connecticut increased its contribution substantially this year (\$13.5 million) from proceeds of pension obligation bonds issued to partially fund the plan.

# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 5. OTHER INFORMATION

#### A. Risk Management

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

The Town established an internal service fund, the medical claims fund, to account for and finance the retained risk of loss for the Town's medical benefits claims. A third party administers the medical insurance plan for which the Town pays a fee. The medical claims fund provides coverage for regular full-time Town employees. The fund is substantially funded by the Town's General Fund through annual appropriations. The claims liability is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

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

		<b>Balance</b>	<b>Current Year</b>	<b>Claims</b>	<b>Balance</b>
		<b>July 1</b>	<b>Claims and</b>	<b>Payments</b>	<b>June 30</b>
			<b>Changes in</b>		
			<b>Estimates</b>		
Medical Claims Fund:					
2007-2008	\$	366,830	\$ 6,492,578	\$ 6,389,522	\$ 469,886
2006-2007		428,831	5,851,755	5,913,756	366,830

#### B. Commitments and Litigation

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

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



# TOWN OF AVON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### C. Other Postemployment Benefits

In addition to providing pension benefits, the Town provides certain health care benefits for retirees who meet requirements of the Town's personnel policy or requirements defined by collective bargaining agreements. The cost of these benefits is funded on an annual basis by General Fund appropriations. Presently, a total of 56 retirees qualify for benefits under one of three arrangements. Of these retirees, 11 are covered under a Medicare supplemental group insurance plan for which the Town paid \$49,788 during fiscal year ended June 30, 2008. The other 45 retirees are covered under the Town's self-insurance plan. Of these 45 retirees, 26 individuals, under age 65, are required to contribute a portion of the actuarially estimated cost of their coverage. The net estimated cost for the Town for this group during the year was \$200,623. The other 19 individuals, over age 65, are not required to contribute toward the cost of their coverage. The estimated cost for the Town for this group during the year was \$159,846.

The Town has created a post-employment healthcare fund, a special revenue fund, to set aside assets to fund these benefits. Net assets available for future benefits at June 30, 2008 were \$1,934,106.

### D. Prior Period Adjustments

The Postemployment Healthcare Fund was incorrectly reported as a trust fund, as no trust existed. It is now reported as a special revenue fund. As a result, the beginning fund balance of the nonmajor special revenue funds and net assets of the governmental activities has increased by \$1,696,946. The beginning net assets of the trust funds have decreased by the same amount.

The Town changed their pension reporting plan year from a calendar period to a fiscal period. The Pension Trust funds were reported as of December 31, 2006 in the June 30, 2007 financial statement. The beginning net assets have been adjusted for the activity from January 1, 2007 to July 1, 2007 as follows:

<b>Plan</b>	<b>Net Assets December 31, 2006</b>	<b>Activity</b>	<b>Net Assets July 1, 2007</b>
Police	\$ 9,943,191	\$ (245,756)	\$ 9,697,435
Public Works	2,571,754	20,869	2,592,623
Nonorganized	8,042,132	(103,115)	7,939,017
Board of Education	3,100,165	207,514	3,307,679
Dispatchers	560,893	9,691	570,584

## **TOWN OF AVON, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

---

#### **E. Subsequent Event**

On October 23, 2008, the Town issued bond anticipation notes of \$25,797,000. These notes bear interest of 3.5% and mature on October 22, 2009. The notes were used to pay off existing bond anticipation notes of \$26,422,000 and to temporarily help finance the design and construction of renovations and additions to Avon High School and renovations, additions and improvements to town buildings Five and Six at the Avon Town Hall Campus.

**TOWN OF AVON, CONNECTICUT**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS**  
**AVON RETIREMENT SYSTEM**

**JUNE 30, 2008**

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

<b>Public Works</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarially Accrued Liability (AAL) Projected Unit Credit</b>	<b>Under Funded AAL</b>	<b>Funded AAL Ratio</b>	<b>Covered Payroll</b>	<b>Under Funded AAL as a Percentage of Covered Payroll</b>
January 1,						
2002	\$ 1,705,634	\$ 3,623,247	\$ (1,917,613)	47.1%	\$ 576,558	(332.6)%
2003	1,786,229	3,777,332	(1,991,103)	47.3%	523,155	(380.6)%
2004	1,901,704	3,930,724	(2,029,020)	48.4%	573,530	(353.8)%
2005	2,217,515	4,051,406	(1,833,891)	54.7%	542,871	(337.8)%
2006	2,351,521	4,397,134	(2,045,613)	53.5%	611,625	(334.5)%
2007	2,572,578	5,196,224	(2,623,646)	49.5%	568,978	(461.1)%

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

(Continued on next page)

## TOWN OF AVON, CONNECTICUT

## REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS (CONTINUED)  
AVON RETIREMENT SYSTEM

JUNE 30, 2008

## Board of Education

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarially Accrued Liability (AAL) Projected Unit Credit</u>	<u>Over (Under) Funded AAL</u>	<u>Funded AAL Ratio</u>	<u>Covered Payroll</u>	<u>Over/Under Funded AAL as a Percentage of Covered Payroll</u>
January 1,						
2003	\$ 2,339,865	\$ 2,299,112	\$ 40,753	101.8%	\$ 1,547,146	2.6%
2004	2,416,425	2,529,991	(113,566)	95.5%	1,671,965	(6.8)%
2005	2,599,242	2,516,806	82,436	103.3%	2,147,958	3.8%
2006	2,742,769	3,105,729	(362,960)	88.3%	2,506,058	(14.5)%
2007	3,076,069	3,663,003	(586,934)	84.0%	3,132,908	(18.7)%
2008	3,477,901	3,983,460	(505,559)	87.3%	3,485,158	(14.5)%

## Dispatchers

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

## **GENERAL FUND**

---

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

**TOWN OF AVON, CONNECTICUT**

**GENERAL FUND**

**COMPARATIVE BALANCE SHEETS**

**JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,709,256	\$ 16,089,273
Receivables:		
Property taxes	48,242	134,632
Intergovernmental	166,515	4,599
Accounts	254,541	60,719
Due from other funds	<u>3,141,469</u>	<u>79,212</u>
Total Assets	<u>\$ 10,320,023</u>	<u>\$ 16,368,435</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Bank overdraft	\$ 956,570	\$ 386,942
Accounts payable	419,068	397,874
Accrued liabilities	224,727	171,994
Due to other funds	3,956,303	5,709,039
Deferred revenue:		
Unavailable	32,753	118,679
Collected in advance	<u>54,375</u>	<u>5,806,474</u>
Total liabilities	<u>5,643,796</u>	<u>12,591,002</u>
Fund Balance:		
Reserved for encumbrances		17,118
Unreserved:		
Designated for payroll	125,000	100,000
Designated for pension		100,000
Designated for capital asset replacement	31,234	45,000
Designated for capital debt service	31,324	
Undesignated	<u>4,488,669</u>	<u>3,515,315</u>
Total fund balance	<u>4,676,227</u>	<u>3,777,433</u>
Total Liabilities and Fund Balance	<u>\$ 10,320,023</u>	<u>\$ 16,368,435</u>

## TOWN OF AVON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	2008				Variance with Final Budget	2007
	Original Budget	Supplemental Appropriations	Final Budget	Actual		Actual
Revenues:						
Property taxes:						
Current levy	\$ 56,299,835	\$	\$ 56,299,835	\$ 56,581,682	\$ 281,847	\$ 53,970,485
Supplemental real estate	207,500		207,500	204,838	(2,662)	195,448
Supplemental MV	442,128		442,128	524,750	82,622	512,112
Prior levies	95,000		95,000	59,339	(35,661)	24,126
Interest and penalties	100,000		100,000	125,677	25,677	128,065
Telephone gross receipts	190,000		190,000	110,809	(79,191)	109,788
Total property taxes	<u>57,334,463</u>	<u>-</u>	<u>57,334,463</u>	<u>57,607,095</u>	<u>272,632</u>	<u>54,940,024</u>
Intergovernmental:						
State grants-in aid:						
Adult education	1,046		1,046	1,164	118	1,164
Equalized cost sharing (ECS)	812,129	375,260	1,187,389	1,191,189	3,800	790,712
Transportation	3,288		3,288	18,691	15,403	26,396
Schools building construction	401,349		401,349	401,349	-	415,441
PILOT - mfg. mach./equipment	299,458		299,458	307,859	8,401	285,885
Pequot funds	35,348		35,348	33,124	(2,224)	23,812
PILOT- colleges and hospitals	11,278		11,278	11,057	(221)	15,162
Public library	1,880		1,880	1,871	(9)	1,815
Property tax relief - elderly	66,000		66,000	60,615	(5,385)	84,882
DUI Enf. Veh Fed		7,364	7,364	7,364	-	10,329
Grants in lieu of taxes	70,068		70,068	68,648	(1,420)	69,969
Veteran reimbursements	4,000		4,000	3,683	(317)	3,370
Youth services grant		20,250	20,250	20,250	-	
State reimb for roof	180,000		180,000	162,733	(17,267)	
Miscellaneous State grant receipts				10,231	10,231	3,905
Federal grants-in aid:						
Mass transportation		12,581	12,581	12,581	-	
Total intergovernmental	<u>1,885,844</u>	<u>415,455</u>	<u>2,301,299</u>	<u>2,312,409</u>	<u>11,110</u>	<u>1,732,842</u>

(Continued on next page)

## TOWN OF AVON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

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

	2008				Variance with Final Budget	2007
	Original Budget	Supplemental Appropriations	Final Budget	Actual		Actual
Charges for Services:						
General government:						
Hunting and fishing	\$ 700	\$	\$ 700	\$ 979	\$ 279	\$ 1,008
Recording and conveyance	600,000	98,500	698,500	612,012	(86,488)	720,614
Sale of maps and publications	32,000		32,000	25,759	(6,241)	22,403
PA 05-228 Local CAP Recording Fee	10,000		10,000	12,708	2,708	13,563
Court	1,600		1,600	675	(925)	710
Rents - Towpath School						
Public safety:						
Police services	81,800	283,420	365,220	365,220	-	127,169
Accident reports and photos	1,700		1,700	1,029	(671)	1,350
Alarm system	5,000		5,000	5,406	406	5,743
Animal pound fees	1,800		1,800	1,705	(95)	1,890
Police protection	1,200		1,200	1,330	130	1,112
Blds. struct. and equipment	550,000		550,000	459,799	(90,201)	397,067
Animal licenses	5,500		5,500	12,517	7,017	10,979
Public works:						
Sale of publications	1,900		1,900		(1,900)	
Landfill - residential fees	120,000		120,000	118,719	(1,281)	120,152
Landfill - bulky waste	36,000		36,000	47,157	11,157	40,043
Sewer connections	23,000		23,000	51,808	28,808	
Sewer assessments	17,000		17,000	7,447	(9,553)	23,254
Lakeview water main extension	37,000		37,000	20,695	(16,305)	36,215
West Avon water main assessment						
Water main interest				4,274	4,274	4,503
Street and curb	3,500		3,500	1,650	(1,850)	1,220
Health and social services:						
Vital statistics	12,500		12,500	14,283	1,783	8,869
Recreation and parks:						
Swim fees	72,000		72,000	62,711	(9,289)	79,771
Recreation fees	3,500		3,500	3,575	75	4,102
Fisher Meadow lease	400		400	400	-	400
Organized summer programs	23,500		23,500	36,094	12,594	34,706
Educational - cultural:						
Library	22,800		22,800	18,561	(4,239)	22,965
Conservation and development	50,400		50,400	15,013	(35,387)	23,429
Total charges for services	<u>1,714,800</u>	<u>381,920</u>	<u>2,096,720</u>	<u>1,901,526</u>	<u>(195,194)</u>	<u>1,703,237</u>
Investment Income	<u>1,165,761</u>		<u>1,165,761</u>	<u>992,992</u>	<u>(172,769)</u>	<u>1,173,629</u>
Other Local Revenues:						
Refunds and reimbursements	110,848	117,108	227,956	302,779	74,823	225,737
Miscellaneous	104,810	302,954	407,764	448,321	40,557	1,021
Rents and reimbursements	18,000		18,000	30,321	12,321	28,588
Donations from private source					-	6,030
Sale of property	25,000		25,000	13,798	(11,202)	21,834
Total other local revenues	<u>258,658</u>	<u>420,062</u>	<u>678,720</u>	<u>795,219</u>	<u>116,499</u>	<u>283,210</u>
Total revenues	<u>62,359,526</u>	<u>1,217,437</u>	<u>63,576,963</u>	<u>63,609,241</u>	<u>32,278</u>	<u>59,832,942</u>
Other Financing Sources:						
Appropriation of fund balance		271,364	271,364		(271,364)	
Transfers in		27,562	27,562	1,225,653	1,198,091	
Total other financing sources	<u>-</u>	<u>298,926</u>	<u>298,926</u>	<u>1,225,653</u>	<u>926,727</u>	
Total Revenues and Other Financing Sources	<u>\$ 62,359,526</u>	<u>\$ 1,516,363</u>	<u>\$ 63,875,889</u>	<u>\$ 64,834,894</u>	<u>\$ 959,005</u>	<u>\$ 59,832,942</u>



## TOWN OF AVON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	2008				Variance with Final Budget	2007
	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual		Actual
Expenditures:						
Town Council:						
General Government:						
Legislative - Town Council	\$ 73,856	\$ 9,830	\$ 83,686	\$ 76,757	\$ 6,929	\$ 66,307
Executive - Town Manager	398,717	(15,768)	382,949	369,347	13,602	327,524
Judicial - probate	8,020	(2,599)	5,421	5,421	-	4,609
Elections	90,557	3,608	94,165	94,165	-	71,912
Legal services	121,500	9,531	131,031	131,031	-	103,382
Recording and reporting	315,133	5,148	320,281	302,462	17,819	321,398
Office building - Town hall	140,900	22,685	163,585	156,659	6,926	156,939
Human resources	190,274	(3,771)	186,503	179,574	6,929	124,984
Finance	1,232,254	11,072	1,243,326	1,198,186	45,140	1,100,837
Total general government	2,571,211	39,736	2,610,947	2,513,602	97,345	2,277,892
Public Safety:						
Police protection	4,978,697	519,187	5,497,884	5,279,063	218,821	4,805,103
Fire protection	1,372,228	171,917	1,544,145	1,535,017	9,128	1,232,022
Central communications	599,779	(55,476)	544,303	509,039	35,264	493,591
Protective inspection	359,647	(28,891)	330,756	299,797	30,959	323,744
Other protection	197,168	22,603	219,771	219,771	-	182,074
Total public safety	7,507,519	629,340	8,136,859	7,842,687	294,172	7,036,534
Public Works:						
Administration	210,576	(2,923)	207,653	187,392	20,261	181,394
Highways	1,434,796	55,649	1,490,445	1,438,211	52,234	1,340,403
Sanitation	426,303	90,152	516,455	498,596	17,859	458,887
Machinery and equipment	410,462	12,137	422,599	394,566	28,033	345,417
Building and grounds	883,331	(7,362)	875,969	862,149	13,820	870,679
Engineering	332,432	(10,051)	322,381	310,974	11,407	294,034
Total public works	3,697,900	137,602	3,835,502	3,691,888	143,614	3,490,814
Health and Social Services:						
Conservation of health	102,120	(5)	102,115	102,115	-	95,152
Social services	273,575	16,101	289,676	282,747	6,929	225,339
Total health and social services	375,695	16,096	391,791	384,862	6,929	320,491
Recreation and Parks:						
Recreation	445,031	21,335	466,366	438,650	27,716	419,775
Parks	205,648	9,828	215,476	197,622	17,854	199,162
Senior citizens	58,550	(2,188)	56,362	56,362	-	58,152
Community activities	78,084	91	78,175	78,175	-	53,120
Total recreation and parks	787,313	29,066	816,379	770,809	45,570	730,209
Educational-Cultural:						
Library	1,283,304	16,649	1,299,953	1,288,157	11,796	1,169,174

(Continued on next page)

## TOWN OF AVON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

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

	2008				Variance with Final Budget	2007
	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual		Actual
Conservation and Development:						
Planning and zoning	\$ 386,870	\$ (37,415)	\$ 349,455	\$ 342,526	\$ 6,929	\$ 327,392
Conservation of natural resources	130,852	(5,647)	125,205	118,276	6,929	114,281
Total conservation and development	517,722	(43,062)	474,660	460,802	13,858	441,673
Miscellaneous:						
Claims and losses	22,500	2,705	25,205	25,205	-	1,017
Municipal insurance	190,384	(3,835)	186,549	186,549	-	192,899
Intergovernmental expenditure	41,000	(2,081)	38,919	38,919	-	33,999
Contingency	40,000	146,104	186,104	186,104	-	22,528
Total miscellaneous	293,884	142,893	436,777	436,777	-	250,443
Total Town Council	17,034,548	968,320	18,002,868	17,389,584	613,284	15,717,230
Board of Education:						
Administration	832,063	136,954	969,017	969,017	-	679,989
Instruction	25,427,799	264,019	25,691,818	25,691,818	-	22,736,129
Health services	244,488	13,375	257,863	257,863	-	272,481
Transportation	1,583,190	(23,954)	1,559,236	1,559,236	-	1,775,449
Operation of plant	2,669,187	312,473	2,981,660	2,981,660	-	2,555,505
Maintenance of plant	990,705	(165,571)	825,134	825,134	-	892,108
Fixed charges	5,086,037	9,096	5,095,133	5,095,133	-	4,121,315
Student body activities	624,860	(120,786)	504,074	504,074	-	481,669
Capital outlay	9,978	(4,937)	5,041	5,041	-	68,645
Expenditure to other schools	761,777	(45,409)	716,368	716,368	-	752,604
Total Board of Education	38,230,084	375,260	38,605,344	38,605,344	-	34,335,894
Debt service:						
Bonds and bond anticipation notes	5,138,549	(4,081)	5,134,468	5,134,468	-	4,323,498
Total expenditures	60,403,181	1,339,499	61,742,680	61,129,396	613,284	54,376,622
Transfers out	1,956,345	176,864	2,133,209	2,746,493	(613,284)	2,219,211
Total Expenditures and Other Financing Uses	\$ 62,359,526	\$ 1,516,363	\$ 63,875,889	\$ 63,875,889	\$ -	\$ 56,595,833

## TOWN OF AVON, CONNECTICUT

## GENERAL FUND

## REPORT OF THE PROPERTY TAX COLLECTOR

## FOR THE YEAR ENDED JUNE 30, 2008

Grand List Date	Uncollected Taxes July 1, 2005	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections					Uncollected Taxes June 30, 2007
			Additions	Deductions			Taxes Collected	Refunds	Net Taxes Collected	Interest and Fees	Total Collections	
1994	\$ 19	\$	\$ 262	\$ 321	\$	\$ 19	\$ 19	\$	\$ 19	\$ 234	\$ 253	\$
1995	85		225			85				80	80	85
1996	87					87					-	87
1997	361		132			361				268	268	361
1998	368			108		368				53	53	368
1999	435		912			1,347	902		902	11	913	445
2000	460		243			703					-	703
2001	1,321			55		504	18		18	201	219	486
2002	1,466			93		522	19		19	280	299	503
2003	1,519		171	134		1,167	703		703	112	815	464
2004	4,279		898	15,172	1,316	3,887	25,298	21,840	3,458	8,930	12,388	429
2005	91,138		1,630	24,365	7,178	75,734	96,503	25,961	70,542	22,328	92,870	5,192
Tax settlements				19,557		(19,557)	(425)	19,085	(19,510)		(19,510)	(47)
Suspense collections			3,901			3,901	3,901		3,901		3,901	
Total Prior Years	134,632	-	7,781	68,802	4,483	69,128	126,938	66,886	60,052	32,497	92,549	9,076
2006		57,444,881	273,505	353,027	14,924	57,350,435	57,344,352	33,083	57,311,269	93,178	57,404,447	39,166
TOTAL	\$ 134,632	\$ 57,444,881	\$ 281,286	\$ 421,829	\$ 19,407	\$ 57,419,563	\$ 57,471,290	\$ 99,969	\$ 57,371,321	\$ 125,675	\$ 57,496,996	\$ 48,242
Grand List of October 1, 2007						\$ 2,261,808,210						
Taxes Receivable on Grand List of October 1, 2007, due July 1, 2008						\$ 60,008,305						

## **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, 2008**

	<b>Project Appropriations July 1, 2007</b>	<b>Additions (Reductions)</b>	<b>Project Appropriations June 30, 2008</b>	<b>Expenditures Incurred to July 1, 2007</b>	<b>Current Year Expenditures</b>	<b>Expenditures Incurred to June 30, 2008</b>	<b>Unexpended Appropriations June 30, 2008</b>
General Government:							
Addition Town Clerk's Office	\$ 5,000	\$	\$ 5,000	\$ 412	\$	\$ 412	\$ 4,588
Aerial mapping	85,000	(7,596)	77,404	77,404		77,404	-
DPW Roof Replacement	167,000		167,000		155,664	155,664	11,336
Senior Center Roof Replacement	62,500		62,500		10,303	10,303	52,197
Fisher Open Space	2,235,000	(75,067)	2,159,933	2,159,933		2,159,933	-
AVFD Co. #1 Kitchen	43,008	(719)	42,289	42,289		42,289	-
Buckingham Rd. Area Playground	269,500	(2,260)	267,240	226,643	40,597	267,240	-
Lighting Town Center	36,600		36,600	27,086	119	27,205	9,395
Senior Center Repairs	44,346		44,346		22,800	22,800	21,546
Buckingham Rd. Athletic Field	383,001	(52)	382,949	382,949		382,949	-
Police Emergency Operations Center	38,000		38,000				38,000
Sewer Pump Station Replacement	40,000		40,000				40,000
Master Sewage Facilities	334,000	(137)	333,863	332,917	946	333,863	-
Verville Road Sewer		20,000	20,000		2,662	2,662	17,338
Recreation and Athletic Facilities Master Plan	20,000		20,000	17,000	3,000	20,000	-
Road Drainage and Overlay Program	3,588,392	98,500	3,686,892	2,696,698	387,625	3,084,323	602,569
Thompson Old Farms Redesign	167,176		167,176	130,162	22,809	152,971	14,205
Town CIP - Facil/Town Hall	2,360,000		2,360,000		2,240,254	2,240,254	119,746
Generator	40,000	(1,247)	38,753	91	38,662	38,753	-
Dump Truck	272,859	(651)	272,208	271,558	650	272,208	-
CU Dump Truck	180,000	(5,797)	174,203		174,203	174,203	-
Fire SCBA (RPL)	450,000		450,000	439,857	5,755	445,612	4,388
Wood Chipper		27,564	27,564		27,564	27,564	-
Vehicles	34,000	(77)	33,923	33,923		33,923	-
Roadside Mower	110,407	(356)	110,051	109,401	650	110,051	-
DPW Generator	532,000		532,000	68,375	155,875	224,250	307,750
Towpath School Demolition	583,747	(1)	583,746	583,746		583,746	-
Total General Government	<u>12,081,536</u>	<u>52,104</u>	<u>12,133,640</u>	<u>7,600,444</u>	<u>3,290,138</u>	<u>10,890,582</u>	<u>1,243,058</u>
Board of Education							
BOE CIP Facilities							
Boiler Replacement		20,468	20,468		20,468	20,468	-
RBS Bathroom Renovations	21,000	(2,336)	18,664	18,664		18,664	-
RBS Underground Fuel Tank	82,241		82,241	32,941	17,151	50,092	32,149
RBS Roof Repair/Replacement	788,901	(60,677)	728,224	90,761	637,463	728,224	-
AHS Track Resurfacing	40,000	(2,225)	37,775	37,775		37,775	-
Pine Grove Roof Repair/Replacement	598,000	(5,513)	592,487	592,487		592,487	-
AMS Roof Repair Design		50,800	50,800		79	79	50,721
Grade 5/6 Elementary School	20,785,000	(31,324)	20,753,676	18,450,945		18,450,945	2,302,731
AHS Renovations and Additions	30,698,000		30,698,000	11,734,282	16,960,336	28,694,618	2,003,382
Total Board of Education	<u>53,013,142</u>	<u>(30,807)</u>	<u>52,982,335</u>	<u>30,957,855</u>	<u>17,635,497</u>	<u>48,593,352</u>	<u>4,388,983</u>
Total	<u>\$ 65,094,678</u>	<u>\$ 21,297</u>	<u>\$ 65,115,975</u>	<u>\$ 38,558,299</u>	<u>\$ 20,925,635</u>	<u>\$ 59,483,934</u>	<u>\$ 5,632,041</u>

# NONMAJOR GOVERNMENTAL FUNDS

---

## **Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

## **Debt Service Fund**

The Debt Service Fund is used to account for financial resources to be used for the payment of compensated absences payable to retired or terminated employees.

## **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital and Nonrecurring Expenditures Fund - To account for appropriations and expenditures related to certain capital and large nonrecurring expenditures. The Fund is authorized by Connecticut General Statutes as a mechanism for establishing a "reserve" for future large expenditures. Statutory limits are placed on the annual addition and total accumulation of the reserve.

**TOWN OF AVON, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2008**

	Special Revenue Funds						
	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	Use of School Facilities Fund
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$
Investments							
Receivables:							
Intergovernmental		15,292	4,262	103,691			
Due from other funds	15,669	129,729	23,328		28,655	15,232	4,250
Other		4,370	1,463				
Total Assets	\$ 15,669	\$ 149,391	\$ 29,053	\$ 103,691	\$ 28,655	\$ 15,232	\$ 4,250
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$	\$ 7,435	\$ 13,326	\$	\$	\$
Due to other funds				88,189			
Unearned revenue	15,669	35,227					
Total liabilities	15,669	35,227	7,435	101,515	-	-	-
Fund Balances:							
Reserved for encumbrances			3,145				
Reserved for debt service							
Total reserved	-	-	3,145	-	-	-	-
Unreserved:							
Unreserved and undesignated	-	114,164	18,473	2,176	28,655	15,232	4,250
Total fund balances	-	114,164	21,618	2,176	28,655	15,232	4,250
Total Liabilities and Fund Balances	\$ 15,669	\$ 149,391	\$ 29,053	\$ 103,691	\$ 28,655	\$ 15,232	\$ 4,250

(Continued on next page)

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

**JUNE 30, 2008**

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Fisher Meadow Maintenance Fund	Postemployment Healthcare Fund	Total	Capital and Nonrecurring Expenditures Fund	
ASSETS					
Cash and cash equivalents	\$ 112,507	\$	\$ 112,507	\$	\$ 112,507
Investments		1,934,106	1,934,106		1,934,106
Receivables:					
Intergovernmental			123,245	287	123,532
Due from other funds			216,863	316,730	880,545
Other			5,833		5,833
⊗ Total Assets	<u>\$ 112,507</u>	<u>\$ 1,934,106</u>	<u>\$ 2,392,554</u>	<u>\$ 317,017</u>	<u>\$ 3,056,523</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$	\$	\$ 20,761	\$ 11,280	\$ 32,041
Due to other funds	6,562		94,751		94,751
Unearned revenue			50,896		50,896
Total liabilities	<u>6,562</u>	<u>-</u>	<u>166,408</u>	<u>11,280</u>	<u>177,688</u>
Fund Balances:					
Reserved for encumbrances			3,145		3,145
Reserved for debt service			-	346,952	346,952
Total reserved	<u>-</u>	<u>-</u>	<u>3,145</u>	<u>-</u>	<u>350,097</u>
Unreserved:					
Unreserved and undesignated	<u>105,945</u>	<u>1,934,106</u>	<u>2,223,001</u>	<u>305,737</u>	<u>2,528,738</u>
Total fund balances	<u>105,945</u>	<u>1,934,106</u>	<u>2,226,146</u>	<u>305,737</u>	<u>2,878,835</u>
Total Liabilities and Fund Balances	<u>\$ 112,507</u>	<u>\$ 1,934,106</u>	<u>\$ 2,392,554</u>	<u>\$ 317,017</u>	<u>\$ 3,056,523</u>



**TOWN OF AVON, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Special Revenue Funds</b>					
	<b>State and Federal Education Grants Fund</b>	<b>School Cafeteria Fund</b>	<b>Recreational Activities Fund</b>	<b>Local Capital Improvement Program Fund</b>	<b>Forest Park Management Fund</b>	<b>Use of School Facilities Fund</b>
Revenues:						
Intergovernmental	\$ 1,399,467	\$ 112,428	\$	\$ 103,691	\$	\$ 153,115
Charges for services		899,327	339,243			
Investment income (depreciation)						
Other local revenues					6,372	55,759
Total revenues	<u>1,399,467</u>	<u>1,011,755</u>	<u>339,243</u>	<u>103,691</u>	<u>6,372</u>	<u>55,759</u>
Expenditures:						
Current:						
General government						
Public safety						
Public works				103,691		153,115
Health and social services						
Education-cultural						
Recreation and parks			338,065		2,112	
Education	1,401,062	971,564				69,874
Capital outlay	<u>1,401,062</u>	<u>971,564</u>	<u>338,065</u>	<u>103,691</u>	<u>2,112</u>	<u>69,874</u>
Total expenditures						
Excess (Deficiency) of Revenues over Expenditures	<u>(1,595)</u>	<u>40,191</u>	<u>1,178</u>	<u>-</u>	<u>4,260</u>	<u>(14,115)</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers out	(12,150)		(21,000)			-
Net other financing sources (uses)	<u>(12,150)</u>	<u>-</u>	<u>(21,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(13,745)	40,191	(19,822)	-	4,260	(14,115)
Fund Balances at Beginning of Year, as restated	<u>13,745</u>	<u>73,973</u>	<u>41,440</u>	<u>2,176</u>	<u>24,395</u>	<u>18,365</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 114,164</u>	<u>\$ 21,618</u>	<u>\$ 2,176</u>	<u>\$ 28,655</u>	<u>\$ 15,232</u>

(Continued on next page)

**TOWN OF AVON, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Special Revenue Funds</b>				<b>Capital Projects Fund</b>	
	<b>Fisher Meadow Maintenance Fund</b>	<b>Postemployment Healthcare Fund</b>	<b>Total</b>	<b>Debt Service Fund</b>	<b>Capital and Nonrecurring Expenditures Fund</b>	<b>Total Nonmajor Governmental Funds</b>
Revenues:						
Intergovernmental	\$	\$	\$ 1,768,701	\$	\$ 5,546	\$ 1,774,247
Charges for services			1,238,570			1,238,570
Investment income (depreciation)	2,559	10,130	12,689			12,689
Other local revenues	56,246		118,377			118,377
Total revenues	<u>58,805</u>	<u>10,130</u>	<u>3,138,337</u>	<u>-</u>	<u>5,546</u>	<u>3,143,883</u>
Expenditures:						
Current:						
General government		408,158	408,158			408,158
Public safety			-	67,000		67,000
Public works			256,806	58,650		315,456
Health and social services			-	32,689		32,689
Education-cultural			-	35,800		35,800
Recreation and parks			340,177			340,177
Education			2,442,500			2,442,500
Capital outlay			-		171,785	171,785
Total expenditures	<u>-</u>	<u>408,158</u>	<u>3,447,641</u>	<u>194,139</u>	<u>171,785</u>	<u>3,813,565</u>
Excess (Deficiency) of Revenues over Expenditures	<u>58,805</u>	<u>(398,028)</u>	<u>(309,304)</u>	<u>(194,139)</u>	<u>(166,239)</u>	<u>(669,682)</u>
Other Financing Sources (Uses):						
Transfers in		635,188	635,188	157,500	220,000	1,012,688
Transfers out	(6,561)		(39,711)		(41,400)	(81,111)
Net other financing sources (uses)	<u>(6,561)</u>	<u>635,188</u>	<u>595,477</u>	<u>157,500</u>	<u>178,600</u>	<u>931,577</u>
Net Change in Fund Balances	52,244	237,160	286,173	(36,639)	12,361	261,895
Fund Balances at Beginning of Year, as restated	<u>53,701</u>	<u>1,696,946</u>	<u>1,939,973</u>	<u>383,591</u>	<u>293,376</u>	<u>2,616,940</u>
Fund Balances at End of Year	<u>\$ 105,945</u>	<u>\$ 1,934,106</u>	<u>\$ 2,226,146</u>	<u>\$ 346,952</u>	<u>\$ 305,737</u>	<u>\$ 2,878,835</u>

## TOWN OF AVON, CONNECTICUT

## SEWER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	2008				2007
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Sewer assessments	\$ 6,500	\$ 6,500	\$ 6,500	\$ -	\$ 6,500
Sewer connections	38,250	38,250	38,250	-	29,000
Sewer use charges	1,166,990	1,166,990	1,387,430	220,440	1,255,183
Permits and inspections	2,500	2,500	7,231	4,731	4,500
Interest and lien fees	900	900	6,277	5,377	7,363
Other local revenues	100	100	1,336	1,236	
Total revenues	<u>1,215,240</u>	<u>1,215,240</u>	<u>1,447,024</u>	<u>231,784</u>	<u>1,302,546</u>
Expenditures:					
Current:					
Public works	1,159,696	1,159,696	893,443	266,253	979,044
Debt service	55,544	55,544	55,544	-	57,402
Total expenditures	<u>1,215,240</u>	<u>1,215,240</u>	<u>948,987</u>	<u>266,253</u>	<u>1,036,446</u>
Excess of Revenues over Expenditures			<u>498,037</u>	<u>498,037</u>	<u>266,100</u>
Other Financing Sources (Uses):					
Transfers out		(20,000)	(41,904)	(21,904)	(16,714)
Appropriation of fund balance		20,000		20,000	
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(41,904)</u>	<u>(1,904)</u>	<u>(16,714)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>456,133</u>	<u>\$ 496,133</u>	<u>249,386</u>
Fund Balances at Beginning of Year			<u>1,610,659</u>		<u>1,361,273</u>
Fund Balances at End of Year			<u>\$ 2,066,792</u>		<u>\$ 1,610,659</u>
Reconciliation to GAAP Basis					
		<u>Expenditures</u>	<u>Fund Balance</u>		
Balance, Budgetary Basis - June 30, 2008		\$ 948,987	\$ 2,066,792		
Encumbrances outstanding at June 30, 2007, liquidated during the year ended June 30, 2008		214,798			
Encumbrances outstanding at June 30, 2007, still outstanding at June 30, 2008			<u>211,956</u>		
Balance, GAAP Basis - June 30, 2008		<u>\$ 1,163,785</u>	<u>\$ 2,278,748</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, 2008

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

	2008				2007
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	\$ 1,325,489	\$ 1,399,467	\$ 1,399,467	\$ -	\$ 1,375,136
Expenditures:					
Education	<u>1,325,489</u>	<u>1,401,062</u>	<u>1,401,062</u>	<u>-</u>	<u>1,374,743</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(1,595)</u>	<u>(1,595)</u>	<u>-</u>	<u>393</u>
Other Financing Sources (Uses):					
Appropriation of fund balance		13,745		(13,745)	
Transfers out		<u>(12,150)</u>	<u>(12,150)</u>	<u>-</u>	
Net Other Financing Uses	<u>-</u>	<u>1,595</u>	<u>(12,150)</u>	<u>(13,745)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(13,745)	<u>\$ (13,745)</u>	393
Fund Balances at Beginning of Year			<u>13,745</u>		<u>13,352</u>
Fund Balances at End of Year			<u>\$ -</u>		<u>\$ 13,745</u>

## TOWN OF AVON, CONNECTICUT

## SCHOOL CAFETERIA FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	2008				2007
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	\$ 80,000	\$ 80,000	\$ 88,152	\$ 8,152	\$ 117,238
Charges for services	<u>885,818</u>	<u>885,818</u>	<u>896,300</u>	<u>10,482</u>	<u>913,858</u>
Total revenues	965,818	965,818	984,452	18,634	1,031,096
Expenditures:					
Education	<u>965,818</u>	<u>965,818</u>	<u>944,261</u>	<u>21,557</u>	<u>1,081,248</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	40,191	\$ <u>40,191</u>	(50,152)
Fund Balances at Beginning of Year			<u>73,973</u>		<u>124,125</u>
Fund Balances at End of Year			\$ <u>114,164</u>		\$ <u>73,973</u>

## TOWN OF AVON, CONNECTICUT

## RECREATIONAL ACTIVITIES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	2008				2007
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Charges for services	\$ 357,844	\$ 362,844	\$ 339,243	\$ (23,601)	\$ 349,003
Expenditures:					
Recreation and parks	357,844	362,844	338,065	24,779	334,173
Excess of Revenues over Expenditures	-	-	1,178	1,178	14,830
Other Financing Sources (Uses):					
Appropriation of fund balance		21,000		(21,000)	
Transfers out		(21,000)	(21,000)	-	
Net Change in Fund Balances	\$ -	\$ -	(19,822)	\$ (19,822)	14,830
Fund Balances at Beginning of Year			38,295		23,465
Fund Balances at End of Year			\$ 18,473		\$ 38,295

Reconciliation to GAAP Basis

	Expenditures	Fund Balance
Balance, Budgetary Basis - June 30, 2008	\$ 338,065	\$ 18,473
Encumbrances outstanding at June 30, 2007, still outstanding at June 30, 2008		3,145
Balance, GAAP Basis - June 30, 2008	\$ 338,065	\$ 21,618

## TOWN OF AVON, CONNECTICUT

## LOCAL CAPITAL IMPROVEMENT PROGRAM FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	<u>2008</u>				<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:					
Intergovernmental	\$ 101,000	\$ 103,691	\$ 103,691	\$ -	\$ 102,083
Expenditures:					
Public works	<u>101,000</u>	<u>103,691</u>	<u>103,691</u>	<u>-</u>	<u>102,083</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	
Fund Balances at Beginning of Year			<u>2,176</u>		<u>2,176</u>
Fund Balances at End of Year			\$ <u>2,176</u>		\$ <u>2,176</u>

## 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, 2008

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

	2008				2007
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Other local revenues	\$ 17,500	\$ 17,500	\$ 6,372	\$ (11,128)	\$ 5,353
Expenditures:					
Recreation and parks	<u>17,500</u>	<u>17,500</u>	<u>2,112</u>	<u>15,388</u>	<u>10,049</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	4,260	\$ <u>4,260</u>	(4,696)
Fund Balances at Beginning of Year			<u>24,395</u>		<u>29,091</u>
Fund Balances at End of Year			\$ <u>28,655</u>		\$ <u>24,395</u>



## TOWN OF AVON, CONNECTICUT

## TOWN AID ROAD FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	2008				2007
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Intergovernmental	\$ 152,321	\$ 153,115	\$ 153,115	\$ -	\$ 152,321
Expenditures:					
Public works	<u>152,321</u>	<u>153,115</u>	<u>153,115</u>	<u>-</u>	<u>138,053</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>	14,268
Fund Balances at Beginning of Year			<u>15,232</u>		<u>964</u>
Fund Balances at End of Year			\$ <u>15,232</u>		\$ <u>15,232</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, 2008

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

	2008				2007
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues:					
Other local revenues	\$ 10,000	\$ 59,873	\$ 55,759	\$ (4,114)	\$ 44,264
Expenditures:					
Education	<u>10,000</u>	<u>59,873</u>	<u>69,874</u>	<u>(10,001)</u>	<u>28,582</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(14,115)</u>	<u>(14,115)</u>	<u>15,682</u>
Other Financing Uses:					
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(14,115)</u>	<u>\$ (14,115)</u>	<u>(24,318)</u>
Fund Balances at Beginning of Year			<u>18,365</u>		<u>42,683</u>
Fund Balances at End of Year			<u>\$ 4,250</u>		<u>\$ 18,365</u>

## TOWN OF AVON, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Project Appropriations July 1, 2007</u>	<u>Additions (Reductions)</u>	<u>Project Appropriations June 30, 2008</u>	<u>Expenditures Incurred to July 1, 2007</u>	<u>Current Year Expenditures</u>	<u>Expenditures Incurred to June 30, 2008</u>	<u>Unexpended Appropriations June 30, 2008</u>
General Government:							
Sidewalks	\$ 100,000	\$	\$ 100,000	\$	\$ 89,978	\$ 89,978	\$ 10,022
Revaluation (2003)	75,000		75,000		32,840	32,840	42,160
Thomson Old Farms Redesign	15,000		15,000				15,000
Farmington River Trail	6,298	5,546	11,844	6,288	5,556	11,844	-
Old Farms Road/Thomspon Rd DE	85,000		85,000	2,626		2,626	82,374
Town Hall Renovations	378,000	(17,437)	360,563	360,563		360,563	-
Lakeview Water Ext	30,000		30,000				30,000
71 Secret Lake Drainage	70,000		70,000		16,749	16,749	53,251
Town Hall Renovations Bld	50,000		50,000	43,338	6,662	50,000	-
Deercliff/Old Farms/Thompson	20,000		20,000		20,000	20,000	-
Design Sycamore Bathhouse	604,900	(17)	604,883	604,883		604,883	-
150 Thompson Road Property	381,486		381,486	381,486		381,486	-
Old Farms Bridge Project 04-116	330,370		330,370	257,614		257,614	72,756
Country Club Road - Reconstruction	491,901	(12,731)	479,170	479,170		479,170	-
Total Capital and Nonrecurring	<u>\$ 2,916,441</u>	<u>\$ (24,639)</u>	<u>\$ 2,891,802</u>	<u>\$ 2,414,281</u>	<u>\$ 171,785</u>	<u>\$ 2,586,066</u>	<u>\$ 305,736</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 employees: Police, Public Works, Non-organized, Board of Education and Dispatchers.

### **Agency Funds**

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

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

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

## TOWN OF AVON, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>ASSETS</b>				
Cash:				
High school student activity fund	\$ 123,083	\$ 510,838	502,569	\$ 131,352
Middle school student activity fund	33,228	88,289	100,838	20,679
Roaring Brook student activity fund	4,373	23,723	22,876	5,220
Pine Grove student activity fund	33,168	23,025	21,562	34,631
Thompson Brook student activity fund	11,231	56,907	55,613	12,525
Total cash	<u>205,083</u>	<u>702,782</u>	<u>703,458</u>	<u>204,407</u>
Due from Other Funds:				
Board of Education special programs	<u>28,568</u>	<u></u>	<u>28,568</u>	<u></u>
Total Assets	<u>\$ 233,651</u>	<u>\$ 702,782</u>	<u>\$ 732,026</u>	<u>\$ 204,407</u>
<b>LIABILITIES</b>				
Accounts Payable:				
High school student activity fund	\$ 123,083	\$ 510,838	502,569	\$ 131,352
Middle school student activity fund	33,228	88,289	100,838	20,679
Roaring Brook student activity fund	4,373	23,723	22,876	5,220
Pine Grove student activity fund	33,168	23,025	21,562	34,631
Thompson Brook student activity fund	11,231	56,907	55,613	12,525
Board of Education special programs	<u>28,568</u>	<u></u>	<u>28,568</u>	<u></u>
Total Liabilities	<u>\$ 233,651</u>	<u>\$ 702,782</u>	<u>\$ 732,026</u>	<u>\$ 204,407</u>

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

---

**TOWN OF AVON, CONNECTICUT**  
**LONG-TERM DEBT OBLIGATIONS**  
**SCHEDULE OF BOND MATURITIES**  
**JUNE 30, 2008**

Description	Original Issue		Year Ending	Principal	Interest	Total
	Amount	Date	June 30,			
General Purposes:						
Bonds:						
Avon Police Department Renovations	\$ 1,800,000	9-15-97				
Interest payable March 15 and September 15 of each year at 4.25-6.25%; principal payable - March			2009	\$ 135,000	\$ 23,298	\$ 158,298
			2010	135,000	16,750	151,750
			2011	100,000	10,000	110,000
			2012	100,000	5,000	105,000
				470,000	55,048	525,048
Sewer Interceptor	\$ 550,000	7-15-98				
Interest payable January 15 and July 15 of each year at 4.10-4.75%; principal payable - January			2009	44,250	9,412	53,662
			2010	44,250	7,488	51,738
			2011	44,250	5,518	49,768
			2012	44,250	3,526	47,776
			2013	33,750	1,536	35,286
				210,750	27,480	238,230
Fisher Farms Open Space	\$ 1,295,000	7-15-02				
Interest payable December 15 and June 15 of each year at 3.0-5.0%; principal payable - June			2009	100,000	27,283	127,283
			2010	100,000	23,533	123,533
			2011	70,000	19,783	89,783
			2012	82,000	17,158	99,158
			2013	82,000	14,042	96,042
			2014	82,000	10,845	92,845
			2015	82,000	7,482	89,482
			2016	82,000	4,100	86,100
				680,000	124,226	804,226
M H Rhodes Property	\$ 600,000	5-04-07				
Interest payable November 1 and May 1 of each year at 3.60%; principal payable May 1, 2010			2009		21,600	21,600
			2010	600,000	21,600	621,600
				600,000	43,200	643,200
Total General Purposes				1,960,750	249,954	2,210,704

(Continued on next page)

## TOWN OF AVON, CONNECTICUT

## LONG-TERM DEBT OBLIGATIONS

## SCHEDULE OF BOND MATURITIES (CONTINUED)

JUNE 30, 2008

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
Schools:						
Bonds:						
School Construction - Roaring Brook Elementary School Renovations	\$ 5,670,000	1-15-94	2009	\$ 400,000	\$ 19,200	\$ 419,200
Interest payable June 15 and December 15 of each year at 4.0-5.0%; principal payable - June				400,000	19,200	419,200
School Construction - Avon High School Renovations	\$ 4,300,000	9-15-97	2009	315,000	56,028	371,028
			2010	315,000	40,750	355,750
Interest payable March 15 and September 15 of each year at 4.25-6.25%; principal payable - March			2011	250,000	25,000	275,000
			2012	250,000	12,500	262,500
				1,130,000	134,278	1,264,278
School Construction - Avon High School Renovations	\$ 5,825,000	1-15-98	2009	450,000	83,475	533,475
			2010	450,000	63,450	513,450
Interest payable January 15 and July 15 of each year at 4.0-5.75%; principal payable - January			2011	450,000	43,200	493,200
			2012	450,000	22,500	472,500
				1,800,000	212,625	2,012,625
School Construction - Avon High School Renovations	\$ 6,915,000	7-15-98	2009	555,750	118,546	674,296
			2010	555,750	94,370	650,120
Interest payable January 15 and July 15 of each year at 4.10-4.75%; principal payable - January			2011	555,750	69,640	625,390
			2012	555,750	44,630	600,380
			2013	431,250	19,622	450,872
				2,654,250	346,808	3,001,058
School Construction - Thompson Brook School	\$ 14,245,000	7-15-02	2009	1,100,000	295,102	1,395,102
Interest payable December 15 and June 15 of each year at 3.0-5.0%; principal payable - June			2010	1,100,000	253,852	1,353,852
			2011	780,000	212,602	992,602
			2012	688,000	183,352	871,352
			2013	918,000	157,208	1,075,208
			2014	918,000	121,405	1,039,405
			2015	918,000	83,768	1,001,768
			2016	918,000	45,900	963,900
				7,340,000	1,353,189	8,693,189
Total Schools				13,324,250	2,066,100	15,390,350
Grand Total - All Bonded Debt				\$ 15,285,000	\$ 2,316,054	\$ 17,601,054



## 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 ASSETS BY COMPONENT****SINCE INCEPTION OF GASB 34  
(Accrual Basis of Accounting)**

		<b>FISCAL YEAR</b>					
		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Governmental Activities:							
Invested in capital assets, net of related debt	\$	81,729,871	\$ 81,157,443	\$ 85,496,836	\$ 80,092,550	\$ 86,386,400	\$ 100,992,393
Unrestricted		<u>12,048,795</u>	<u>9,652,738</u>	<u>9,182,945</u>	<u>16,234,934</u>	<u>15,331,611</u>	<u>12,623,398</u>
Total Governmental Activities Net Assets	\$	<u><u>93,778,666</u></u>	<u><u>90,810,181</u></u>	<u><u>94,679,781</u></u>	<u><u>96,327,484</u></u>	<u><u>101,718,011</u></u>	<u><u>113,615,791</u></u>
Primary Government:							
Invested in capital assets, net of related debt	\$	81,729,871	\$ 81,157,443	\$ 85,496,836	\$ 80,092,550	\$ 86,386,400	\$ 100,992,393
Unrestricted		<u>12,048,795</u>	<u>9,652,738</u>	<u>9,182,945</u>	<u>16,234,934</u>	<u>15,331,611</u>	<u>12,623,398</u>
Total Primary Government Net Assets	\$	<u><u>93,778,666</u></u>	<u><u>90,810,181</u></u>	<u><u>94,679,781</u></u>	<u><u>96,327,484</u></u>	<u><u>101,718,011</u></u>	<u><u>113,615,791</u></u>

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

## TOWN OF AVON, CONNECTICUT

## CHANGES IN NET ASSETS

## SINCE INCEPTION OF GASB 34

(Accrual Basis of Accounting)

	FISCAL YEAR					
	2003	2004	2005	2006	2007	2008
Expenses:						
Governmental activities:						
General government	\$ 2,350,087	\$ 2,520,267	\$ 2,506,909	\$ 2,824,138	\$ 2,697,324	\$ 3,150,197
Public safety	6,481,170	6,783,676	6,810,733	7,844,237	7,752,887	8,386,614
Public works	5,163,486	5,596,299	5,610,986	5,768,387	5,615,483	6,379,490
Health and social services	290,106	297,004	312,488	335,363	339,011	418,457
Recreation and parks	1,019,021	1,159,712	1,173,172	1,231,112	1,192,893	1,259,443
Educational cultural	1,145,107	1,182,875	1,165,935	1,252,539	1,271,577	1,340,878
Conservation and development	489,625	480,149	475,086	485,796	480,105	470,631
Board of Education	33,056,208	35,157,771	36,861,285	41,312,587	42,831,505	58,762,865
Interest expense	1,804,113	1,220,937	1,049,650	976,068	1,164,309	1,420,878
Total governmental activities expenses	<u>51,798,923</u>	<u>54,398,690</u>	<u>55,966,244</u>	<u>62,030,227</u>	<u>63,345,094</u>	<u>81,589,453</u>
Program Revenues:						
Governmental activities:						
Charges for services	4,007,310	4,368,055	4,750,233	4,744,462	4,268,592	4,585,742
Operating grants and contributions	2,809,001	2,858,754	2,942,406	4,703,647	5,187,201	19,168,475
Capital grants and contributions	3,974,876	1,791,485	264,316	45,436	211,460	7,676,918
Total governmental activities program revenues	<u>10,791,187</u>	<u>9,018,294</u>	<u>7,956,955</u>	<u>9,493,545</u>	<u>9,667,253</u>	<u>31,431,135</u>
Net revenues (expenses):						
Governmental activities	<u>(41,007,736)</u>	<u>(45,380,396)</u>	<u>(48,009,289)</u>	<u>(52,536,682)</u>	<u>(53,677,841)</u>	<u>(50,158,318)</u>
General Revenues and Other						
Changes in Net Assets:						
Governmental activities:						
Property taxes	44,885,797	47,930,234	49,177,333	52,102,161	54,985,721	57,525,758
Grants and contributions not restricted to specific programs	388,628	396,446	447,711	420,814	471,823	484,160
Unrestricted investment earnings	273,327	177,347	430,329	1,229,679	1,923,744	1,361,187
Miscellaneous	100,334	173,665	117,250	280,849	370,776	988,047
Donated capital assets			1,706,266	150,882	1,441,304	
Transfers					(125,000)	
Special item - gain on sale	11,159					
Total governmental activities	<u>45,659,245</u>	<u>48,677,692</u>	<u>51,878,889</u>	<u>54,184,385</u>	<u>59,068,368</u>	<u>60,359,152</u>
Change in Net Assets:						
Governmental activities	<u>\$ 4,651,509</u>	<u>\$ 3,297,296</u>	<u>\$ 3,869,600</u>	<u>\$ 1,647,703</u>	<u>\$ 5,390,527</u>	<u>\$ 10,200,834</u>

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

## TOWN OF AVON, CONNECTICUT

## FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund:										
Reserved	\$ 1,075,561	\$ 856,803	\$ 508,753	\$ 653,454	\$ 758,851	\$ 862,630	\$ 908,877	\$ 147,535	\$ 17,118	\$
Unreserved	3,411,487	3,517,575	3,850,307	4,153,303	4,245,984	3,941,547	3,657,223	4,159,172	3,760,315	4,676,227
Total General Fund	\$ <u>4,487,048</u>	\$ <u>4,374,378</u>	\$ <u>4,359,060</u>	\$ <u>4,806,757</u>	\$ <u>5,004,835</u>	\$ <u>4,804,177</u>	\$ <u>4,566,100</u>	\$ <u>4,306,707</u>	\$ <u>3,777,433</u>	\$ <u>4,676,227</u>
All other governmental funds:										
Reserved	\$ 500,017	\$ 493,796	\$ 12,981,333	\$ 634,249	\$ 534,749	\$ 860,651	\$ 627,941	\$ 756,962	\$ 813,490	\$ 562,053
Unreserved, reported in:										
Special revenue funds	763,140	944,101	766,854	803,078	1,420,380	1,675,926	1,892,462	1,641,669	1,850,540	4,289,793
Capital projects funds	2,703,834	2,215,368	(13,050,385)	2,595,947	915,811	573,429	968,946	96,391	(8,277,866)	(21,972,030)
Total All Other Governmental Funds	\$ <u>3,966,991</u>	\$ <u>3,653,265</u>	\$ <u>697,802</u>	\$ <u>4,033,274</u>	\$ <u>2,870,940</u>	\$ <u>3,110,006</u>	\$ <u>3,489,349</u>	\$ <u>2,495,022</u>	\$ <u>(5,613,836)</u>	\$ <u>(17,120,184)</u>

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Property taxes	\$ 33,452,558	\$ 35,684,384	\$ 37,492,652	\$ 41,342,284	\$ 44,995,486	\$ 48,012,671	\$ 49,213,013	\$ 52,054,364	\$ 54,940,024	\$ 57,607,095
Intergovernmental (state and federal grants)*	3,547,972	853,371	1,134,131	1,253,894	5,498,502	4,082,975	4,537,713	5,908,147	6,223,583	25,960,589
Licenses, fees and permits	1,005,863	3,923,772	6,091,563	5,843,727						
Charges for services	1,553,502	1,660,960	1,823,483	2,061,259	4,144,002	4,462,440	4,754,726	4,735,059	4,268,644	4,585,785
Contributions**					324,293	25,620	45,850	30,300	6,300	
Investment income	938,129	1,034,919	1,542,114	689,389	273,327	177,347	430,329	1,229,679	1,923,744	1,361,187
Other local revenues	334,116	819,260	229,825	162,529	109,187	173,665	165,404	280,849	370,776	980,682
Total revenues	<u>40,832,140</u>	<u>43,976,666</u>	<u>48,313,768</u>	<u>51,353,082</u>	<u>55,344,797</u>	<u>56,934,718</u>	<u>59,147,035</u>	<u>64,238,398</u>	<u>67,733,071</u>	<u>90,495,338</u>
Expenditures:										
Town Council:										
General government	1,857,736	1,733,294	1,866,029	2,179,856	2,049,196	2,214,074	2,275,478	2,332,582	2,534,553	2,934,699
Public safety	4,884,038	4,983,579	5,423,148	5,550,091	5,935,154	6,354,328	6,597,926	7,190,774	7,492,029	7,943,996
Public works	3,378,923	3,435,013	3,644,754	3,541,216	4,045,432	4,596,663	4,766,751	4,676,353	4,966,497	5,177,018
Health and social services	236,083	234,459	254,475	263,479	280,654	292,929	312,136	321,193	339,055	418,279
Recreation and parks	665,311	804,119	792,616	879,885	932,564	994,752	1,075,531	1,104,495	1,114,589	1,114,355
Educational - cultural	793,025	850,268	923,399	975,163	1,089,118	1,147,023	1,141,214	1,171,991	1,249,963	1,325,488
Conservation and development	280,984	292,154	320,328	312,057	396,219	471,433	473,635	452,072	480,232	461,474
Miscellaneous	271,310	241,387	361,028	317,050	994,769	468,377	262,733	258,642	244,096	279,276
Total Town Council	<u>12,367,410</u>	<u>12,574,273</u>	<u>13,585,777</u>	<u>14,018,797</u>	<u>15,723,106</u>	<u>16,539,579</u>	<u>16,905,404</u>	<u>17,508,102</u>	<u>18,421,014</u>	<u>19,654,585</u>
Board of Education	22,611,556	25,212,620	27,539,305	29,404,265	31,531,774	33,580,967	35,704,437	39,657,600	41,450,613	57,087,590
Debt service:										
Principal	2,425,000	2,775,000	3,075,000	2,800,000	2,500,000	3,445,000	3,655,000	3,255,750	3,330,750	3,500,000
Interest	1,416,585	1,312,533	1,158,507	1,429,183	1,869,062	1,255,887	1,167,048	1,059,348	1,244,954	1,460,243
Capital improvements	5,224,988	2,528,636	6,923,572	14,650,674	6,376,491	2,007,365	1,823,880	3,911,318	12,323,872	21,097,420
Total expenditures	<u>44,045,539</u>	<u>44,403,062</u>	<u>52,282,161</u>	<u>62,302,919</u>	<u>58,000,433</u>	<u>56,828,798</u>	<u>59,255,769</u>	<u>65,392,118</u>	<u>76,771,203</u>	<u>102,799,838</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,213,399)</u>	<u>(426,396)</u>	<u>(3,968,393)</u>	<u>(10,949,837)</u>	<u>(2,655,636)</u>	<u>105,920</u>	<u>(108,734)</u>	<u>(1,153,720)</u>	<u>(9,038,132)</u>	<u>(12,304,500)</u>
Other Financing Sources (Uses):										
Proceeds from sale of land/capital assets					207,000	11,530	250,000			
Capital lease proceeds			670,910							
Bond/BAN issue proceeds				14,245,000	1,295,000					
Bond/BAN issue premium	550,000				155,284					
Loan Proceeds									600,000	
Operating transfers in	1,361,927	2,576,821	2,796,983	2,665,368	1,345,587	2,435,591	1,604,920	2,524,174	2,666,315	4,346,550
Operating transfers out	(1,361,927)	(2,576,821)	(2,470,281)	(2,177,362)	(1,311,491)	(2,514,633)	(1,604,920)	(2,624,174)	(2,866,315)	(4,346,550)
Total other financing sources (uses)	<u>550,000</u>	<u>-</u>	<u>997,612</u>	<u>14,733,006</u>	<u>1,691,380</u>	<u>(67,512)</u>	<u>250,000</u>	<u>(100,000)</u>	<u>400,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,663,399)</u>	<u>(426,396)</u>	<u>(2,970,781)</u>	<u>3,783,169</u>	<u>(964,256)</u>	<u>38,408</u>	<u>141,266</u>	<u>(1,253,720)</u>	<u>(8,638,132)</u>	<u>(12,304,500)</u>
Fund Balance at Beginning of Year ***	<u>11,117,438</u>	<u>8,454,039</u>	<u>8,027,643</u>	<u>5,056,862</u>	<u>8,840,031</u>	<u>7,875,775</u>	<u>7,914,183</u>	<u>8,055,449</u>	<u>6,801,729</u>	<u>(139,457)</u>
Fund Balance at End of Year	<u>\$ 8,454,039</u>	<u>\$ 8,027,643</u>	<u>\$ 5,056,862</u>	<u>\$ 8,840,031</u>	<u>\$ 7,875,775</u>	<u>\$ 7,914,183</u>	<u>\$ 8,055,449</u>	<u>\$ 6,801,729</u>	<u>\$ (1,836,403)</u>	<u>\$ (12,443,957)</u>
Debt Service as a Percentage to Noncapital Expenditures	9.90%	9.76%	9.33%	8.88%	8.69%	8.72%	8.58%	7.00%	7.27%	6.16%

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

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

\*\*\* FY 2008 fund balance is restated at beginning of year due to moving Postemployment Healthcare Fund assets of \$1,696,946 from Fiduciary to Special Revenue Fund.

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					
1999	\$ 1,093,289,920	\$ 235,406,160	\$ 100,118,660	\$ 58,508,020	\$ 93,091,880	\$ 1,487,322,760	\$ 22.00	\$ 1,952,188,866	76.2 %
2000	1,134,385,780	241,922,500	107,708,510	62,497,370	93,234,790	1,546,514,160	22.42	2,168,057,942	71.3
2001	1,096,224,910	226,491,370	120,495,420	72,284,680	93,934,960	1,515,496,380	24.50	2,192,380,257	69.1
2002	1,138,255,700	229,372,310	128,024,660	73,230,960	104,381,370	1,568,883,630	25.90	2,625,333,686	59.8
2003	1,166,844,000	238,340,420	134,502,990	76,552,000	107,352,000	1,616,239,410	27.30	2,856,387,891	56.6
2004	1,208,639,570	240,317,650	140,432,000	75,965,880	121,595,680	1,665,355,100	28.30	3,122,648,993	53.3
2005	1,586,977,750	267,882,430	136,128,965	75,657,830	148,530,000	2,066,646,975	23.46	3,156,183,610	65.5
2006	1,633,097,700	270,135,570	148,590,290	77,077,010	149,492,690	2,128,900,570	24.16	3,548,200,958	60.0
2007	1,679,790,240	272,737,650	155,308,220	79,758,880	149,225,860	2,187,594,990	24.85	3,941,612,590	55.5
2008	1,715,393,290	274,339,890	155,657,040	81,609,190	149,230,440	2,226,999,410	25.55	4,128,919,720	53.9

Source: Town Assessor's Office

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

The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

TOWN OF AVON, CONNECTICUT

TABLE 6

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Two Fifty Five West Main LLC	\$ 11,385,620	1	0.51 %	\$ 8,197,700	4	0.53 %
Connecticut Light & Power	11,109,530	2	0.50	6,244,410	10	0.40
Jackson, Inc.	9,541,040	3	0.43	8,215,320	3	0.53
Connecticut On-Line Computer	9,442,680	4	0.42	6,419,500	9	0.42
Nod Brook LLC	9,199,920	5	0.41			
64 Avonwood Rd. Assoc. LTD	9,131,600	6	0.41			
Avon Marketplace Investors	8,648,600	7	0.39	6,809,740	6	0.44
Ensign Bickford Realty	8,434,310	8	0.38	13,021,520	1	0.84
Avon Water Company	8,124,110	9	0.36			
Avonplace Associates LLC	7,859,940	10	0.35			
G. David Lattizori				7,534,230	5	0.49
Avon Associates Ltd.				11,963,800	2	0.77
Silvio Brighenti				6,743,700	8	0.44
City Club of Hartford, Inc.				6,782,940	7	0.44
	<u>\$ 92,877,350</u>		<u>4.16 %</u>	<u>\$ 81,932,860</u>		<u>5.30 %</u>

Source: Town Assessor's Office

## TOWN OF AVON

## 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
1999	\$	33,192	\$ 32,973	99.34 %	0.66 %	\$ 315	\$ 33,288	100.29 %
2000		35,235	35,073	99.55	0.45	347	35,420	100.52
2001		37,419	37,234	99.51	0.49	132	37,366	99.86
2002		41,200	41,026	99.58	0.42	149	41,174	99.94
2003		44,718	44,568	99.66	0.34	96	44,664	99.88
2004		47,681	47,591	99.81	0.19	139	47,730	100.10
2005		48,900	48,851	99.90	0.10	114	48,965	100.13
2006		51,865	51,774	99.82	0.18	42	51,815	99.90
2007		54,781	54,677	99.81	0.19	34	54,711	99.87
2008		57,350	57,311	99.93	0.07	n/a	57,371	100.04

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



## TOWN OF AVON, CONNECTICUT

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

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property(1)</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (2)</b>	<b>Per Capita (2)</b>
1999	\$ 27,615,000	1.4146 %	\$ 27,615,000	5.21 %	\$ 1,782
2000	24,840,000	1.1457	24,840,000	4.60	1,572
2001	21,765,000	0.9928	21,765,000	4.02	1,375
2002	18,965,000	0.7224	18,965,000	2.32	1,198
2003	32,005,000	1.1205	32,005,000	3.79	1,960
2004	28,560,000	0.9146	28,560,000	3.31	1,709
2005	24,860,000	0.7877	24,860,000	2.81	1,455
2006	21,560,000	0.6076	21,560,000	2.38	1,232
2007	18,785,000	0.4766	18,785,000	2.08	1,073
2008	15,285,000	0.3702	15,285,000	1.66	859

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

(2) See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**TOWN OF AVON, CONNECTICUT**

TABLE 9

**LEGAL DEBT MARGIN INFORMATION**

**LAST TEN FISCAL YEARS**

	<b>FISCAL YEAR</b>									
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Debt limit	\$ 247,941,225	\$ 263,109,532	\$ 275,888,844	\$ 302,480,185	\$ 327,027,981	\$ 348,473,195	\$ 364,104,930	\$ 383,690,160	\$ 404,046,335	\$ 422,652,293
Total net debt applicable to limit	<u>28,304,297</u>	<u>25,360,560</u>	<u>26,905,186</u>	<u>30,750,062</u>	<u>30,318,112</u>	<u>27,397,166</u>	<u>59,039,437</u>	<u>64,909,268</u>	<u>76,853,667</u>	<u>82,135,050</u>
Legal Debt Margin	<u>\$ 219,636,928</u>	<u>\$ 237,748,972</u>	<u>\$ 248,983,658</u>	<u>\$ 271,730,123</u>	<u>\$ 296,709,869</u>	<u>\$ 321,076,029</u>	<u>\$ 305,065,493</u>	<u>\$ 318,780,892</u>	<u>\$ 327,192,668</u>	<u>\$ 340,517,243</u>
Total net debt applicable to the limit as a percentage of debt limit	11.42%	9.64%	9.75%	10.17%	9.27%	7.86%	16.21%	16.92%	19.02%	19.43%

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 2008 debt limit can be found on Table 12 of this report.

## TOWN OF AVON, CONNECTICUT

## DEBT STATEMENT

AS OF JUNE 30, 2008

## Long-Term Debt:

## Bonds:

General public improvement	\$ 1,750,000
School	13,324,250
Sewer	<u>210,750</u>
Total bonds	15,285,000

## Short-Term Debt:

Bond anticipation notes	<u>26,422,000</u>
Total direct debt	41,707,000

## Less Amount due from State of Connecticut (a)

Existing school bonds	<u>(1,003,950)</u>
-----------------------	--------------------

Total Net Direct Debt	<u><u>\$ 40,703,050</u></u>
-----------------------	-----------------------------

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

## TOWN OF AVON, CONNECTICUT

## CURRENT DEBT RATIOS

AS OF JUNE 30, 2008

Population (a)	17,800 (est.)
Net Taxable Grand List (October 1, 2006) (b)	\$ 2,226,999,410
Estimated Full Value (70%)	\$ 3,181,427,728
Equalized Net Taxable Grand List (2006) (c)	\$ 3,890,796,199
Income per Capita (2000) (d)	\$ 51,706

	<u>Total Direct Debt</u>	<u>Total Net Direct Debt</u>	<u>Total Overall Net Debt</u>
	\$ 41,707,000	\$ 40,703,050	\$ 40,703,050
Per Capita	\$ 2,343	\$ 2,287	\$ 2,287
Ratio to Net Taxable Grand List	1.87%	1.83%	1.83%
Ratio to Estimated Full Value	1.31%	1.28%	1.28%
Ratio to Equalized Net Taxable Grand List	1.07%	1.05%	1.05%
Debt per Capita to Income per Capita	4.53%	4.42%	4.42%

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

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

(c) Official Statement, Town of Avon BAN Issue of October 23, 2008

(d) State of Connecticut, Department of Labor

**TOWN OF AVON, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Total tax collections (including interest and lien fees)  
received by Treasurer for current fiscal year \$ 57,496,748

Total tax collections (including interest and lien fees)  
received by Treasurers of all other taxing districts within Town for current fiscal year 2,882,151

Base for Debt Limitation Computation \$ 60,378,899

	<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	\$ 135,852,523	\$	\$	\$	\$
4-1/2 times base		271,705,046			
3-3/4 times base			226,420,871		
3-1/4 times base				196,231,422	
3 times base					181,136,697
Total debt limitation	<u>135,852,523</u>	<u>271,705,046</u>	<u>226,420,871</u>	<u>196,231,422</u>	<u>181,136,697</u>
Indebtedness:					
Bonds payable	1,750,000	13,324,250	210,750		
Bond anticipation notes payable		26,422,000			
Bond authorized but unissued	4,200,000	37,238,000			
School building grants		(1,003,950)			
Sewer assessment receivable			(6,000)		
Net indebtedness (1)	<u>5,950,000</u>	<u>75,980,300</u>	<u>204,750</u>		
Debt Limitation in Excess of Outstanding Debt	\$ <u><u>129,902,523</u></u>	\$ <u><u>195,724,746</u></u>	\$ <u><u>226,216,121</u></u>	\$ <u><u>196,231,422</u></u>	\$ <u><u>181,136,697</u></u>

(1) The total of the above net indebtedness amounts to: \$ 82,135,050

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 422,652,293

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars) (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Median Age (3)</b>	<b>Education Level in Years of Schooling (4)</b>	<b>School Enrollment (5)</b>	<b>Unemployment Rate (6)</b>
1999	15,500	\$ 530,162	\$ 34,204	40.0	16	2,512	1.7 %
2000	15,800	540,423	34,204	37.7	16	2,717	1.1
2001	15,832	541,518	34,204	37.7	16	2,914	1.7
2002	15,832	818,609	51,706	37.7	16	2,984	2.6
2003	16,332	844,462	51,706	37.7	16	3,071	3.2
2004	16,707	863,852	51,706	37.7	16	3,245	3.4
2005	17,082	883,242	51,706	37.7	16	3,319	2.9
2006	17,500	904,855	51,706	37.7	16	3,446	2.7
2007	17,500	904,855	51,706	37.7	16	3,519	3.1
2008	17,800	920,367	51,706	37.7	16	3,532	3.7

Sources:

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

TABLE 14

## TOWN OF AVON, CONNECTICUT

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND NINE YEARS AGO

Employer	2008			1999		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Avon	520	1	0.06 %			
Connecticut On-Line Computer Center	320	2	0.04	212	2	0.03 %
Wal-Mart	220	3	0.02			
Women's Health USA	210	4	0.02			
Big Y Supermarket	195	5	0.02	203	3	0.03
Avon Health Center, Inc.	186	6	0.02			
O.F.S Fitel LLC	177	7	0.02			
Hartford Life & Accident Insurance Co.	158	8	0.02	155	5	0.02
Legere Group	155	9	0.02			
Swiss RE Insurance	140	10	0.02			
Security-Connecticut Life Ins. Co.				440	1	0.06
Eastern Color Printing				158	4	0.02
Spectran Specialty Optics Company				145	6	0.02
A. Rotondo & Sons				124	7	0.02
Caldor, Inc.				104	8	0.01
M.H. Rhodes, Inc.				101	9	0.01
Reflexite Corp.				88	10	0.01
	<u>\$ 2,281</u>		<u>0.25 %</u>	<u>\$ 1,730</u>		<u>0.25 %</u>

Source: Town of Avon, Official Statements

## TOWN OF AVON, CONNECTICUT

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

JUNE 30, 2008

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<u>General Government</u>										
Manager	3.0	2.3	2.3	2.3	2.3	2.3	2.0	3.0	3.0	3.0
Finance	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.0
Planning	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.5
Building	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Other	13.0	12.7	12.7	12.7	12.7	12.7	12.0	11.0	11.0	11.0
<u>Public Safety</u>										
Officers	43.0	43.0	43.0	42.0	41.0	40.0	39.0	39.0	39.0	39.0
<u>Public Works</u>	30.0	30.0	29.0	29.0	29.0	28.0	29.0	28.0	29.0	29.0
<u>Parks and Recreation</u>	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<u>Public Library</u>	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0
<u>Human Services</u>	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5
<u>Board of Education</u>										
Certified	302.0	395.0	387.0	384.0	399.0	374.0	346.0	321.0	312.0	303.0
Total	413.0	505.0	496.0	492.0	506.0	479.0	449.0	423.0	414.0	404.0

Source: Annual Operating Budgets

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



**TOWN OF AVON, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**JUNE 30, 2008**

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<u>General Government</u>										
Marriage licenses issued	128	125	213	156	174	145	183	176	178	185
Civil Unions Recorded (new in 06/07)	2	2	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Birth certificates issued	126	137	154	158	153	150	164	155	175	165
Death certificates issued	192	158	194	166	182	181	167	157	155	154
<u>Boards and Agencies</u>										
Registered voters	11,297	11,087	11,100	11,348	10,488	10,341	10,685	10,564	9,871	10,025
Elections and referenda	5	3	3	3	5	3	2	2	4	4
<u>Planning and Development</u>										
Building permits issued	635	562	700	750	732	654	600	607	675	667
Building inspections conducted	2,546	2,524	3,700	3,750	3,984	2,535	2,500	2,500	2,500	2,475
Value of building permits	24,403,569	24,586,378	23,358,000	51,801,012	36,897,500	49,938,726	33,243,701	53,307,370	26,926,405	40,587,937
<u>Public Safety</u>										
Arrests	289	292	350	346	351	318	263	250	286	358
Parking violations	72	78	67	101	146	200	203	255	285	307
Traffic violations	6,337	5,992	5173	5,476	4,982	4,240	4,177	3,095	3,926	5,216
Emergency responses	1,307	1,265	3323	3,136	3,420	4,278	3,871	3,612	3,376	3,576
Fires extinguished	28	15	18	17	22	26	22	27	N/A	N/A
Inspections/fire prevention	620	1,369	1,488	1,460	1,404	1,540	1,360	1,297	1,244	1,125
Calls for service	25,389	23,846	30,885	28,940	25,525	31,000	28,140	26,800	29,005	29,506
Citations issued	4,421	4,230	4,014	4,388	3,810	2,594	2,489	2,433	2,993	4,040
<u>Public Works</u>										
Miles of roads maintained	104	103	102	100.58	100.13	97.26	96.27	94.95	N/A	93.63
Refuse collected (tons per year)	1,029	1,065	N/A	1,107	1,095	N/A	N/A	N/A	N/A	N/A
Recyclables collected (tons per year)	931	933	N/A	809	719	N/A	N/A	N/A	N/A	N/A
<u>Parks and Recreation</u>										
Total park reservations	2,767	4,399	2,934	1,581	1,553	1,413	1,023	998	975	981
Total day camp registrations	612	554	486	467	286	285	290	357	347	288
Total swim memberships	437	530	507	495	447	415	508	574	612	554
Pool attendance	13,254	17,539	18,009	19,434	12,527	11,155	19,159	20,409	19,768	18,337
<u>Public Library</u>										
Volumes in collection	80,085	80,174	80,000	79,138	80,032	81,758	78,600	73,871	72,345	72,290
Items circulated	305,843	317,900	307,661	300,069	299,178	295,300	238,000	235,246	231,990	227,671
<u>Human Services</u>										
Senior mini-bus trips	3,472	3,601	3,833	3,279	2,950	2,515	2,454	2,663	2,194	2,236
Households provided energy assistance	27	49	35	30	30	57	89	104	129	156
Households provided food bank assistance	74	73	75	70	65	65	65	60	65	65
<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	0	0	0	0
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments

N/A: Information is not available

TABLE 17

## TOWN OF AVON, CONNECTICUT

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

JUNE 30, 2008

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<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	28	25	20	17	22	25	23	31	28	26
Fire vehicles	13	13	12	12	12	17	15	16	14	14
<u>Public Works</u>										
Miles of town roads	105	104	102	100.39	100.23	96.57	95.18	94.87	96	95
Linear feet of sidewalks (See Note)	49465	49465	100	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streetlights	792	802	787	781	773	760	756	707	688	686
Traffic signals	12	12	12	12	11	11	11	9	9	9
Public works vehicles	33	33	33	32	33	34	31	31	30	29
<u>Parks and Recreation</u>										
Acreage (parks only)	1155	1155	1155	1155	1155	1155	1122	807	791	791
Parks and greens	14	14	14	14	14	14	13	11	11	11
Athletic fields (includes Board of Education)	30	30	30	27	27	27	27	25	23	23
Swimming pools	2	2	2	2	2	2	2	2	2	2
<u>Public Library</u>										
Library	1	1	1	1	1	1	1	1	1	1
<u>Human Services</u>										
Senior center	1	1	1	1	1	1	1	1	1	1
<u>Education</u>										
Schools	5	5	5	5	5	5	4	4	4	4
<u>Water</u>										
Fire hydrant rentals	684	684	614	595	579	579	573	573	491	491
<u>Sewer</u>										
Sanitary sewers (miles)	72.75	70.58	68.46	67.74	64.47	61.23	59.6	57.1	57.42	56.97
Storm sewers (miles)	41.62	39.59	38.43	38.23	37.21	34.79	33.63	33.46	33.24	33.24

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