

TOWN OF AVON CONNECTICUT

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

Prepared By:
Department of Finance

Director of Finance:
TOM DISTASIO

**TOWN OF AVON, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL		i
PRINCIPAL OFFICIALS		x
ORGANIZATIONAL CHART		xi
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING		xii

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT		1
MANAGEMENT'S DISCUSSION AND ANALYSIS		5

BASIC FINANCIAL STATEMENTS

EXHIBITS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION	I	23
STATEMENT OF ACTIVITIES	II	25

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BALANCE SHEET	III	26
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	IV	28

PROPRIETARY FUND

STATEMENT OF NET POSITION	V	30
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	VI	31
STATEMENT OF CASH FLOWS	VII	32

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION	VIII	33
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	IX	34

NOTES TO BASIC FINANCIAL STATEMENTS		35
-------------------------------------	--	----

**TOWN OF AVON, CONNECTICUT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

	SCHEDULES	
GENERAL FUND		
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL	RSI-1	93
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL	RSI-2	96
PENSION FUNDS		
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – AVON RETIREMENT SYSTEM – TOWN	RSI-3A	98
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – AVON RETIREMENT SYSTEM – BOARD OF EDUCATION	RSI-3B	99
SCHEDULE OF EMPLOYER CONTRIBUTIONS – AVON RETIREMENT SYSTEM – TOWN PENSION PLAN	RSI-4A	100
SCHEDULE OF EMPLOYER CONTRIBUTIONS – AVON RETIREMENT SYSTEM – BOARD OF EDUCATION PENSION PLAN	RSI-4B	101
SCHEDULE OF INVESTMENT RETURNS – AVON RETIREMENT SYSTEM – TOWN PENSION PLAN	RSI-5A	102
SCHEDULE OF INVESTMENT RETURNS – AVON RETIREMENT SYSTEM – BOARD OF EDUCATION PENSION PLAN	RSI-5B	103
SCHEDULE OF THE TOWN’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – TEACHERS RETIREMENT PLAN	RSI-6	104
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – AVON RETIREMENT SYSTEM – TOWN	RSI-7A	105
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – AVON RETIREMENT SYSTEM – BOARD OF EDUCATION	RSI-7B	106
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – TOWN	RSI-8A	107
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – BOARD OF EDUCATION	RSI-8B	108
SCHEDULE OF INVESTMENT RETURNS – OPEB – TOWN	RSI-9A	109
SCHEDULE OF INVESTMENT RETURNS – OPEB – BOARD OF EDUCATION	RSI-9B	110

**TOWN OF AVON, CONNECTICUT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	SCHEDULES	
SCHEDULE OF THE TOWN’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – TEACHERS RETIREMENT PLAN	RSI-10	111
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES		
	EXHIBITS	
GENERAL FUND		
COMBINING BALANCE SHEET	A-1	114
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE	A-2	115
REPORT OF PROPERTY TAX COLLECTIONS	B	116
NONMAJOR GOVERNMENTAL FUNDS		
COMBINING BALANCE SHEET	C-1	121
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	C-2	124
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SEWER FUND	C-3	127
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – STATE AND FEDERAL EDUCATION GRANTS FUND	C-4	128
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SCHOOL CAFETERIA FUND	C-5	129
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – RECREATIONAL ACTIVITIES FUND	C-6	130
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – LOCAL CAPITAL IMPROVEMENT PROGRAM FUND	C-7	131
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – FOREST PARK MANAGEMENT FUND	C-8	132

**TOWN OF AVON, CONNECTICUT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	EXHIBITS	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – TOWN AID ROAD FUND	C-9	133
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – USE OF SCHOOL FACILITIES FUND	C-10	134
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – POLICE SPECIAL SERVICES FUND	C-11	135
FIDUCIARY FUNDS		
COMBINING STATEMENT OF FIDUCIARY NET POSITION – PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS	D-1	138
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS	D-2	139
OTHER INFORMATION		
PROJECT LENGTH SCHEDULE OF EXPENDITURES – PROJECT BUDGET AND ACTUAL – CIFA FUND	E-1	142
PROJECT LENGTH SCHEDULE OF EXPENDITURES – PROJECT BUDGET AND ACTUAL – CAPITAL AND NONRECURRING EXPENDITURES FUND	E-2	144
LONG-TERM DEBT OBLIGATIONS – SCHEDULE OF BOND MATURITIES	E-3	145
STATISTICAL SECTION		
	TABLES	
FINANCIAL TRENDS		
NET POSITION BY COMPONENT	1	149
CHANGES IN NET POSITION	2	150
FUND BALANCES OF GOVERNMENTAL FUNDS	3	151
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	4	152

**TOWN OF AVON, CONNECTICUT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

TABLES

REVENUE CAPACITY

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	5	154
DIRECT AND OVERLAPPING PROPERTY TAX RATES	6	155
PRINCIPAL TAXPAYERS	7	156
PROPERTY TAX LEVIES AND COLLECTIONS	8	157

DEBT CAPACITY

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA	9	158
LEGAL DEBT MARGIN INFORMATION	10	159
DEBT STATEMENT	11	160
CURRENT DEBT RATIOS	12	161
SCHEDULE OF DEBT LIMITATION	13	162

DEMOGRAPHIC AND ECONOMIC STATISTICS

DEMOGRAPHIC AND ECONOMIC STATISTICS	14	163
PRINCIPAL EMPLOYERS	15	164

OPERATING INFORMATION

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM	16	165
OPERATING INDICATORS BY FUNCTION/PROGRAM	17	166
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM	18	167

INTRODUCTORY SECTION



Town of Avon

60 West Main Street
Avon, Connecticut 06001-3719
(860) 409-4300 • www.avonct.gov

December 19, 2023

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

Connecticut State Statutes require that all municipal entities publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Town of Avon for the fiscal year ended June 30, 2023.

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

The Town's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Avon's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Avon was part of 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.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Avon

Avon, formerly Northington, or North Parish of Farmington, was settled in 1645. In 1830, after the construction and opening of the Towpath Canal, Avon was incorporated as a separate Town and took its name from the Avon River in England. Avon is located approximately ten miles west of metropolitan Hartford, has a land area of 23.2 square miles according to the 2016 Plan of Conservation and Development and an estimated population of 18,871 according to figures reported by the U.S. Department of Commerce (the United States Census).

The topography of Avon is varied. The high-lands are in the easternmost portion of the Town and Avon Mountain, which is on the border of Avon and West Hartford, is the most prominent feature with a peak elevation of 950 feet above sea level. Over 93% of Avon is currently developed for or dedicated to housing, commercial, industrial, institutional, recreation, and open space uses. Approximately 6.5% of the Town is comprised of privately owned land, which is currently undeveloped. Some of this undeveloped land is comprised of highly regulated floodplain, wetlands, and steep slopes. Of an approximate total land area of 14,968 acres, approximately 2,519 acres (17%) are mapped wetlands, and approximately 3,204 acres (21%) are categorized as open space. The Farmington River flows south through the western portion of town and then conversely flows north through the eastern portion of town. This watercourse represents a major recreational, aesthetic, and conservation resource.

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

The median home value in Avon is approximately \$383,800. The majority of these homes are single family residences, with about 14% of the residential base being made up of condominiums.

Roughly 7,894 acres of land have been developed for residential purposes resulting in 5,361 single family, 1,829 condominiums, and 398 apartments. Approximately 616 acres of land have been developed for commercial and industrial uses. At present, there are approximately 2,498 active businesses located in Avon. The Town's two business parks still have remaining undeveloped land which can support about 400,000 square feet of additional office and industrial space and 150,000 thousand square feet of retail space.

Avon is served by Connecticut Routes 10, 44 (Albany Turnpike), 167, 177, and 202 (16 miles of state roads) that provide thoroughfare access to the 112.4 miles of Town roads and 23.3 miles of private roads. Interstate 84, a major east-west limited access highway, lies six miles to the south. Numerous public and private passenger and freight common carriers serve the Town. Bradley International Airport is a half-hour drive to the north. A passenger and freight rail service is available in Hartford, ten miles to the east.

The Town of Avon provides municipal services in the functional areas of police, a volunteer fire department, public works including engineering, health and social services, recreation and parks, library, planning and community development including zoning, and a K-12 public education system. The Town has no sewer treatment facility of its own, but instead contracts with the neighboring towns of Canton, Farmington, and Simsbury for treatment of sewage effluent. The Town adopts an annual budget for its General Fund, Sewer Fund, Capital Improvement Fund Account (CIFA) Fund, Capital and Nonrecurring Expenditures Fund (a nonmajor Capital Projects Fund), and ten nonmajor Special Revenue Funds: Forest Park and Open Space Management, Police Special Services, Town Aid Road, Recreational Activities, Local Capital Improvement Program, American Rescue Plan Act Grant, State and Federal Education Grants, Cafeteria, Use of School Facilities, and Technology Protection Plan. The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget, which is approved at a budget referendum.

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

Local Economy

Avon is a desirable low-density suburban community with excellent schools and a high standard of living. Avon continues to experience a moderate increase in the number of new home permits. In fiscal year 2022-2023, a total of 10 new, single-family homes were permitted. Residential and commercial permits continue to remain steady, with the number of plan reviews and inspections required remaining very high.

As of June 2023, the Town's unemployment rate of 3.5% compares favorably to the state's rate of 4.0%. Avon's per capita personal income is \$79,349, versus the state's average, which is \$47,869.

Avon is fortunate to have a well-balanced diverse mix of business and industrial uses, medical services, and a variety of quality housing.

Major industries with headquarters or divisions located within the Town of Avon include Oldcastle Infrastructure, Inc., concrete product supplier; Connecticut-On-Line Computer Center, a centralized computer facility for northeast banks; Ironwood Capital Management; PMP Corporation; Legere Group, woodworking; OFS Optics, a fiber optics manufacturing facility; and Orafol Americas Inc. of Germany World Headquarters (located in Avon Park South). Several major medical or insurance-related companies are also located in Avon including Magellan Health; Avon Health Center, Inc.; Ballentine Capital Management, Inc.; Apple Health Care Inc.; Adams and Knight Inc., integrated marketing agency; ERC Long-Term Care Solutions; and the Research and Development Center for Hubbel Incorporated.

The Town's central business district currently enjoys a 93% occupancy rate with a variety of specialty shops and commercial businesses. Presently, there are more than 1,000,000 square feet of existing retail space, 950,000 square feet of office space, and 600,000 square feet of manufacturing space primarily with access along Route 44, with average daily traffic volume between 19,500 and 28,900 vehicles. Town estimates there are roughly 400,000 square feet of future expansion availability evenly split between office and industrial with about 150,000 square feet of possible future retail expansion. There are nine bank branch offices located in Town including several national and community-based banks. Avon is home to three championship golf courses, two private and one public. There is a wide array of medical services available in Town, including the Avon Wellness Center, a 75,000-square foot facility operated by Hartford Hospital, the Saint Francis Hospital Medical Center housed in a 25,000 square foot facility, the 20,000 square foot Helen and Harry Gray Cancer Treatment Center operated by Hartford Hospital, the Hartford Healthcare GoHealth Urgent Care Center, and the Hartford Healthcare Medical Group office operating in a 20,000 square foot building. Avon also has a senior housing community called the Residence at Brookside to offer independent, assisted, and memory care living.

Large projects that have recently been completed include multiple tenant fit outs in the Avon Village Center and a new HomeGoods at 315 West Main Street. Additional work has also been completed as part of the ongoing Avon Village Center project. The Whole Foods building is complete and in operation. Four additional buildings housing a variety of retail uses are also complete and in the process of being occupied. The bike trail is in full use and is complemented with public restrooms, a water fountain, bike racks, and a restful small park with a special boulder garden. Phase 1A landscaping is fully installed and is being maintained by the Village Center developer. Final property transfers for roadway ownership are also underway, to be completed soon.

The Avon Historical Society had another eventful year in fiscal year 2022-2023. The "Unearthing History" webinar series continued with a grant from the Lower Farmington and Salmon Brook Wild & Scenic committee. This project focuses on the time of a 12,500-year-old Brian D. Jones Paleoindian Site discovered in 2019 along the Farmington River and is managed in partnership with the Avon Free Public Library and Avon Senior Center. Other partners include the Avon Land Trust, Farmington River Watershed Association, and Institute for American Indian Studies. Additionally, the Avon Library won a federal grant, "Save America's Treasures", to access and properly archive over 800 items in the Society's collection. All information will be uploaded to the CT Collections database, a partner program of CT Digital Archive which already has over 10,000 scanned and uploaded items from the Marian Hunter History Room collection. The Town of Avon, in partnership with the Avon Historical Society, is also well into the renovations of a 200-year-old one room schoolhouse located at 8 East Main Street to become The Avon History Museum in 2024. It will include an exhibit on the Brian D. Jones Paleoindian site as well as covering 400 years of local history. Thanks to many private donations, and funds from the Town as well as from the American Rescue Plan Act, the cellar was renovated and the exterior has new siding, windows, HVAC, electrical and fire system installed.

The Avon Police Department proudly serves the citizens of Avon with respect, dignity, equality, compassion, and professionalism. The Avon Police Department is a nationally accredited law enforcement agency, as well as earning accreditation from the State of Connecticut, and has continuously earned national accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. since 1993. Avon Police Officers are the first responders for medical calls and all Officers are Emergency Medical Responders. All Officers are equipped with body-worn cameras and all marked cruisers are outfitted with dashboard cameras. In the fiscal year 2022-2023, Police Officers responded to 2,110 medical calls throughout Town. The Town of Avon is served on a 24-hour, 7-day a week basis by a paramedic ambulance, provided by American Medical Response.

The October 1, 2021 Grand List increased by \$67,139,515 to \$2,667,772,547, or an increase of 2.58%, from the 2020 Grand List of \$2,600,633,032. The Town conservatively budgets revenues, such as building permit and conveyance fees, which are dependent on the economy and market conditions. Building permits issued for fiscal year 2022-2023 indicate a total value of \$51,393,842. The Town is not highly dependent on State revenues as they represent just 3.88% of the Town General Fund's total revenues (excluding the amount of "on-behalf" contributions made by the State to the Connecticut State Teachers Retirement System), and because the Town's budget process occurs much earlier than the State's budget schedule, it forces the Town to estimate grants based upon the legislative estimates provided at that time. This approach has worked well for the Town.

As the Town physically matures, and growth begins to slow, the emphasis will change from accommodating growth through the expansion of Town and School facilities, to maintenance and upkeep of existing facilities. Future development will focus on infill rather than straight green field development. The current mix of 70% single-family homes and 30% multi-family homes has generally served the Town well and has provided opportunities for buyers and renters at varying levels of income and ages. Avon is recognized as a desirable community in which to live.

Over the most recent ten-year period, expenditures in the public safety function grew 37%, due to town growth and increased demands for services; public works expenditures grew 56%, also attributed to town growth and increased demands for services and road maintenance; and health and social services expenditures grew by 34%, due to increased numbers and client services. Expenditures for the Board of Education function grew by 26%, which is primarily due to transportation and labor contracts; all compared with a 40% increase in total Town expenditures.

Avon was given an A+ grade in Niche's 2023 "Best Places to Live" in Connecticut, and maintained its high ranking, coming in at #5 in Niche's 2023 "Best" for suburbs to buy a house in Connecticut. Families with children seek access to Avon's excellent school system, and an increasing number of older active adults have kept housing prices relatively stable. The Town expects a greater demand in the future for services and a variety of alternative housing choices for seniors as a result of changing demographics. This trend will include a demand for smaller housing units near services and shopping, active adult and senior living facilities, and specialized transportation. A predicted drop in school-age population, a projected reduction in total debt, and increased tax revenues from the 1.2M square-foot Avon Village Center mixed-use project, should result in a favorable situation over the next planning period, permitting the Town to continue to offer a top tier educational system and high quality services, while maintaining a modest tax rate. Commuters passing through Avon, the employees of our businesses, the patrons of our stores, health facilities, tourists and professional offices, the inflow and outflow results in more traffic, leading to additional demands for services and increased use of our municipal infrastructure.

Avon's Public Schools continue to be recognized as one of the most outstanding communities for education in the State of Connecticut. A rigorous curriculum, outstanding teachers, and a community invested in high quality education provide students with the foundation needed to be successful in their future endeavors. Avon High School, with just under 1,000 students, is consistently ranked among the most competitive high schools at both the state and national levels. In the graduating class of 2023, Avon High School had 13 students commended in the 2023 National Merit Scholarship Program, as well as 2 semi-finalists. Avon Students continued to perform well in standardized testing, with Avon High School's SAT scores ranking 9th in the State for English/Language Arts and 7th in the State for Math. Avon High School offers 46 advanced placement/early college experience courses, as well as 45 clubs/organizations and 31 varsity sports. The graduation rate at Avon High School for the class of 2023 was 98%. To ensure Avon's students are taught using current and relevant curriculum, content areas are constantly being reviewed.

Niche, an on-line source that provides in-depth profiles on every school and college in America utilizing powerful search and data tools has ranked the community of Avon the twelfth Best Place to Live in CT due in part to its highly rated public schools; giving an A+ rating for Avon High School and an A rating for Avon Middle School, Thompson Brook School, Pine Grove School, and Roaring Brook School. In the latest edition of *US News & World Reports*, Avon High School received a score of 95.66 out of 100 and ranked 768 in the national ranking of all high schools in the nation; 16th in Connecticut.

Long-Term Financial Planning

Avon recognized the value of allowing residents a realistic methodology to estimate changes in the Grand List, and in their individual property values, and project tax impacts of additional town borrowings over various periods of time. In a collaborative effort between the three boards (Town Council, Board of Finance, and Board of Education), Town management and the Town's financial advisor, a "formula" was developed whereas residents and business can visit the town website, enter in their individual assessed values, and obtain an estimate of the additional tax payments that would be required to cover the cost of any proposed bonding projects. The Town expanded this methodology by creating a tax calculator that allows residents to view the impact of the revaluation of property when it occurs and for every proposed budget, including the 2022-2023 fiscal year.

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

On March 15, 2016, the Town closed on \$11.4 million General Obligation Refunding Bonds. In a refunding, future interest payments cease, and principal payments are refinanced through a bond issue at lower interest rates. The bonds were sold on a negotiated basis, and an independent Pricing Agent was retained to assure that the best rate available on the day of pricing was attained. The refunding will result in a total savings of \$385,413 over the span of fiscal years 2016 through 2027.

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

The Town held a Special Town Meeting on January 24, 2023, at which point the purchases of two fire apparatus were approved: a ladder truck and a fire engine with authorized funding of \$2,172,000 and \$1,259,000, respectively. The Town anticipates issuing debt to fund these purchases closer to when these two fire apparatus will be delivered.

Relevant Financial Policies

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

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

A trust fund for other post-employment benefits was created, which allows the Town to invest more aggressively for this liability. The pension investment advisor makes recommendations as to how the money is invested and the Ad Hoc Pension Investment Advisory Committee reviews the recommendation before approval and implementation. In 2018 the Investment Policy Statements (IPS) for the Town and the Board of Education were amended to rebalance between equities and fixed income in order to perform to the actuarial investment return assumptions. The Retiree Medical Benefits Reserve Fund, which was created pursuant to the authority granted under Section 7-403a of the Connecticut General Statutes, will continue to exist until exhausted with a portion transferred to the trust fund on an annual basis to supplement the budgeted amount. As of the end of fiscal year 2022-2023 there is \$4,800 remaining in this fund.

The Town has acted to establish policies regarding Fund Balance. On December 6, 2001, the Town Council adopted a policy to establish, as a goal, a 10% Unreserved/Undesignated General Fund Balance (this has been interpreted as "Unassigned" General Fund Balance since the issuance of GASB Pronouncement Number 54). There was no budgeted use of Unassigned General Fund Balance included in the fiscal year 2022-2023 budget. Even in the face of increasing operating costs for the Town government, Avon has been able to maintain an adequate surplus in its General Fund. To further manage this surplus, the Board of Finance adopted a policy on the use of surplus funds in December of 2006.

Use of the funds may be granted by the Board after receiving a showing of substantial support by the requesting authority and finding that “such use will meet an extraordinary need or unusual opportunity.”

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

Per State law, each approved subdivision must contribute a portion of the total property to the Town as dedicated open space or make a payment to the Town in lieu of this land dedication. The Open Space Fund is currently \$923,783; its purpose is for the acquisition of open space in other areas of the Town. The Town is constantly looking to acquire open space when it makes sense and is reasonably priced.

Major Initiatives

The improvement of facilities and infrastructure through the Capital Improvement Program was a priority during fiscal year 2022-2023. The project to construct a 600 square foot addition to the Town Clerk’s vault kicked off in September 2022 and is substantially complete. This project was required to provide storage for the Town’s records and comply with the guidelines of the state Public Records Administrator for a community of Avon’s size.

Improvements to the building at Countryside Park got underway in fall 2022 and work continues as of this writing. The project features interior and exterior renovations to preserve the structural integrity of the building, accessibility improvements to meet current ADA requirements, and aesthetic improvements. The project is being funded by a \$540,000 capital budget appropriation and much of the work is being completed by the Town’s Department of Public Works staff in order to keep costs low. The Town expects to reopen the building for recreation programs and private rentals in fiscal year 2023-2024.

The courtyard at the Avon Free Public Library has been restored after being excavated several years ago to allow the Town to address issues with the geothermal HVAC system. The new courtyard includes a new drainage and gutter system, a patio of pervious pavers and commemorative donor bricks salvaged from the original courtyard, landscaping, and a pergola that can be used for shade and as a stage during library programming. The project, which was completed in June 2023, was funded by an available balance that remained in the project account after the replacement of the geothermal system. The result is a visually appealing and functional centerpiece for the Town’s beautiful Library.

The maintenance and improvement of the Town’s 112 miles of local roads continued in accordance with the Pavement Management Plan. Funding in the amount of \$1,742,197 was appropriated for this purpose with \$1.5 million coming from the Town’s American Rescue Plan Act grant entitlement, and the balance coming from State grants. Cider Brook Road, Bishop Lane, Chidsey Road, Columbus Circle, Paper Chase Trail, Hurdle Fence Drive, Briar Hill Road, Stagecoach Road, High Gate, Wyngate, Old Mill Road, Pine Hill Road, Thompson Road, Fox Den Road, Northgate, and Old Wood Road were improved this year, as well as the entrance to Fire Company #4 and the Pine Grove School parking lot.

The capital budget included \$525,000 in projects for Board of Education facilities. Funding was appropriated for an emergency generator for Roaring Brook School, the replacement of the fire alarm and emergency notification system at Pine Grove School, district wide security improvements, the replacement of interior locks (phase one), and architectural services for the replacement of a section of the high school roof.

In light of the current fiscal reality, the Town of Avon continues to proactively investigate the most effective and efficient means of providing services to our residents. The Town works with independent advisors and consultants as necessary and utilizes private contractors when economical. All contracts are routinely reviewed and competitively bid to ensure that the Town is achieving the best service at the lowest possible cost and the Town regularly participates in regional and cooperative bidding to leverage group purchasing power. The Town also continues to explore new opportunities for inter-local cooperation, and currently partners with neighboring municipalities to share a number of services.

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, 2022. This was the fortieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

In addition, the GFOA presented a Distinguished Budget Presentation Award to the Town of Avon for its annual budget for the fiscal year beginning July 1, 2023. This was the thirty- ninth consecutive year that the government has achieved this prestigious award. In order to receive this award a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Respectfully submitted,



Tom DiStasio, CPA
Director of Finance

**TOWN OF AVON
PRINCIPAL OFFICIALS
AT JUNE 30, 2023**

TOWN COUNCIL

Don Polhamus, Chairperson
Barbara Ausiello Heather Maguire
Jason Indomenico Anthony Weber

BOARD OF FINANCE

Catherine Salchert, Chairman
Margaret Bratton Charles Harvell, Vice-Chair
Carl Gisnarian Houston Putnam Lowry, Secretary
Brian Loveless Ellen Retelle

BOARD OF EDUCATION

Debra Chute, Chairperson
Jacqueline Blea Jeffrey S. Fleischman
Lynn Katz Liz Sommerkorn
Nicole Russo Sarah Thompson
Thej Singh Laura Young

GENERAL GOVERNMENT

Town Manager	Brandon Robertson
Town Accountant	Laurie Dorn
Town Attorney	Alfred E. Smith, Jr.
Town Clerk	Nick Hogan
Town Engineer	Lawrence E. Baril
Town Planner	Hiram Peck
Director of Finance/Treasurer	Thomas G. DiStasio
Director of Human Resources	Stephanie Askeland
Director of Recreation & Parks	Ruth Checko
Director of Social Services	Alan E. Rosenberg
Director of Public Works	Bruce Williams
Assessor	Harry DerAsadourian
Building Official	Vacant
Collector of Revenue	Halaree Monnerat
Librarian	Glenn Grube
Director of Police Services	Paul J. Melanson
Fire Chief	Bruce Appell

EDUCATION

Superintendent of Schools	Dr. Bridget Heston Carnemolla
Business Manager	Susan Russo



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Avon
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Avon, Connecticut

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Town of Avon, Connecticut's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Avon, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Avon, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Avon, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Avon, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Avon, Connecticut's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of Finance
Town of Avon, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of the Town of Avon, Connecticut’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Avon, Connecticut’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Avon, Connecticut’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 19, 2023

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

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, 2023. 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 and deferred outflows of resources of the Town of Avon exceeded its liabilities and deferred inflows at the close of the 2023 fiscal year by \$125,249,584 (net position). Of this amount, a negative value of \$6,942,865 represents the portion that is unrestricted, which is primarily attributable to the recognition of long-term liabilities for pension and other postemployment benefits (OPEB) on a government-wide basis as required by GAAP.
- Total net position increased by \$12,881,526 due to increases in charges for services, operating grants and contributions, and investment income, as well as a decrease in the pension and OPEB liabilities. Board of Education expenses increased due to the recognition of “on-behalf” contributions to the state teachers’ retirement program and OPEB. An equal amount of revenue associated with these “on-behalf” contributions offsets the recognition of these expenses and is included in the operating grants and contributions program revenue category.
- As of the close of the current fiscal year, governmental funds reported combining ending fund balances of \$39,206,048, an increase of \$5,638,619 from last year’s \$33,567,429. Of this total amount, \$317,319 is nonspendable (prepaid and inventory), \$1,462,996 is restricted by governmental grant requirements or other legal restrictions, \$16,108,870 is committed by the Town Council (budget-making authority), \$6,824,821 is assigned, and \$14,492,042 (\$14,673,859 of which is part of the General Fund) is available for spending at the government’s discretion (unassigned fund balance). The (\$181,817) unassigned fund balance in “nonmajor governmental funds” is a negative amount due to grants recorded to the State & Federal Education Grants Fund as deferred inflows, as a result of the fact that the funds due to the government were not received within 60 days of year-end.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,673,859 or 14.56% of total General Fund expenditures and transfers out of \$100,796,891, excluding the State’s contribution and offsetting expenditures for teachers’ retirement and OPEB (\$10,293,051). If the contributions and expenditures pertaining to teachers’ retirement and OPEB were included in this calculation, the unassigned fund balance for the General Fund would be 13.21% of total General Fund expenditures and transfers out of \$111,089,942.
- An appropriation from the General Fund unassigned fund balance totaling \$375,000 was approved during the current fiscal year to purchase property. General Fund unassigned fund balance will be replenished for the use of this amount in Fiscal Year 2023/2024 through budget appropriations. There were no instances in which the use of General Fund unassigned fund balance was approved without a plan to replenish the entire use having been previously established.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

Overview of the Basic Financial Statement

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

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

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

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

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

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

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

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

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

The Town maintains various individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund Account (CIFA) Fund, and American Rescue Plan Act (ARPA) Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund and several Special Revenue Funds. Budgetary comparison statements have been provided for each of these funds to demonstrate compliance with this budget.

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

Proprietary Fund. The Town maintains one type of proprietary fund, which is an internal service 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 V through VII of this report.

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

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

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 35-91 of this report.

Required Supplementary 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 93-111 of this report.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

Combining & Individual Fund Statements and Schedules. Combining statements in connection with Governmental Funds, including the nonmajor governmental funds referred to earlier, and Fiduciary Funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 114-139 of this report.

Other Information. Schedules pertaining to the budget and actual activities of the Town's existing capital project accounts in the CIFA Fund and the Capital & Nonrecurring Expenditures Fund are presented directly after the combining and individual fund statements and schedules. These schedules are followed by a schedule of the Town's bond maturities. Other information can be found on pages 142-145 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Avon, our assets exceeded liabilities by \$125,249,584 at the close of the most recent fiscal year.

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

The Town's net position also reflects Deferred Outflows of Resources in the amount of \$7,418,191 primarily relating to the Town's Pension and OPEB liabilities; as well as Deferred Inflows of Resources in the amount of \$19,712,541 relating to advance collections of property tax and sewer use fees, as well as Pension and OPEB liabilities.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

	Governmental Activities	
	2023	2022
Current Assets	\$ 52,982,854	\$ 46,205,531
Capital Assets, Net of Accumulated Depreciation	142,429,646	144,104,737
Noncurrent Assets	-	-
Total Assets	195,412,500	190,310,268
 Deferred Outflows of Resources	 7,418,191	 7,435,735
 Long-Term Liabilities Outstanding	 47,564,595	 67,253,800
Other Liabilities	10,303,971	9,400,767
Total Liabilities	57,868,566	76,654,567
 Deferred Inflows of Resources	 19,712,541	 8,723,378
 Net Position:		
Net Investment in Capital Assets	130,427,683	128,812,896
Nonexpendable - Purposes of Trust	103,230	90,816
Expendable - Purposes of Trust	-	-
Grants	1,465,027	1,020,997
Debt Service	196,509	-
Net Pension Asset	-	176,520
Other Purposes	-	-
Unrestricted	(6,942,865)	(17,733,171)
Total Net Position	\$ 125,249,584	\$ 112,368,058

The Town's net position increased by \$12,881,526 during the current fiscal year. Of this amount, a negative value of \$6,942,865 represents the portion that is unrestricted, which is primarily attributable to the recognition of the pension obligation and the recording of the net OPEB liability as required by GAAP. The Town generated net general revenues of \$95,469,395 and net general expenses of \$82,587,869. Gross expenses of \$113,903,125 were offset by \$9,117,736 in charges for services, \$22,059,373 in operating grants and contributions, and \$138,147 in capital grants and contributions. Of the net expenses, the largest amount was \$61,607,033, which was for the operating of the Town's school system.

Net public safety expenses of \$10,238,865, net public works costs of \$5,454,586, net educational - cultural expenses of \$1,851,550, net general government costs of \$1,092,376, net recreation and parks expenses of \$963,828, net health and social services expenses of \$682,054, net conservation and development costs of \$531,596, and interest expense of \$165,981 accounted for all net expenses. The majority of the Town's revenue was \$92,639,286 in property taxes, \$31,315,256 in charges for services and grants allocated to specific programs, and \$2,830,109 in grants not restricted to specific programs, investment income, miscellaneous, and transfers.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

Governmental Activities. Governmental activities increased the Town's net position by \$12,881,526. Key elements of this decrease are as follows:

	Governmental Activities	
	2023	2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 9,117,736	\$ 7,581,281
Operating Grants and Contributions	22,059,373	13,360,905
Capital Grants and Contributions	138,147	630,409
General Revenues:		
Property Taxes	92,639,286	89,773,279
Grants and Contributions Not Restricted to Specific Programs	280,825	337,053
Investment Income	2,014,112	148,310
Miscellaneous	535,172	687,816
Total Revenues	126,784,651	112,519,053
Program Expenses:		
General Government	4,138,274	4,297,315
Public Safety	10,644,920	11,601,624
Public Works	10,732,371	18,347,246
Health and Social Services	715,982	625,171
Recreation and Parks	1,548,815	1,423,973
Education - Cultural	1,851,963	1,891,374
Conservation and Development	543,738	627,156
Board of Education	83,561,081	74,047,519
Interest Expense	165,981	137,385
Total Program Expenses	113,903,125	112,998,763
Change in Net Position	12,881,526	(479,710)
Net Position - Beginning of Year	112,368,058	105,901,645
Restatement	-	6,946,123
Net Position - Beginning of Year, as Restated	112,368,058	112,847,768
Net Position - End of Year	\$ 125,249,584	\$ 112,368,058

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

On the revenue side, Property taxes, which comprises 77.6% of Town revenues, increased by \$2,866,007 (3.19%) to \$92,639,286 due to increases to the Town's grand list (2.58%) and increased collections of interest and penalties. The mill rate increased 1.17% over the prior year and was set to meet an adopted budget expenditure increase of 4.92%. Charges for services saw an overall increase of \$1,536,455 (20.27%). The Board of Education's charges for services increased as a result of an increase to special education interdistrict tuition receipts and cafeteria sales. These increases pertain to increased costs associated with providing services to students with special education needs and the expiration of pandemic related grant programs that were previously implemented to offset the cost of school meals being charged to students, respectively. General government reported a decrease in recording and conveyance revenues of \$252,658 (27.93%). This decrease is the result of changes to the overall economic conditions associated with the housing market when compared to the previous year. Recreation and parks reported an increase of \$54,356 (10.24%) in program revenue that was driven by program fees collected through the Recreational Activities Special Revenue Fund. Operating grants and contributions increased by \$8,698,468 (65.10%) primarily due to the recognition of revenue received through the American Rescue Plan Act, which amounted to \$1,771,268, representing a \$1,056,343 (147.76%) increase over the previous year and an increase in the State contributions for teachers pension and OPEB of \$5,793,657. Additionally, in fiscal year 2022/2023 the Town received a Motor Vehicle Tax Reimbursement grant from the State of Connecticut in the amount of \$376,878 to make up for the revenue lost as a result of the establishment of a statewide cap on the mill rate that can be applied to motor vehicles. Offsetting this increase is a decrease in intergovernmental grant revenues in the School Cafeteria Fund, which can be tied to a reduction in federal grant support received through the National School Lunch Program as a result of the expiration of program expansions that were in place during the pandemic. Capital grants and contributions decreased by \$492,262 (78.09%) as a result of fiscal year 2021/2022 activity that did not take place in fiscal year 2022/2023. Investment Income increased by \$1,865,802 as a result of interest rate increases that began prior to the end of fiscal year 2021/2022 and continued throughout fiscal year 2022/2023. Miscellaneous revenues decreased in the amount of \$152,644 (22.19%) due to unexpected one-time revenues that were received in fiscal year 2021/2022, but not in fiscal year 2022/2023.

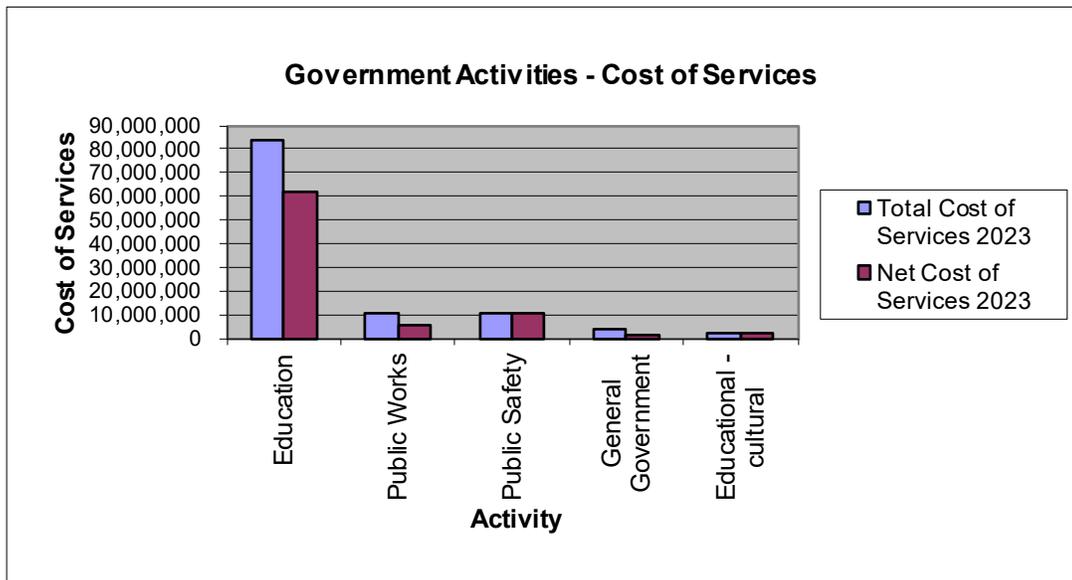
Major program expenses in fiscal year 2022/2023 for general government, recreation and parks, and education-cultural were generally consistent with those of fiscal year 2021/2022, with variances of less than 10% from one year to the next in each program. Public safety, public works, and conservation and development costs decreased by \$956,704, \$7,614,875, and \$83,418, respectively, due to the effects of adjustments to record liabilities, deferred inflows, and deferred outflows associated with the Town's pension and OPEB plans. Offsets to these decreases include increased expenses associated with police overtime and medical insurance funding across all departments. Overall, Town operating expenditures were consistent with budgeted expectations in fiscal year 2022/2023, as indicated by the positive variance of \$307,593 (1.06%) noted on the schedule for RSI-2 located on pages 96 and 97 of this document. The Board of Education's program expenses increased \$9,513,562 primarily due to the recording of adjustments for the "on-behalf" payments made by the State towards the teachers' retirement and OPEB benefits. Interest expense showed an increase of \$28,596 due to the decrease in the amortization of bond premiums that offsets interest expense incurred during the year.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

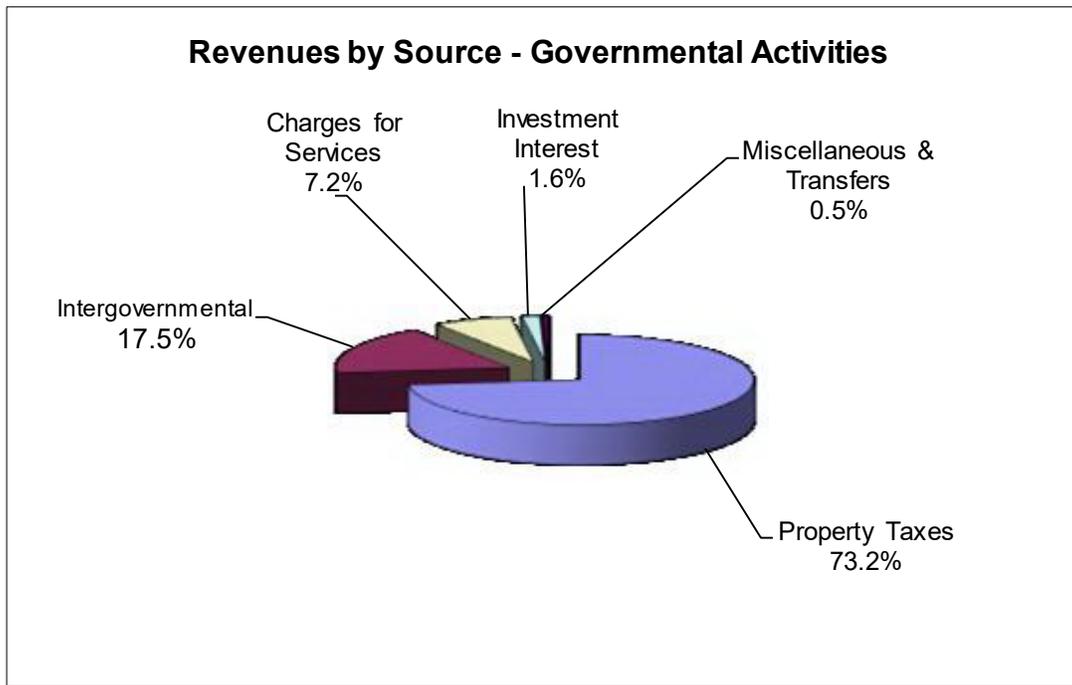
There continues to be community expectations for a consistent, predictable rate of tax growth with accompanying requests for additional and higher quality services by our residents. In response to these trends, the Town's budget included a mix of initiatives, which are designed to reduce taxpayer costs in some areas, but also increase services where needed in others. Some examples are continued restructured staffing arrangements, continued cross training of staff, a continued effort to shift the cost of recreation activity and park maintenance costs from the General Fund to be supported by user fees in the Recreation Activities Fund (Special Revenue Fund), and continued coordination with area towns for shared services arrangements.

The Town has undertaken a conscious policy of trying to restrain the rate of growth in the number of people employed by the Town by seeking alternative methods of service delivery. This has been done by establishing contractual relationships for landscaping and custodial work, bidding snowplowing/sanding on some roads, and contracting certain landfill recycling programs.

The following chart presents the costs of each of each of the Town's five largest programs as well as each program's net expenses (total expenses less revenues generated by the activities). The net expenses show the financial burden that was placed on the Town's taxpayers by each of these functions.



**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**



The majority of Avon's operating revenues come from property taxes levied on residents' homes, commercial and personal property, and motor vehicles. Roughly 62% of the service charges, \$5,544,508, are generated by public works, recreation and parks, and general government. The Board of Education contributed \$3,307,393 or 36% in service fees as well. Avon has never been reliant on state and federal grants to contribute significantly to total revenues; however, grant funds are helpful in offsetting the amount of revenue required to be generated by the property tax levy.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, our governmental funds reported combined ending fund balances of \$39,206,048, an increase of \$5,638,619 in comparison with the prior year. Of this total amount, \$317,319 is nonspendable (prepaid and inventory), \$1,462,996 is restricted by governmental grants or other legal restriction, \$16,108,870 is committed by the Town Council (budget-making authority), \$6,824,821 is assigned, and \$14,492,042 (\$14,673,859 of which is part of the General Fund) is available for spending at the government's discretion (unassigned fund balance). In Nonmajor Governmental Funds, (\$181,817) of unassigned fund balance available for spending at the government's discretion, is a negative amount due to \$181,817 of grant funding that is recorded as a deferred inflow of resources due to the fact that the funds were not received within 60 days of year-end.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$14,673,859, while total fund balance reached \$21,602,445. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.21% of total General Fund expenditures and transfers out of \$111,089,942, while total General Fund balance represents 19.45% of that same amount.

The fund balance of Avon's General Fund increased by \$2,787,034 during the current fiscal year. The key factors contributing to this increase were intergovernmental revenues and investment income that exceeded budgeted projections, along with favorable expenditure variances in every department. At the end of fiscal year 2022/2023, additional fund balance assignments were approved for funding future OPEB plan contributions (\$150,000), funding future defined benefit pension contributions (\$200,000), funding the future replacement cost of existing capital assets (\$32,066), funding future Board of Education expenditures (\$100,588), funding a capital reserve for future capital costs (\$500,000), and funding road improvements (\$1,600,000). These assignments were offset by favorable revenues and positive expenditure variances. It should be noted that there was one appropriation made during the year requiring the use of unassigned fund balance. This appropriation amounted to \$375,000 and was to fund an unanticipated opportunity to purchase a piece of property. Unassigned General Fund Balance will be fully reimbursed for this amount through a fiscal year 2023/2024 appropriation. Encumbrances from fiscal year 2022/2023 in the amount of \$1,883,755 are authorized to be carried over to the following fiscal year and are classified as assignments in the General Fund.

The Capital Improvement Fund Account (CIFA) Fund is one of Avon's major governmental funds. Most of the Town's major capital expenditures are processed through this fund. Bond anticipation notes (BAN) and bond proceeds are also accounted for in the CIFA account. In fiscal year 2022/2023, the CIFA fund balance increased by \$1,543,973, from \$6,907,017 to \$8,450,990. This was primarily due to transfers being made into the fund for new and ongoing capital projects in excess of the expenditures incurred by the fund for project work being completed throughout the year. Major transfers into the CIFA Fund made during fiscal year 2022/2023 included funding for road improvement projects, the Town Clerk Vault Expansion project, improvements to the facilities at Countryside Park, highway division equipment replacement, and the Pine Grove School Notification Alarm System project. As the Town's debt service obligations have decreased, budgeted funds have been shifted to the CIFA Fund to provide additional funding for cash "pay-as-you-go" projects. The CIFA Fund Balance of \$8,450,990 is committed for capital projects.

The American Rescue Plan Act (ARPA) Fund is also one of Avon's major governmental funds. This fund was established to track the receipt, appropriation, obligation, and disbursement of the Town's ARPA grant entitlement, which amounts to \$5,408,793. As of the end of fiscal year 2022/2023, the entire amount of the Town's ARPA entitlement has been received. As fund expenditures are recognized for the eligible uses identified by the U.S. Department of the Treasury, an equal amount of revenues is also recognized. The remaining ARPA grant entitlement amount that has been received but not recognized as revenue is recorded to an unearned revenue account balance. As of the end of fiscal year 2022/2023, this unearned revenue balance is \$2,922,600. Expenditures of \$1,771,268 were recognized in the ARPA Fund during the fiscal year, with significant amounts being incurred for road improvement projects, Town and Board of Education information technology projects, school district library carpet replacement projects, and Phase II of the Avon High School Rooftop Unit (RTU) Replacement project. The ARPA Fund Balance is \$0 as a result of the fact that revenue cannot be recognized until expenditures are incurred.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

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

The Net position of the Internal Service Fund at the end of the year amounted to \$1,670,596. The total change in net position for the fund was a decrease of \$373,566. Operating revenues for the fund, representing charges for services paid by the Town and Board of Education towards medical insurance, amounted to \$11,936,492. Operating expenses for medical costs were \$12,310,058.

General Fund Budgetary Highlights

The original budget of \$98,479,742 increased \$2,944,566 during the year to \$101,424,308. The significant supplemental and additional appropriations are noted below:

Revenues

- \$900,000 addition from General Fund Unassigned Balance for the internal service fund;
- \$750,000 addition from General Fund assignment for road improvements;
- \$375,000 addition from General Fund Unassigned Fund Balance for property acquisition;
- \$356,748 addition from intergovernmental grants for Open Choice revenues;
- \$200,000 addition from General Fund assignment for pension contributions;
- \$150,000 addition from General Fund Unassigned Fund Balance for debt service fund;
- \$150,000 addition from General Fund assignment for post-employment benefits;
- \$50,000 addition from a transfer in from the Post-Retirement Employee Medical Benefit Reserve Fund for post-employment benefits.

Expenditures

- \$900,000 to maintain an adequate reserve in the Medical Claims Internal Service Fund;
- \$750,000 for funding road improvement projects;
- \$375,000 for funding the purchase of property;
- \$356,748 for funding the programs and special education needs of Avon Public Schools;
- \$200,000 for funding Town employee retirement expenditures, all departments;
- \$150,000 for funding a transfer out of the General Fund to the Compensated Absences Debt Service Fund to fund future vacation and sick severance payouts;
- \$150,000 for funding Town employee future retiree health benefits, all departments;
- \$50,000 for funding Town employee future retiree health benefits, all departments.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

Of the increase, \$369,566 was funded from intergovernmental increases in various grants. Please see the fourth bullets under both Revenues and Expenditures in the “General Fund Budgetary Highlights” above for detail regarding the most significant of these increases. The remaining \$2,575,000 of the increase was funded from other financing sources, including various assignments. Please see the first, second, third, fifth, sixth, seventh, and eighth bullets under both Revenues and Expenditures in the “General Fund Budgetary Highlights” above for further detail regarding the most significant of these increases.

Capital Asset and Debt Administration

Capital Assets. The Town of Avon’s investment in capital assets for its governmental assets includes land, buildings and improvements, land improvements, equipment, vehicles, and infrastructure (roads, sewer lines, storm drains). The total net increase in our investment in capital assets for the current fiscal year was \$1,614,787 (1.25%). Multi-year projects carried in the capital asset category of construction in progress were transferred to their appropriate asset class, and there were additions in capital assets, which, after accumulated depreciation, diluted the capital asset addition amount.

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

- Road Improvement Projects, \$1,254,624;
- Town Clerk Vault Expansion, \$453,366;
- Highway Division Equipment Replacement, \$360,166;
- Countryside Park Improvements Project, \$262,727;
- Board of Education Information Technology Improvements, \$235,965;
- Town Building HVAC Repairs, \$195,206;
- Avon High School Rooftop HVAC Unit Replacements, \$191,981;
- Infiltration & Inflow Study, \$161,027;
- Reconstruction of Old Farms Road & Thompson Road, \$159,299.

	Governmental Activities	
	2023	2022
Land	\$ 9,765,390	\$ 9,765,390
Construction in Progress	6,740,316	4,773,044
Land Improvements	4,275,678	4,398,257
Buildings and Improvements	75,960,415	78,507,699
Equipment	6,159,955	6,410,007
Vehicles	4,574,687	4,645,543
Infrastructure	34,899,214	35,403,531
Right-to-Use Assets	53,991	201,266
	<u>53,991</u>	<u>201,266</u>
Total	<u>\$ 142,429,646</u>	<u>\$ 144,104,737</u>

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

Additional information on the Town of Avon's capital assets can be found in Note 3F on pages 52-53 of this report.

Long-Term Debt. At the end of the current fiscal year, the Town of Avon had \$12,290,000 of long-term general obligation bonded debt issued and outstanding. All of the Town's debt is general obligation and backed by the full faith and credit of the Town.

**OUTSTANDING DEBT
GENERAL OBLIGATION BONDS
JUNE 30, 2023**

Date	Purpose	Rate	Original Issue	Debt Outstanding	Date of Fiscal Year Maturity
October 30, 2012	AFPL Renovations, Additions, Improvements	2.00%	\$ 7,100,000	\$ 2,600,000	2028
March 15, 2016	General Purpose Refunding	2.00% to 4.00%	964,000	548,000	2027
March 15, 2016	High School Refunding	2.00% to 4.00%	9,423,000	5,351,000	2027
March 15, 2016	AMS Roof Refunding	2.00% to 4.00%	1,013,000	576,000	2027
July 18, 2018	Land Purchase 2018	1.75%	1,600,000	600,000	2026
June 16, 2020	Town and Public Safety Communication System Replacement Project	2.00% to 4.00%	280,000	223,573	2035
June 16, 2020	Avon High School Turf Field and Track Improvement Project	2.00% to 4.00%	2,995,000	2,391,427	2035
Total Bonds			<u>\$ 23,375,000</u>	<u>\$ 12,290,000</u>	

The Town of Avon's total debt decreased by \$2,535,000 (17.10%) during the current fiscal year due to the paying down of principal. Avon has earned the highest credit rating possible: "Aaa" from Moody's Investors Service, Inc., and "AAA" from Standard & Poor's, for all of its general obligation debt. The Town's credit rating was affirmed by both credit rating agencies: Standard & Poor's and Moody's in May 2020.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

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 \$94,193,744). For June 30, 2023, the maximum amount of borrowing permitted under the formula would be \$659,356,208. With net borrowings of \$19,331,000, the Town of Avon's outstanding general obligation debt is \$640,025,208 below the maximum debt limitation (see "Schedule of Debt Limitation" on Table 13 of this report).

Additional information on the Town's long-term debt can be found in Note 31 on pages 54-56 of this document.

Economic Factors and Next Year's Budget and Rates

The Town has successfully managed its budgetary operations through prudent, conservative fiscal management. The Town did not exceed the expenditure cap established by the State due to the increase in budgeted expenditures, net of excludable costs such as special education expenditures, coming in below the 6.18% rate of inflation in affect for fiscal year 2023/2024. The Town's adopted 2023/2024 budget did not use General Fund Unassigned Fund Balance as a revenue source to offset increases to the tax levy. The Town increased its budget for intergovernmental grants revenue based on recent experience and expectations for State grant receipts to remain generally level for fiscal year 2023/2024.

- The Net Grand List is expected to increase by 0.776%.
- Property tax collections will exceed 99% with the reserve for uncollectible at \$800,000.
- Assessment appeals and tax refunds will approximate 1% of tax revenues.
- Licenses, Fees, and Permits revenue for most of the Town accounts are level funded to the fiscal year 2022/2023 level. Building, Structure and Equipment fees, which are projected based on experience and estimates from the Building Department, will be budgeted at \$475,000, which represents a \$50,000 increase from fiscal year 2022/2023. Commercial permits with the number of plan reviews and inspections required are expected to remain high.
- Revenues from recording and conveyance fees, based on current sales of existing properties and current mortgage interest rates, are expected to remain level after peaking in fiscal year 2021/2022 and stabilizing in fiscal year 2022/2023.
- Discretionary and formulary grant revenues are expected to modestly increase in fiscal year 2023/2024. As such, the Town's adopted budget for fiscal year 2023/2024 reflects a net increase in State and Intergovernmental grants of \$1,080,794 (54.47%) in the General Fund when compared to fiscal year 2022/2023. This is due to the inclusion of budgetary amounts for the Motor Vehicle Tax Reimbursement grant, Municipal Grants-In-Aid, and Municipal Stabilization grant. These grants were budgeted at a combined total of \$889,439 despite not being budgeted at all in the previous fiscal year. Additionally, budgeted increases were included in fiscal year 2023/2024 for the Education Cost Sharing grant and Payment in Lieu of Taxes (PILOT) grant in the amounts of \$162,158 and \$50,692, respectively.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

The Connecticut State budget was signed by the Governor without major tax hikes, and without reducing overall aid to cities and towns. It is management's recommendation, however, to continue to budget conservatively for the Intergovernmental State Grants-In-Aid moving forward as the State will likely see revenue reductions in the future as a result of the depletion of pandemic related grant funding. Although Avon receives a small portion of its revenues from state grants, reductions in these grants do have an impact on Town services. The Board of Education recommended minor increases in various education grants accounted for in Special Revenue Funds. The Town's Special Revenue Funds reflect a decrease in budgeted intergovernmental grant funding through the ARPA Fund, for which most funding is approved through supplemental appropriations.

- Avon intends that user fees cover the majority of costs of certain services such as sewer use, sewer connection, landfill, recreational programs, and education programs. These fees are reviewed annually and reset according to expected usage and inflation. Review of recent and anticipated sewer use activity and Education program activity for current services warranted adjustments to their respective budgeted revenues. The base amount that will be charged to residents for sewer use in calendar year 2023 increased from \$515 per year to \$530 per year, which led to an increase in budgeted sewer use charges. Also, as a result of anticipated increases in the cost of special education services provided to students attending Avon Public Schools through the Open Choice Program, the Board of Education recommended a \$635,267 increase in special education tuition reimbursement revenue.
- The Town budgeted investment income at \$362,000 in fiscal year 2023/2024, which represents a \$162,000 (81.00%) increase from the previous year. This increase was made as a result of the recent increases in short term interest rates initiated by the Federal Reserve that are not anticipated to significantly decrease during fiscal year 2023/2024.
- Personal services (salary and benefits) expenditures will increase will by \$896,353 (4.24%) and will make up 73,99% of overall Town Operating expenditures. Overall wages increased by \$653,306 when compared to fiscal year 2022/2023. The Town operating budget reflects the addition of an IT Specialist position, resulting in the total number of full-time positions increasing from 112 to 113.
- Employee benefits have increased by \$237,824 (2.48%). The increase is caused by a number of factors including medical insurance funding, which increased by \$208,906 (10.73%). This was mitigated by the fact that 20 employees opted out of medical insurance coverage through participation in the Town's Health Insurance Waiver Program. There was a budgeted increase of \$99,000 (5.59%) in contributions towards other postemployment benefits (OPEB) associated with retiree health, which was supported by supplementing the budgeted amount with a contribution from the Post-Retirement Medical Benefits Reserve Fund in the amount of \$50,000.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

- Non-Organized Town employees have the option to participate in either the PPO healthcare plan or the High Deductible Health Plan (HDHP) offered by the Town. All employees enrolled in PPO healthcare coverage contribute either 15% or 20% toward their healthcare coverage under the plan (depending on their date of hire). Employees who are eligible to participate in both the PPO healthcare plan and HDHP contribute 18% toward their healthcare coverage under the HDHP. The HDHP is the only healthcare coverage option offered by the Town to Police Officers, Dispatchers, and Public Works employees. Police Officers, Dispatchers, and Public Works employees participating in the HDHP contribute 15% toward their healthcare coverage under the plan. All employees hired before 1/1/2007 contribute 15% toward coverage under the dental plan offered by the Town, while employees hired after 1/1/2007 contribute 20% toward coverage under the dental plan offered by the Town.
- The Town of Avon does not provide post-retirement medical benefits to dispatcher retirees, or their families, if hired after 7/1/2013; or public works retirees, or their families, if hired after 7/1/2014. Both Police and Non-Organized employees continue to be provided with post-retirement medical benefits.
- The Board of Education's criteria that was used to shape the budget was to continue to advance with the Blueprint for Excellence. The focus areas presented by the Superintendent of Schools included student learning, personal growth and relationships, communication and partnerships, and systems.
- 79.79% of the Board of Education budget relates to salaries and benefits. 11.01% relates to transportation and tuition, followed by supplies and equipment (3.15%), contracted services (3.08%), utilities (2.30%), and other (0.67%).
- Major cost drivers for the Board of Education's fiscal year 2023/2024 budget include staffing increases for new positions and collectively bargains wage increases, which are offset by retirements and reallocations; as well as increases for the cost required to fund the Town and Board of Education's self-funded health insurance program. Additional budget drivers include an increase in the cost of utilities when compared to the previous fiscal year. Costs to provide services to students with Individualized Education Plans (IEPs) are expected to continue to rise with the costs of outplacement facilities continuing to increase annually, as well as the overall number of students requiring services. However, the District is expecting this to be offset by special education tuition reimbursements from the City of Hartford. This assumption is based on an increase in the cost of special education services provided to students attending Avon Public Schools through the Open Choice Program.
- The budget again supported capital improvement by including funding for large multi-year capital projects, such as those on a phased-in basis, including: road improvement projects, the installation of a box culvert on Tillotson Road, pipe lining projects, building improvements to the Police Department, improvements to the Avon Volunteer Fire Department facilities, the replacement of Public Works vehicles and equipment, the replacement of supply clean breathable air (SCBA) compressors for the Avon Volunteer Fire Department, the purchase of vehicles and equipment for the Police Department, upgrades to the Pine Grove School notification alarm system, a partial roof replacement for Avon High School, an emergency generator replacement for Avon Middle School, and the Reconstruction of Old Farms Road & Thompson Road.
- At the close of fiscal year 2022/2023, unassigned fund balance in the General Fund amounted to \$14,673,859. The use of General Fund Unassigned Fund Balance has not been deemed necessary to mitigate the tax impact for the fiscal year 2023/2024 budget.

**TOWN OF AVON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023**

All of these factors were considered in preparing the budget for the 2023/2024 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

**TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 45,120,961
Investments	73,377
Receivables, Net of Allowance for Uncollectibles:	
Property Taxes	941,067
Assessments	1,226,153
Intergovernmental	607,077
Accounts	1,655,370
Lease	785,812
Due from Fiduciary Funds	2,358,948
Other Current Assets	214,089
Total Current Assets	52,982,854
Noncurrent Assets:	
Capital Assets, Nondepreciable	16,661,676
Capital Assets, Net of Accumulated Depreciation and Amortization	125,767,970
Total Noncurrent Assets	142,429,646
Total Assets	195,412,500
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	421,657
Deferred Outflows - Pension	1,783,705
Deferred Outflows - OPEB	5,212,829
Total Deferred Outflows of Resources	7,418,191

See accompanying Notes to Basic Financial Statements.

TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2023

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 2,453,560
Accrued Liabilities	853,283
Unearned Revenue	3,526,736
Due to Fiduciary Funds	1,500
Noncurrent Liabilities, Due within One Year	<u>3,468,892</u>
Total Current Liabilities	10,303,971
Noncurrent Liabilities:	
Due in More than One Year	<u>47,564,595</u>
Total Liabilities	57,868,566
DEFERRED INFLOWS OF RESOURCES	
Advance Property Tax Collections	2,720,037
Deferred Inflows - Lease Receivable	727,642
Deferred Inflows - Pension	338,827
Deferred Inflows - OPEB	<u>15,926,035</u>
Total Deferred Inflows of Resources	<u>19,712,541</u>
NET POSITION	
Net Investment in Capital Assets	130,427,683
Restricted:	
Nonexpendable - Purposes of Trust	103,230
Grants	1,465,027
Debt Service	196,509
Unrestricted	<u>(6,942,865)</u>
Total Net Position	<u><u>\$ 125,249,584</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 4,138,274	\$ 681,324	\$ 2,364,574	\$ -	\$ (1,092,376)
Public Safety	10,644,920	230,899	175,156	-	(10,238,865)
Public Works	10,732,371	4,278,197	861,441	138,147	(5,454,586)
Health and Social Services	715,982	22,381	11,547	-	(682,054)
Recreation and Parks	1,548,815	584,987	-	-	(963,828)
Educational - Cultural	1,851,963	413	-	-	(1,851,550)
Conservation and Development	543,738	12,142	-	-	(531,596)
Board of Education	83,561,081	3,307,393	18,646,655	-	(61,607,033)
Interest on Long-Term Debt	165,981	-	-	-	(165,981)
Total Governmental Activities	<u>\$ 113,903,125</u>	<u>\$ 9,117,736</u>	<u>\$ 22,059,373</u>	<u>\$ 138,147</u>	(82,587,869)
GENERAL REVENUES					
Property Taxes					92,639,286
Grants and Contributions Not Restricted to Specific Programs					280,825
Investment Income					2,014,112
Miscellaneous					535,172
Total General Revenues					<u>95,469,395</u>
CHANGE IN NET POSITION					
					12,881,526
Net Position - Beginning of Year, as Restated					<u>112,368,058</u>
NET POSITION - END OF YEAR					
					<u>\$ 125,249,584</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	CIFA	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 37,783,364	\$ 620,678	\$ 929,447	\$ 5,570,241	\$ 44,903,730
Investments	-	-	-	73,377	73,377
Receivables, Net	2,561,964	-	-	1,997,488	4,559,452
Due from Other Funds	2,562,457	8,279,448	2,049,285	3,682,896	16,574,086
Other	39,293	-	-	174,796	214,089
	<u>\$ 42,947,078</u>	<u>\$ 8,900,126</u>	<u>\$ 2,978,732</u>	<u>\$ 11,498,798</u>	<u>\$ 66,324,734</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,010,858	\$ 449,136	\$ 56,132	\$ 340,143	\$ 1,856,269
Accrued Liabilities	777,062	-	-	-	777,062
Due to Other Funds	15,485,628	-	-	203,509	15,689,137
Unearned Revenue	-	-	2,922,600	604,136	3,526,736
Total Liabilities	<u>17,273,548</u>	<u>449,136</u>	<u>2,978,732</u>	<u>1,147,788</u>	<u>21,849,204</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	728,451	-	-	-	728,451
Unavailable Revenue - Special Assessments	-	-	-	830,340	830,340
Unavailable Revenue - Grants Receivable	-	-	-	263,012	263,012
Lease Receivable	622,597	-	-	105,045	727,642
Advance Property Tax Collections	2,720,037	-	-	-	2,720,037
Total Deferred Inflows of Resources	<u>4,071,085</u>	<u>-</u>	<u>-</u>	<u>1,198,397</u>	<u>5,269,482</u>
FUND BALANCES					
Nonspendable	39,293	-	-	278,026	317,319
Restricted	64,472	-	-	1,398,524	1,462,996
Committed	-	8,450,990	-	7,657,880	16,108,870
Assigned	6,824,821	-	-	-	6,824,821
Unassigned	14,673,859	-	-	(181,817)	14,492,042
Total Fund Balances	<u>21,602,445</u>	<u>8,450,990</u>	<u>-</u>	<u>9,152,613</u>	<u>39,206,048</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 42,947,078</u>	<u>\$ 8,900,126</u>	<u>\$ 2,978,732</u>	<u>\$ 11,498,798</u>	<u>\$ 66,324,734</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balance (Exhibit III) \$ 39,206,048

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

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

Capital Assets	232,964,100
Accumulated Depreciation and Amortization	(90,534,454)

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

Property Tax Receivable - Accrual Basis Change	728,451
Property Tax Interest and Lien Accrual	65,821
Allowance for Doubtful Accounts	(13,164)
Sewer Assessment Receivable - Accrual Basis Change	830,340
Grants Receivable - Accrual Basis Change	263,012
Deferred Outflows - Pension	1,783,705
Deferred Outflows - OPEB	5,212,829

Internal service funds are used by management to charge the cost of medical insurance to individual departments. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

1,670,596

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

Bonds Payable	(12,290,000)
Net Pension Liability	(18,062,743)
Lease Liability	(67,291)
Compensated Absences	(4,118,006)
Net OPEB Liability	(15,873,850)
Landfill Postclosure Liability	(30,000)
Voluntary Early Retirement Incentive	(20,000)
Bond Premium	(571,597)
Deferred Inflows - Pension	(338,827)
Deferred Inflows - OPEB	(15,926,035)
Deferred Charge on Refunding	421,657
Accrued Interest Payable	(51,008)

Net Position of Governmental Activities (Exhibit I) \$ 125,249,584

See accompanying Notes to Basic Financial Statements.

TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	CIFA	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 92,575,481	\$ -	\$ -	\$ -	\$ 92,575,481
Intergovernmental	14,296,043	87,483	1,771,268	3,290,696	19,445,490
Charges for Services	4,333,403	-	-	4,811,370	9,144,773
Investment Income (Loss)	1,947,759	40,142	-	26,211	2,014,112
Other Local Revenues	409,996	2,250	-	289,164	701,410
Total Revenues	<u>113,562,682</u>	<u>129,875</u>	<u>1,771,268</u>	<u>8,417,441</u>	<u>123,881,266</u>
EXPENDITURES					
Current:					
Town Council:					
General Government	3,110,294	-	-	276,480	3,386,774
Public Safety	10,026,313	-	-	80,546	10,106,859
Public Works	5,607,332	-	-	3,071,534	8,678,866
Health and Social Services	558,181	-	150,898	-	709,079
Recreation and Parks	811,737	-	-	421,218	1,232,955
Educational - Cultural	1,717,321	-	-	-	1,717,321
Conservation and Development	543,272	-	-	-	543,272
Miscellaneous	6,240,815	-	-	-	6,240,815
Total Town Council	28,615,265	-	150,898	3,849,778	32,615,941
Board of Education	74,754,488	-	-	3,429,398	78,183,886
Debt Service	2,962,950	-	-	-	2,962,950
Capital Outlay	-	2,595,247	1,620,370	264,253	4,479,870
Total Expenditures	<u>106,332,703</u>	<u>2,595,247</u>	<u>1,771,268</u>	<u>7,543,429</u>	<u>118,242,647</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,229,979	(2,465,372)	-	874,012	5,638,619
OTHER FINANCING SOURCES (USES)					
Transfers In	314,294	4,010,639	-	1,313,600	5,638,533
Transfers Out	(4,757,239)	(1,294)	-	(880,000)	(5,638,533)
Other Financing Sources (Uses), Net	<u>(4,442,945)</u>	<u>4,009,345</u>	<u>-</u>	<u>433,600</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,787,034	1,543,973	-	1,307,612	5,638,619
Fund Balances - Beginning of Year	<u>18,815,411</u>	<u>6,907,017</u>	<u>-</u>	<u>7,845,001</u>	<u>33,567,429</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,602,445</u>	<u>\$ 8,450,990</u>	<u>\$ -</u>	<u>\$ 9,152,613</u>	<u>\$ 39,206,048</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ 5,638,619

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

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	3,843,219
Depreciation Expense	(5,434,612)
Loss on Disposal of Capital Assets	(83,698)

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

Increase in Property Tax Receivable - Accrual Basis Change	60,090
Increase in Property Tax Interest and Lien Revenue	4,644
Increase in Property Tax and Sewer Use Allowance for Doubtful Accounts	(929)
Decrease in Sewer Assessments Receivable - Accrual Basis Change	(27,037)
Increase in Grants Receivable - Accrual Basis Change	38,139
Decrease in Deferred Outflows Amounts Related to Pension	(2,381,330)
Increase in Deferred Outflows Amounts Related to OPEB	2,437,117

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

Accrued Interest	12,359
Principal Payments	2,535,000
Amortization of Bond Premiums	187,546
Amortization of Deferred Charge on Refunding	(73,331)
Lease Payments	135,395

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

Increase in Compensated Absences	(123,003)
Decrease in Net Pension Liability	5,538,222
Decrease in OPEB Liability	11,756,251
Landfill Postclosure Payments	30,000
Voluntary Early Retirement Incentive	10,000
Increase in Deferred Inflows Amounts Related to Pension	(19,476)
Increase in Deferred Inflows Amounts Related to OPEB	(10,828,093)

The net revenue (loss) of the internal service funds is reported with the governmental activities. (373,566)

Change in Net Position of Governmental Activities (Exhibit II) \$ 12,881,526

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023**

	Governmental Activities
	Internal Service Fund
ASSETS	
Current Assets:	
Cash	\$ 217,231
Accounts Receivable	603,370
Due from Other Funds	1,472,499
Total Assets	2,293,100
 LIABILITIES	
Current Liabilities:	
Due to Other Funds	
Claims Payable	622,504
Total Liabilities	622,504
 TOTAL NET POSITION	 \$ 1,670,596

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023**

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for Services:	
Town	\$ 3,106,582
Board of Education	7,424,042
Other	1,405,868
Total Operating Revenues	11,936,492
OPERATING EXPENSES	
Medical Claims:	
Town	3,800,771
Board of Education	8,509,287
Total Operating Expenses	12,310,058
OPERATING LOSS	(373,566)
Net Position - Beginning of Year	2,044,162
NET POSITION - END OF YEAR	\$ 1,670,596

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023**

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 12,519,413
Claims Paid	<u>(12,302,182)</u>
Net Cash Provided by Operating Activities	<u>217,231</u>
NET INCREASE IN CASH	217,231
Cash - Beginning of Year	<u>-</u>
CASH - END OF YEAR	<u><u>\$ 217,231</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (373,566)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Decrease in Due from Other Funds	1,186,291
Increase in Accounts Receivable	(603,370)
Increase in Claims Payable	<u>7,876</u>
Net Cash Provided by Operating Activities	<u><u>\$ 217,231</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	Pension and Other Employee Benefit Trust Funds	<u>Custodial Fund</u> <u>CPACE Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 283,195	\$ -
Investments, at Fair Value:		
Guaranteed Interest Contract	1,250,533	-
Mutual Funds	<u>58,253,329</u>	-
Total Investments	59,503,862	-
Prepaid	2,059	-
Due from Other Funds	-	<u>1,500</u>
Total Assets	<u>59,789,116</u>	<u>1,500</u>
LIABILITIES		
Due to Other Funds	<u>2,358,948</u>	-
Total Liabilities	<u>2,358,948</u>	-
NET POSITION		
Restricted for Pension Benefits	40,420,463	-
Restricted for OPEB Benefits	17,009,705	-
Restricted for CPACE	<u>-</u>	<u>1,500</u>
Total Net Position	<u>\$ 57,430,168</u>	<u>\$ 1,500</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Pension and Other Employee Benefit Trust Funds	<u>Custodial Fund</u> <u>CPACE Fund</u>
ADDITIONS		
Contributions:		
Employer	\$ 7,537,524	\$ -
Plan Members	168,453	-
Total Contributions	<u>7,705,977</u>	<u>-</u>
Investment Income:		
Net Increase in Fair Value of Investments	3,584,650	-
Interest and Dividends	1,887,031	-
Total Investment Income	<u>5,471,681</u>	<u>-</u>
Total Additions	13,177,658	-
DEDUCTIONS		
Benefits	6,216,178	-
Administration	58,198	-
Total Deductions	<u>6,274,376</u>	<u>-</u>
CHANGE IN NET POSITION	6,903,282	-
Net Position - Beginning of Year	<u>50,526,886</u>	<u>1,500</u>
NET POSITION - END OF YEAR	<u>\$ 57,430,168</u>	<u>\$ 1,500</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Fiduciary Component Units

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

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide and Fund Financial Statements (Continued)

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.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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

The Town reports the following major governmental funds:

General Fund

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

CIFA Fund

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

ARPA Fund

The ARPA Fund accounts for American Rescue Plan Act (ARPA) grant revenues and expenditures.

Additionally, the government reports the following fund types:

Internal Service Fund

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

Pension and Other Employee Benefit Trust Funds

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Custodial Funds

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

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

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

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

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

C. Cash Equivalents

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

D. Investments

Investments for the Town are reported at fair value.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 uncollectible accounts.

In the fund financial statements, all property taxes receivable at June 30, 2023, that have not been collected within 60 days of June 30 have been recorded as unavailable revenue, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60-day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of 1-1/2% per month. An amount of \$222,103 has been established as an allowance for uncollected taxes.

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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received are reported at acquisition value.

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

Buildings	50 Years
Building Improvements	10 to 20 Years
Land Improvements	15 to 25 Years
Roads	80 Years
Sewer Lines	100 Years
Storm Drains	40 Years
Vehicles	7 to 25 Years
Right-to-Use Assets	5 to 10 Years
Equipment	5 to 35 Years
Computer Equipment	5 to 10 Years

H. Leases

Lessor

The Town is a lessor for a noncancellable lease of land. The Town recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities in the government-wide and in the governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Leases (Continued)

Lessee

The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, shorter of the lease term or useful life of the underlying asset, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

I. Net Pension Liability

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Net Other Postemployment Benefit (OPEB) Liability

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

K. Compensated Absences

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

L. Deferred Outflows/Inflows of Resources

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

TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

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

M. Long-Term Obligations

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

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

TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity and Net Position

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

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

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

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

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

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

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

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

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. Adoption of New Accounting Standards

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Town adopted the requirements of the guidance effective July 1, 2022 and has determined that the amounts are not material to the financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Town established a Town-wide budget in accordance with provisions of its Charter and the Connecticut General Statutes. Budgets for the General Fund, Sewer Fund, State and Federal Education Grants Fund, School Cafeteria Fund, Recreational Activities Fund, Local Capital Improvement Program Fund, Forest Park Management Fund, Town Aid Road Fund, Police Special Services Fund and Use of School Facilities Fund are legally adopted annually at the Annual Town Meeting. Budgets for these funds are presented on a basis consistent with accounting principles generally accepted in the United States of America except that encumbrances and transfers out are shown as budgetary obligations and transfers in are shown as revenues. In addition, for the General Fund, state of Connecticut on-behalf contributions are shown as revenues and expenditures. Transfers and supplemental appropriations were approved during the year in accordance with provisions of its Charter and the Connecticut General Statutes. There were \$2,944,566 of additional appropriations during the year in the General Fund.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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

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

Capital Projects Authorizations

The following is a summary of capital projects at June 30, 2023:

	<u>Authorization</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Total</u>
Capital Project:				
Capital and Nonrecurring	\$ 8,100,528	\$ 264,253	\$ 2,025,287	\$ 6,075,241
CIFA:				
General Government	33,107,520	2,465,147	27,541,308	5,566,212
Board of Education	838,615	130,100	603,000	235,615
Total	<u>\$ 42,046,663</u>	<u>\$ 2,859,500</u>	<u>\$ 30,169,595</u>	<u>\$ 11,877,068</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

Deficit Fund Balances

For the year ended June 30, 2023, the following funds had deficit fund balances:

Nonmajor Funds:

State and Federal Education Grants	\$ 181,817
------------------------------------	------------

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, \$9,688,792 of the Town's bank balance of \$9,938,792 was exposed to custodial credit risk at June 30, 2023 as follows:

Uninsured and Uncollateralized	\$ 8,694,913
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	993,879
Total Amount Subject to Custodial Credit Risk	\$ 9,688,792

B. Cash Equivalents

At June 30, 2023, the Town's cash equivalents amounted to \$36,474,801. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
STIF	AAAm
Webster Bank	N/A
Raymond James	N/A

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Investments

As of June 30, 2023, the Town had the following investments:

Investment Type	Credit Rating	Fair Value
Other Investments:		
Mutual Fund	N/A	\$ 58,325,211
Guaranteed Interest Contract	N/A	1,252,028
Total Investments		<u>\$ 59,577,239</u>

Interest Rate Risk

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

Credit Risk – Investments

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

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2023, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town’s name.

In general, 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.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk (Continued)

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% to 50%), international equities (0% to 10%), small to mid-cap equities (0% to 10%), fixed income investments (40% to 50%) and cash equivalents (0% to 10%). The overall investment return is expected to exceed the actuarial investment return assumption, the inflation rate as measured by the Consumer Price Index, and the return of a passively managed portfolio. Each portfolio has specific objectives as well. The annualized return of the Balanced Portfolio should exceed by at least 1% the return of a specified group of weighted balanced indexes. The annualized return of the Domestic Equity portfolio should exceed the return of the S&P 500 Stock Index by 1.5% and rank in the upper 40% of a broad universe of managers with similar objectives. The annualized return of the fixed income portfolio is expected to exceed by 1% the Lehman Brothers Aggregate Note Index and rank in the upper 40% of a broad universe of managers with similar objectives.

The Town will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, the Town officials shall have as a goal that no more than 50% of the Town's total investment portfolio will be invested with a single financial institution, except for sweep account purposes. The goal may be exceeded where, in the judgment of the officials, the excess percentage will be divested upon the maturity of outstanding investments within one-month period and reinvested so as to meet the 50% goal.

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2023:

	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
Investments by Fair Value Level:				
Mutual Funds	\$ 58,325,211	\$ -	\$ -	\$ 58,325,211
Guaranteed Interest Contract	-	1,252,028	-	1,252,028
Total Investments Measured at Fair Value	<u>\$ 58,325,211</u>	<u>\$ 1,252,028</u>	<u>\$ -</u>	<u>\$ 59,577,239</u>

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

E. Receivables

Fund receivables as of June 30, 2023, including the applicable allowances for collection losses, are as follows:

	General	Nonmajor and Other Funds	Total
Property Taxes	\$ 1,110,513	\$ -	\$ 1,110,513
Assessments	-	1,226,153	1,226,153
Intergovernmental	-	609,040	609,040
Lease	675,164	110,648	785,812
Accounts	998,390	655,017	1,653,407
Gross Receivables	<u>2,784,067</u>	<u>2,600,858</u>	<u>5,384,925</u>
Allowances	<u>(222,103)</u>	<u>-</u>	<u>(222,103)</u>
Net Receivables	<u>\$ 2,561,964</u>	<u>\$ 2,600,858</u>	<u>\$ 5,162,822</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 9,765,390	\$ -	\$ -	\$ 9,765,390
Construction in Progress	4,773,044	2,123,242	155,970	6,740,316
Total Capital Assets Not Being Depreciated	14,538,434	2,123,242	155,970	16,505,706
Capital Assets being Depreciated and Amortized:				
Land Improvements	6,540,707	156,050	-	6,696,757
Buildings and Improvements	129,625,480	283,350	-	129,908,830
Equipment	18,496,823	1,025,733	137,600	19,384,956
Vehicles	9,219,953	410,814	181,259	9,449,508
Infrastructure	50,755,223	-	-	50,755,223
Right-to-Use Assets	810,277	-	547,157	263,120
Total Capital Assets Being Depreciated and Amortized	215,448,463	1,875,947	866,016	216,458,394
Less Accumulated Depreciation and Amortization for:				
Land Improvements	2,142,450	278,629	-	2,421,079
Buildings and Improvements	51,117,781	2,830,634	-	53,948,415
Equipment	12,086,816	1,223,921	85,736	13,225,001
Vehicles	4,574,410	449,836	149,425	4,874,821
Infrastructure	15,351,692	504,317	-	15,856,009
Right-to-Use Assets	609,011	147,275	547,157	209,129
Total Accumulated Depreciation and Amortization	85,882,160	5,434,612	782,318	90,534,454
Total Capital Assets Being Depreciated and Amortized, Net	129,566,303	(3,558,665)	83,698	125,923,940
Governmental Activities Capital Assets, Net	<u>\$ 144,104,737</u>	<u>\$ (1,435,423)</u>	<u>\$ 239,668</u>	<u>\$ 142,429,646</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Capital Assets (Continued)

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

Governmental Activities:		
General Government	\$	552,224
Public Safety		407,668
Public Works		805,958
Recreation and Parks		313,099
Educational - Cultural		139,240
Board of Education		<u>3,216,423</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$</u>	<u>5,434,612</u>

G. Lease Receivables

The Town, acting as lessor, leases a cell tower and land under long-term, noncancelable lease agreements. The cell tower lease expires on November 1, 2049, and provide for renewal options which includes four additional successive terms of five years. The land lease expires on January 1, 2098, with an automatic extension for a second term of 98 years.

H. Interfund Receivables, Payables, and Transfers

A summary of interfund balances as of June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 203,509
General Fund	Other Post Employee Benefit Fund	2,358,948
CIFA	General Fund	8,279,448
ARPA	General Fund	2,049,285
Nonmajor Governmental Funds	General Fund	3,682,896
Internal Service Fund	General Fund	1,472,499
CPACE Fund	General Fund	<u>1,500</u>
Total		<u>\$ 18,048,085</u>

Several nonmajor governmental funds, and the OPEB Fund owe the General Fund for expenditures paid by the General Fund. The General Fund owes the CIFA Fund and the ARPA fund for ongoing project expenditures. The General Fund owes the Internal Service Fund for medical costs. Also, the General Fund owes the nonmajor funds for other reimbursable expenditures.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Interfund Receivables, Payables, and Transfers (Continued)

A summary of interfund transfers as of June 30, 2023 is as follows:

	General Fund	CIFA Fund	Nonmajor Governmental Funds	Total Transfers Out
General Fund	\$ -	\$ 3,443,639	\$ 1,313,600	\$ 4,757,239
CIFA Fund	1,294	-	-	1,294
Nonmajor Governmental Funds	313,000	567,000	-	880,000
Total Transfers In	<u>\$ 314,294</u>	<u>\$ 4,010,639</u>	<u>\$ 1,313,600</u>	<u>\$ 5,638,533</u>

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

I. Long-Term Debt

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 14,025,000	\$ -	\$ 2,335,000	\$ 11,690,000	\$ 2,340,000
General Obligation Bonds - Direct Placement	800,000	-	200,000	600,000	200,000
Premium on Bonds	759,143	-	187,546	571,597	-
Total Bonds Payable	<u>15,584,143</u>	<u>-</u>	<u>2,722,546</u>	<u>12,861,597</u>	<u>2,540,000</u>
Lease Liability	202,686	-	135,395	67,291	67,291
Compensated Absences	3,995,003	1,455,238	1,332,235	4,118,006	823,601
Voluntary Early Retirement Incentive	30,000	-	10,000	20,000	8,000
Net Pension Liability	23,600,965	-	5,538,222	18,062,743	-
Net OPEB Liability	27,630,101	-	11,756,251	15,873,850	-
Landfill Postclosure Costs	60,000	-	30,000	30,000	30,000
Total Governmental Activities Long-Term Liabilities	<u>\$ 71,102,898</u>	<u>\$ 1,455,238</u>	<u>\$ 21,524,649</u>	<u>\$ 51,033,487</u>	<u>\$ 3,468,892</u>

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Long-Term Debt (Continued)

General Obligation Bonds

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

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

General obligation bonds currently outstanding are as follows:

Description	Interest Rate	Amount
General Purpose:		
General Obligation Improvement	2% to 4%	\$ 3,371,573
General Obligation Direct Placement	1.75%	600,000
School:		
School Improvement	2% to 4%	8,318,427
Total Outstanding		<u>\$ 12,290,000</u>

Future maturities for outstanding general obligation bonds are as follows:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2024	\$ 2,340,000	\$ 338,900
2025	2,340,000	271,750
2026	2,380,000	203,800
2027	2,395,000	118,800
2028	720,000	66,500
2029 to 2033	1,085,000	153,250
2034 to 2035	430,000	12,900
Total	<u>\$ 11,690,000</u>	<u>\$ 1,165,900</u>

General Obligation Bonds – Direct Placement

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Long-Term Debt (Continued)

General Obligation Bonds – Direct Placement (Continued)

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

<u>Year Ending June 30,</u>	General Obligation Bonds Direct Placement	
	Principal	Interest
2024	\$ 200,000	\$ 10,500
2025	200,000	7,000
2026	200,000	3,500
Total	\$ 600,000	\$ 21,000

Statutory Debt Limitations

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 211,935,924	\$ 11,012,573	\$ 200,923,351
Schools	423,871,848	8,318,427	415,553,421
Sewers	353,226,540	-	353,226,540
Urban Renewal	306,129,668	-	306,129,668
Pension Deficit	282,581,232	-	282,581,232

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$659,356,208.

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

Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require landfill closures to meet certain standards. The Town landfill has been closed. Estimated monitoring costs for the next two years at \$30,000 per year are \$60,000. This amount is based on estimates that are subject to change due to inflation, technology or applicable laws and regulations.

Authorized/Unissued Bonds

At June 30, 2023, there were \$7,041,000 of authorized, unissued general purpose bonds.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Leases Payable

The Town leases computer equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2024.

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2023 were as follows:

<u>Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2024	\$ 67,291	\$ 3,334
Total	\$ 67,291	\$ 3,334

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class:

	Governmental Activities	
Equipment	\$ 263,120	
Less: Accumulated Depreciation	209,129	
Net Book Value	\$ 53,991	

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

K. Fund Balance

The components of fund balance for the governmental funds as of June 30, 2023 are as follows:

	General Fund	CIFA	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ 17,059	\$ 17,059
Prepaid Items	39,293	-	157,737	197,030
Police Officers' Meritorious Service	-	-	103,230	103,230
Restricted:				
Debt Service	-	-	196,509	196,509
Fisher Meadow Donations	-	-	1,040,684	1,040,684
Town Aid Road Projects	-	-	161,331	161,331
Opioid Settlement Funds	52,925	-	-	52,925
Liquor Surcharge Remittance	11,547	-	-	11,547
Committed to:				
General Government	-	-	97,839	97,839
Sewer Fund	-	-	4,035,943	4,035,943
Recreation	-	-	458,409	458,409
Public Safety	-	-	303,623	303,623
Capital Projects	-	8,450,990	1,408,937	9,859,927
Board of Education	-	-	1,353,129	1,353,129
Assigned to:				
Payroll Escrow	75,000	-	-	75,000
Pension Contributions	400,000	-	-	400,000
Postemployment Benefits	300,000	-	-	300,000
Reserve for Public Safety	300,000	-	-	300,000
Capital Reserve	559,082	-	-	559,082
Capital Asset Replacement	101,596	-	-	101,596
Debt Service	750,000	-	-	750,000
Road Improvement	1,600,000	-	-	1,600,000
Internal Service Claims	750,000	-	-	750,000
General Government	43,573	-	-	43,573
Public Safety	6,590	-	-	6,590
Public Works	136,828	-	-	136,828
Health and Social Services	9,736	-	-	9,736
Education	1,787,616	-	-	1,787,616
Other Postemployment Benefits	4,800	-	-	4,800
Unassigned	14,673,859	-	(181,817)	14,492,042
Total Fund Balances	<u>\$ 21,602,445</u>	<u>\$ 8,450,990</u>	<u>\$ 9,152,613</u>	<u>\$ 39,206,048</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

K. Fund Balance (Continued)

Significant encumbrances in total by each major fund and nonmajor funds in the aggregate are as follows:

General Fund	\$	1,883,755
CIFA		8,193,815
ARPA		523,419
Nonmajor Governmental Funds		773,305
Total		\$ 11,374,294

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

NOTE 4 EMPLOYEE RETIREMENT PLANS

Defined Benefit Pension Plans

A. Plan Description and Benefits Provided

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

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

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

- Review, discuss, and may change strategies on investment performance, policies and managers at semi-annual meetings (with the advice of the pension investment advisor), if it falls within current policies, allocations and strategies.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

- Revisions, establishment of new policies, or changes to the investment policy that fall outside current policies, allocations and strategies require a majority rule vote by the members of the Ad Hoc Pension Investment Advisory Committee and the approval of the Town Council.

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

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

Town Employees

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

Board of Education

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Board of Education (Continued)

At July 1, 2022, retirement plan membership consisted of:

	Town	Board of Education
Retirees and Beneficiaries Currently Receiving Benefits	80	67
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	1	46
Current Active Employees	3	62
Total	84	175

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

B. Summary of Significant Accounting Policies

Basis of Accounting

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

Valuation of Investments

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

C. Funding Policy

Required employee contributions under the plans are as follows:

	Town	Board of Education
Required Employee Contribution	7.5%	4% or 7%

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

D. Investments

Investment Policy

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

Asset Class	Target Allocation
U.S. Core Fixed Income	37.50 %
U.S. TIPS	3.30
U.S. Broad Equity Market	36.70
Non-U.S. Equity	22.50
Total	100.00 %

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.56% for the Town and 10.26% for the Board of Education. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

E. Net Pension Liability

Town Employees Retirement Plan

The Town's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

The components of the net pension liability of the Town at June 30, 2023 were as follows:

Total Pension Liability	\$ 40,498,925
Plan Fiduciary Net Position	<u>24,068,548</u>
Net Pension Liability	<u><u>\$ 16,430,377</u></u>
Plan Fiduciary Net Position as a	
Percentage of the Total Pension Liability	<u><u>59.43 %</u></u>

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75 %
Salary Increases	3.50
Investment Rate of Return	6.00

Mortality rates were based on the PubS-2010 Mortality Table for police and PubG-2010 Mortality Table for all others with generational projection per the MP-2021 Ultimate Scale.

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

E. Net Pension Liability (Continued)

Town Employees Retirement Plan (Continued)

Actuarial Assumptions (Continued). The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Core Fixed Income	1.95 %
U.S. TIPS	1.32
U.S. Broad Equity Market	5.70
Non-U.S. Equity	7.90

Discount Rate. The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

E. Net Pension Liability (Continued)

Town Employees Retirement Plan (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - Beginning of Year	\$ 42,163,875	\$ 21,582,169	\$ 20,581,706
Changes for the Year:			
Service Cost	-	-	-
Interest	2,421,148	-	2,421,148
Effect of Economic/ Demographic Gains or Losses	(225,557)	-	(225,557)
Changes of Assumptions	(184,148)	-	(184,148)
Benefit Payments, Including Refunds of Member Contributions	(3,676,393)	(3,676,393)	-
Employer Contributions	-	3,927,111	(3,927,111)
Member Contributions	-	5,671	(5,671)
Net Investment Income	-	2,253,335	(2,253,335)
Administrative Expenses	-	(23,345)	23,345
Net Changes	<u>(1,664,950)</u>	<u>2,486,379</u>	<u>(4,151,329)</u>
Balance - End of Year	<u>\$ 40,498,925</u>	<u>\$ 24,068,548</u>	<u>\$ 16,430,377</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	<u>\$ 19,846,953</u>	<u>\$ 16,430,377</u>	<u>\$ 13,474,399</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

E. Net Pension Liability (Continued)

Board of Education Retirement Plan

The components of the net pension liability of the Board of Education at June 30, 2023 were as follows:

Total Pension Liability	\$ 17,984,284
Plan Fiduciary Net Position	<u>16,351,918</u>
Net Pension Liability	<u><u>\$ 1,632,366</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 <u><u>90.92 %</u></u>

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75 %
Salary Increases	3.50
Investment Rate of Return	6.00

Mortality rates were based on the PubG-2010 Mortality with generational projection per the MP-2021 Ultimate Scale.

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

Long-Term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Core Fixed Income	1.95 %
U.S. TIPS	1.32
U.S. Broad Equity Market	5.70
Non-U.S. Equity	7.90

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

E. Net Pension Liability (Continued)

Board of Education Retirement Plan (Continued)

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - Beginning of Year	\$ 17,518,315	\$ 14,499,056	\$ 3,019,259
Changes for the Year:			
Service Cost	457,707	-	457,707
Interest	1,061,164	-	1,061,164
Effect of Economic/ Demographic Gains or Losses	(397,682)	-	(397,682)
Changes of Assumptions	(66,745)	-	(66,745)
Benefit Payments, Including Refunds of Member Contributions	(588,475)	(588,475)	-
Employer Contributions	-	771,139	(771,139)
Member Contributions	-	162,782	(162,782)
Net Investment Income	-	1,525,269	(1,525,269)
Administrative Expenses	-	(17,853)	17,853
Net Changes	<u>465,969</u>	<u>1,852,862</u>	<u>(1,386,893)</u>
Balance - End of Year	<u>\$ 17,984,284</u>	<u>\$ 16,351,918</u>	<u>\$ 1,632,366</u>

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

E. Net Pension Liability (Continued)

Board of Education Retirement Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Board of Education, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension (Asset) Liability	\$ 3,631,915	\$ 1,632,366	\$ (70,593)

F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the Town recognized pension expense of \$852,997 for the Town Plan and \$707,837 for the Board of Education Plan. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Town	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earning on Pension Plan Investments	\$ 995,946	\$ -
	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 297,753
Changes of Assumptions	209,531	41,074
Net Difference Between Projected and Actual Earning on Pension Plan Investments	578,228	-
Total	\$ 787,759	\$ 338,827

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plans (Continued)

F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

<u>Year Ending June 30,</u>	Town	Board of Education	Total
2024	\$ 92,203	\$ 7,422	\$ 99,625
2025	137,310	(41,412)	95,898
2026	956,598	611,984	1,568,582
2027	(190,165)	(129,062)	(319,227)
Total	<u>\$ 995,946</u>	<u>\$ 448,932</u>	<u>\$ 1,444,878</u>

Defined Contribution Plans

A. 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 Mission Square Retirement. The Town is required to contribute 2.75% of compensation for the Management Money Purchase Plan participants and between 8.00% and 9.50% 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.

B. 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.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Contribution Plans (Continued)

C. 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, 2023, were \$-0- and \$874,017, respectively. Members of the Management Money Purchase Plan are required to contribute 2.75% of their annual earnings, and members of the Full-Time Employees' Plan are required to contribute between 8.00% and 9.50% of their annual earnings. The employees' contributions to each plan were \$-0- and \$874,017, respectively. During the year there were no forfeitures.

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$10,149,497, and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Town		128,730,737
Total		<u><u>\$ 128,730,737</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$12,441,970 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increase	3.00% to 6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

Cost-of-Living Allowance

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

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

F. Long-Term Expected Rate of Return

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

Asset Class	Expected Return	Target Allocation
Domestic Equity Fund	5.40 %	20.00 %
Developed Market Intl. Stock Fund	6.40	11.00
Emerging Market Intl. Stock Fund	8.60	9.00
Core Fixed Income Fund	0.80	13.00
Private Credit	6.50	5.00
Emerging Market Debt Fund	3.80	5.00
High Yield Bond Fund	3.40	3.00
Real Estate Fund	5.20	19.00
Private Equity	9.40	10.00
Alternative Investments	3.10	3.00
Liquidity Fund	(0.40)	2.00
Total		<u>100.00 %</u>

G. Discount Rate

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

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

I. Pension Plan Fiduciary Net Position

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

J. Other Information

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

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM

Town and Board of Education Plans

A. Summary of Significant Accounting Policies

Basis of Accounting

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

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

B. Plan Description and Benefits Provided

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Town and Board of Education Plans (Continued)

B. Plan Description and Benefits Provided (Continued)

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

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

At July 1, 2022, plan membership consisted of the following:

	Other Postemployment Benefits Program	
	Town	Board of Education
Retired Members	75	35
Beneficiaries	6	1
Spouses of Retired Members	48	15
Active Plan Members	91	462
Total Participants	220	513

C. Funding Policy

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

	Annual Premiums	
	Employee	Spouse
Town Employees:		
Pre-65 Medical Plan		
Future Retirees:		
Public Works, Police and Dispatchers	\$ 10,754	\$ 11,101
Nonorganized	12,897	14,455
Current Retirees	12,897	14,455
Post-65 Medical Plan:		
Cigna Plan	12,897	14,455
Anthem Plan	5,966	5,966
Dental - All Groups	571	808
Board of Education Employees:		
Pre-65 Medical Plan	9,856	10,661
Dental	607	859

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Town and Board of Education Plans (Continued)

C. Funding Policy (Continued)

For the year ended June 30, 2023, there were \$-0- of member contributions to the Town and BOE plans, respectively. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan were \$1,972,000 for the Town Plan and \$867,274 for the Board of Education Plan. These contributions were made in accordance with actuarially determined requirements.

The Town has assigned a portion of general fund balance to fund these benefits in the future. Net position available for future benefits at June 30, 2023, was \$300,000. The Town plans on transferring these monies into the OPEB Trust Fund in the future.

D. Investments

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 9.43% and 12.95% for the Town Employees OPEB Plan and Board of Education Employees OPEB Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Town and Board of Education Plans (Continued)

E. Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2023. The components of the net OPEB liability of the Town at June 30, 2023 were as follows:

	Employees	
	Town	Board of Education
Total OPEB Liability	\$ 22,067,738	\$ 10,815,814
Plan Fiduciary Net Position	11,926,414	5,083,288
Net OPEB Liability	\$ 10,141,324	\$ 5,732,526
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.04 %	47.00 %

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate - Town	6.00%, prior 6.25%
Discount Rate - Board of Education	6.00%
Inflation Rate	2.40%, prior 2.5%
Medical Trend Rate - Town:	
Pre-Medicare	6.10% to 3.80% over 51 Years
Post-Medicare	6.10% to 3.80% over 51 Years
Medical Trend Rate - Board of Education	6.10% to 3.80% over 51 Years
Salary Increases	3.50% Including Inflation*

*Graded by Service for Teachers and Administrators

Mortality – Teachers and Administrators

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2021 for the period after service retirement.

Mortality – All Others

Mortality rates were based on the Pub-2010 mortality table with generational projection of future improvements per the MP-2021 Ultimate Table.

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Town and Board of Education Plans (Continued)

E. Net OPEB Liability (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman’s investment consulting practice as of June 30, 2022. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Core Fixed Income	1.95 %	30.00 %
U.S. TIPS	1.32	10.00
U.S. Large Cap Equity	5.57	25.00
U.S. Mid Cap Equity	5.95	6.00
U.S. Small Cap Equity	7.18	4.00
Foreign Developed Equity	6.99	17.50
Emerging Markets Equity	9.44	5.00
U.S. REITs	6.27	1.25
Non-U.S. REITs	7.75	1.25
Total		<u>100.00 %</u>

Discount Rate

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Town and Board of Education Plans (Continued)

E. Net OPEB Liability (Continued)

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

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

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability - Town	\$ 12,970,252	\$ 10,141,324	\$ 7,788,949
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability - BOE	\$ 4,578,188	\$ 5,732,526	\$ 7,076,225

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability - Town	\$ 7,440,910	\$ 10,141,324	\$ 13,422,949
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability - BOE	\$ 6,639,676	\$ 5,732,526	\$ 4,903,516

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Town and Board of Education Plans (Continued)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Town recognized OPEB expense (revenue) of \$(959,165) for the Town and \$433,164 for the Board of Education. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Town	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 11,548,700
Changes of Assumptions	1,039,488	1,068,945
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	679,640	-
Total	\$ 1,719,128	\$ 12,617,645

	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,812,784	\$ 2,145,023
Changes of Assumptions	623,750	1,163,367
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	57,167	-
Total	\$ 3,493,701	\$ 3,308,390

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

Year Ending June 30,	Town	Board of Education	Total
2024	\$ (2,844,063)	\$ (169,499)	\$ (3,013,562)
2025	(2,362,783)	(167,899)	(2,530,682)
2026	(2,303,948)	47,358	(2,256,590)
2027	(2,443,824)	(209,977)	(2,653,801)
2028	(943,899)	22,677	(921,222)
Thereafter	-	662,651	662,651
Total	\$ (10,898,517)	\$ 185,311	\$ (10,713,206)

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan.

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan (Continued)

B. Benefit Provisions (Continued)

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

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement or Medicare Advantage Plan options, as long as they do not remarry.

Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan (Continued)

B. Benefit Provisions (Continued)

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

C. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$143,554 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan (Continued)

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability Associated with the Town		11,273,860
Total		\$ 11,273,860

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$679,559 in Exhibit II.

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Health Care Costs Trend Rate	Known increases until calendar year 2 then general trend decreasing to an u rate of 4.50% by 2031
Salary Increases	3.00-6.50%, including inflation
Investment Rate of Return	3.53%, Net of OPEB Plan Investment Expense, including Inflation
Year Fund Net Position will be Depleted	2027

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan (Continued)

E. Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2014, to June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

The changes in the benefit terms since the prior year are as follows:

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

F. Long-Term Expected Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan (Continued)

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 POSTEMPLOYMENT HEALTHCARE PLAN – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan (Continued)

J. Other Information

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

NOTE 6 COMBINING TRUST FUND SCHEDULES

Financial statements for the individual pension plans and the OPEB plans as of and for the year ended June 30, 2023 are as follows:

Statement of Fiduciary Net Position

	Pension		Other Post-Employment Benefit Fund		Total Trust Funds
	Town	Board of Education	Town	Board of Education	
Assets:					
Cash and Cash Equivalents	\$ 9,933	\$ 13,397	\$ 154,742	\$ 105,123	\$ 283,195
Investments, at Fair Value:					
Guaranteed Interest Contract	815,202	435,331	-	-	1,250,533
Mutual Funds	23,243,413	15,903,190	11,107,637	7,999,089	58,253,329
Total Investments	24,058,615	16,338,521	11,107,637	7,999,089	59,503,862
Prepaid	-	-	2,059	-	2,059
Receivables:					
Due from Other Funds	-	-	661,976	-	661,976
Total Receivables	-	-	661,976	-	661,976
Total Assets	24,068,548	16,351,918	11,926,414	8,104,212	60,451,092
Liabilities:					
Due to Other Funds	-	-	-	3,020,924	3,020,924
Total Liabilities	-	-	-	3,020,924	3,020,924
Net Position:					
Restricted for Pension Benefits	\$ 24,068,548	\$ 16,351,918	\$ 11,926,414	\$ 5,083,288	\$ 57,430,168

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 COMBINING TRUST FUND SCHEDULES (CONTINUED)

Statement of Changes in Fiduciary Net Position

	Pension		Other Post-Employment Benefit Fund		Total Trust Funds
	Town	Board of Education	Town	Board of Education	
Additions:					
Contributions:					
Employer	\$ 3,927,111	\$ 771,139	\$ 1,972,000	\$ 867,274	\$ 7,537,524
Plan Members	5,671	162,782	-	-	168,453
Total Contributions	<u>3,932,782</u>	<u>933,921</u>	<u>1,972,000</u>	<u>867,274</u>	<u>7,705,977</u>
Investment Income:					
Net Change in Fair Value of Investments	1,207,462	922,442	838,912	615,834	3,584,650
Interest and Dividends	<u>1,045,873</u>	<u>602,827</u>	<u>238,331</u>	<u>-</u>	<u>1,887,031</u>
Total Investment Income	<u>2,253,335</u>	<u>1,525,269</u>	<u>1,077,243</u>	<u>615,834</u>	<u>5,471,681</u>
Total Additions	6,186,117	2,459,190	3,049,243	1,483,108	13,177,658
Deductions:					
Benefits	3,676,393	588,475	1,272,034	679,276	6,216,178
Administration	<u>23,345</u>	<u>17,853</u>	<u>17,000</u>	<u>-</u>	<u>58,198</u>
Total Deductions	<u>3,699,738</u>	<u>606,328</u>	<u>1,289,034</u>	<u>679,276</u>	<u>6,274,376</u>
Net Change in Net Position	2,486,379	1,852,862	1,760,209	803,832	6,903,282
Net Position - Beginning of Year	<u>21,582,169</u>	<u>14,499,056</u>	<u>10,166,205</u>	<u>4,279,456</u>	<u>50,526,886</u>
Net Position - End of Year	<u>\$ 24,068,548</u>	<u>\$ 16,351,918</u>	<u>\$ 11,926,414</u>	<u>\$ 5,083,288</u>	<u>\$ 57,430,168</u>

NOTE 7 OTHER INFORMATION

A. Risk Management

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

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

**TOWN OF AVON, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

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

	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
Medical Claims Fund:				
2022 to 2023	\$ 614,628	\$ 12,310,058	\$ 12,302,182	\$ 622,504
2021 to 2022	451,493	10,828,021	10,664,886	614,628

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.

C. Prior Period Adjustment

Management concluded that the liability for the sewer upgrade facility in a neighboring town was incorrectly recorded, an adjustment has been made to remove the liability from the financial statements as follows:

	Governmental Activities Net Position
Governmental Funds:	
Balance as Previously Reported - June 30, 2022	\$ 105,421,935
Adjustments:	
Sewer Upgrade	6,946,123
Balance as Restated - July 1, 2022	<u>\$ 112,368,058</u>

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Taxes:				
Current Levy	\$ 91,626,172	\$ 91,626,172	\$ 90,817,732	\$ (808,440)
Supplemental Real Estate	43,325	43,325	26,318	(17,007)
Supplemental MV	692,137	692,137	965,653	273,516
Prior Levies	200,000	200,000	277,509	77,509
Interest and Penalties	175,000	175,000	447,243	272,243
Telephone Gross Receipts	41,325	41,325	41,026	(299)
Total Property Taxes	<u>92,777,959</u>	<u>92,777,959</u>	<u>92,575,481</u>	<u>(202,478)</u>
Intergovernmental:				
State Grants-in-Aid:				
Municipal Grants-In-Aid	-	-	261,442	261,442
Municipal Revenue Sharing - Tiered PILOT	-	-	361,819	361,819
Education Cost Sharing (ECS)	391,430	391,430	579,242	187,812
Special Education Excess Cost	864,140	864,140	1,027,266	163,126
Open Choice Attendance	672,000	1,028,748	1,028,748	-
Property Tax Relief - Elderly	-	-	1,390	1,390
Payment in Lieu of Taxes (PILOT)	27,370	27,370	102,879	75,509
Veteran Reimbursements	3,800	3,800	4,711	911
Motor Vehicle Tax Reimbursement	-	-	376,878	376,878
Youth Services Bureau Grant	24,857	24,857	32,155	7,298
Emergency Management Grants	-	-	18,383	18,383
Judicial Branch	-	-	4,925	4,925
Miscellaneous State Grant Receipts	750	750	13,282	12,532
Absentee Ballot Processing Grant	-	8,533	8,533	-
Distracted Driving Enforcement Grant	-	4,285	4,285	-
Municipal Stabilization Grant	-	-	142,054	142,054
Auto Theft & Violence Grant	-	-	35,000	35,000
Total Intergovernmental	<u>1,984,347</u>	<u>2,353,913</u>	<u>4,002,992</u>	<u>1,649,079</u>
Charges for Services:				
General Government:				
Hunting and Fishing	50	50	16	(34)
Recording and Conveyance	550,000	550,000	652,002	102,002
Sale of Maps and Publications	22,000	22,000	16,273	(5,727)
PA 05-228 Local Cap Recording Fee	7,600	7,600	6,272	(1,328)
Town Clerk Land Recording Fee	-	-	382	382
Public Safety:				
Accident Reports and Photos	1,800	1,800	3,470	1,670
Alarm System	-	-	275	275
Animal Pound Fees	300	300	625	325

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES (CONTINUED)				
Charges for Services (Continued):				
Public Safety (Continued):				
Police Protection	\$ 4,500	\$ 4,500	\$ 7,100	\$ 2,600
Buildings Structures and Equipment	425,000	425,000	748,625	323,625
Animal Licenses	12,000	12,000	16,236	4,236
Public Works:				
Landfill - Residential Fees	128,000	128,000	124,315	(3,685)
Landfill - Bulky Waste	25,000	25,000	31,026	6,026
Lakeview Water Main Extension	-	-	579	579
Street and Curb	3,000	3,000	1,850	(1,150)
Health and Social Services:				
Vital Statistics	30,000	30,000	22,381	(7,619)
Recreation and Parks:				
Swim Fees	52,000	52,000	62,279	10,279
Recreation Fees	-	-	(300)	(300)
Organized Summer Programs	45,000	45,000	46,141	1,141
Educational - Cultural:				
Library	600	600	413	(187)
Board of Education:				
Empl Bnft Contr Dental/Life	107,000	107,000	102,129	(4,871)
Vendor Refunds	-	-	8,578	8,578
Tuition Receipts Parent Paid	115,000	115,000	135,458	20,458
Team Mentor Prog State Pmts	-	-	2,276	2,276
Student Parking Fees	30,000	30,000	32,885	2,885
Sped Interdist Tuition Receipt	1,638,894	1,638,894	2,119,599	480,705
Sports Program Participation Fees	191,000	191,000	180,376	(10,624)
Conservation and Development	6,320	6,320	12,142	5,822
Total Charges for Services	<u>3,395,064</u>	<u>3,395,064</u>	<u>4,333,403</u>	<u>938,339</u>
Investment Income	200,000	200,000	1,947,759	1,747,759
Other Local Revenues:				
Refunds and Reimbursements	39,472	39,472	165,617	126,145
BOE Retiree Contributions, Dental/Life	-	-	12,420	12,420
Miscellaneous	2,000	2,000	6,536	4,536
Admin Allowance ICMA	-	-	5,000	5,000
Rents and Reimbursements	60,000	60,000	83,383	23,383
Board of Education Miscellaneous Revenue	-	-	20,496	20,496
Salvage and Demolition Sales	8,500	8,500	24,189	15,689
Interlocal Program Funding	2,400	2,400	1,506	(894)
Sale of Property	10,000	10,000	26,377	16,377
Opioid Settlement Revenue (Restricted)	-	-	52,925	52,925
Liquor Surcharge Remittance (Restricted)	-	-	11,547	11,547
Cancelled Encumbrances	-	-	38,671	38,671
Total Other Local Revenues	<u>122,372</u>	<u>122,372</u>	<u>448,667</u>	<u>326,295</u>
Total Revenues	98,479,742	98,849,308	103,308,302	4,458,994

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
OTHER FINANCING SOURCES				
Appropriation of Fund Balance	\$ -	\$ 1,425,000	\$ -	\$ (1,425,000)
Assigned for Pension	-	200,000	-	(200,000)
Assigned to Postemployment Benefits	-	150,000	-	(150,000)
Assigned for Road Improvements	-	750,000	-	(750,000)
Transfers In	-	50,000	364,294	314,294
Total Other Financing Sources	-	2,575,000	364,294	(2,210,706)
Total Revenues and Other Financing Sources	<u>\$ 98,479,742</u>	<u>\$ 101,424,308</u>	103,672,596	<u>\$ 2,248,288</u>
Cancelled Encumbrances			(38,671)	
State Teachers' Retirement Pension Expense			10,149,497	
State Teachers' Retirement OPEB Expense			143,554	
Activity of OPEB Special Revenue, Combined with General Fund for GASB 54			<u>(50,000)</u>	
Balance, GAAP Basis			<u>\$ 113,876,976</u>	

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES				
Town Council:				
General Government:				
Legislative - Town Council	\$ 51,987	\$ 54,392	\$ 54,298	\$ 94
Executive - Town Manager	467,714	466,729	466,691	38
Judicial - Probate	7,760	7,313	7,313	-
Elections	134,357	133,370	121,527	11,843
Legal Services	185,000	190,139	190,139	-
Recording and Reporting	298,941	273,274	240,118	33,156
Office Building - Town Hall	111,270	116,716	116,374	342
Human Resources	255,781	261,227	215,201	46,026
Finance	1,588,843	1,723,751	1,681,945	41,806
Total General Government	<u>3,101,653</u>	<u>3,226,911</u>	<u>3,093,606</u>	<u>133,305</u>
Public Safety:				
Police Protection	5,911,900	6,445,171	6,445,171	-
Fire Protection	2,143,472	2,219,174	2,219,174	-
Central Communications	756,380	709,306	709,306	-
Protective Inspection	403,416	403,846	403,846	-
Other Protection	273,293	237,430	237,430	-
Total Public Safety	<u>9,488,461</u>	<u>10,014,927</u>	<u>10,014,927</u>	<u>-</u>
Public Works:				
Administration	438,354	413,552	411,241	2,311
Highways	1,794,286	1,700,928	1,698,515	2,413
Sanitation	383,747	323,209	321,000	2,209
Machinery and Equipment	581,313	618,159	617,372	787
Building and Grounds	2,077,149	2,267,193	2,263,663	3,530
Engineering	331,797	388,488	381,285	7,203
Total Public Works	<u>5,606,646</u>	<u>5,711,529</u>	<u>5,693,076</u>	<u>18,453</u>
Health and Social Services:				
Conservation of Health	180,885	180,885	180,885	-
Social Services	368,249	378,529	378,529	-
Total Health and Social Services	<u>549,134</u>	<u>559,414</u>	<u>559,414</u>	<u>-</u>
Recreation and Parks:				
Recreation	751,879	796,767	719,243	77,524
Parks	45,380	45,417	43,404	2,013
Senior Citizens	36,750	17,386	16,258	1,128
Community Activities	34,197	33,688	32,832	856
Total Recreation and Parks	<u>868,206</u>	<u>893,258</u>	<u>811,737</u>	<u>81,521</u>
Educational - Cultural:				
Library	1,689,468	1,769,942	1,717,321	52,621
Conservation and Development:				
Planning and Zoning	391,166	418,592	398,996	19,596
Conservation of Natural Resources	138,903	146,379	144,282	2,097
Total Conservation and Development	<u>530,069</u>	<u>564,971</u>	<u>543,278</u>	<u>21,693</u>

**TOWN OF AVON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES (CONTINUED)				
Miscellaneous:				
Claims and Losses	\$ 12,000	\$ -	\$ -	\$ -
Municipal Insurance	302,685	305,466	305,466	-
Employee Benefit Funding	5,457,352	5,890,665	5,890,665	-
Intergovernmental Expenditure	63,875	54,684	54,684	-
Contingency	10,000	-	-	-
Total Miscellaneous	<u>5,845,912</u>	<u>6,250,815</u>	<u>6,250,815</u>	<u>-</u>
Total Town Council	27,679,549	28,991,767	28,684,174	307,593
Board of Education:				
Salaries	40,699,418	40,662,142	40,662,142	-
Employee Benefits	10,369,798	10,453,343	10,453,343	-
Purchased Prf and Tech Services	1,450,159	1,300,258	1,300,258	-
Property Services	774,926	1,063,289	1,063,289	-
Other Purchased Services	7,680,735	6,822,117	6,721,529	100,588
General Supplies and Utilities	2,571,436	3,028,166	3,028,166	-
Equipment	681,182	1,229,282	1,229,282	-
Fees and Membership	127,950	153,755	153,755	-
Total Board of Education	<u>64,355,604</u>	<u>64,712,352</u>	<u>64,611,764</u>	<u>100,588</u>
Debt Service:				
Bonds and Bond Anticipation Notes	2,962,950	2,962,950	2,962,950	-
Total Expenditures	94,998,103	96,667,069	96,258,888	408,181
OTHER FINANCING USES				
Transfers Out	3,481,639	4,757,239	4,757,239	-
Total Expenditures and Other Financing Uses	<u>\$ 98,479,742</u>	<u>\$ 101,424,308</u>	101,016,127	<u>\$ 408,181</u>
Encumbrances Outstanding June 30, 2023, Charged to Budgetary Expenditures during the Year Ended June 30, 2023			(1,850,153)	
Encumbrances Received and Liquidated in the Current Year			1,630,917	
State Teachers' Retirement Pension Expense			10,149,497	
State Teachers' Retirement OPEB Expense			<u>143,554</u>	
Balance, GAAP Basis			<u>\$ 111,089,942</u>	

TOWN OF AVON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AVON RETIREMENT SYSTEM – TOWN
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ -	\$ 17,870	\$ 17,565	\$ 15,576	\$ 14,551	\$ 72,683	\$ 106,979	\$ 146,076	\$ 149,834	\$ 163,905
Interest	2,421,148	2,576,768	2,623,537	2,623,031	2,721,665	2,801,325	2,881,746	2,925,097	2,979,055	2,980,790
Changes in Benefit Terms	-	-	-	-	-	-	-	-	-	-
Effect of Economic/Demographic Gains or Losses	(225,557)	(651,638)	291,057	(283,029)	189,868	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-	808,194	297,926	142,719	(87,525)	436,694	-
Changes of Assumptions	(184,148)	835,245	-	3,037,111	-	814,832	820,553	426,171	430,089	-
Benefit Payments, Including Refunds of Member Contributions	(3,676,393)	(3,595,091)	(3,763,907)	(3,778,449)	(3,625,729)	(3,625,343)	(3,665,823)	(3,595,436)	(3,429,651)	(3,266,880)
Net Change in Total Pension Liability	(1,664,950)	(816,846)	(831,748)	1,614,240	108,549	361,423	286,174	(185,617)	566,021	(122,185)
Total Pension Liability - Beginning of Year	42,163,875	42,980,721	43,812,469	42,198,229	42,089,680	41,728,257	41,442,083	41,627,700	41,061,679	41,183,864
Total Pension Liability - End of Year	40,498,925	42,163,875	42,980,721	43,812,469	42,198,229	42,089,680	41,728,257	41,442,083	41,627,700	41,061,679
Plan Fiduciary Net Position:										
Contributions - Employer	3,927,111	3,914,810	3,718,708	3,315,082	3,156,575	2,974,142	2,784,344	2,718,922	2,611,489	2,367,723
Contributions - Employee	5,671	27,865	-	-	87,658	31,969	47,386	58,945	62,311	61,664
Net Investment Income	2,253,335	(4,136,828)	5,351,459	1,410,151	1,066,219	1,604,141	2,065,484	(221,261)	392,103	2,615,214
Benefit Payments, Including Refunds of Member Contributions	(3,676,393)	(3,595,091)	(3,763,907)	(3,778,449)	(3,625,729)	(3,625,343)	(3,665,823)	(3,595,436)	(3,429,651)	(3,266,880)
Administrative Expense	(23,345)	(23,144)	(24,509)	(22,948)	(22,342)	(22,640)	(21,453)	(21,846)	(21,105)	(21,273)
Net Change in Plan Fiduciary Net Position	2,486,379	(3,812,388)	5,281,751	923,836	662,381	962,269	1,209,938	(1,060,676)	(384,853)	1,756,448
Plan Fiduciary Net Position - Beginning of Year	21,582,169	25,394,557	20,112,806	19,188,970	18,526,589	17,564,320	16,354,382	17,415,058	17,799,911	16,043,463
Plan Fiduciary Net Position - End of Year	24,068,548	21,582,169	25,394,557	20,112,806	19,188,970	18,526,589	17,564,320	16,354,382	17,415,058	17,799,911
Town's Net Pension Liability - End of Year	<u>\$ 16,430,377</u>	<u>\$ 20,581,706</u>	<u>\$ 17,586,164</u>	<u>\$ 23,699,663</u>	<u>\$ 23,009,259</u>	<u>\$ 23,563,091</u>	<u>\$ 24,163,937</u>	<u>\$ 25,087,701</u>	<u>\$ 24,212,642</u>	<u>\$ 23,261,768</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.43 %	51.19 %	59.08 %	45.91 %	45.47 %	44.02 %	42.09 %	39.46 %	41.84 %	43.35 %
Covered Payroll	\$ 257,458	\$ 397,310	\$ 396,939	\$ 644,025	\$ 835,010	\$ 968,415	\$ 1,008,320	\$ 1,146,084	\$ 1,244,618	\$ 1,528,161
Town's Net Pension Liability as a Percentage of Covered Payroll	6,381.77 %	5,180.26 %	4,430.44 %	3,679.93 %	2,755.57 %	2,433.16 %	2,396.46 %	2,188.99 %	1,945.39 %	1,522.21 %

TOWN OF AVON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AVON RETIREMENT SYSTEM – BOARD OF EDUCATION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 457,707	\$ 520,931	\$ 527,305	\$ 495,815	\$ 490,495	\$ 576,814	\$ 563,301	\$ 536,754	\$ 556,668	\$ 525,256
Interest	1,061,164	1,014,448	992,341	890,338	903,576	858,481	782,703	712,072	658,710	611,000
Changes in Benefit Terms	-	-	-	-	-	-	-	(152,845)	-	-
Effect of Economic/Demographic Gains or Losses	(397,682)	(11,715)	(241,544)	(40,629)	(896,489)	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-	-	(68,982)	175,488	252,702	(193,612)	119,783
Changes of Assumptions	(66,745)	-	448,682	1,371,068	354,292	347,954	310,917	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(588,475)	(772,537)	(610,215)	(527,035)	(564,062)	(448,848)	(308,945)	(293,632)	(364,877)	(402,777)
Net Change in Total Pension Liability	465,969	751,127	1,116,569	2,189,557	287,812	1,265,419	1,523,464	1,055,051	656,889	853,262
Total Pension Liability - Beginning of Year	17,518,315	16,767,188	15,650,619	13,461,062	13,173,250	11,907,831	10,384,367	9,329,316	8,672,427	7,819,165
Total Pension Liability - End of Year	17,984,284	17,518,315	16,767,188	15,650,619	13,461,062	13,173,250	11,907,831	10,384,367	9,329,316	8,672,427
Plan Fiduciary Net Position:										
Contributions - Employer	771,139	856,552	797,132	610,663	698,616	622,289	514,235	508,433	506,967	507,738
Contributions - Employee	162,782	174,648	187,835	210,397	226,274	227,313	277,493	304,720	293,265	299,105
Net Investment Income	1,525,269	(2,681,685)	3,525,422	930,705	676,111	861,522	1,048,650	(46,816)	175,505	871,716
Benefit Payments, Including Refunds of Member Contributions	(588,475)	(772,537)	(610,215)	(527,035)	(564,062)	(448,848)	(308,945)	(293,632)	(364,877)	(402,777)
Administrative Expense	(17,853)	(19,732)	(18,974)	(18,079)	(17,293)	(17,793)	(14,746)	(13,785)	(14,465)	(14,704)
Net Change in Plan Fiduciary Net Position	1,852,862	(2,442,754)	3,881,200	1,206,651	1,019,646	1,244,483	1,516,687	458,920	596,395	1,261,078
Plan Fiduciary Net Position - Beginning of Year	14,499,056	16,941,810	13,060,610	11,853,959	10,834,313	9,589,830	8,073,143	7,614,223	7,017,828	5,756,750
Plan Fiduciary Net Position - End of Year	16,351,918	14,499,056	16,941,810	13,060,610	11,853,959	10,834,313	9,589,830	8,073,143	7,614,223	7,017,828
Town's Net Pension Liability (Asset) - End of Year	<u>\$ 1,632,366</u>	<u>\$ 3,019,259</u>	<u>\$ (174,622)</u>	<u>\$ 2,590,009</u>	<u>\$ 1,607,103</u>	<u>\$ 2,338,937</u>	<u>\$ 2,318,001</u>	<u>\$ 2,311,224</u>	<u>\$ 1,715,093</u>	<u>\$ 1,654,599</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.92 %	82.77 %	101.04 %	83.45 %	88.06 %	82.24 %	80.53 %	77.74 %	81.62 %	80.92 %
Covered Payroll	\$ 3,263,355	\$ 3,565,716	\$ 3,800,852	\$ 3,988,673	\$ 4,793,820	\$ 4,885,541	\$ 4,459,116	\$ 4,872,609	\$ 4,580,259	\$ 4,234,029
Town's Net Pension Liability as a Percentage of Covered Payroll	50.02 %	84.67 %	(4.59)%	64.93 %	33.52 %	47.87 %	51.98 %	47.43 %	37.45 %	39.08 %

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AVON RETIREMENT SYSTEM – TOWN PENSION PLAN
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-Determined Contribution	\$ 3,927,111	\$ 3,914,810	\$ 3,718,708	\$ 3,298,082	\$ 3,140,575	\$ 2,965,142	\$ 2,784,344	\$ 2,718,922	\$ 2,611,489	\$ 2,367,723
Contributions in Relation to the Actuarially-Determined Contribution	<u>3,927,111</u>	<u>3,914,810</u>	<u>3,718,708</u>	<u>3,315,082</u>	<u>3,156,575</u>	<u>2,974,142</u>	<u>2,784,344</u>	<u>2,718,922</u>	<u>2,611,489</u>	<u>2,367,723</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,000)</u>	<u>\$ (16,000)</u>	<u>\$ (9,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 257,458	\$ 397,310	\$ 396,939	\$ 644,025	\$ 835,010	\$ 968,415	\$ 1,008,320	\$ 1,146,084	\$ 1,244,618	\$ 1,528,161
Contributions as a Percentage of Covered Payroll	1,525.34 %	985.33 %	936.85 %	514.74 %	378.03 %	307.11 %	276.14 %	237.24 %	209.82 %	154.94 %

Notes to Schedule:

Valuation Date July 1, 2022
 Measurement Date June 30, 2023

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

Methods and Assumptions Used to

Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Layered
Remaining Amortization Period	10 Years
Amortization Growth Rate	3.50%
Asset Valuation Method	5 Year Non-Asymptotic, No Corridor
Inflation	2.75%
Salary Increases	3.50%
Cost of Living Adjustments	None
Investment Rate of Return	6.00%
Turnover	Age-Based Table
Retirement Age	All active members are assumed to retire on their normal retirement dates.
Mortality	PubS-2010 Mortality Table for Police and PubG-2010 Mortality Table for All Others with Generational Projection per the MP-2021 Ultimate Scale

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AVON RETIREMENT SYSTEM – BOARD OF EDUCATION PENSION PLAN
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-Determined Contribution	\$ 771,139	\$ 856,552	\$ 797,132	\$ 610,663	\$ 698,616	\$ 622,289	\$ 514,235	\$ 504,392	\$ 506,967	\$ 480,771
Contributions in Relation to the Actuarially-Determined Contribution	<u>771,139</u>	<u>856,552</u>	<u>797,132</u>	<u>610,663</u>	<u>698,616</u>	<u>622,289</u>	<u>514,235</u>	<u>508,433</u>	<u>506,967</u>	<u>507,738</u>
Contribution Excess	<u>\$ -</u>	<u>\$ (4,041)</u>	<u>\$ -</u>	<u>\$ (26,967)</u>						
Covered Payroll	\$ 3,263,355	\$ 3,565,716	\$ 3,800,852	\$ 3,988,673	\$ 4,793,820	\$ 4,885,541	\$ 4,459,116	\$ 4,872,609	\$ 4,580,259	\$ 4,234,029
Contributions as a Percentage of Covered Payroll	23.63 %	24.02 %	20.97 %	15.31 %	14.57 %	12.74 %	11.53 %	10.43 %	11.07 %	11.99 %

Notes to Schedule:

Valuation Date July 1, 202
Measurement Date June 30, 2023

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Remaining Amortization Period	10 Years
Amortization Growth Rate	3.50%
Asset Valuation Method	5 Year Non-Asymptotic, No Corridor
Inflation	2.75%
Salary Increases	3.50%
Cost of Living Adjustments	None
Investment Rate of Return	6.00%
Retirement Age and Turnover	Age-Based Table
Mortality	PubG-2010 Mortality with Generational Projection per the MP-2021 Ultimate Scale

**TOWN OF AVON, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 AVON RETIREMENT SYSTEM – TOWN PENSION PLAN
 LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.56 %	(15.15)%	24.46 %	6.87 %	5.40 %	8.62 %	12.52 %	(1.22)%	2.34 %	15.71 %

**TOWN OF AVON, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 AVON RETIREMENT SYSTEM – BOARD OF EDUCATION PENSION PLAN
 LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.26 %	(15.40)%	26.81 %	7.64 %	5.94 %	8.67 %	12.59 %	(0.58)%	2.42 %	15.55 %

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>128,730,737</u>	<u>102,991,065</u>	<u>130,037,833</u>	<u>116,405,455</u>	<u>89,755,368</u>	<u>90,724,585</u>	<u>95,715,132</u>	<u>73,660,024</u>	<u>68,083,931</u>
Total	<u>\$ 128,730,737</u>	<u>\$ 102,991,065</u>	<u>\$ 130,037,833</u>	<u>\$ 116,405,455</u>	<u>\$ 89,755,368</u>	<u>\$ 90,724,585</u>	<u>\$ 95,715,132</u>	<u>\$ 73,660,024</u>	<u>\$ 68,083,931</u>
Town's Covered Payroll	\$ 31,601,739	\$ 29,968,136	\$ 29,968,136	\$ 29,414,259	\$ 28,723,475	\$ 27,547,607	\$ 27,614,326	\$ 26,651,752	\$ 26,073,558
Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06 %	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %	61.51 %

Notes to Schedule:

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent Amortization Period	27.8 Years
Asset Valuation Method	4-Year Smoothed Fair Value
Inflation	2.50%
Salary Increase	3.00%-6.50%, including Inflation
Investment Rate of Return	6.90%, Net of Investment-Related Expense

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

TOWN OF AVON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
AVON RETIREMENT SYSTEM – TOWN
LAST SEVEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 372,525	\$ 707,117	\$ 735,627	\$ 769,285	\$ 727,436	\$ 594,273	\$ 555,395
Interest	2,085,649	2,019,461	2,087,116	2,200,650	2,190,751	2,052,127	1,942,235
Changes of Benefit Terms							
Differences Between Expected and Actual Experience							
Effect of Economic/Demographic Gains or Losses	(13,946,823)	-	(388,119)	-	(8,561)	-	-
Changes of Assumptions	1,204,184	-	(922,678)	(3,440,258)	641,321	-	-
Benefit Payments	(1,272,034)	(1,392,083)	(1,173,614)	(1,309,633)	(764,223)	(833,086)	(1,095,722)
Net Change in Total OPEB Liability	<u>(11,556,499)</u>	<u>1,334,495</u>	<u>338,332</u>	<u>(1,779,956)</u>	<u>2,786,724</u>	<u>1,813,314</u>	<u>1,401,908</u>
Total OPEB Liability - Beginning of Year	<u>33,624,237</u>	<u>32,289,742</u>	<u>31,951,410</u>	<u>33,731,366</u>	<u>30,944,642</u>	<u>29,131,328</u>	<u>27,729,420</u>
Total OPEB Liability - End of Year	22,067,738	33,624,237	32,289,742	31,951,410	33,731,366	30,944,642	29,131,328
Plan Fiduciary Net Position:							
Contributions - Employer	1,972,000	1,924,000	1,887,122	2,020,072	1,975,319	2,130,593	1,946,608
Contributions - Member	-	-	-	-	-	-	153,311
Net Investment Income	1,077,243	(832,246)	571,708	104,299	142,369	132,046	169,420
Benefit Payments	(1,272,034)	(1,392,083)	(1,173,614)	(1,309,633)	(764,223)	(833,086)	(1,079,312)
Administrative Expense	(17,000)	(30,125)	(12,352)	(7,150)	(23,473)	(5,900)	(16,410)
Net Change in Plan Fiduciary Net Position	<u>1,760,209</u>	<u>(330,454)</u>	<u>1,272,864</u>	<u>807,588</u>	<u>1,329,992</u>	<u>1,423,653</u>	<u>1,173,617</u>
Plan Fiduciary Net Position - Beginning of Year	<u>10,166,205</u>	<u>10,496,659</u>	<u>9,223,795</u>	<u>8,416,207</u>	<u>7,086,215</u>	<u>5,662,562</u>	<u>4,488,945</u>
Plan Fiduciary Net Position - End of Year	<u>11,926,414</u>	<u>10,166,205</u>	<u>10,496,659</u>	<u>9,223,795</u>	<u>8,416,207</u>	<u>7,086,215</u>	<u>5,662,562</u>
Net OPEB Liability - End of Year	<u>\$ 10,141,324</u>	<u>\$ 23,458,032</u>	<u>\$ 21,793,083</u>	<u>\$ 22,727,615</u>	<u>\$ 25,315,159</u>	<u>\$ 23,858,427</u>	<u>\$ 23,468,766</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.04 %	30.23 %	32.51 %	28.87 %	24.95 %	22.90 %	19.44 %
Covered Payroll	\$ 9,682,685	\$ 9,682,685	\$ 7,970,045	\$ 7,970,045	\$ 5,277,848	\$ 5,277,848	\$ 4,848,188
Net OPEB Liability as a Percentage of Covered Payroll	104.74 %	242.27 %	273.44 %	285.16 %	479.65 %	452.05 %	484.07 %

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

TOWN OF AVON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
AVON RETIREMENT SYSTEM – BOARD OF EDUCATION
LAST SEVEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 365,438	\$ 302,652	\$ 293,675	\$ 324,791	\$ 283,422	\$ 374,035	\$ 349,565
Interest	508,937	492,237	553,426	557,676	700,168	654,981	607,202
Effect of Economic/Demographic Gains or Losses	3,143,700	-	(1,476,230)	-	(2,385,800)	-	-
Effect of Assumptions Changes or Inputs	(974,510)	-	657,091	(568,997)	363,110	-	-
Benefit Payments	(679,276)	(482,320)	(215,763)	(475,620)	(375,581)	(212,941)	(381,547)
Net Change in Total OPEB Liability	<u>2,364,289</u>	<u>312,569</u>	<u>(187,801)</u>	<u>(162,150)</u>	<u>(1,414,681)</u>	<u>816,075</u>	<u>575,220</u>
Total OPEB Liability - Beginning of Year	<u>8,451,525</u>	<u>8,138,956</u>	<u>8,326,757</u>	<u>8,488,907</u>	<u>9,903,588</u>	<u>9,087,513</u>	<u>8,512,293</u>
Total OPEB Liability - End of Year	10,815,814	8,451,525	8,138,956	8,326,757	8,488,907	9,903,588	9,087,513
Plan Fiduciary Net Position:							
Contributions - Employer	867,274	778,945	922,682	887,456	620,355	1,389,412	1,096,301
Contributions - Member	-	-	-	-	-	-	162,121
Net Investment Income (Loss)	615,834	(979,962)	1,291,946	175,735	190,834	53,128	16,759
Benefit Payments	(679,276)	(482,320)	(215,763)	(475,620)	(375,581)	(212,941)	(381,137)
Administrative Expense	-	-	-	-	-	-	(410)
Net Change in Plan Fiduciary Net Position	<u>803,832</u>	<u>(683,337)</u>	<u>1,998,865</u>	<u>587,571</u>	<u>435,608</u>	<u>1,229,599</u>	<u>893,634</u>
Plan Fiduciary Net Position - Beginning of Year	<u>4,279,456</u>	<u>4,962,793</u>	<u>2,963,928</u>	<u>2,376,357</u>	<u>1,940,749</u>	<u>711,150</u>	<u>(182,484)</u>
Plan Fiduciary Net Position - End of Year	<u>5,083,288</u>	<u>4,279,456</u>	<u>4,962,793</u>	<u>2,963,928</u>	<u>2,376,357</u>	<u>1,940,749</u>	<u>711,150</u>
Net OPEB Liability - End of Year	<u>\$ 5,732,526</u>	<u>\$ 4,172,069</u>	<u>\$ 3,176,163</u>	<u>\$ 5,362,829</u>	<u>\$ 6,112,550</u>	<u>\$ 7,962,839</u>	<u>\$ 8,376,363</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.00 %	50.64 %	60.98 %	35.60 %	27.99 %	19.60 %	7.83 %
Covered Payroll	\$ 45,406,131	\$ 45,406,131	\$ 26,770,839	\$ 26,770,839	\$ 29,004,929	\$ 29,004,929	\$ 27,317,927
Net OPEB Liability as a Percentage of Covered Payroll	12.63 %	9.19 %	11.86 %	20.03 %	21.07 %	27.45 %	30.66 %

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (1)	\$ 3,078,072	\$ 2,860,082	\$ 3,163,176	\$ 2,986,851	\$ 2,700,739	\$ 2,548,324	\$ 2,356,683	\$ 2,169,173	\$ 2,007,000	\$ 1,915,000
Contributions in Relation to the Actuarially-Determined Contribution	<u>1,972,000</u>	<u>1,924,000</u>	<u>1,887,122</u>	<u>2,020,072</u>	<u>1,975,319</u>	<u>2,130,593</u>	<u>1,946,608</u>	<u>1,809,878</u>	<u>1,895,000</u>	<u>1,712,000</u>
Contribution Deficiency	<u>\$ 1,106,072</u>	<u>\$ 936,082</u>	<u>\$ 1,276,054</u>	<u>\$ 966,779</u>	<u>\$ 725,420</u>	<u>\$ 417,731</u>	<u>\$ 410,075</u>	<u>\$ 359,295</u>	<u>\$ 112,000</u>	<u>\$ 203,000</u>
Covered Payroll	\$ 9,682,685	\$ 9,682,685	\$ 7,970,045	\$ 7,970,045	\$ 4,848,188	\$ 5,277,848	\$ 4,848,188	\$ 4,848,188	N/A	N/A
Contributions as a Percentage of Covered Payroll	20.37 %	19.87 %	23.68 %	25.35 %	40.74 %	40.37 %	40.15 %	37.33 %	N/A	N/A

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

Notes to Schedule:

Valuation Date 1-Jul-22
 Measurement Date June 30, 2023

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Amortization Period	10 Years
Amortization Growth Rate	0.00%
Asset Valuation Method	5-Year Smoothed Fair Value, Non-Asymptotic, No Corridor
Inflation	2.40%
Salary Increases, including Inflation	3.50%
Discount Rate	6.00%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (1)	\$ 743,750	\$ 778,945	\$ 922,682	\$ 887,456	\$ 1,177,141	\$ 1,111,525	\$ 1,063,989	\$ 974,866	\$ 1,016,000	\$ 935,000
Contributions in Relation to the Actuarially-Determined Actuarially Determined Contribution	867,274	778,945	922,682	887,456	620,355	1,389,412	1,096,301	569,278	540,000	507,000
Contribution Deficiency (Excess)	\$ (123,524)	\$ -	\$ -	\$ -	\$ 556,786	\$ (277,887)	\$ (32,312)	\$ 405,588	\$ 476,000	\$ 428,000
Covered Payroll	\$ 45,406,131	\$ 45,406,131	\$ 26,770,839	\$ 26,770,839	\$ 29,004,929	\$ 29,004,929	\$ 27,317,927	\$ 27,317,927	\$ 25,533,000	\$ 25,533,000
Contributions as a Percentage of Covered Payroll	1.91 %	1.72 %	3.45 %	3.32 %	2.14 %	4.79 %	4.01 %	2.08 %	2.11 %	1.99 %

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

Notes to Schedule:

Valuation Date July 1, 2022
Measurement Date June 30, 2023

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Amortization Period	17 Years
Amortization Growth Rate	3.50%
Asset Valuation Method	5-Year Smoothed Fair Value, Non-Asymptotic, No Corridor
Inflation	2.40%
Salary Increases	Graded by Service for Teachers and Administrators; 3.50% for All Others
Discount Rate	6.00%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.43 %	(7.13)%	5.52 %	1.07 %	1.64 %	2.45 %	4.10 %

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF AVON, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 OPEB – BOARD OF EDUCATION
 LAST SEVEN FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.95 %	(17.65)%	34.04 %	5.78 %	8.05 %	4.73 %	10.20 %

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	11,273,860	11,220,688	19,395,147	18,154,088	17,942,658	23,351,462
Total	<u>\$ 11,273,860</u>	<u>\$ 11,220,688</u>	<u>\$ 19,395,147</u>	<u>\$ 18,154,088</u>	<u>\$ 17,942,658</u>	<u>\$ 23,351,462</u>
Town's Covered Payroll	\$ 32,427,942	\$ 31,601,739	\$ 29,968,136	\$ 29,414,259	\$ 28,723,475	\$ 27,547,607
Town's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46 %	6.11 %	2.50 %	2.08 %	1.49 %	1.79 %

Notes to Schedule:

Changes in Benefit Terms: There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

Changes of Assumptions: Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022;
Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;
Long-term health care cost trend rates were updated; and
The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll over an Open Period
Remaining Amortization Period	30 Years
Asset Valuation Method	Fair Value of Assets
Investment Rate of Return	3.00%, Net of Investment Related Expense including Price Inflation
Price Inflation	2.50%

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

**TOWN OF AVON, CONNECTICUT
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2023**

	General	Other Postemployment Benefits	Eliminations	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 37,783,364	\$ -	\$ -	\$ 37,783,364
Receivables, Net	2,561,964	-	-	2,561,964
Due from Other Funds	2,562,457	4,800	(4,800)	2,562,457
Other	39,293	-	-	39,293
	<u>42,947,078</u>	<u>4,800</u>	<u>(4,800)</u>	<u>42,947,078</u>
Total Assets	<u>\$ 42,947,078</u>	<u>\$ 4,800</u>	<u>\$ (4,800)</u>	<u>\$ 42,947,078</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,010,858	\$ -	\$ -	\$ 1,010,858
Accrued Liabilities	777,062	-	-	777,062
Due to Other Funds	15,490,428	-	(4,800)	15,485,628
Total Liabilities	<u>17,278,348</u>	<u>-</u>	<u>(4,800)</u>	<u>17,273,548</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	728,451	-	-	728,451
Deferred Lease Receivable	622,597	-	-	622,597
Advance Property Tax Collections	2,720,037	-	-	2,720,037
Total Deferred Inflows of Resources	<u>4,071,085</u>	<u>-</u>	<u>-</u>	<u>4,071,085</u>
FUND BALANCES				
Nonspendable	39,293	-	-	39,293
Restricted	64,472	-	-	64,472
Assigned	6,820,021	4,800	-	6,824,821
Unassigned	14,673,859	-	-	14,673,859
Total Fund Balances	<u>21,597,645</u>	<u>4,800</u>	<u>-</u>	<u>21,602,445</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 42,947,078</u>	<u>\$ 4,800</u>	<u>\$ (4,800)</u>	<u>\$ 42,947,078</u>

TOWN OF AVON, CONNECTICUT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	General	Other Postemployment Benefits	Eliminations	Total General Fund
REVENUES				
Property Taxes	\$ 92,575,481	\$ -	\$ -	\$ 92,575,481
Intergovernmental	14,296,043	-	-	14,296,043
Charges for Services	4,333,403	-	-	4,333,403
Investment Income	1,947,759	-	-	1,947,759
Other Local Revenues	409,996	-	-	409,996
Total Revenues	<u>113,562,682</u>	<u>-</u>	<u>-</u>	<u>113,562,682</u>
EXPENDITURES				
Current:				
Town Council:				
General Government	3,110,294	-	-	3,110,294
Public Safety	10,026,313	-	-	10,026,313
Public Works	5,607,332	-	-	5,607,332
Health and Social Services	558,181	-	-	558,181
Recreation and Parks	811,737	-	-	811,737
Educational - Cultural	1,717,321	-	-	1,717,321
Conservation and Development	543,272	-	-	543,272
Miscellaneous	6,240,815	-	-	6,240,815
Total Town Council	<u>28,615,265</u>	<u>-</u>	<u>-</u>	<u>28,615,265</u>
Board of Education	74,754,488	-	-	74,754,488
Debt Service	2,962,950	-	-	2,962,950
Total Expenditures	<u>106,332,703</u>	<u>-</u>	<u>-</u>	<u>106,332,703</u>
EXCESS OF REVENUES OVER EXPENDITURES	7,229,979	-	-	7,229,979
OTHER FINANCING SOURCES (USES)				
Capital Lease Issuance	-	-	-	-
Transfers In	364,294	-	(50,000)	314,294
Transfers Out	(4,757,239)	(50,000)	50,000	(4,757,239)
Total Other Financing Uses, Net	<u>(4,392,945)</u>	<u>(50,000)</u>	<u>-</u>	<u>(4,442,945)</u>
NET CHANGE IN FUND BALANCES	2,837,034	(50,000)	-	2,787,034
Fund Balances - Beginning of Year	<u>18,760,611</u>	<u>54,800</u>	<u>-</u>	<u>18,815,411</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,597,645</u>	<u>\$ 4,800</u>	<u>\$ -</u>	<u>\$ 21,602,445</u>

**TOWN OF AVON, CONNECTICUT
REPORT OF PROPERTY TAX COLLECTIONS
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

Grand List Date	Uncollected Taxes July 1, 2022	Current Year Levy	Lawful Corrections		Transfers to Suspense	Transfers from Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2023	
			Additions	Deductions				Taxes	Refunds	Net Taxes	Interest and Fees		Total
2006 and Earlier	\$ 1,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,511
2007	870	-	-	-	-	-	870	-	-	-	-	-	870
2008	1,050	-	-	-	-	-	1,050	-	-	-	-	-	1,050
2009	1,096	-	-	-	-	-	1,096	-	-	-	-	-	1,096
2010	1,123	-	-	-	-	298	1,421	298	-	298	-	298	1,123
2011	8,725	-	-	-	-	301	9,026	7,876	-	7,876	13,010	20,886	1,150
2012	11,749	-	-	-	-	-	11,749	10,443	-	10,443	18,253	28,696	1,306
2013	14,172	-	-	-	-	-	14,172	12,588	-	12,588	17,108	29,696	1,584
2014	15,982	-	-	-	-	-	15,982	12,379	-	12,379	19,619	31,998	3,603
2015	22,781	-	-	-	14	-	22,767	14,997	-	14,997	18,157	33,154	7,770
2016	46,352	-	-	-	134	-	46,218	26,791	-	26,791	25,173	51,964	19,427
2017	72,249	-	-	-	137	150	72,262	29,184	-	29,184	19,835	49,019	43,078
2018	132,291	-	549	1,171	144	375	131,900	61,733	-	61,733	39,601	101,334	70,167
2019	189,397	-	465	3,231	144	-	186,487	75,292	-	75,292	28,966	104,258	111,195
2020	451,678	-	2,802	14,084	28,988	-	411,408	200,803	11,545	189,258	37,680	226,938	222,150
Total													
Prior Years	971,026	-	3,816	18,486	29,561	1,124	927,919	452,384	11,545	440,839	237,402	678,241	487,080
2021	-	92,366,231	56,733	210,680	-	-	92,212,284	91,714,436	125,585	91,588,851	207,631	91,796,482	623,433
Total	<u>\$ 971,026</u>	<u>\$ 92,366,231</u>	<u>\$ 60,549</u>	<u>\$ 229,166</u>	<u>\$ 29,561</u>	<u>\$ 1,124</u>	<u>\$ 93,140,203</u>	<u>\$ 92,166,820</u>	<u>\$ 137,130</u>	<u>\$ 92,029,690</u>	<u>\$ 445,033</u>	<u>\$ 92,474,723</u>	<u>\$ 1,110,513</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

Flexible Spending Account - To account for the flexible health spending account activity for the Town's Board of Education employees.

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

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

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

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

Technology Protection Plan - To account for the repairing and/or replacing of devices loaned to students of the Avon Public Schools. The source of revenue for this fund shall be limited to annual premiums collected from families that elect to participate in the Technology Protection Plan. The premium shall be determined by the Board of Education annually. Expenditures from this fund are limited to: (1) repairs to, or replacements of, damaged or inoperable devices during the school year, or; (2) the purchase of new devices at the conclusion of the school year.

American Rescue Plan Act Grant - To account for the receipt and use of funds received by the Town through the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established by the American Rescue Plan Act (ARPA).

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

PERMANENT FUND

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

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

**TOWN OF AVON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds						
	Sewer Fund	State and Federal Education Grants Fund	School Cafeteria Fund	Recreational Activities Fund	Local Capital Improvement Program Fund	Forest Park Management Fund	Use of School Facilities Fund
ASSETS							
Cash and Cash Equivalents	\$ 3,630,461	\$ 1,661	\$ 766,776	\$ 476,347	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables	1,226,153	204,561	287,482	-	116,997	-	-
Due from Other Funds	752,650	-	-	-	-	18,079	156,883
Other	150,006	-	17,059	7,731	-	-	-
Total Assets	5,759,270	206,222	1,071,317	484,078	116,997	18,079	156,883
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES	261,889	18,045	2,838	29,948	-	-	-
Accounts Payable	-	56,526	15,708	11,648	114,821	-	-
Due to Other Funds	481,092	110,870	-	-	-	-	-
Unearned Revenue	742,981	185,441	18,546	41,596	114,821	-	-
Total Liabilities	830,340	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES	-	202,598	60,414	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	830,340	202,598	60,414	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	150,006	-	17,059	7,731	-	-	-
FUND BALANCES	-	-	-	-	-	-	-
Nonspendable	4,035,943	-	975,298	434,751	2,176	18,079	156,883
Restricted	-	(181,817)	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Unassigned	4,185,949	(181,817)	992,357	442,482	2,176	18,079	156,883
Total Fund Balances	5,759,270	206,222	1,071,317	484,078	116,997	18,079	156,883
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,759,270	\$ 206,222	\$ 1,071,317	\$ 484,078	\$ 116,997	\$ 18,079	\$ 156,883

**TOWN OF AVON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds							
	Town Aid Road Fund	Fisher Meadow Maintenance Fund	Police Special Services Fund	Police Cadet Activities Fund	Trail Equipment Replacement Fund	Asset Forfeiture Fund	Student Activities Fund	
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 262,966	\$ 155,544	\$ -	\$ 6,101	\$ -	\$ 183,018	\$ 22,482
Investments	-	-	-	-	-	-	-	-
Receivables	-	127,159	35,136	-	-	-	-	-
Due from Other Funds	161,331	755,604	124,971	817	-	1,170	-	-
Other	-	-	-	-	-	-	-	-
Total Assets	161,331	1,145,729	315,651	817	6,101	1,170	183,018	22,482
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	-	-	2,971	-	-	-	-	-
Due to Other Funds	-	-	-	-	522	-	-	-
Unearned Revenue	-	-	11,044	-	-	-	-	-
Total Liabilities	-	-	14,015	-	522	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-
Lease Receivable	-	105,045	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	105,045	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	161,331	1,040,684	-	-	-	-	-	-
Committed	-	-	301,636	817	5,579	1,170	183,018	22,482
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	161,331	1,040,684	301,636	817	5,579	1,170	183,018	22,482
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 161,331	\$ 1,145,729	\$ 315,651	\$ 817	\$ 6,101	\$ 1,170	\$ 183,018	\$ 22,482

**TOWN OF AVON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds					Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Donations Fund	Property Damage Fund	Town Clerk Fund	Technology Protection Plan Fund	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	Police Officers' Meritorious Service Fund	
ASSETS								
Cash and Cash Equivalents	\$ 3,815	\$ 29,625	\$ 1,592	\$ -	\$ -	\$ -	\$ 29,853	\$ 5,570,241
Investments	-	-	-	-	-	-	73,377	73,377
Receivables	-	-	-	-	-	-	-	1,997,488
Due from Other Funds	11,067	-	74,503	15,448	196,509	1,413,864	-	3,682,896
Other	-	-	-	-	-	-	-	174,796
Total Assets	14,882	29,625	76,095	15,448	196,509	1,413,864	103,230	11,498,798
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	8,865	4,114	5,500	-	-	5,973	-	340,143
Due to Other Funds	-	4,284	-	-	-	-	-	203,509
Unearned Revenue	-	-	-	-	-	1,130	-	604,136
Total Liabilities	8,865	8,398	5,500	-	-	7,103	-	1,147,788
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	830,340
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	263,012
Lease Receivable	-	-	-	-	-	-	-	105,045
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	1,198,397
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	103,230	278,026
Restricted	-	-	-	-	196,509	-	-	1,398,524
Committed	6,017	21,227	70,595	15,448	-	1,406,761	-	7,657,880
Unassigned	-	-	-	-	-	-	-	(181,817)
Total Fund Balances	6,017	21,227	70,595	15,448	196,509	1,406,761	103,230	9,152,613
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,882	\$ 29,625	\$ 76,095	\$ 15,448	\$ 196,509	\$ 1,413,864	\$ 103,230	\$ 11,498,798

**TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						
	Sewer Fund	State and Federal Education Grants Fund	School Cafeteria Fund	Recreational Activities Fund	Local Capital Improvement Program Fund	Forest Park Management Fund	Use of School Facilities Fund
	\$ -	\$ 1,594,714	\$ 1,238,117	\$ -	\$ 116,997	\$ -	\$ -
	3,441,599	-	294,994	470,766	-	-	-
	-	-	1,900	-	-	-	-
	-	-	-	6,157	-	-	42,985
REVENUES	3,441,599	1,594,714	1,535,011	476,923	116,997	-	42,985
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Investment Income (Loss)	-	-	-	-	-	-	-
Other Local Revenues	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
EXPENDITURES	2,654,541	-	-	-	116,997	-	-
Current:	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	411,689	-	-	-
Public Works	-	1,591,341	1,366,086	-	-	-	50,498
Health and Human Services	-	-	-	-	-	-	-
Recreation and Parks	2,654,541	1,591,341	1,366,086	411,689	116,997	-	50,498
Education	-	-	-	-	-	-	-
Capital Outlay	787,058	3,373	168,925	65,234	-	-	(7,513)
Total Expenditures	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)	(567,000)	-	-	-	-	-	-
Transfers In	(567,000)	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Other Financing Uses, Net	220,058	3,373	168,925	65,234	-	-	(7,513)
NET CHANGE IN FUND BALANCES	3,965,891	(185,190)	823,432	377,248	2,176	18,079	164,396
Fund Balances - Beginning of Year	-	-	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ 4,185,949	\$ (181,817)	\$ 992,357	\$ 442,482	\$ 2,176	\$ 18,079	\$ 156,883

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds							
	Town Aid Road Fund	Fisher Meadow Maintenance Fund	Police Special Services Fund	Police Cadet Activities Fund	Trail Equipment Replacement Fund	Asset Forfeiture Fund	Student Activities Fund	Flex Spending Fund
	\$ 316,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES	-	-	160,588	-	6,101	-	354,420	76,678
Intergovernmental	-	14,397	-	-	-	-	-	-
Charges for Services	-	150,149	-	-	-	-	-	-
Investment Income (Loss)	316,468	-	160,588	-	6,101	-	354,420	76,678
Other Local Revenues	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-
EXPENDITURES	-	-	-	-	-	-	-	-
Current:	-	-	80,546	-	-	-	-	-
General Government	299,996	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	9,529	-	-	-
Health and Human Services	-	-	-	-	-	-	326,781	94,692
Recreation and Parks	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital Outlay	299,996	-	80,546	-	9,529	-	326,781	94,692
Total Expenditures	-	-	-	-	-	-	-	-
	16,472	164,546	80,042	-	(3,428)	-	27,639	(18,014)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	600	-	-	-
OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	600	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Other Financing Uses, Net	-	-	-	-	600	-	-	-
NET CHANGE IN FUND BALANCES	16,472	164,546	80,042	-	(2,828)	-	27,639	(18,014)
Fund Balances - Beginning of Year	144,859	876,138	221,594	817	8,407	1,170	155,379	40,496
FUND BALANCES - END OF YEAR	\$ 161,331	\$ 1,040,684	\$ 301,636	\$ 817	\$ 5,579	\$ 1,170	\$ 183,018	\$ 22,482

**TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds					Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Donations Fund	Property Damage Fund	Town Clerk Fund	Technology Protection Plan Fund	Debt Service Fund	Capital and Nonrecurring Expenditures Fund	Police Officers' Meritorious Service Fund	
	\$ -	\$ -	\$ 5,500	\$ -	\$ -	\$ 18,900	\$ -	\$ 3,290,696
REVENUES	-	-	6,224	-	-	-	-	4,811,370
Intergovernmental	-	-	-	-	-	-	9,914	26,211
Charges for Services	30,451	23,546	-	32,876	-	-	3,000	289,164
Investment Income (Loss)	30,451	23,546	11,724	32,876	-	18,900	12,914	8,417,441
Other Local Revenues								
Total Revenues								
EXPENDITURES	65,384	29,995	5,500	45,090	130,011	-	500	276,480
Current:								
General Government	-	-	-	-	-	-	-	80,546
Public Safety	-	-	-	-	-	-	-	3,071,534
Public Works	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	421,218
Recreation and Parks	-	-	-	-	-	-	-	3,429,398
Education	-	-	-	-	-	264,253	-	264,253
Capital Outlay	65,384	29,995	5,500	45,090	130,011	264,253	500	7,543,429
Total Expenditures								
	(34,933)	(6,449)	6,224	(12,214)	(130,011)	(245,353)	12,414	874,012
EXCESS OF REVENUES OVER EXPENDITURES								
OTHER FINANCING SOURCES (USES)	-	-	-	-	150,000	1,163,000	-	1,313,600
Transfers In	-	-	-	-	-	(313,000)	-	(880,000)
Transfers Out	-	-	-	-	150,000	850,000	-	433,600
Other Financing Uses, Net								
NET CHANGE IN FUND BALANCES	(34,933)	(6,449)	6,224	(12,214)	19,989	604,647	12,414	1,307,612
Fund Balances - Beginning of Year	40,950	27,676	64,371	27,662	176,520	802,114	90,816	7,845,001
FUND BALANCES - END OF YEAR	\$ 6,017	\$ 21,227	\$ 70,595	\$ 15,448	\$ 196,509	\$ 1,406,761	\$ 103,230	\$ 9,152,613

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SEWER FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Sewer Assessments	\$ 112,000	\$ 112,000	\$ 97,362	\$ (14,638)
Sewer Connections	30,000	30,000	52,007	22,007
Sewer Use Charges	2,944,593	2,944,593	3,196,779	252,186
Permits and Inspections	1,000	1,000	19,740	18,740
Interest and Lien Fees	29,000	29,000	75,711	46,711
Total Revenues	<u>3,116,593</u>	<u>3,116,593</u>	<u>3,441,599</u>	<u>325,006</u>
EXPENDITURES				
Current:				
Public Works	<u>3,116,593</u>	<u>3,116,593</u>	<u>2,708,967</u>	<u>407,626</u>
Total Expenditures	<u>3,116,593</u>	<u>3,116,593</u>	<u>2,708,967</u>	<u>407,626</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	732,632	732,632
OTHER FINANCING SOURCES (USES)				
Transfers Out	(567,000)	(567,000)	(567,000)	-
Appropriation of Fund Balance	<u>567,000</u>	<u>567,000</u>	<u>-</u>	<u>(567,000)</u>
Total Other Financing Uses, Net	<u>-</u>	<u>-</u>	<u>(567,000)</u>	<u>(567,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	165,632	<u>\$ 165,632</u>
Fund Balance - Beginning of Year			<u>3,962,727</u>	
FUND BALANCE - END OF YEAR			<u>\$ 4,128,359</u>	
RECONCILIATION TO GAAP BASIS				
		<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis		\$ 3,441,599	\$ 2,708,967	\$ 4,128,359
Encumbrances Outstanding from the Prior Year, Still Outstanding at End of Current Fiscal Year		-	-	3,164
Current Year Encumbrances		-	<u>(54,426)</u>	<u>54,426</u>
Balance, GAAP Basis		<u>\$ 3,441,599</u>	<u>\$ 2,654,541</u>	<u>\$ 4,185,949</u>

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STATE AND FEDERAL EDUCATION GRANTS FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 950,311	\$ 1,688,246	\$ 1,594,714	\$ (93,532)
EXPENDITURES				
Education	<u>950,311</u>	<u>1,688,246</u>	<u>1,688,246</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(93,532)	<u>\$ (93,532)</u>
Fund Balance - Beginning of Year			<u>(185,190)</u>	
FUND BALANCE - END OF YEAR			<u>\$ (278,722)</u>	
RECONCILIATION TO GAAP BASIS		<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis		\$ -	\$ 1,688,246	\$ (278,722)
Current Year Encumbrances		<u>-</u>	<u>(96,905)</u>	<u>96,905</u>
Balance, GAAP Basis		<u>\$ -</u>	<u>\$ 1,591,341</u>	<u>\$ (181,817)</u>

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SCHOOL CAFETERIA FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 292,770	\$ 292,770	\$ 1,214,512	\$ 921,742
Charges for Services	860,658	1,117,700	294,994	(822,706)
Investment Income	-	-	1,900	1,900
Total Revenues	<u>1,153,428</u>	<u>1,410,470</u>	<u>1,511,406</u>	<u>100,936</u>
EXPENDITURES				
Education	<u>1,153,428</u>	<u>1,410,470</u>	<u>1,410,469</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	100,937	<u>\$ 100,937</u>
Fund Balance - Beginning of Year			<u>820,856</u>	
FUND BALANCE - END OF YEAR			<u>\$ 921,793</u>	
RECONCILIATION TO GAAP BASIS				
		<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis		\$ 1,511,406	\$ 1,410,469	\$ 921,793
Current Year Encumbrances		-	(70,564)	70,564
Prior Year Encumbrances Paid		-	2,576	-
Commodities Received		<u>23,605</u>	<u>23,605</u>	<u>-</u>
Balance, GAAP Basis		<u>\$ 1,535,011</u>	<u>\$ 1,366,086</u>	<u>\$ 992,357</u>

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
RECREATIONAL ACTIVITIES FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 453,798	\$ 453,798	\$ 469,181	\$ 15,383
Other Revenues	-	8,880	7,742	(1,138)
Total Revenues	<u>453,798</u>	<u>462,678</u>	<u>476,923</u>	<u>14,245</u>
EXPENDITURES				
Recreation and Parks	<u>453,798</u>	<u>462,678</u>	<u>417,989</u>	<u>44,689</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	58,934	<u>\$ 58,934</u>
Fund Balance - Beginning of Year			<u>376,626</u>	
FUND BALANCE - END OF YEAR			<u>\$ 435,560</u>	
RECONCILIATION TO GAAP BASIS				
		<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis		\$ 476,923	\$ 417,989	\$ 435,560
Prior Year Encumbrances Paid		-	622	-
Current Year Encumbrances		<u>-</u>	<u>(6,922)</u>	<u>6,922</u>
Balance, GAAP Basis		<u>\$ 476,923</u>	<u>\$ 411,689</u>	<u>\$ 442,482</u>

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LOCAL CAPITAL IMPROVEMENT PROGRAM FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental	\$ 110,330	\$ 116,997	\$ 116,997	\$ -
EXPENDITURES				
Public Works	110,330	116,997	116,997	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>2,176</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,176</u>	

**TOWN OF AVON, CONNECTICUT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 FOREST PARK MANAGEMENT FUND
 YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Other Local Revenues	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Recreation and Parks	579	579	-	579
NET CHANGE IN FUND BALANCE	\$ (579)	\$ (579)	-	\$ (579)
Fund Balance - Beginning of Year			18,079	
FUND BALANCE - END OF YEAR			\$ 18,079	
RECONCILIATION TO GAAP BASIS				
		Revenues	Expenditures	Fund Balance
End of Year Balance, Budgetary Basis		\$ -	\$ -	\$ 18,079
Cancelled Encumbrances		-	-	-
End of Year Balance, GAAP Basis		\$ -	\$ -	\$ 18,079

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TOWN AID ROAD FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 312,867	\$ 312,867	\$ 316,468	\$ 3,601
EXPENDITURES				
Public Works	<u>312,867</u>	<u>312,867</u>	<u>316,467</u>	<u>(3,600)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
Fund Balance - Beginning of Year			<u>102,265</u>	
FUND BALANCE - END OF YEAR			<u>\$ 102,266</u>	
RECONCILIATION TO GAAP BASIS		<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis		\$ 316,468	\$ 316,467	\$ 102,266
Prior Year Encumbrances Paid		-	42,594	-
Current Year Encumbrances		<u>-</u>	<u>(59,065)</u>	<u>59,065</u>
Balance, GAAP Basis		<u>\$ 316,468</u>	<u>\$ 299,996</u>	<u>\$ 161,331</u>

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
USE OF SCHOOL FACILITIES FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Other Local Revenues	\$ 25,000	\$ 65,199	\$ 42,985	\$ (22,214)
EXPENDITURES				
Education	<u>25,000</u>	<u>65,199</u>	<u>65,198</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(22,213)	<u>\$ 22,213</u>
Fund Balance - Beginning of Year			<u>164,396</u>	
FUND BALANCE - END OF YEAR			<u>\$ 142,183</u>	
 RECONCILIATION TO GAAP BASIS				
		<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis		\$ 42,985	\$ 65,198	\$ 142,183
Current Year Encumbrances		<u>-</u>	<u>(14,700)</u>	<u>14,700</u>
Balance, GAAP Basis		<u>\$ 42,985</u>	<u>\$ 50,498</u>	<u>\$ 156,883</u>

**TOWN OF AVON, CONNECTICUT
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 POLICE SPECIAL SERVICES FUND
 YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Other Local Revenues	\$ 39,781	\$ 80,547	\$ 160,588	\$ 80,041
EXPENDITURES				
Public Safety	39,781	80,547	80,546	1
NET CHANGE IN FUND BALANCE	\$ -	\$ -	80,042	\$ 80,042
Fund Balance - Beginning of Year			221,594	
FUND BALANCE - END OF YEAR			\$ 301,636	

FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

PENSION TRUST FUNDS

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

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

OTHER POSTEMPLOYMENT BENEFITS FUND

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

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

CUSTODIAL FUND

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

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

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2023

	Pension	Other Postemployment Benefit Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 23,327	\$ 259,868	\$ 283,195
Investments, at Fair Value:			
Guaranteed Interest Contract	1,250,533	-	1,250,533
Mutual Funds	<u>39,146,603</u>	<u>19,106,726</u>	<u>58,253,329</u>
Total Investments	40,397,136	19,106,726	59,503,862
Prepaid	-	2,059	2,059
Total Assets	<u>40,420,463</u>	<u>19,368,653</u>	<u>59,789,116</u>
LIABILITIES			
Due to Other Funds	-	2,358,948	2,358,948
Total Liabilities	<u>-</u>	<u>2,358,948</u>	<u>2,358,948</u>
NET POSITION			
Restricted for Pension Benefits and OPEB Benefits	<u>\$ 40,420,463</u>	<u>\$ 17,009,705</u>	<u>\$ 57,430,168</u>

TOWN OF AVON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
YEAR ENDED JUNE 30, 2023

	Pension	Other Postemployment Benefit Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 4,698,250	\$ 2,839,274	\$ 7,537,524
Plan Members	168,453	-	168,453
Total Contributions	<u>4,866,703</u>	<u>2,839,274</u>	<u>7,705,977</u>
Investment Income:			
Net Increase in Fair Value of Investments	2,129,904	1,454,746	3,584,650
Interest and Dividends	1,648,700	238,331	1,887,031
Total Investment Income	<u>3,778,604</u>	<u>1,693,077</u>	<u>5,471,681</u>
Total Additions	8,645,307	4,532,351	13,177,658
DEDUCTIONS			
Benefits	4,264,871	1,951,307	6,216,178
Administration	41,198	17,000	58,198
Total Deductions	<u>4,306,069</u>	<u>1,968,307</u>	<u>6,274,376</u>
CHANGES IN NET POSITION	4,339,238	2,564,044	6,903,282
Net Position - Beginning of Year	<u>36,081,225</u>	<u>14,445,661</u>	<u>50,526,886</u>
NET POSITION - END OF YEAR	<u>\$ 40,420,463</u>	<u>\$ 17,009,705</u>	<u>\$ 57,430,168</u>

OTHER INFORMATION

CIFA FUND

The CIFA Fund accounts for the financial resources to be used for major capital asset construction and/or purchase.

**TOWN OF AVON, CONNECTICUT
PROJECT LENGTH SCHEDULE OF EXPENDITURES – PROJECT BUDGET AND ACTUAL
CIFA FUND
YEAR ENDED JUNE 30, 2023**

	Project Appropriations - Beginning of Year	Additions (Reductions)	Project Appropriations - End of Year	Expenditures Incurred to Beginning of Year	Current Year Expenditures	Expenditures Incurred to End of Year	Current Year Encumbrances	Unexpended Appropriations - End of Year
General Government:								
Town Clerk Vault Expansion	\$ 25,000	\$ 555,000	\$ 580,000	\$ 1,710	\$ 453,366	\$ 455,076	\$ -	\$ 124,924
DPW Shop Floor & Wall Coating	50,000	-	50,000	30,408	-	30,408	-	19,592
Synthetic Field Project	440,048	-	440,048	420,014	9,374	429,388	1,200	9,460
Sidewalk Improvement	50,000	-	50,000	-	-	-	25,000	25,000
Tennis Court Repair- Sycamore	263,145	-	263,145	36,244	1,950	38,194	1,901	223,050
Sycamore Hills Pool Improvements	310,400	-	310,400	300,348	9,884	310,232	-	168
Sewer Pump Station Replacement	220,000	100,000	320,000	178,016	102,304	280,320	8,300	31,380
Lateral Extension Program	3,458,999	(100,000)	3,358,999	1,352,085	1,412	1,353,497	157,174	1,848,328
Infiltration & Inflow Study	1,000,000	60,000	1,060,000	368,995	161,027	530,022	499,973	30,005
TOWN WIDE PHONE SYSTEM	135,000	-	135,000	88,571	3,371	91,942	-	43,058
Fisher Meadows Field Expansion	473,838	-	473,838	440,030	-	440,030	-	33,808
HVAC Repairs- Town Bldg.	1,813,485	-	1,813,485	1,551,453	195,206	1,746,659	28,926	37,900
W. Avon Sidewalk Replace	424,000	-	424,000	-	-	-	-	424,000
W AVON RD SIDEWALK REPL (STEAP)	128,205	-	128,205	-	-	-	128,205	-
RIVERDALE PUMP STATION	155,000	-	155,000	145,731	8,818	154,549	-	451
BRIAR HILL PIPE LINING	-	312,000	312,000	-	-	-	-	312,000
Countryside Park Improvements	35,000	540,000	575,000	25,302	262,727	288,029	10,140	276,831
ENFORD ST & MTN VIEW MAIN RPL	-	195,000	195,000	-	112,958	112,958	17,043	65,000
REFURBISH METAL ROOFS: 1, 2, 8	-	120,000	120,000	-	112,854	112,854	7,146	0
POLE BUILDING FOR STORAGE	-	110,000	110,000	-	-	-	-	110,000
TILLOTSON ROAD BOX CULVERT	-	85,000	85,000	-	29,241	29,241	51,792	3,968
TRAIL IMPROVEMENTS	-	12,222	12,222	-	4,582	4,582	-	7,640
Buckingham Infield Improv	40,000	-	40,000	-	40,000	40,000	-	-
Senior Center Improvements	50,000	-	50,000	2,520	-	2,520	-	47,480
ZONING REGULATION REVISION	-	50,000	50,000	-	23,660	23,660	26,340	-
BUILDING #1 DESIGN	-	25,000	25,000	-	12,835	12,835	-	12,165
School House #3 Improvement	30,000	-	30,000	10,543	-	10,543	19,457	-
Sycamore Hills Playscape Replace	60,000	-	60,000	-	60,000	60,000	-	-
DPW BUILDING UPGRADES	25,000	25,000	50,000	4,237	-	4,237	-	45,763
FARMINGTON VALLEY TRAIL FENCE RPL	38,000	(12,222)	25,778	25,778	-	25,778	-	-
Drainage Improvements-Cider Brook Rd	65,000	-	65,000	-	-	-	-	65,000
Drainage Improvements-Deepwood Rd	100,000	-	100,000	94,500	-	94,500	-	5,500
Drainage Improvements	70,121	-	70,121	63,823	-	63,823	-	6,298

**TOWN OF AVON, CONNECTICUT
PROJECT LENGTH SCHEDULE OF EXPENDITURES – PROJECT BUDGET AND ACTUAL (CONTINUED)
CIFA FUND
YEAR ENDED JUNE 30, 2023**

	Project Appropriations - Beginning of Year	Additions (Reductions)	Project Appropriations - End of Year	Expenditures Incurred to Beginning of Year	Current Year Expenditures	Expenditures Incurred to End of Year	Current Year Encumbrances	Unexpended Appropriations - End of Year
General Government (Continued):								
ROAD SURFACE IMPROVEMENTS	\$ 8,903,313	\$ 752,250	\$ 9,655,563	\$ 8,899,704	\$ 194,169	\$ 9,093,873	\$ -	\$ 561,690
Fisher Meadows Irrig. Impr.	320,000	-	320,000	157,670	-	157,670	-	162,330
Dial-A-Ride Van	74,584	-	74,584	-	-	-	-	74,584
FIRE ENGINE PURCHASE	-	1,259,000	1,259,000	-	52	52	1,210,130	48,818
LADDER TRUCK PURCHASE	-	2,172,000	2,172,000	-	92	92	2,123,217	48,691
Highway Division Equip Replace	1,466,139	361,000	1,827,139	1,448,022	360,166	1,808,188	-	18,951
Police Vehicles	286,879	135,000	421,879	264,916	109,606	374,522	3,870	43,487
RPL 2001 CHEVY SUBURBAN (ENG)	-	48,706	48,706	-	48,706	48,706	-	-
Police Dept Radio System Equip	4,450,000	-	4,450,000	486,289	-	486,289	3,349,200	614,511
Vehicles	625,590	-	625,590	584,041	-	584,041	34,662	6,887
APD Body & Dash Cameras	226,500	27,483	253,983	91,610	52,160	143,770	45,853	64,360
Highway Division Equip Replace	74,196	-	74,196	-	74,196	74,196	-	-
FIRE CO BLDG IMPR-INCL CONSULTANTS	275,000	112,639	387,639	254,073	20,431	274,504	-	113,135
Total General Government	26,162,442	6,945,078	33,107,520	17,326,633	2,465,147	19,791,780	7,749,528	5,566,212
Board of Education:								
AHS Boiler Replace	72,615	-	72,615	6,683	-	6,683	65,932	-
BOE SECURITY UPGRADES	-	60,000	60,000	-	18,241	18,241	25,073	16,686
AHS Water Htr./Boiler Repl.	211,000	-	211,000	7,200	-	7,200	24,289	179,511
PGS NOTIFICATION ALARM SYS	-	220,000	220,000	-	208	208	219,792	-
RBS EMERGENCY GENERATOR	-	160,000	160,000	-	30,000	30,000	92,761	37,239
DW INTERIOR LOCK REPL PHASE 1	-	65,000	65,000	-	63,921	63,921	-	1,079
AHS PARTIAL ROOF RPL DESIGN	-	20,000	20,000	-	3,000	3,000	16,440	560
TBS Basketball Repairs	30,000	-	30,000	14,730	14,730	29,460	-	540
Total Board of Education	313,615	525,000	838,615	28,613	130,100	158,713	444,287	235,615
Total	\$ 26,476,057	\$ 7,470,078	\$ 33,946,135	\$ 17,355,246	\$ 2,595,247	\$ 19,950,493	\$ 8,193,815	\$ 5,801,827

**TOWN OF AVON, CONNECTICUT
PROJECT LENGTH SCHEDULE OF EXPENDITURES – PROJECT BUDGET AND ACTUAL
CAPITAL AND NONRECURRING EXPENDITURES FUND
YEAR ENDED JUNE 30, 2023**

	Project Appropriations - Beginning of Year	Additions (Reductions)	Project Appropriations - End of Year	Expenditures Incurred to Beginning of Year	Current Year Expenditures	Expenditures Incurred to End of Year	Current Year Encumbrances	Unexpended Appropriations - End of Year
General Government:								
Land Purchases	\$ -	\$ 375,000	\$ 375,000	\$ -	\$ 8,000	\$ 8,000	\$ -	\$ 367,000
2018 Revaluation	225,000	-	225,000	132,920	25,338	158,258	-	66,742
2023 REVAL YEAR 1 OF 3	-	75,000	75,000	-	911	911	74,089	-
Cider Brook Bridge Replacement	879,618	-	879,618	794,512	-	794,512	82,701	2,405
Document Imaging	38,456	-	38,456	-	38,456	38,456	-	-
SOFTWARE IMPLEMENTATION	-	33,600	33,600	-	32,249	32,249	-	1,351
OFR N/S - LOTCIP	-	5,110,076	5,110,076	-	-	-	-	5,110,076
OFR N/S - CCGP	-	349,382	349,382	-	-	-	-	349,382
OLD FARMS RD/THOMSPON RD	544,826	400,000	944,826	379,856	159,299	539,155	296,957	108,714
O.F.R. CEPA Expenditure	69,570	-	69,570	-	-	-	-	69,570
Total Capital and Nonrecurring	\$ 1,757,470	\$ 6,343,058	\$ 8,100,528	\$ 1,307,288	\$ 264,253	\$ 1,571,541	\$ 453,747	\$ 6,075,241

**TOWN OF AVON, CONNECTICUT
LONG-TERM DEBT OBLIGATIONS
SCHEDULE OF BOND MATURITIES
YEAR ENDED JUNE 30, 2023**

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
General Purpose:						
Bonds:						
Avon Public Library	\$ 7,100,000	October 30, 2012	2024	\$ 525,000	\$ 52,000	\$ 577,000
Interest Payable December 15 and June 15 of Each Year at 2.0%			2025	525,000	41,500	566,500
			2026	525,000	31,000	556,000
Principal Payable - June			2027	525,000	20,500	545,500
			2028	500,000	10,000	510,000
Total				2,600,000	155,000	2,755,000
General Purpose Refunding	964,000	March 15, 2016	2024	135,000	16,520	151,520
Interest Payable October 15 and April 15 of Each Year at 2.0% to 4.0%			2025	135,000	12,470	147,470
Principal Payable - October			2026	138,000	8,360	146,360
			2027	140,000	2,800	142,800
Total				548,000	40,150	588,150
Town & Public Safety Communications System Replacement Project	280,000	June 16, 2020	2024	18,809	7,840	26,649
Interest Payable December 15 and June 15 of Each Year at 2.0% to 4.0%			2025	18,809	7,088	25,897
			2026	18,809	6,335	25,144
Principal Payable - June			2027	18,809	5,583	24,392
			2028	18,809	4,831	23,640
			2029	18,809	4,078	22,887
			2030	18,809	3,326	22,135
			2031	18,382	2,573	20,955
			2032	18,382	1,838	20,220
			2033	18,382	1,287	19,669
			2034	18,382	735	19,117
			2035	18,382	368	18,750
Total				223,573	45,882	269,455
Total General Purpose				3,371,573	241,032	3,612,605
Private Placement:						
Bonds:						
Land Purchase 2018*	1,600,000	July 1, 2018	2024	200,000	10,500	210,500
Interest Payable July 15 of Each Year at 1.75%			2025	200,000	7,000	207,000
			2026	200,000	3,500	203,500
Total Private Placement				600,000	21,000	621,000
Total Town				3,971,573	262,032	4,233,605
Schools:						
Bonds:						
Refunding	9,423,000	March 15, 2016	2024	1,318,000	161,320	1,479,320
Avon High School Renovations			2025	1,318,000	121,780	1,439,780
Interest Payable October 15 and April 15 of Each Year at 2.0% to 4.0%			2026	1,352,000	81,560	1,433,560
Principal Payable - October			2027	1,363,000	27,260	1,390,260
Total				5,351,000	391,920	5,742,920
Refunding	1,013,000	March 15, 2016	2024	142,000	17,360	159,360
Avon Middle School Roof			2025	142,000	13,100	155,100
Interest Payable October 15 and April 15 of Each Year at 2.0% to 4.0%			2026	145,000	8,780	153,780
Principal Payable - October			2027	147,000	2,940	149,940
Total				576,000	42,180	618,180

**TOWN OF AVON, CONNECTICUT
LONG-TERM DEBT OBLIGATIONS
SCHEDULE OF BOND MATURITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Description	Original Issue		Year Ending June 30,	Principal	Interest	Total
	Amount	Date				
Schools (Continued):						
Bonds (Continued):						
Avon High School Turf Field & Track Improvement Project	\$ 2,995,000	June 16, 2020	2024	\$ 201,191	\$ 83,860	\$ 285,051
			2025	201,191	75,812	277,003
Interest Payable December 15 and June 15 of Each Year at 2.0% to 4.0%			2026	201,191	67,765	268,956
			2027	201,191	59,717	260,908
Principal Payable - June			2028	201,191	51,669	252,860
			2029	201,191	43,622	244,813
			2030	201,191	35,574	236,765
			2031	196,618	27,527	224,145
			2032	196,618	19,662	216,280
			2033	196,618	13,763	210,381
			2034	196,618	7,865	204,483
			2035	196,618	3,932	200,550
Total				<u>2,391,427</u>	<u>490,768</u>	<u>2,882,195</u>
Total Schools				<u>8,318,427</u>	<u>924,868</u>	<u>9,243,295</u>
Grand Total - All Bonded Debt				<u>\$ 12,290,000</u>	<u>\$ 1,186,900</u>	<u>\$ 13,476,900</u>

STATISTICAL SECTION

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.

**TOWN OF AVON, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 130,427,683	\$ 128,812,896	\$ 126,527,955	\$ 123,550,748	\$ 125,283,735	\$ 122,926,656	\$ 121,244,059	\$ 119,384,191	\$ 118,793,898	\$ 117,881,652
Restricted:										
Nonexpendable - Purposes of Trust	103,230	90,816	71,459	-	-	-	-	-	-	-
Expendable - Purposes of Trust	-	-	29,530	-	-	-	-	-	-	-
Grants	1,465,027	1,020,997	174,545	-	-	-	-	-	-	-
Net Pension Asset	196,509	176,520	174,622	-	-	-	-	-	-	-
Other Purposes	-	-	795,176	64,259	71,340	66,141	61,304	(55,309)	-	-
Unrestricted	<u>(6,942,865)</u>	<u>(24,679,294)</u>	<u>(21,871,642)</u>	<u>(25,796,913)</u>	<u>(34,573,019)</u>	<u>(35,429,391)</u>	<u>(35,884,141)</u>	<u>(8,996,683)</u>	<u>(8,973,932)</u>	<u>(7,580,353)</u>
Total Governmental Activities Net Position	<u>\$ 125,249,584</u>	<u>\$ 105,421,935</u>	<u>\$ 105,901,645</u>	<u>\$ 97,818,094</u>	<u>\$ 90,782,056</u>	<u>\$ 87,563,406</u>	<u>\$ 85,421,222</u>	<u>\$ 110,332,199</u>	<u>\$ 109,819,966</u>	<u>\$ 110,301,299</u>

*Fiscal year 2017 balance is restated for GASB 75.

**TOWN OF AVON, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental Activities:										
General Government	\$ 4,138,274	\$ 4,297,315	\$ 3,862,914	\$ 4,438,962	\$ 4,081,541	\$ 5,259,593	\$ 5,092,723	\$ 5,054,762	\$ 4,646,274	\$ 3,856,414
Public Safety	10,644,920	11,601,624	10,420,926	12,029,141	11,561,883	10,615,016	10,380,345	10,225,228	9,791,364	9,447,490
Public Works	10,732,371	18,347,246	10,199,133	9,841,578	9,520,951	9,562,683	8,707,196	9,173,641	8,495,593	7,378,074
Health and Social Services	715,982	625,171	621,989	577,294	487,032	604,707	618,921	610,314	566,900	761,000
Recreation and Parks	1,548,815	1,423,973	1,270,380	1,276,822	1,291,138	1,309,141	1,229,717	1,197,746	1,189,960	1,254,944
Educational Cultural	1,851,963	1,891,374	1,747,856	1,960,605	1,827,791	1,487,041	1,449,442	1,384,043	1,343,538	1,396,274
Conservation and Development	543,738	627,156	490,204	724,082	661,503	539,068	531,433	535,617	492,487	592,945
Board of Education	83,561,081	74,047,519	83,516,915	76,017,437	71,816,351	67,239,900	70,345,291	64,741,526	63,530,460	60,926,974
Interest Expense	165,981	137,385	83,344	88,928	257,298	519,206	584,557	500,118	816,154	921,075
Total Governmental Activities Expenses	113,903,125	112,998,763	112,213,661	106,954,849	101,505,488	97,136,355	98,939,625	93,422,995	90,872,730	86,535,190
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services	9,117,736	7,581,281	9,093,388	10,343,698	7,229,361	5,637,127	5,645,635	5,651,311	5,903,556	5,926,742
Operating Grants and Contributions	22,059,373	13,360,905	24,506,537	17,539,610	12,970,047	11,503,400	15,639,406	11,336,604	10,676,357	11,335,763
Capital Grants and Contributions	138,147	630,409	532,830	18,846	152,310	550,371	1,054,261	901,473	321,473	262,989
Total Governmental Activities Program Revenues	31,315,256	21,572,595	34,132,755	27,902,154	20,351,718	17,690,898	22,339,302	17,889,388	16,901,386	17,525,494
NET EXPENSE GOVERNMENTAL ACTIVITIES	(82,587,869)	(91,426,168)	(78,080,906)	(79,052,695)	(81,153,770)	(79,445,457)	(76,600,323)	(75,533,607)	(73,971,344)	(69,009,696)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	92,639,286	89,773,279	85,087,477	84,757,302	82,628,403	80,382,156	77,168,752	74,759,366	72,768,968	71,382,861
Grants and Contributions Not Restricted to Specific Programs	280,825	337,053	266,473	267,287	275,936	287,610	367,241	382,132	488,888	587,848
Unrestricted Investment Earnings	2,014,112	148,310	113,598	665,824	921,647	586,602	290,352	204,928	87,150	135,539
Miscellaneous	535,172	687,816	464,169	398,320	546,434	331,273	454,531	699,414	527,893	600,473
Total Governmental Activities	95,469,395	90,946,458	85,931,717	86,088,733	84,372,420	81,587,641	78,280,876	76,045,840	73,872,899	72,706,721
CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 12,881,526	\$ (479,710)	\$ 7,850,811	\$ 7,036,038	\$ 3,218,650	\$ 2,142,184	\$ 1,680,553	\$ 512,233	\$ (98,445)	\$ 3,697,025

**TOWN OF AVON, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ 39,293	\$ 46,176	\$ 58,468	\$ 59,972	\$ 43,294	\$ 96,320	\$ 13,077	\$ 11,398	\$ 27,237	\$ 5,157
Assigned	6,824,821	5,208,618	3,303,281	4,112,896	1,902,980	2,234,305	2,116,988	2,326,985	3,050,722	4,164,774
Unassigned	14,673,859	13,560,617	12,718,912	12,722,454	11,175,459	9,594,498	8,954,322	8,443,716	120,371,067	8,687,086
Total General Fund	<u>\$ 21,602,445</u>	<u>\$ 18,815,411</u>	<u>\$ 16,080,661</u>	<u>\$ 16,895,322</u>	<u>\$ 13,121,733</u>	<u>\$ 11,925,123</u>	<u>\$ 11,084,387</u>	<u>\$ 10,782,099</u>	<u>\$ 123,449,026</u>	<u>\$ 12,857,017</u>
All Other Governmental Funds:										
Nonspendable	\$ 278,026	\$ 107,183	\$ 80,911	\$ 69,850	\$ 76,931	\$ 70,832	\$ 64,034	\$ 61,671	\$ 8,824	\$ 4,221
Restricted	1,398,524	1,197,517	993,901	1,378,930	1,111,995	880,410	691,402	760,214	344,654	275,270
Committed	16,108,870	13,632,508	14,934,277	14,066,534	9,366,115	9,467,597	10,264,955	9,257,902	9,220,651	7,592,171
Unassigned	(181,817)	(185,190)	(122,188)	(121,816)	(269,759)	(2,042)	-	-	-	-
Total All Other Governmental Funds	<u>\$ 17,603,603</u>	<u>\$ 14,752,018</u>	<u>\$ 15,886,901</u>	<u>\$ 15,393,498</u>	<u>\$ 10,285,282</u>	<u>\$ 10,416,797</u>	<u>\$ 11,020,391</u>	<u>\$ 10,079,787</u>	<u>\$ 9,574,129</u>	<u>\$ 7,871,662</u>

**TOWN OF AVON, CONNECTICUT
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property Taxes	\$ 92,575,481	\$ 89,720,542	\$ 85,021,376	\$ 84,561,255	\$ 82,563,358	\$ 80,359,926	\$ 77,085,268	\$ 74,777,579	\$ 72,702,548	\$ 71,328,459
Intergovernmental (State and Federal Grants)	19,445,490	16,320,177	13,785,295	13,409,943	8,523,573	16,922,028	17,006,783	12,464,156	11,409,523	12,159,977
Charges for Services	9,144,773	8,355,700	8,299,007	9,595,956	7,256,193	5,678,186	5,686,935	5,689,126	5,949,951	5,926,742
Contributions										
Investment Income	2,014,112	148,310	113,598	665,824	921,647	586,602	290,352	204,928	87,150	135,539
Other Local Revenues	701,410	1,177,830	1,102,324	691,731	618,732	475,291	519,041	862,793	614,239	653,548
Total Revenues	123,881,266	115,722,559	108,321,600	108,924,709	99,883,503	104,022,033	100,588,379	93,998,582	90,763,411	90,204,265
EXPENDITURES										
Town Council:										
General Government	3,386,774	3,909,139	4,073,531	3,685,447	3,683,960	3,697,800	3,535,117	3,123,409	3,112,248	3,254,877
Public Safety	10,106,859	12,207,571	11,594,071	11,290,319	11,180,560	10,874,651	10,403,599	10,058,947	9,599,202	8,960,231
Public Works	8,678,866	10,058,261	9,344,836	8,305,380	8,464,351	8,344,648	7,621,372	7,682,977	7,265,068	6,695,152
Health and Social Services	709,079	645,450	597,887	563,164	515,599	513,906	520,032	506,087	502,740	486,497
Recreation and Parks	1,232,955	1,222,739	1,050,026	1,152,089	1,160,315	1,251,232	1,159,410	1,127,639	1,115,972	1,160,087
Educational - Cultural	1,717,321	1,892,505	1,751,983	1,744,194	1,705,979	1,657,693	1,607,338	1,541,279	1,479,743	1,402,014
Conservation and Development	543,272	730,137	684,397	672,032	666,166	665,679	655,995	650,786	613,764	602,191
Miscellaneous	6,240,815	369,835	422,912	304,891	291,084	282,880	280,949	275,247	333,033	298,811
Total Town Council	32,615,941	31,035,637	29,519,643	27,717,516	27,668,014	27,288,489	25,783,812	24,966,371	24,021,770	22,859,860
Board of Education	78,183,886	74,751,617	71,244,336	69,452,527	64,331,909	69,839,858	67,664,985	61,659,117	60,392,678	58,831,942
Debt Service:										
Principal	2,535,000	2,540,000	2,645,000	2,535,000	2,220,000	2,220,000	2,365,000	2,910,000	2,775,000	2,895,000
Interest	427,950	498,525	515,038	501,692	535,750	598,850	664,750	789,813	872,488	963,788
Total Debt Service	2,962,950	3,038,525	3,160,038	3,036,692	2,755,750	2,818,850	3,029,750	3,699,813	3,647,488	3,858,788
Capital Improvements	4,479,870	5,296,913	5,214,701	3,897,907	5,931,070	3,989,441	3,115,689	3,451,950	2,809,696	2,053,230
Total Expenditures	118,242,647	114,122,692	109,138,718	104,104,642	100,686,743	103,936,638	99,594,236	93,777,251	90,871,632	87,603,820
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	5,638,619	1,599,867	(817,118)	4,820,067	(803,240)	85,395	994,143	221,331	(108,221)	2,600,445

**TABLE 4
(CONTINUED)**

**TOWN OF AVON, CONNECTICUT
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
OTHER FINANCING SOURCES (USES)										
Issuance of Capital Lease	\$ -	\$ -	\$ 263,120	\$ 278,823	\$ 268,335	\$ 151,747	\$ 248,749	\$ 299,906	\$ 155,863	\$ 354,201
Issuance of Bond/BAN	-	-	-	3,275,000	1,600,000	-	-	-	-	-
Bond/BAN Issue Premium	-	-	-	507,915	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	11,400,000	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-	1,367,508	-	-
Payment to Escrow Agent	-	-	-	-	-	-	-	(12,603,307)	-	-
Transfers In	5,638,533	5,107,993	5,195,979	2,935,205	4,335,646	4,768,645	4,769,823	4,330,203	3,859,133	3,360,194
Transfers Out	(5,638,533)	(5,107,993)	(5,195,979)	(2,935,205)	(4,335,646)	(4,768,645)	(4,769,823)	(4,755,203)	(4,066,008)	(3,360,194)
Total Other Financing Sources (Uses)	-	-	263,120	4,061,738	1,868,335	151,747	248,749	39,107	(51,012)	354,201
NET CHANGE IN FUND BALANCE	5,638,619	1,599,867	(553,998)	8,881,805	1,065,095	237,142	1,242,892	260,438	(159,233)	2,954,646
Fund Balance - Beginning of Year*	33,567,429	31,967,562	32,521,560	23,407,015	22,341,920	22,104,778	20,861,886	20,601,448	20,729,819	17,774,033
FUND BALANCE - END OF YEAR	<u>\$ 39,206,048</u>	<u>\$ 33,567,429</u>	<u>\$ 31,967,562</u>	<u>\$ 32,288,820</u>	<u>\$ 23,407,015</u>	<u>\$ 22,341,920</u>	<u>\$ 22,104,778</u>	<u>\$ 20,861,886</u>	<u>\$ 20,570,586</u>	<u>\$ 20,728,679</u>
Debt Service as a Percentage of Noncapital Expenditures	2.59 %	2.76 %	3.02 %	3.03 %	2.91 %	2.81 %	3.13 %	4.08 %	4.12 %	4.50 %
Total Debt Service	\$ 2,962,950	\$ 3,038,525	\$ 3,160,038	\$ 3,036,692	\$ 2,755,750	\$ 2,818,850	\$ 3,029,750	\$ 3,699,813	\$ 3,647,488	\$ 3,858,788
Noncapital Expenditures	\$ 114,399,428	\$ 109,977,874	\$ 104,486,780	\$ 100,206,400	\$ 94,760,502	\$ 100,363,020	\$ 96,745,852	\$ 90,652,884	\$ 88,570,430	\$ 85,830,005

*Fiscal year 2021 fund balance is restated at beginning of year due to the implementation of GASB Statement No. 84. Fiscal year 2016 fund balance is restated at beginning of year due to moving revenues and expenditures to two new Special Revenue Funds (Avon Day Fund and Property Damage Fund). Fiscal year 2015 fund balance is restated at beginning of year due to moving donations revenues and expenditures to new Special Revenue Fund (Donations Fund).

*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.

**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					
2023	\$ 1,971,022,764	\$ 347,668,369	\$ 240,001,730	\$ 109,079,684	\$ 241,595,383	\$ 2,667,772,547	\$ 34.61	\$ 4,336,073,381	61.5 %
2022	1,964,749,712	341,255,050	192,203,680	102,424,590	241,460,133	2,600,633,032	34	3,918,980,502	66.4
2021	1,959,846,474	333,915,378	180,714,960	98,491,980	241,454,033	2,572,968,792	33	3,728,940,280	69.0
2020	1,956,003,078	332,558,398	180,813,340	89,968,320	241,529,423	2,559,343,136	33	3,656,204,480	70.0
2019	2,021,499,800	329,276,340	175,759,330	89,050,090	241,516,850	2,615,585,560	31	3,763,432,460	69.5
2018	2,013,787,610	330,070,100	178,545,800	89,406,430	241,507,800	2,611,809,940	31	3,785,231,800	69.0
2017	2,000,794,600	329,328,350	176,244,430	86,335,450	240,552,120	2,592,702,830	30	3,812,798,280	68.0
2016	1,992,524,590	327,845,890	178,142,700	83,561,770	240,632,240	2,582,074,950	29	3,786,173,057	68.2
2015	1,975,267,600	325,431,330	175,775,500	82,606,100	240,650,750	2,559,080,530	28	3,655,829,328	70.0
2014	2,116,947,550	323,533,960	169,534,790	78,810,320	281,023,970	2,688,826,620	26	3,697,904,084	72.7

Source: Town Assessor's Office

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

TOWN OF AVON, CONNECTICUT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

Fiscal Year	Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct	State	County
2023	33.57	1.04	34.61	N/A	N/A
2022	33.14	1.07	34.21	N/A	N/A
2021	31.84	1.06	32.90	N/A	N/A
2020	31.52	1.38	32.90	N/A	N/A
2019	30.36	0.99	31.35	N/A	N/A
2018	29.58	1.01	30.59	N/A	N/A
2017	28.53	0.99	29.52	N/A	N/A
2016	27.62	1.18	28.80	N/A	N/A
2015	27.01	1.31	28.32	N/A	N/A
2014	25.00	1.32	26.32	N/A	N/A

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List
CL&P, a/k/a Eversource	\$ 23,860,090	1	.89 %	\$ 14,008,310	1	.55 %
Farmington Valley Gateway LLC****	17,653,150	2	0.66	-		0.00
Connecticut Water Company *	16,432,260	3	0.62	9,805,800	9	0.38
Avon 46 LLC***	15,984,540	4	0.60	13,901,020	2	0.54
BFS Property Group LLC (64 Avonwood)**	14,432,180	5	0.54	13,647,330	3	0.53
Two Fifty-Five West Main LLC	14,052,020	6	0.53	12,652,020	4	0.49
Avon Marketplace Investors	13,816,530	7	0.52	10,813,240	5	0.42
Nod Brook LLC	13,309,030	8	0.50	10,277,220	7	0.40
Connecticut On-Line Computer	10,748,350	9	0.40	8,745,680	10	0.34
KRE-BSL Husky Avon LLC (River Ridge)	9,397,610	10	0.35	-		0.00
Ensign Bickford Realty Corp.	-		0.00	10,623,140	6	0.42
Riverdale Farms LLC	-		0.00	9,973,030	8	0.39
Total	\$ 149,685,760		5.61 %	\$ 114,446,790		4.46 %

* Formerly Avon Water Company

**Formerly Sixty Four Avonwood Road Associates & Avon Mill LLC

***Formerly GAIA Avon Place LLC

****Formerly Avon Town Center

Source: Town Assessor's Office

**TOWN OF AVON, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Percentage of Levy Uncollected	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2023	\$ 92,212	\$ 91,589	99.32 %	.68 %	\$ -	\$ 91,589	99.32 %
2022	89,514	89,062	99.50	0.50	189	89,062	99.50
2021	85,007	84,585	99.50	0.50	246	84,831	99.79
2020	84,558	84,122	99.48	0.52	238	84,360	99.77
2019	82,409	82,088	99.61	0.39	245	82,333	99.91
2018	80,215	79,920	99.63	0.37	249	80,169	99.94
2017	76,942	76,689	99.67	0.33	205	76,894	99.94
2016	74,538	74,333	99.73	0.27	159	74,492	99.94
2015	72,652	72,412	99.67	0.33	199	72,611	99.94
2014	71,181	71,014	99.76	0.24	150	71,164	99.98

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**

Fiscal Year	General Bonded Debt General Obligation Bonds	Accumulated Resources Restricted for Debt Repayment	Net Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Taxable Value*	Bonded Debt per Capita†	Lease Liability	Other Debt Total Debt	Total Debt Per Capita†	Percentage of Personal Income†
2023	\$ 12,861,597	\$ 196,509	\$ 12,665,088	0.29 %	\$ 682	\$ 67,291	\$ 12,928,888	\$ 685	.86 %
2022	15,584,143	176,520	15,407,623	0.00	827	202,686	15,786,829	838	1.12
2021	18,348,769	86,322	18,262,447	0.49	969	400,150	18,748,919	990	1.39
2020	21,465,965	220,492	21,245,473	0.58	1,175	376,703	21,842,668	1,195	1.65
2019	20,389,740	64,391	20,325,349	0.54	1,099	398,497	20,788,237	1,120	1.69
2018	21,149,685	49,680	21,100,005	0.56	1,152	358,138	21,507,823	1,172	1.74
2017	23,509,630	67,070	23,442,560	0.61	1,282	402,088	23,911,718	1,304	1.95
2016	26,014,575	90,761	25,923,814	0.68	1,307	313,279	26,327,854	1,323	2.14
2015	28,098,630	31,247	28,067,383	0.77	1,434	232,484	28,331,114	1,445	2.34
2014	30,919,827	25,338	30,894,489	0.84	1,602	230,043	31,149,870	1,614	2.61

*See Table 5 for taxable property value data.

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 659,356,208	\$ 626,176,159	\$ 621,258,253	\$ 605,765,265	\$ 590,060,653	\$ 566,255,025	\$ 549,535,427	\$ 532,901,257	\$ 522,097,100	\$ 504,598,451
Total Net Debt Applicable to Limit	<u>19,331,000</u>	<u>18,435,000</u>	<u>20,975,000</u>	<u>23,620,000</u>	<u>19,270,000</u>	<u>19,773,495</u>	<u>21,884,367</u>	<u>24,208,066</u>	<u>27,635,000</u>	<u>32,741,930</u>
Legal Debt Margin	<u>\$ 640,025,208</u>	<u>\$ 607,741,159</u>	<u>\$ 600,283,253</u>	<u>\$ 582,145,265</u>	<u>\$ 570,790,653</u>	<u>\$ 546,481,530</u>	<u>\$ 527,651,060</u>	<u>\$ 508,693,191</u>	<u>\$ 494,462,100</u>	<u>\$ 471,856,521</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.93 %	2.94 %	3.38 %	3.90 %	3.27 %	3.49 %	3.98 %	4.54 %	5.29 %	6.49 %

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 2022 debt limit can be found on Table 13 of this report.

**TOWN OF AVON, CONNECTICUT
DEBT STATEMENT
JUNE 30, 2023**

Long-Term Debt:	
Bonds:	
General Public Improvement	\$ 3,971,573
School	<u>8,318,427</u>
Total Bonds	<u>12,290,000</u>
 Total Net Direct Debt	 <u><u>\$ 12,290,000</u></u>

**TOWN OF AVON, CONNECTICUT
CURRENT DEBT RATIOS
JUNE 30, 2023**

Population (a)			18,871
Net Taxable Grand List (October 1, 2020) (b)			\$ 2,667,772,547
Estimated Full Value (70%)			\$ 3,811,103,639
Equalized Net Taxable Grand List (October 1, 2019) (c)			\$ 4,138,176,485
Income Per Capita (2021) (c)			\$ 79,349
	<u>Total Direct Debt</u>	<u>Total Net Direct Debt</u>	<u>Total Overall Net Debt</u>
	\$ 12,290,000	\$ 12,290,000	\$ 12,290,000
Per Capita	\$ 651	\$ 651	\$ 651
Ratio to Net Taxable Grand List	0.46 %	0.46 %	0.46 %
Ratio to Estimated Full Value	0.32 %	0.32 %	0.32 %
Ratio to Equalized Net Taxable Grand List	0.30 %	0.30 %	0.30 %
Debt per Capita to Income per Capita	0.82 %	0.82 %	0.82 %

(a) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. Census July 1, 2022

(b) Grand List October 1, 2021, Town of Avon Division of Assessing

(c) State of Connecticut, Office of Policy and Management, Fiscal Indicators, Town of Avon, 2021

**TOWN OF AVON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2023**

Total Tax Collections (Including Interest and Lien Fees) Received by Treasurer at prior year, June 30, 2022					\$ 89,699,347
Total Tax Collections (Including Interest and Lien Fees) Received by Treasurers of All Other Taxing Districts within Town for prior fiscal year, June 30, 2022					<u>4,494,397</u>
Base for Debt Limitation Computation					<u>\$ 94,193,744</u>
	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 211,935,924	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	423,871,848	-	-	-
3-3/4 Times Base	-	-	353,226,540	-	-
3-1/4 Times Base	-	-	-	306,129,668	-
3 Times Base	-	-	-	-	282,581,232
Total Debt Limitation	<u>211,935,924</u>	<u>423,871,848</u>	<u>353,226,540</u>	<u>306,129,668</u>	<u>282,581,232</u>
Indebtedness:					
Bonds Payable	3,971,573	8,318,427	-	-	-
Bonds Authorized and Unissued	7,041,000	-	-	-	-
Net Indebtedness*	<u>11,012,573</u>	<u>8,318,427</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding Debt	<u>\$ 200,923,351</u>	<u>\$ 415,553,421</u>	<u>\$ 353,226,540</u>	<u>\$ 306,129,668</u>	<u>\$ 282,581,232</u>
*The Total of the Above Net Indebtedness Amounts to:					<u>\$ 19,331,000</u>
In No Event Shall Total Indebtedness Exceed Seven Times the Base for Debt Limitation Computation:					<u>\$ 659,356,208</u>

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (Thousands of Dollars) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Age (4)</u>	<u>Education Level in Years of Schooling (5)</u>	<u>School Enrollment (5)</u>	<u>Unemployment Rate (6)</u>
2023	18,871	\$ 1,497,395	\$ 79,349	45.2	16	3,250	3.5
2022	18,848	1,406,381	74,617	45.0	16	3,111	3.4
2021	18,932	1,350,741	71,347	45.0	16	3,162	5.3
2020	18,276	1,326,728	72,594	45.8	16	3,146	3.4
2019	18,561	1,229,258	66,228	45.7	16	3,156	2.6
2018	18,352	1,237,475	67,430	45.8	16	3,208	3.4
2017	18,335	1,225,181	66,822	45.1	16	3,289	3.5
2016	19,900	1,228,905	61,754	45.1	16	3,273	3.6
2015	19,600	1,210,378	61,754	45.1	16	3,320	4.1
2014	19,300	1,191,852	61,754	45.1	16	3,379	4.7

Sources:

- (1) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT. Census July 1, 2021
- (2) Formula of Population Times per Capita Personal Income, Divided by One Thousand
- (3) U.S. Department of Commerce, Bureau of the Census, Quick Facts, Avon, CT
- (4) AdvanceCT State Profile
- (5) Town of Avon, Board of Education
- (6) State of Connecticut, Department of Labor

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Avon	726	1	7.80 %	559	1	6.99 %
Avon Old Farms School	176	2	1.89	-		0.00
Avon Health Center, Inc.	161	3	1.73	207	2	2.59
Apple Health Care, Inc	131	4	1.41	147	5	1.84
Legere Group	131	5	1.41	136	7	1.70
Wal-Mart	131	6	1.41	134	9	1.67
O.F.S. Fitel LLC	130	7	1.40	142	6	1.77
Big Y Supermarket	114	8	1.23	166	4	2.07
Orafal Americas (formerly Reflexite Tech Center)	110	9	1.18	134	8	1.67
Connecticut On-Line Computer Center (COCC)	85	10	0.91	72	10	0.90
Women's Health USA	-		0.00	183	3	2.29
Total	1,895		20.37 %	1,880		23.50 %

Source: Town Assessor's Office

**TOWN OF AVON, CONNECTICUT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government:										
Manager	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Town Hall*	1.0	1.0	1.0	-	-	-	-	-	-	-
Human Resources*	2.0	2.0	1.5	-	-	-	-	-	-	-
Finance	1.9	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Accounting*	3.1	3.5	3.6	-	-	-	-	-	-	-
Assessor*	2.7	2.5	2.6	-	-	-	-	-	-	-
Revenue Collection*	2.5	2.5	2.5	-	-	-	-	-	-	-
Town Clerk*	2.5	2.5	2.5	-	-	-	-	-	-	-
Planning and Community										
Development	3.4	3.25	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Marshall*	2.6	2.0	1.7	-	-	-	-	-	-	-
Building	3.7	3.5	3.0	4.0	-	-	-	-	-	-
Engineering*	5.7	5.6	5.6	-	4.0	4.0	4.0	4.0	3.0	4.0
Other	-	-	-	10.0	11.0	11.0	10.0	10.0	10.0	10.0
Public Safety:										
Sworn Officers	35.0	32.0	28.0	35.0	35.0	35.0	35.0	35.0	35.0	36.0
Dispatchers [†]	6.0	6.0	4.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Civilian*	4.3	4.7	5.5	-	-	-	-	-	-	-
Public Works	25.6	25.5	25.5	28.0	28.0	28.0	28.0	28.0	28.0	28.0
Parks and Recreation	3.7	3.5	3.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Senior Center	1.6	1.5	1.6	-	-	-	-	-	-	-
Public Library	18.0	18.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Human Services	2.3	1.6	1.2	0.6	0.6	1.6	1.6	1.6	1.6	1.6
Board of Education:										
Certified	<u>306.3</u>	<u>314.1</u>	<u>293.8</u>	<u>292.6</u>	<u>293.7</u>	<u>288.7</u>	<u>301.7</u>	<u>294.4</u>	<u>295.9</u>	<u>295.1</u>
Total	<u>436.9</u>	<u>439.7</u>	<u>402.7</u>	<u>397.6</u>	<u>399.7</u>	<u>395.7</u>	<u>407.7</u>	<u>400.4</u>	<u>400.9</u>	<u>402.1</u>

Source: Annual Operating Budgets

Notes: Police, Dispatchers and Public Works Bargaining Units are scheduled to work 2,080 hours per year. All other positions are scheduled to work 1,950 hours per year. Full-time equivalent is calculated by dividing total labor hours by the scheduled work hours per year.

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

**TOWN OF AVON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Marriage Licenses	106	102	91	83	103	124	122	122	114	115
Birth Certificates	140	113	187	136	154	146	142	140	99	128
Death Certificates	210	160	131	218	211	228	221	189	191	176
Boards and Agencies:										
Registered Voters	13,652	13,752	12,953	13,267	12,996	12,651	12,526	11,590	11,231	11,272
Elections and Referenda	4	2	1	1	5	2	2	4	3	2
Planning and Development:										
Building Permits Issued	2,522	2,515	2,311	1,836	1,789	1,749	618	700	752	604
Building Inspections Conducted	2,494	2,741	2,812	2,346	2,814	2,563	2,026	2,282	2,387	2,249
Value of Building Permits	51,393,842	42,226,750	38,912,962	41,578,462	31,559,903	33,736,397	23,065,385	32,967,887	35,540,625	42,734,952
Public Safety:										
Arrests	90	48	74	106	187	214	164	219	292	180
Parking Violations	-	-	1	-	-	-	-	1	5	4
Traffic Violations	1,735	266	373	956	727	1,478	426	1,175	1,166	812
Emergency Responses	2,124	2,015	1,723	1,813	1,940	1,831	1,821	1,847	1,673	1,780
Fires Extinguished	54	37	38	43	41	31	45	38	45	45
Inspections/Fire Prevention	492	392	440	237	292	348	388	256	451	439
Calls for Service	17,441	13,247	12,867	13,922	16,593	19,464	16,126	21,053	19,646	15,125
Citations Issued	1,628	239	283	437	564	948	380	659	917	586
Public Works:										
Miles of Roads Maintained	112	111	111	111	111	110	110	110	110	106
Refuse Collected (Tons per Year)	678	673	730	653	650	660	670	700	746	756
Recyclables Collected (Tons per Year)	303	316	337	388	375	448	418	413	421	554
Parks and Recreation:										
Total Park Reservations	2,543	2,942	3,020	3,817	4,017	3,965	3,652	4,032	3,422	1,758
Total Day Camp Registrations	674	700	528	141	457	474	499	495	452	531
Total Swim Memberships	504	520	513	357	426	373	417	358	360	371
Pool Attendance	12,534	16,782	14,473	14,022	14,821	13,189	13,627	13,717	12,949	12,375
Public Library:										
Volumes in Collection	214,464	201,912	199,693	191,571	195,637	195,684	153,962	124,772	122,367	117,374
Items Circulated	278,308	272,143	204,815	212,594	225,318	258,724	285,596	299,743	291,256	295,590
Human Services:										
Senior Mini-Bus Trips	2,472	1,946	1,618	2,323	2,971	2,708	2,205	2,535	2,682	2,494
Households Provided Energy Assistance	145	137	107	129	143	131	129	78	89	80
Households Provided Food Bank Assistance	151	116	116	113	130	121	110	110	127	127
Education:										
Elementary Schools	2	2	2	2	2	2	2	2	2	2
Grade 5/6 Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments

**TOWN OF AVON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety:										
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	22	20	19	20	20	20	23	23	23	23
Fire Vehicles	16	15	15	17	15	18	13	14	14	14
Public Works:										
Miles of Town Roads	112	111	111	111	111	111	111	111	111	111
Linear Feet of Sidewalks (see Note)	64,000	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065
Streetlights	795	795	795	795	795	795	795	795	781	781
Traffic Signals	22	21	21	21	21	21	22	22	22	22
Public Works Vehicles	31	33	33	31	32	32	32	31	31	31
Parks and Recreation:										
Acreage (Parks Only)	1,167	1,167	1,167	1,167	1,155	1,155	1,155	1,155	1,155	1,155
Parks and Greens	14	14	14	14	14	14	14	14	14	14
Athletic Fields (Includes Board of Education)	36	36	36	36	30	30	30	30	30	30
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Public Library:										
Library	1	1	1	1	1	1	1	1	1	1
Human Services:										
Senior Center	1	1	1	1	1	1	1	1	1	1
Education:										
Schools	5	5	5	5	5	5	5	5	5	5
Water:										
Fire Hydrant Rentals	770	770	765	767	771	765	765	764	761	748
Sewer:										
Sanitary Sewers (Miles)	92.1	92.1	92.1	91.4	91.4	92.0	90.1	90.1	89.4	88.0
Storm Sewers (Miles)	85	85	85	85	85	85	85	85	85	85

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.